

2022 ANNUAL REPORT



This document is a free translation of the Annual report, originally issued in French and provided for information purposes only. The original French version takes precedence over this translation.



A PURPOSEFUL
MUTUAL
INSURANCE
GROUP

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A group with extensive expertise

Day in, day out, with its employees in France and abroad, Covéa supports its customers and members. Drawing on its expertise and brands, the Group offers effective, targeted protection solutions to meet their needs.

A group built around four complementary brands



A mutual insurer with its own distribution network offering comprehensive solutions for individuals and small businesses.



A mutual insurer with a third-party-operated distribution network providing cover for individuals, small and large businesses, non-profit organisations and local authorities.



A mutual insurer with its own distribution network and a leading provider for French public sector employees, offering cover for individuals.

PartnerRe



A leading global reinsurer, with a broadly diversified portfolio.

Covéa is a mutual insurance Group and a European market leader in insurance and reinsurance.



Property and casualty



Legal protection



Health and protection



Reinsurance



Asset management



Savings and pensions



Assistance

Specialist structures

At 31 December 2022



Asset management, affinity insurance, assistance and legal protection



Non-life, health and protection insurance

Key CSR figures

AT 31 DECEMBER 2022

Workforce

Headcount



24,000

employees worldwide including **21,000** in France

Proximity



2,415

points of sale in France

Diversity*

65.7%

women

34.3%

men

54.6%

women in managerial positions

Training*

95.4%

employees who received training

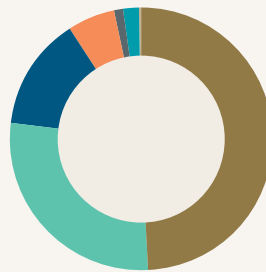
Environment**

Waste



743.4 tons

CARBON FOOTPRINT (SCOPES 1, 2 & 3)



49.6%
Travel

27.8%
Fixed assets

13.7%
Energy

5.8%
Incoming materials

1%
Refrigerants

1.9%
Freight

0.2%
Waste

Water consumption



116,450 m³

Emissions in tCO_{2e}***

Sources of emissions	2022	2021	Change 2022 vs. 2021
Travel	27,940	20,804	34.3%
Fixed assets	15,641	15,655	-0.1%
Energy	7,706	8,616	-10.6%
Incoming materials	3,255	3,307	-1.6%
Refrigerants	608	368	65.5%
Freight	1,048	956	9.6%
Waste	137	159	-13.5%
TOTAL	56,335	49,865	13.0%

* Scope of the Covéa economic and social unit (UES).

** For operating property, scope of the Covéa economic and social unit (UES).

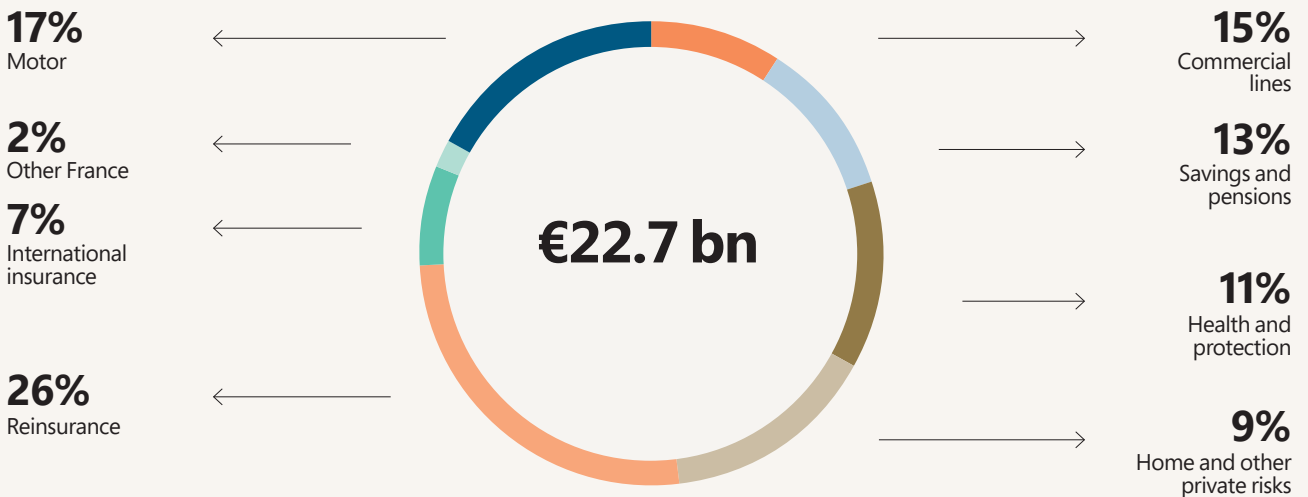
*** Ton of CO₂ equivalent.

Activities

AT 31 DECEMBER 2022

Diverse expertise

Breakdown of gross earned premiums in 2022



Leading positions in France¹

(by market share)

No. 1

Property and casualty	14.9%
Motor ²	18.4%
Home ³	16.7%
Legal protection	16.6%

No. 2

Commercial⁴
11.3%

No. 4

Individual health insurance
4.8%

¹ Sources: Property and casualty, Motor, Legal protection and Commercial - France Assureurs, 2021 data. Home Insurance and Individual health: Argus de l'Assurance and France assureurs survey, 2021 data.

² Including corporate fleets.

³ Comprehensive home insurance.

⁴ Excluding corporate fleets.

Portfolios in France



11.5
million customers
and members



10.8
million vehicles
insured²



8
million homes
insured



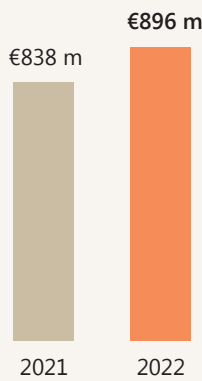
3
million health
insurance beneficiaries

Financial position

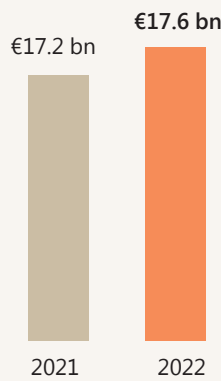
AT 31 DECEMBER 2022

Key figures

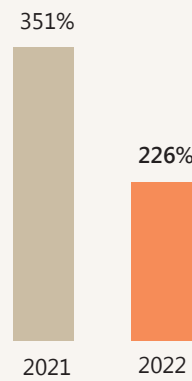
Net income
(Group share)



Group equity



Solvency ratio⁵



RATING

STANDARD^{*}
& POOR'S

AA-
Stable outlook

MOODY'S^{}**

Aa3
Stable outlook



A+ (Superior)
Stable outlook

Investments⁶

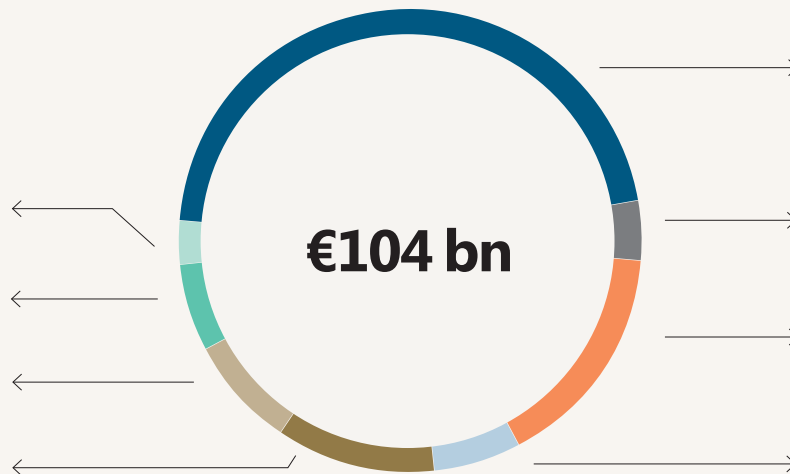
(realisable value)

3%
Deposits and loans

6%
Unit-linked

8%
Property

11%
Equities & equity mutual funds



46%
Government bonds and related

4%
Structured notes and collateralised securities

16%
Corporate bonds

6%
Bond mutual funds

⁵ PartnerRe Group has been included in Covéa Group's Solvency ratio, as an exceptional and transitional measure at December 31 2022, following the deduction and aggregation method (see Covéa's 2022 Solvency and Financial Condition Report, available at covéa.com).

⁶ Investments (including operating property) held by all Group entities, excluding bank accounts and investments recognised under the equity method.

^{*} Rated entities: Covéa Coopérations, MMA IARD SA, MMA Vie, MAAF Vie, GMF Vie, Covéa Insurance, Covéa Life.

^{**} Rated entity: Covéa Coopérations.



01. ABOUT COVÉA

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1.1 HISTORY

Covéa, a group two centuries in the making

The first mutuals: the mutual societies that flourished during the 19th century and the first half of the 20th century left a lasting imprint on the French insurance sector. From that era, Covéa has inherited three powerful brands and three core values – commitment, prudence and long-term thinking – that are firmly embedded in its culture.

Development: During the second half of the 20th century, mutual societies expanded across France. They also embarked on a period of international expansion, establishing and building up subsidiaries and partnerships.

Union: In 2003, and then again in 2005, France's long-standing mutual societies decided to join forces. Initially, on an institutional level, they set up Covéa SGAM, a vehicle establishing cross-support mechanisms and paving the way for the adoption of a common strategy. Subsequently, they founded Covéa Coopérations and pooled their operational capabilities. The final step was to unify the employment status of all their employees in France.

1819-1950

Powerful mutual societies with deep roots in the French insurance sector

- 1819: Formation of Assurances Mutuelles de France.
- 1828: Formation of Mutuelles du Mans Assurances.
- 1934: Formation of La Garantie Mutuelle des Fonctionnaires.
- 1950: Formation of MAAF Assurances.

1958 - 2001

Beginning of international diversification

- 1958: MMA established Norman Insurance in the United Kingdom, which was to become Covéa Insurance.
- 1981: GMF bought a stake in CSE in the United States, before subsequently gaining full ownership.
- 2001: MAAF and MMA became shareholders in the Spanish group Caser.

2003 - 2005

Covéa SGAM formed

- 2003: MAAF Assurances and MMA decided to establish a mutual insurance group company (or SGAM to use the French acronym), a new type of corporate vehicle under French law.
- 2005: Azur-GMF joined Covéa SGAM, making it a leading property and casualty insurer in France, with four mutual insurer "families" under its umbrella.

2011

Further development in France and abroad

- The provident institution (*institution de prévoyance*) APGIS joined Covéa SGAM, bringing on board its research, development, distribution and management capabilities in group health insurance.
- Acquisition of an 81% stake in Bipiemme Vita and Bipiemme Assicurazioni in Italy.
- Provident in the United Kingdom was acquired and its activities transferred to Covéa Insurance.

2012

Covéa Coopérations founded

- Covéa Coopérations was founded to streamline the Group's corporate structure. It is held jointly by the four families of mutual insurance companies within Covéa SGAM. Covéa Coopérations directly or indirectly holds the majority of the Group's operational activities.

2013

Integration of SMI

- SMI (*société mutuelle interprofessionnelle*) was brought into the fold, strengthening the Group's positions in group health insurance.

2015

Greater diversification

- Covéa Coopérations adopted reinsurance company status to build up its inwards reinsurance business.
- It acquired Sterling Insurance Group in the United Kingdom and integrated its non-life activities within Covéa Insurance.

2017

Employee status harmonised

- Under the June 2017 agreement reached with employee representative bodies, all 21,000 employees in France were given the same employment rights and conditions, making Covéa more agile as well as boosting its ability to innovate and effectively serve its customers and members.

2018-2020

Further streamlining

- DAS Assurances Mutuelles, DAS SA and Assistance Protection Juridique, the Covéa Group's specialists in legal protection, combined their operations under the Covéa Protection Juridique banner.
- The Swinton group, a non-life insurance broker, was sold to focus the Group's business in the United Kingdom on insurance activities.
- The Group's 20% stake in the Spanish group Caser was sold.

2021-2022**Acquisition of PartnerRe**

- Acquisition of PartnerRe, one of the world's leading reinsurance companies, allowing for the formation of a leading European insurance and reinsurance group.
- Sale of the Group's Italian subsidiaries Bipiemme Vita and Bipiemme Assicurazioni.
- Transfer of Assurances Mutuelles de France's portfolio to La Sauvegarde and merger of Assurances Mutuelles de France into La Garantie Mutuelle des Fonctionnaires, renamed AM-GMF.

1.2 PROFILE AND ORGANISATION

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 SGAM (*Société de Groupe d'Assurance Mutuelle*), a French legal structure for a group of insurance mutuals. It exercises dominant influence, coordinating the decisions made (including in financial affairs) by its affiliates and possessing control powers. It establishes and maintains strong and lasting financial relationships with its affiliated entities.

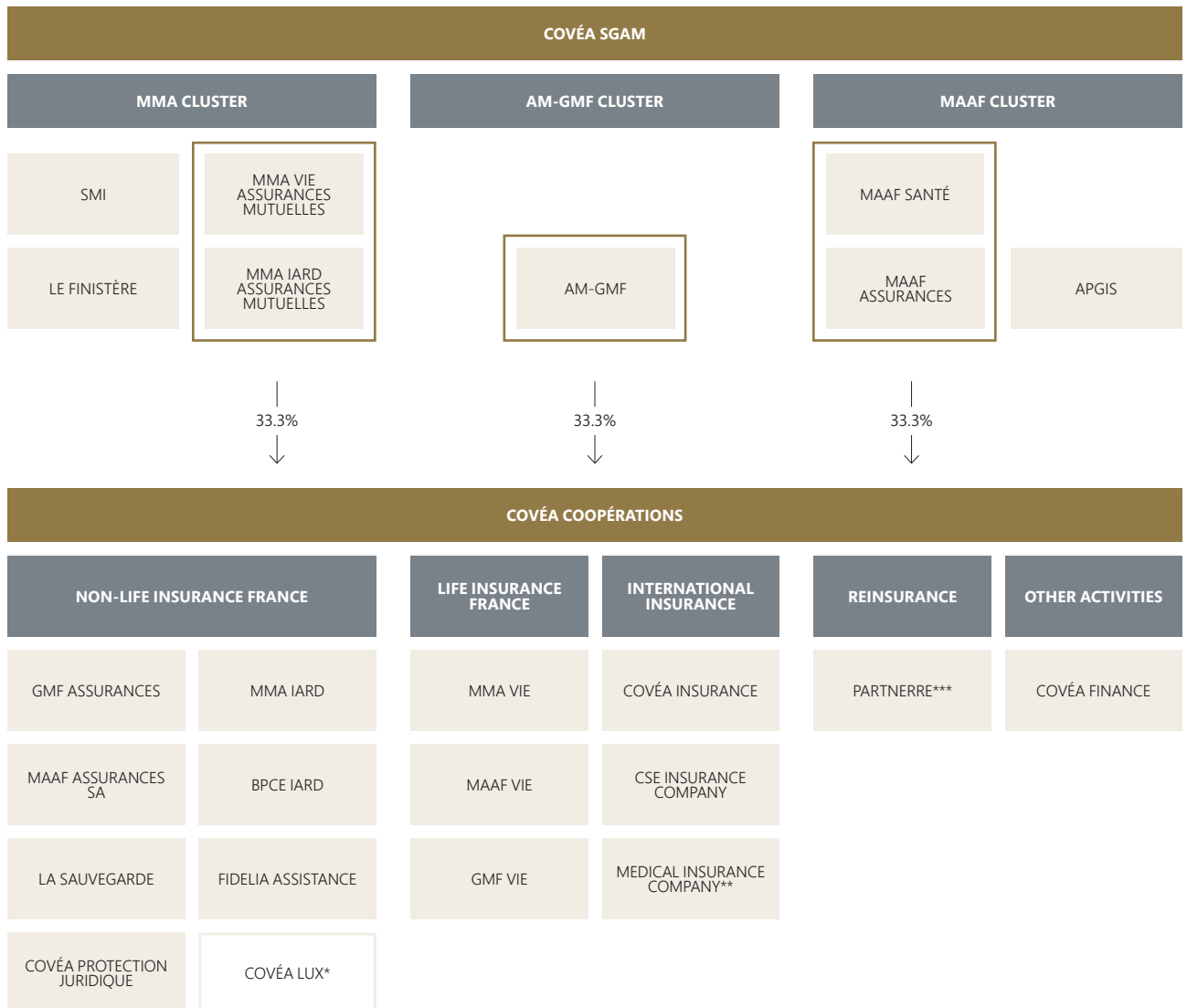
The eight mutual or jointly managed insurance companies that are affiliated with Covéa SGAM are divided into the following three families:

- **MMA:** MMA IARD Assurances Mutuelles, MMA Vie Assurances Mutuelles, Le Finistère Assurance, SMI;
- **MAAF:** MAAF Assurances, MAAF Santé, APGIS;
- **AM-GMF:** AM-GMF.

Some entities affiliated with Covéa SGAM hold shares in Covéa Coopérations, a reinsurance company registered in France, which directly or indirectly owns all or part of the capital that makes up the Group's main operational companies. Covéa Coopérations serves as the hub between Covéa SGAM's affiliated entities and the Group's main operational companies.

The transfer of Assurances Mutuelles de France's portfolio to La Sauvegarde and the merger of Assurances Mutuelles de France into La Garantie Mutuelle des Fonctionnaires took place on 1 November 2022. As a result, the AM-GMF cluster, comprising solely La Garantie Mutuelle des Fonctionnaires, renamed AM-GMF, maintains a 33.33% stake in Covéa Coopérations.

Simplified organisational chart of the Covéa Group at 31 December 2022



* Group internal reinsurance company.
 ** Owned by MMA IARD Assurances Mutuelles.
 *** Including all entities of PartnerRe Group.

Covéa is a mutual insurance group registered in France, and is overseen by the French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR, 4 Place de Budapest, CS 92459, 75436 Paris Cedex 09). It prepares combined financial statements according to French GAAP. Its statutory auditors are PricewaterhouseCoopers Audit, represented by Gérard Courrèges and Frédéric Trouillard-Mignen, and Mazars, represented by Christophe Berrard.

1.3 ACTIVITIES AND DISTRIBUTION NETWORKS

1.3.1 COVÉA, A MUTUAL INSURANCE AND REINSURANCE GROUP

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. Market

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 subsidiary in the United Kingdom operating in the non-life insurance market;

- In the reinsurance market, Covéa operates mainly via PartnerRe, the world's 10th-largest reinsurer, 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.

The Group's earned premiums broke down as follows in 2022:

<i>In € millions</i>	2022	2021
Insurance - French entities	15,306	15,408
Insurance - international entities	1,568	1,951
Insurance	16,874	17,359
Reinsurance	5,822	1,705
Total earned premiums	22,696	19,064

The acquisition of PartnerRe was finalised on 12 July 2022. The Group's earned premiums for 2022 therefore include a contribution from PartnerRe over the period from 12 July 2022 to 31 December 2022.

1.3.2 INSURANCE ACTIVITIES

1.3.2.1 FRENCH ENTITIES' INSURANCE ACTIVITIES

Activities

In France, Covéa principally operates under three strong brands:

- **MAAF**, a mutual insurer with its own distribution network offering comprehensive solutions for individuals and small businesses;
- **MMA**, a mutual insurer with a third-party-operated distribution network providing cover for individuals, small and large businesses, non-profit organisations and local authorities;
- **GMF**, a mutual insurer with its own distribution network and a leading provider for French public sector employees, offering cover for individuals.

The Group also operates through APGIS and SMI, which are present in the health and protection market, and through Le Finistère, operating in particular in the home insurance and commercial risk market.

Through MAAF, MMA, GMF, APGIS, SMI and Le Finistère, the Group offers a complete range of products to best meet all the needs of its customers and members and give them the best possible insurance experience.

In property and casualty, Covéa provides a range of products for individuals, small and large businesses, non-profit organisations and local authorities. The Group has built a comprehensive range of personal lines, principally covering motor insurance, home insurance, personal assistance and legal protection needs. In commercial lines, Covéa's general liability, property and casualty,

corporate fleet, construction and agricultural insurance solutions cater for a wide range of needs among small and large businesses.

In health and protection, Covéa offers a full range of products providing both complementary health insurance and protection cover for individuals and small businesses as well as people employed by companies of all sizes. Covéa's individual and group policies cater for a vast range of needs, including cover for healthcare expenses, together with adapted related services, and income protection should policyholders be unable to work, become disabled or die. The Group's protection solutions encompass temporary individual death insurance policies, creditor insurance products, whole life and funeral policies, as well as policies covering everyday accidents.

In savings, Covéa provides life insurance products and multi-unit capitalisation policies including a wide range of carefully selected unit-linked funds that offer an alternative to euro-denominated products. The Group's **pension** solutions primarily comprise individual pension savings products called Plan d'Épargne Retraite (PER), which were launched by MAAF and MMA in the first half of 2020.

MMA also covers international risk via affinity insurance programmes under the freedom to provide services in Europe and working with French companies operating worldwide.

Covéa Lux, a Luxembourg-registered reinsurance company, provides the Group with solutions to manage its retention capacity and, when necessary, additional reinsurance capacity to supplement reinsurance programmes. Covéa Lux mainly reinsures the Covéa Group's French insurance companies.

Distribution networks

Covéa distributes its products through various networks mainly operated by employees, tied agents and brokers. The Group's distribution strategy leverages its complementary networks to effectively respond to the needs of customers and members.

- **Principal third-party-operated networks**

All MMA's products and services are sold via tied agents, i.e. independent business owners acting as intermediaries.

Tied agents bring to bear their insurance expertise and local knowledge to sell MMA's insurance solutions as well as provide the high-calibre, seamless service its customers expect. The MMA network has 1,596 points of sale, with a sales force of over 5,600 agents and employees throughout France.

MMA also has a solid network of partner brokers focusing chiefly on commercial lines risk, covering all of France and coordinated on a local basis by Covéa's regional teams.

Affinity insurance programmes are sold by distribution companies (motor, mass retail, etc.) and finance companies in addition to their own products and services.

- **Principal employee-operated networks**

MAAF and GMF have their own distribution networks within the Covéa Group where each brand employs its own workforce to distribute its products.

The MAAF network has over 3,000 employees dedicated to building relationships with its customers and members from its 506 points of sale and 10 call centres. GMF's distribution network has over 2,400 employees, 309 points of sale and 11 call centres.

- **Partnerships**

In 1996, the Covéa Group and the Banques Populaires formed BPCE IARD, in which each held a 50% stake. BPCE IARD distributed non-life insurance products through the Banques Populaires (including BRED), Caisses d'Épargne and Foncia networks.

As part of changes to the partnership with the BPCE group negotiated in 2020, BPCE IARD stopped underwriting new business and replacements of personal motor and comprehensive home insurance products (excluding the BRED and Foncia networks). BPCE IARD has gradually shifted its focus to expanding its business in the commercial market. At the same time, it is continuing to sell certain products aimed at personal customers (motor and comprehensive home insurance via the BRED and Foncia networks, and legal protection), and continues to manage policies still in the portfolio.

Competitive position

Market	Ranking	Market share	Sources
Property and casualty	No. 1	14.9%	France Assureurs, 2021 data
Motor (incl. corporate fleets)	No. 1	18.4%	France Assureurs, 2021 data
Comprehensive home insurance	No. 1	16.7%	Argus de l'Assurance and France Assureurs survey, 2021 data
Legal protection	No. 1	16.6%	France Assureurs, 2021 data
Commercial lines (excl. corporate fleets)	No. 2	11.3%	France Assureurs, 2021 data
Individual health	No. 4	4.8%	Argus de l'Assurance and France Assureurs survey, 2021 data

1.3.2.2. INTERNATIONAL ENTITIES' INSURANCE ACTIVITIES

The Group had direct insurance operations in three countries as at 31 December 2022. The United Kingdom, the Group's main international insurance market, accounted for 64% of earned premiums outside France in 2022.

United Kingdom

Covéa Insurance provides property, casualty and liability cover for personal and business customers. In February 2015, Covéa further strengthened its position in the United Kingdom by acquiring Sterling, a group specialised in mid-to high-end home insurance and protection. Sterling's non-life activities were integrated into Covéa Insurance in late 2015. Covéa Insurance distributes its products via various distribution networks, primarily brokers.

United States

Civil Service Employees (CSE) Insurance Company is a multi-line provider of personal and commercial property and casualty insurance products. In personal lines, CSE mainly provides motor and home insurance. CSE primarily operates in California, but is also present in Utah, Nevada and Arizona. It distributes its products via a network of non-exclusive agents and a partnership with a Utah-based broker.

In August 2022, Covéa mutually terminated the agreement concerning the sale of CSE in September 2021 to US group Porch.

Ireland

Medical Insurance Company DAC (MIC), which used to sell medical malpractice insurance mainly in France, ceased its underwriting activities in November 2015.

In October 2022, Covéa signed an agreement to sell MIC to the Compre group. Subject to regulatory authorisations first being obtained, the acquisition should be finalised in 2023.

1.3.3. REINSURANCE ACTIVITIES

PartnerRe

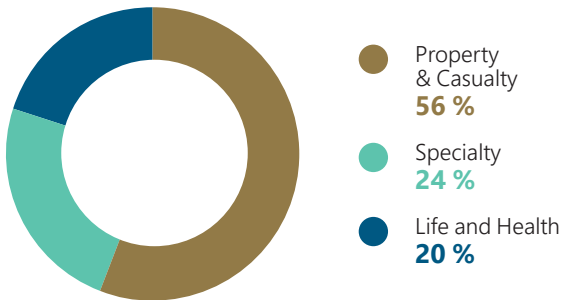
Founded in 1993, PartnerRe is one of the world's largest reinsurance companies, benefiting from a renowned brand and extensive technical expertise.

PartnerRe helps insurance companies reduce their earnings volatility, strengthen their capital and grow their businesses through reinsurance solutions. PartnerRe provides reinsurance for its clients globally, on either a proportional or non-proportional basis through treaties or facultative reinsurance. Under a Bermudian group parent company, PartnerRe Ltd., reinsurance is provided by the parent company's principal wholly owned subsidiaries.

PartnerRe offers a wide range of products and monitors the performance of its operations in three segments: Property & Casualty, Specialty and Life & Health.

- Non-life reinsurance comprises the Property & Casualty and Specialty segments. Reinsured risks include but are not limited to agriculture, aviation/space, casualty, catastrophe, engineering, as well as financial risk, marine, motor, multiline, US health and property.
- In Life & Health reinsurance, PartnerRe writes mortality, morbidity, longevity and financial reinsurance solutions products.

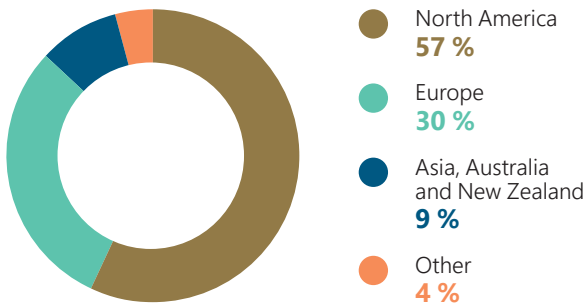
By segment, PartnerRe's gross earned premiums broke down as follows on an annual basis for 2022:



- In life and health reinsurance, Covéa Coopérations covers primarily health, protection and creditor insurance risks, mainly in France;
- Covéa Coopérations' portfolio also includes two quota share treaties with SCOR Ireland and SCOR Global Reinsurance Ireland, covering chiefly mortality, morbidity and longevity risks, especially in the United States.

At its meeting of 6 April 2023, Covéa Coopérations' Board of Directors approved the transfer to PartnerRe of rights of renewal for non-life, life and health reinsurance. Therefore, as of 2 July 2023, new business and renewals will be provided by PartnerRe, and Covéa Coopérations will continue to manage risks underwritten prior to this date. The treaties with SCOR Ireland and SCOR Global Reinsurance Ireland are not concerned by this transfer.

PartnerRe's businesses are geographically diversified with premiums written on a worldwide basis. **By geographical region**¹, gross earned premiums broke down as follows on an annual basis for 2022:



1.3.4. OTHER ACTIVITIES: ASSET MANAGEMENT

Covéa Finance is the asset management company for the majority of the Covéa Group's French companies. On 31 December 2022, Covéa Finance had €80.9 billion of assets under management, broken down as follows:

- 20 management mandates on behalf of Group companies or partner mutuals, representing a total of €67.3 billion;
- A range of 54 mutual funds including four private equity funds, representing a total of €13.6 billion.

Covéa Finance takes an active management approach as part of a rigorous and highly disciplined investment process in terms of risk control, in order to ensure long-term performance. Thanks to the work of its integrated research teams, the company is recognised for its analysis capabilities, allowing it to anticipate changes in its environment. Taking account of non-financial criteria is also a key focus of Covéa Finance's asset management approach.

PartnerRe generates business through brokers and through direct relationships with insurance companies, which accounted for 76% and 24% respectively of gross earned premiums on an annual basis for 2022.

PartnerRe's principal offices are located in Pembroke, Dublin, Stamford, Toronto, Paris, Singapore and Zurich. In 2022, it had more than 1,100 employees on a full-time equivalent basis.

Covéa Coopérations

The Group is also present in the reinsurance market *via* Covéa Coopérations:

- In non-life reinsurance, Covéa Coopérations covers primarily property damage, motor and engineering risks. It has a geographically diversified portfolio with risks in 50 countries. Direct business with ceding insurers accounts for 45% of premiums, compared with 55% *via* reinsurance brokers;

Covéa Immobilier is an internal structure that pools the resources of MAAF, MMA and GMF, as well as their expertise in managing investment and operating properties. Commercial properties make up 67% of assets managed by Covéa Immobilier and residential properties make up 33%. Most of these properties are in the Paris region, more specifically in the central business district. Covéa Immobilier has proactively and ambitiously undertaken to improve the energy and environmental performance of its property portfolio.

¹ Breakdown of premiums based on geographical location of the ceding insurers.

1.4 STRATEGY

Covéa's business model is to provide effective, long-term support to its customers and members. Building on its fundamental values – the commitment of its employees, customer satisfaction, business diversification and a solid technical and financial base – the Group plans for the future through its 2022-2024 strategic plan called "Growing together".

Leadership

Covéa is the leading player in the French property and casualty insurance market, offering excellent value for money, and is continuing to grow in this market. In personal lines, the Group is seeking to achieve profitable growth and develop its portfolio in its core markets of motor and home insurance, which are essential products for its customers and members.

Covéa supplements these core products with complementary ones for all of its customers and members, as well as those close to them: life, health, legal protection and protection insurance. These products effectively address the needs of customers and members, and help to strengthen the Group's foundations for the long term.

Covéa also wants to continue developing its affinity insurance business by adding to its portfolio outside of the motor insurance sector.

In commercial lines, the Group is aiming to increase its profitability while bolstering its position as a leading insurer for SMEs and pursuing controlled growth in the small business market.

Transformation

Against a background of constant technological, social and environmental change, Covéa is continuing to transform its business in order to anticipate the needs of its customers and members and address emerging challenges.

There has been a shift from face-to-face contact to more remote interactions, with customers and members expecting a modular, multichannel approach that adapts to address their specific needs at all times and offers speed, simplicity and advice in a way that is tailored to them. More generally, the Group is seeking to make its solutions more personal in terms of the products themselves and their distribution, prompting Covéa and its brands to enhance their products, services and customer pathways.

Accordingly, Covéa is bolstering its offering by adding cover and service packages, forging closer ties with customers and members by means of an enhanced multichannel approach, stepping up process automation efforts, increasing its use of artificial intelligence, and developing its B2B2C distribution

capabilities. The strategic transformation programmes associated with these changes are being accompanied by ongoing changes to information systems in order to maintain a high level of security.

At the same time, the landscape in terms of risks and how they are managed in our society is changing: this is due to the rise of high-intensity risks in absolute and relative terms, especially as a result of climate change, demographic and economic developments leading to greater concentration, and technological change that is creating more interdependence and causality between risks. In addition, there is an increasing overlap between insurance and reinsurance, not only in commercial lines, with international non-financial players starting to distribute insurance in partnership with risk professionals, particularly in motor and home insurance. In these circumstances, in order to be present across the whole value chain and become more robust through multidimensional diversification, Covéa is continuing to strengthen its position in reinsurance following the recent acquisition of PartnerRe. As well as transforming its insurance business in France, Covéa is continuing to adapt its operating model to address the challenges arising from this new phase in its development.

Committed

Covéa is committed to its customers and members, committed as a member of society, and committed alongside its staff. Offering appropriate, reliable and competitive products and a high-quality service combining the immediacy and simplicity of digital customer pathways with the empathy of human staff members able to accommodate customer needs: these are the fundamental building blocks on which the satisfaction of Covéa's customers and members is built. Those fundamentals are central to the Group's role in society, its future and the commitment of its people.

In addition, as well as the social utility of providing high-quality products and services on a large scale, Covéa pays particular attention to the example it sets and its impact in terms of the environment, equality and inclusion. Covéa is committed to women's rights, with an ambitious gender equality programme and efforts to combat violence against women. The Group is developing a programme that favours the integration of people with disabilities into its workforce and supports entities that promote their inclusion. Covéa also has a low-carbon strategy, aiming to reduce emissions from its operating properties by 3% per year.

The Group's strength derives from its team spirit and from recognising the individuals within it. Accordingly, Covéa strives to develop the qualities of its people by strengthening its systems for listening to and interacting with its staff, and by adjusting each staff member's working conditions to changes in the world of work.

Covéa also empowers each staff member in terms of their career development, helping talented staff to realise their potential and providing training in the occupations of the future.

Setting high standards in a responsible way

The Covéa Group implements its strategy through the relationships its brands develop with their customers and members in each

market, and through their efforts to provide a first-class customer experience. Shared support functions provide brands with expertise and day-to-day support.

As a result, in order to think collectively with a view to the future and enable each staff member to achieve fulfilment, Covéa promotes the values of simplicity, respect, pragmatism and high standards.

1.5 FINANCIAL STRENGTH RATING

As at 31 December 2022, the financial strength ratings of the Group's rated companies were as follows:

	Covéa Coopérations	PartnerRe	Other companies³
AM Best	A+ (Superior) Stable outlook	A+ (Superior) Stable outlook	
S&P Global Ratings	AA- Stable outlook	A+ Stable outlook	AA- Stable outlook
Moody's Investors Service	Aa3 Stable outlook	A1 ² Stable outlook	

On 21 December 2022, the rating agency AM Best upgraded the Financial Strength Rating to A+ (Superior) from A (Excellent) and the Long-Term Issuer Credit Rating to "aa-" (Superior) from "a+" (Excellent) of Covéa Coopérations.

² Partner Reinsurance Company Ltd. and Partner Reinsurance Company of the U.S.

³ The other Group entities rated by S&P Global Ratings are: MMA IARD, MMA Vie, MAAF Vie, GMF Vie, Covéa Insurance and Covéa Life.



02. COVÉA'S GOVERNANCE

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The Covéa Group is a mutual insurance group whose parent company, Covéa, is a French mutual insurance group company (SGAM) governed by the French Insurance Code. Eight mutual or jointly managed companies are affiliated to Covéa SGAM, including five mutual insurance companies governed by the French Insurance Code, two "1945 mutuals" governed by the French Mutual Insurance Code and a provident institution governed by the French Social Security Code.

All companies affiliated to Covéa have a non-commercial or non-profit making purpose, and a governance structure that is representative of their members. Their Boards of Directors are appointed by elected members' representatives constituting their General Meetings.

In accordance with its corporate purpose, Covéa defines the Group's strategy, which the affiliate companies and majority-controlled companies within its combination scope use to build their own strategy, taking into account the interests of all entities and the way in which those interests contribute to the Group's common aims over the long term. Covéa carries out centralised oversight work to ensure that the strategy is implemented.

Covéa organises the Group's governance and supervision, coordinates financial solidarity within its affiliate companies, exercises effective control over affiliate companies through reporting docu-

ments, audits and key functions, and prepares the Group's combined financial statements.

Covéa is governed by a Board of Directors, mostly consisting of directors from the affiliate companies' Boards of Directors, which are all represented in its General Meeting. As a result, Covéa's governance stems from that of its affiliate companies, ensuring the representation of members.

The Group's governance, the operating principles and arrangements of its governance bodies and their responsibilities are governed in particular by its Articles of Association, by affiliation and combination agreements, and by the internal rules of the Board of Directors. The overall framework is summarised by a document on the "Covéa Group's institutional governance framework" adopted by the Board of Directors.

Persons taking part in the Group's governance system (Boards of Directors, persons who effectively run the Group, persons in key functions) must meet fit and proper standards. The requirements and procedures adopted within Covéa in this area are set out in its "Fit and proper" policy, approved annually by the Board of Directors.

The Group's governance framework is aligned with its business model and activities, and supports the implementation of its strategy. It ensures that its business is managed in a healthy, prudent way.

The following chart presents the Covéa Group's governance structure at 31 December 2022:



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.

2.1 THE BOARD OF DIRECTORS

Composition of the board of directors

Covéa is governed by a Board of Directors, which was made up of 26 members at 31 December 2022.

Name	Role within the Board of Directors
Michel GOUGNARD	Chairman of the Board of Directors Member of the Strategic Committee Member of the Audit Committee
Christian BAUDON	Director and Deputy Director Member of the Strategic Committee
Jean-Pierre JOUYET	Director and Lead Director Member of the Remuneration and Appointments Committee
Jean-Michel BANLIER	Director Member of the Risks Committee
Bernard BARBOTTIN	Director Member of the Remuneration and Appointments Committee Member of the Strategic Committee
Hélène BÉJUI-HUGUES	Director Chair of the Remuneration and Appointments Committee Member of the Strategic Committee
MAAF Santé represented by Luce BERILLE	Director
Sophie BIOU	Director
SMI represented by Guy BLEYER	Director
APGIS represented by Arcangelo CALABRO	Director
MMA IARD Assurances Mutuelles represented by Michel COURSAT	Director Member of the Audit Committee
Xavier DEJAIFFE	Director Member of the Remuneration and Appointments Committee
Christian DELAHAIGUE	Director Member of the Remuneration and Appointments Committee
Thierry DEREZ	Director Chairman of the Strategic Committee
Jean FLEURY	Director Chairman of the Audit Committee Member of the Risks Committee Member of the Remuneration and Appointments Committee
Anne-José FULGÉRAS	Director Chair of the Risks Committee Member of the Audit Committee Member of the Strategic Committee
MMA Vie Assurances Mutuelles represented by Christophe GUETTIER	Director Member of the Risks Committee

Éric LAGARDE	Director
AM-GMF represented by Bernadette LE BOURGEOIS	Director
André MARTINEZ	Director Member of the Strategic Committee
Hélène MARTINI	Director Member of the Strategic Committee
Marie-France ORTI	Director Member of the Audit Committee
MAAF Assurances represented by Jean-Pierre PAQUIEN	Director Member of the Risks Committee
Jean-Louis REYNET	Director
Laurent TROUVÉ	Director
Annick WEXLER	Director

Jean-Claude Seys is Honorary Chairman of Covéa. As such, he takes part in meetings of the Board of Directors in an advisory capacity.

Changes to the composition of the Board of Directors and its committees in 2022

	Departures		Appointments	
Board of Directors	Philippe BAILLY	20/10/2022	Luce BERILLE	28/06/2022
	Representative of SMI		Representative of MAAF Santé	
	Agnès BEKOURIAN	01/01/2022	Guy BLEYER	20/10/2022
	Representative of APGIS		Representative of SMI	
	Luce BERILLE	28/06/2022	Arcangelo CALABRO	01/01/2022
	Myriam GARREC	01/05/2022	Representative of APGIS	
	Karine GILBERT BELHOMME	05/09/2022	Michel GOUGNARD	28/06/2022
Assurances Mutuelles de France, represented by Jean-Marie MECKLER	27/10/2022	Éric LAGARDE	14/09/2022	
Remuneration and Appointments Committee				
Audit Committee	MAAF Santé, represented by Michel GOUGNARD	28/06/2022	Anne-José FULGÉRAS	14/09/2022
	SMI, represented by Philippe BAILLY	20/10/2022	Michel GOUGNARD	28/06/2022
Risks Committee	MAAF Santé, represented by Michel GOUGNARD	28/06/2022	Jean-Marie MECKLER	27/10/2022
	Assurances Mutuelles de France, represented by Jean-Marie MECKLER	27/10/2022		
Strategic Committee			Michel GOUGNARD	28/06/2022

Roles and responsibilities of the Board of Directors

Subject to the powers expressly granted to General Meetings and within the remit of the corporate purpose, the Board of Directors deals with all matters that may affect the company's operation and makes decisions to resolve any issues arising in relation to the company.

The remit of the Board of Directors includes:

- setting the Group's strategy, including as regards financial matters, on which affiliate companies base their own strategy, and monitoring the Group's activities;
- determining the Group's business direction and ensuring that it is followed, endorsement of the parent company and combined financial statements, approving regulated agreements, setting the remuneration of corporate officers including apportioning the sum approved by the General Meeting for director remuneration, and making decisions on apportioning Covéa SGAM's costs;
- approving the written policies required under Solvency 2, which are then applied to the Group's entities;
- approving the Group's own risk and solvency assessment (ORSA) report, actuarial report, Regular Supervisory Report and Solvency and Financial Condition Report, and any other regulatory report falling within its remit;
- determining the composition and duties of Board committees, which carry out their duties under its responsibility;
- ensuring compliance with the rights and obligations set forth in affiliation agreements and the Articles of Association, and if it finds that an affiliate company is not complying with its undertakings, taking the measures provided for in the Articles of Association;
- being involved in implementing and monitoring the financial solidarity provided for in affiliation agreements (establishing solidarity mechanisms in particular);
- exercising effective control over affiliate companies and over majority-controlled companies within the combination scope, and acting as arbitrator between Group companies;
- authorising certain non-group transactions by affiliate companies that may involve more than 10% of their equity and that do not form part of the investment programme validated by the Board of Directors.

Appointments are carefully monitored to ensure directors abide by the regulations capping the number of corporate offices that may be held concurrently. Members of the Board of Directors are appointed for a six-year term of office.

The Board of Directors assesses its own operating procedures. As part of that assessment, the Board examines its composition and organisation as well as the discussions that take place with

in the Board, the individual and collective expertise of directors, and attendance at meetings.

The Board of Directors meets as often as the company's interests may require. It met eight times in 2022, with an attendance rate of 96.29%.

Roles within the Board of Directors

The Board of Directors appoints a Chairman, a Deputy Director and a Lead Director from among its members. Their roles are defined in the Articles of Association.

The **Chairman** of the Board of Directors organises and directs the Board's work, on which he reports to the General Meeting. The Chairman is responsible for ensuring that the corporate bodies operate correctly and that directors are able to fulfil their duties. He is responsible for the quality of discussions and the collegial nature of decisions made by the Board of Directors. He is also responsible for ensuring that the General Meeting is kept properly informed.

The **Deputy Director** is appointed by the Board of Directors and assists the Chairman. If the Chairman is absent from a Board meeting, the Deputy Director chairs the meeting. If the role of Chairman is vacant, he becomes acting Chairman.

The **Lead Director** is appointed by the Board of Directors. He is responsible for ensuring that Covéa's institutional bodies operate correctly. This includes:

- being consulted about the agenda of Board meetings, with the ability to request that items be added to the agenda;
- in an emergency and/or at the request of a third of directors, convening a Board meeting and determining its agenda;
- considering, on his own initiative or following a referral by the directors, any situation that could be viewed as a conflict of interest, and if he believes that it could be designated as such, informing the Board of Directors about it, the Board of Directors will then decide which steps, if any, to take.

Activities of the Board of Directors

In 2022, the activities of the Board of Directors included:

- monitoring of the Group's activities, strategy implementation and financial investment management;
- changes in governance and in the composition of the Board of Directors and the Board committees, and remuneration of corporate officers;
- finalisation of the acquisition of global reinsurer PartnerRe and its integration into the Covéa Group;

- oversight of international subsidiaries, in particular the sale of the Group's Italian subsidiaries Bipiemme Vita and Bipiemme Assicurazioni;
- the creation of the Covéa corporate foundation;
- the renewal of the reinsurance programme;
- the endorsement of Covéa SGAM's annual financial statements and management report;
- the endorsement of the Group's annual financial statements and management report;
- the presentation of combined interim financial statements;
- work conducted in application of prudential regulations: approval of the Regular Supervisory Report (RSR) and the Solvency and Financial Condition Report (SFCR), written policies, key function reports, in particular the Own Risk and Solvency Assessment (ORSA) report, and the internal control report on efforts to

- combat money laundering and terrorist financing;
- the review of reports of the Audit Committee, the Risks Committee and the Remuneration and Appointments Committee.

In 2022, members of the Board of Directors took part in a one-day event organised by the French association of mutual insurers (AAM), on the theme of "Insurance and its key role in the energy, climate and demographic transitions". In addition, five training sessions were organised in relation to the impact of climate change on the insurance industry, the financial markets and investment strategies, the commercial property and casualty markets, the risk management system – ORSA: a decision-making tool, and regulatory matters such as the General Data Protection Regulation (GDPR), combating money laundering and terrorist financing and business ethics.

2.2 BOARD COMMITTEES

2.2.1. AUDIT COMMITTEE

The Audit Committee, which is under the responsibility of Covéa's Board of Directors, comprised seven members at 31 December 2022:

- Jean Fleury, Chairman,
- MMA IARD Assurances Mutuelles, represented by Michel Coursat, member,
- Patrice Forget, member,
- Anne-José Fulgéras, member,
- Michel Gougnard, member,
- Marie-France Orti, member,
- Jean-Jacques Vouhé, member.

The duties of the Audit Committee include:

- monitoring the preparation of financial information and control statutory and combined financial statements of Covéa SGAM;
- ensuring that the statutory auditors perform their controls;
- examining, for the Group, jointly with the Risks Committee, the Regular Supervisory Report (RSR), the Solvency and Financial Condition Report (SFCR), the Own Risk and Solvency Assessment (ORSA) report and the actuarial report;
- ensuring the effectiveness of internal control and risk management systems, relying in particular on work done by the statutory auditors;
- monitoring internal audit work;
- ensuring the independence of the statutory auditors and taking part in the process of appointing statutory auditors and renewing their appointments;
- authorising services other than certification of the financial statements provided by the statutory auditors.

The Chairman of the Audit Committee regularly reports on the Committee's work to the Board of Directors. The Audit Committee met six times in 2022, with an attendance rate of 100%.

2.2.2. RISKS COMMITTEE

The Risks Committee, which is under the responsibility of Covéa's Board of Directors, comprised six members at 31 December 2022:

- Anne-José Fulgéras, Chair,
- Jean-Michel Banlier, member,
- Jean Fleury, member,
- MMA VIE Assurances Mutuelles, represented by Christophe Guettier, member,
- Jean-Marie Meckler, member,
- MAAF Assurances, represented by Jean-Pierre Paquien, member.

The duties of the Risks Committee include :

- monitoring the risk management policy, procedures and systems by making sure that they exist, are deployed and are appropriate;
- hearing reports from the Group's key risk management, compliance and actuarial functions;
- examining the asset management and reinsurance protection strategy and more generally any transaction that affects the risk profile or solvency;
- examining, for the Group, jointly with the Audit Committee, the Regular Supervisory Report (RSR), the Solvency and Financial Condition Report (SFCR), the Own Risk and Solvency Assessment (ORSA) report and the actuarial report.

The Chair of the Risks Committee regularly reports on the Committee's work to the Board of Directors. The Risks Committee met six times in 2022, with an attendance rate of 100%.

2.2.3. REMUNERATION AND APPOINTMENTS COMMITTEE

The Remuneration and Appointments Committee, which is under the responsibility of Covéa's Board of Directors, comprised six members at 31 December 2022:

- Hélène Béjui-Hugues, Chair,
- Bernard Barbottin, member,
- Xavier Dejaiffe, member,
- Christian Delahaigue, member,
- Jean Fleury, member,
- Jean-Pierre Jouyet, member.

The duties of the Remuneration and Appointments Committee include:

- ensuring, on behalf of the Board of Directors, the remuneration policy is properly applied;
- recommending the amount of remuneration awarded to corporate officers (directors, members of Board committees, Chairman, Chief Executive Officer, Deputy Chief Executive Officer) and reviewing certain situations, in particular that of key function holders;
- offering advice regarding the composition of management bodies (including the Board of Directors, Chairman, Deputy Director, Lead Director, Chief Executive Officer, Deputy Chief Executive Officer and persons who effectively run the company) and committees, as well as listening to the presentation made by the Chief Executive Officer regarding the career development of the main senior executives and key function holders;
- putting forward the succession plan for the Group's effective management;
- monitoring the skills of boards and committees, approving and monitoring the training plan for directors and supervising changes made to the Board of Directors.

As a body set up to study and analyse, the Remuneration and Appointments Committee provides the Board of Directors and Executive Management with opinions, advice and recommendations regarding the above responsibilities, when required.

Once a year, the Committee Chair reports to the Covéa Board of Directors on any priorities the Committee has set, as well as any analyses, assessments or initiatives it has undertaken within the scope of its remit.

The Remuneration and Appointments Committee met 12 times in 2022, with an attendance rate of 97.22%.

2.2.4. STRATEGIC COMMITTEE

The Strategic Committee, which is under the responsibility of Covéa's Board of Directors, comprised eight members at 31 December 2022:

- Thierry Derez, Chairman,
- Bernard Barbottin, member,
- Christian Baudon, member,
- Hélène Béjui-Hugues, member,
- Anne-José Fulgères, member,
- Michel Gougnard, member,
- André Martinez, member,
- Hélène Martini, member.

The duties of the Strategic Committee include:

- taking the lead, on behalf of the Covéa Board of Directors, on matters regarding the Group's strategy, in particular:
 - assessing the Group's strategic positioning in the market;
 - reviewing strategy-related proposals made by Executive Management before they are put to Covéa's Board of Directors.
- monitoring the implementation of the Group's strategy as adopted by the Board of Directors;
- reviewing any planned mergers, acquisitions, investments and disinvestments that may have a material impact on the Group;
- ensuring, through the committee's discussions, constant dialogue with the Group's Executive Management team regarding strategic changes, in particular with regard to the international expansion policy and strategic partnerships.

The Strategic Committee met five times in 2022, with an attendance rate of 100%.

2.3 EXECUTIVE MANAGEMENT

On 18 November 2022, the Board of Directors appointed Sylvestre Frézal and Laurent Tollié as Deputy Chief Executive Officers (*Directeur général délégué*). Paul Esmein's term of office as Deputy Chief Executive Officer ended on 18 November 2022 and his role as Deputy Managing Director (*Directeur général adjoint*) of the Group ended on 31 December 2022.

At 31 December 2022, the Chief Executive Officer, Thierry Derez, was therefore assisted by three Deputy Chief Executive Officers, Maud Petit, Sylvestre Frézal and Laurent Tollié.

The Chief Executive Officer and the Deputy Chief Executive Officers hold the broadest powers to act in all circumstances on behalf of Covéa. They exercise these powers within the remit of the corporate purpose and subject to those expressly granted by law to the General Meeting and Board of Directors. They represent Covéa in its dealings with third parties and are authorised to delegate their powers.

At 31 December 2022, the Executive Committee had 13 members:

- Thierry Derez, Chief Executive Officer,
- Paul Esmein, Deputy Managing Director and General Secretary,
- Maud Petit, Deputy Chief Executive Officer and Chief Financial Officer,
- Laurent Tollié, Deputy Chief Executive Officer and Chief Customer Relationships Officer,
- Stéphane Duroule, Chief Executive Officer of MAAF²,
- Éric Lécuyer, Chief Executive Officer of MMA,
- Jérôme Roncoroni, Chief Executive Officer of GMF,
- Thierry Francq, Chief Transformation and International Activities Officer,
- Valérie Cohen, Chief Offers and Services Officer France,
- Amaury de Hauteclocque, Chief Human Cooperations Officer France,
- Olivier Le Borgne, Chief Investment Officer,
- Lionel Calvez, Chief Risk Officer,
- Béatrice Savouré, Chief Life Insurance Officer France.

Until 31 December 2022, the Executive Committee assisted the Chief Executive Officer in the operational coordination of all Group's entities and activities, dealing with matters pertaining to its companies, which pool certain resources, tools and know-how in accordance with Group policies. The Committee met twice a month or as often as the interests of the Covéa Group and its entities required.

In the context of the acquisition of PartnerRe, 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 and bringing together all Insurance France³ operations within the France Insurance General Management department. The Group Management Committee assists the Chief Executive Officer in his work. In addition to Thierry Derez, it comprises:

- Stéphane Duroule, Chief Insurance France Officer,
- Jacques Bonneau, Chief Executive Officer of PartnerRe,
- Thierry Francq, Chief Reinsurance and International Activities Officer,
- Maud Petit, Chief Financial Officer,
- Sylvestre Frézal, General Secretary,
- Lionel Calvez, Chief Risk Officer,
- Olivier Le Borgne, Chief Investment Officer.

² Antoine Ermeneux was appointed Chief Executive Officer of MAAF Assurances SA on 8 December 2022, replacing Stéphane Duroule, who remained in his role as Chief Executive Officer of MAAF within the Executive Committee until 31 December 2022.

³ Excluding APGIS, SMI and Le Finistère.

2.4 REMUNERATION POLICY

A remuneration policy sets forth the rules for determining the compensation and/or remuneration of non-executive corporate officers and members of Covéa's Executive Management⁴.

The policy is consistent with the overarching goal of promoting sound, prudent and effective risk management that does not encourage risk-taking beyond that which can be tolerated. The purpose of the remuneration policy is also:

- To set out the general principles in order to:
 - Establish overall remuneration in line with the market in order to attract the skills and talent needed for the Group's operation and development;
 - Implement a consistent and fair policy for salary increases;
 - Encourage a policy of individual and collective recognition that takes account of each individual's contributions and protects the interests of customers and members. Within this framework, variable remuneration systems make it possible to recognise significant contributions to the development of the Group's activities without creating any conflicts of interest and within the accepted limit of risk taking;
 - Promote healthy and cautious risk management, in particular as regards sustainability risk.
- To ensure that there is no incentive to take risks that could harm customers and members.

It lays down general principles and defines processes for implementing, monitoring and controlling the remuneration system. The remuneration policy is approved annually by Covéa's Board of Directors.

2.4.1. REMUNERATION OF DIRECTORS AND COMMITTEE MEMBERS

Covéa remunerates directors and committee members from within the maximum allocation approved by the General Meeting.

The amount awarded to each director is based on their attendance at Board meetings and any roles they may have in the Audit Committee, the Risks Committee, the Remuneration and Appointments Committee and the Strategic Committee.

At 31 December 2022, the Board of Directors had 26 members, the Audit Committee had seven members, the Risks Committee

and the Remuneration and Appointments Committee had six members each, and the Strategic Committee had eight members.

Directors and Board Committee members receive:

- a fixed annual sum paid unconditionally in remuneration for preparatory work;
- a variable amount that consists of a fee for each meeting attended to encourage a high level of attendance.

In 2022, the amounts awarded by Covéa were as follows:

- Board of Directors: a fixed annual sum of €4,000 plus €2,000 per meeting (excluding the Deputy Director and Lead Director);
- Audit Committee, Risks Committee, Remuneration and Appointments Committee and Strategic Committee: a fixed annual sum of €4,000 (€8,000 for the Chair of a Committee) plus €2,000 per meeting;
- Deputy Director and Lead Director: a fixed payment of €60,000 before tax and charges paid at the end of the year, to which attendance fees in respect of their participation in the Board of Directors may not be added.

Covéa's directors who are employed by a Covéa Group entity do not receive any such fees.

The overall amount of remuneration awarded to directors and members of Covéa's Board committees in respect of their directorships at all Covéa Group entities for 2022 (including affiliated companies and consolidated subsidiaries) was €1,455,260 (including €1,074,000 for their directorships at Covéa). Directors' travel and accommodation costs are also reimbursed.

Directors and committee members do not benefit from pension plans, or share or stock options in respect of their directorships.

⁴ At 31 December 2022, Executive Management comprised the Chief Executive Officer, Deputy Chief Executive Officers and members of the Executive Committee.

2.4.2. REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Within the context of the acquisition of PartnerRe, 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.

Covéa pays remuneration to the Chairman of the Board of Directors. Annual remuneration paid to the Chairman appointed with effect as of 1 July 2022 was awarded on a pro rata basis for 2022. The Chairman therefore received gross fixed remuneration of €150,000 in 2022, in addition to directors' fees. Business expenses incurred in relation to his role are reimbursed and he has all the means necessary to perform his duties.

The Chairman of the Board of Directors does not benefit from a pension plan or share or stock options in respect of his office.

2.4.3. EXECUTIVE MANAGEMENT REMUNERATION

2.4.3.1. CHIEF EXECUTIVE OFFICER

In addition to directors' fees, gross remuneration paid to the Chief Executive Officer⁵ in respect of 2022 totalled €1,869,350, including fixed remuneration, variable remuneration and exceptional bonuses.

The variable remuneration package for the Chief Executive Officer is the same as that of senior executives, as described in section 2.4.3.3 "Senior executives". The Chief Executive Officer does not receive any shares or stock options.

2.4.3.2. DEPUTY CHIEF EXECUTIVE OFFICERS

The amount of remuneration paid to Covéa's Deputy Chief Executive Officers in respect of their directorships at all Covéa Group entities for 2022 (including consolidated subsidiaries) was €233,749 (including €133,482 for their directorships at Covéa).

Following a decision made by the Board of Directors on 15 December 2022, Deputy Chief Executive Officers will no longer benefit from remuneration in respect of their directorships at Covéa.

They also hold an employment contract covering their other duties within the Covéa Group, which are separate from their duties as corporate officers.

2.4.3.3. SENIOR EXECUTIVES

The remuneration of senior executives provides incentives to motivate individual and collective performance in line with the Group's long-term interests. Annual remuneration is composed of a fixed component, a variable component and, if applicable, exceptional bonuses.

The amount of annual variable remuneration is calculated using a combination of quantitative and qualitative criteria, including an assessment of individual and collective performance as defined at the beginning of the period.

This is structured as follows, as a percentage of fixed remuneration:

- Individual variable remuneration of up to 20%;
- Collective variable remuneration, based on the objectives of the "2022-2024: Growing together" strategic plan, of up to 10%⁶.

A long-term variable bonus based on collective strategic objectives, encouraging lasting value creation by means of a measured, cautious and continuous approach, may also be paid depending on whether the objectives set out in the "2022-2024: Growing together" strategic plan have been achieved at the end of the period. This long-term variable bonus can amount to up to 10%⁶ of fixed annual remuneration.

Remuneration paid to senior executives⁷ (not including the Chief Executive Officer) totalled €5,607,215 for 2022. There were an average of 12.07 senior executives over the year. This remuneration is presented each year to the Remuneration and Appointments Committee.

⁵ The offices of Chairman and Chief Executive Officer have been separated as of 1 July 2022. The planned remuneration for the Chief Executive Officer includes the remuneration he received as Chairman of Covéa and the mutual insurance companies until 1 July 2022 and that allocated as of this date in respect of his role as Chief Executive Officer of Covéa.

⁶ If the objectives set out in the strategic plan are exceeded, these target rates may be increased to 14% and 17.4% respectively for senior executives.

⁷ Fixed and variable components set out in their employment contracts including exceptional bonuses.

Furthermore, they benefit from employee savings and profit-sharing agreements signed by their employer.

Senior executives may perform duties outside the strictly defined scope of the entity they lead or by which they are employed. If applicable, costs are rebilled between the employing structures and entities.

2.4.4. OTHER REMUNERATION COMPONENTS

Supplementary pension plans

The pension plan open to all senior executives is similar in nature to the plan in place for senior managers⁸. It is based on a study conducted by an independent firm⁹ on the practices of major employers in France and took account of the recommendations of the AFEP-MEDEF corporate governance code.

Enabling beneficiaries to build up savings to supplement retirement income, the supplementary pension plan combines:

- a mandatory defined-contribution pension savings plan (PER). This collective plan involves:
 - employer contributions of 5% of the employee's reference remuneration, which are transferred to a third-party body. These contributions fall within the social and tax framework of mandatory pension savings plans (PERs);
 - a mandatory annuity from the employer contributions paid to beneficiaries, which is subject to all applicable social charges and tax.
- a voluntary defined contribution "Article 82" pension plan. This collective plan involves:
 - employer contributions of 10% of the employee's reference remuneration, which are transferred to a third-party body and where applicable, an additional contribution paid over a five-year period. This additional contribution corresponds to a percentage of the employee's reference remuneration, which is determined on the basis of the time spent within the Group as a senior manager or corporate officer of the SGAM when the plan was put in place;
 - as contributions transferred to a third-party body are not covered by any preferential social or tax regime, the employer also offers compensation to offset the deduction of social charges and tax from the income of beneficiaries. The payment of this compensation is tied to the payment of contributions to the third-party body.

These defined contribution plans do not guarantee the level of retirement income. The reference remuneration, which represents the basis for calculations, integrates gross fixed and variable components of remuneration awarded in respect of an employment contract or a directorship.

Other benefits

Every member of the Executive Management team can enjoy the use of a company car or monetary compensation, except for the Chief Executive Officer, to whom a service vehicle is made available for business purposes.

Accommodation may be provided when their main residence is outside the Paris region.

They benefit from the same healthcare and protection cover as all Covéa Group employees¹⁰. Senior executives are also entitled to a medical check-up.

They do not receive any contractual severance payments, shares or stock options.

⁸ Senior managers from the consortium of employers Covéa D.

⁹ Willis Towers Watson.

¹⁰ Excluding employees of PartnerRe.

2.5 RISK MANAGEMENT AND INTERNAL CONTROL

2.5.1. RISK MANAGEMENT SYSTEM

Covéa's risk management system is designed to detect, analyse, measure, manage, monitor and report continuously and prospectively all the risks to which the Covéa Group is exposed. The General Risks Department has overall responsibility for implementing the risk management system.

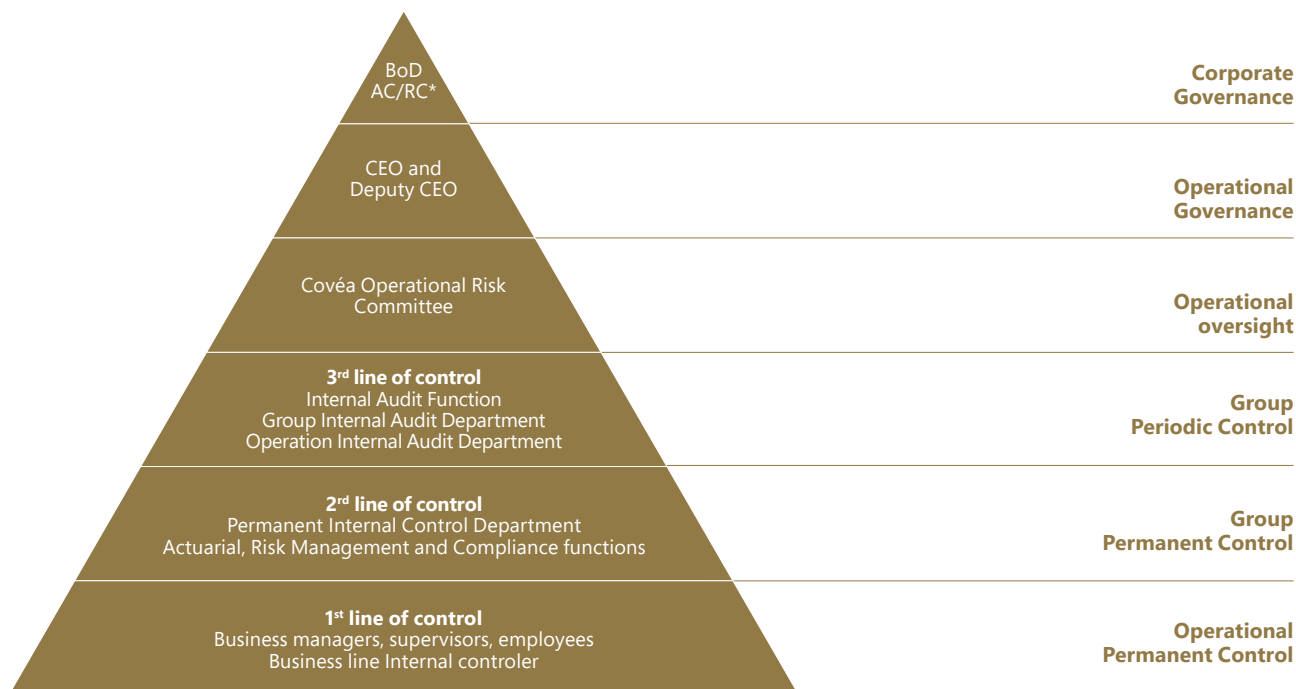
The risk management system:

- covers the risks included, partially included and not included in the solvency capital requirement under Solvency 2 standards, risk mitigation techniques and risks related to the valuation method for the prudential balance sheet;
- maps the risks to which the Group is exposed using a shared methodology and a harmonised risk taxonomy;
- uses the ORSA¹¹ processes to conduct internal risks and solvency assessments. The risk management system produces reports on the Group's risks for the governance bodies, including the annual ORSA report;

- operates under a general risk management policy and detailed policies managing specific types of risks (e.g. underwriting, reserving, reinsurance, investment, ALM, etc.). The Board of Directors approves these policies on an annual basis.

In addition, the risk management system must ensure Covéa translates its strategy into effective operational priorities and must guarantee the suitability of its risk appetite. It includes a critical review of the business plans pursued by the Group's entities, to ensure that they comply with the Covéa Group's overall risk appetite limits and that the risks inherent in these business plans can be controlled. Consequently, the risk management system helps to promote sound decision-making. To this end, it draws on the detailed risk management policies that specify each business line's responsibilities on the basis of strategic objectives and confirms that the operational limits set for each type of risk are consistent with the overall risk appetite of the Covéa Group strategy. Different risk levels and limits are tested to ensure the risks taken will not compromise the survival of the Covéa Group or its entities, or the protection of those insured.

The governance of Covéa's risk management system forms part of the Group's internal control system.



* Board of Directors, Audit Committee and Risks Committee.

¹¹ ORSA: Own Risk and Solvency Assessment.

The Risk Management Function reports on its work to Executive Management, the Risks Committee, the Audit Committee and the Board of Directors on a regular basis. At least once a year, it compiles a report of the ORSA analyses, which is submitted to the Covéa Group's governing bodies for approval.

The Operational Risk Committee is the decision-making body that has authority on operational issues relating to the ORSA analyses, Covéa Group and company risk maps, internal control work (control plans, results of key controls, review of key incidents, scoring of company risks, follow-up on action plans, alerts, etc.) and the Compliance Department's work. It also serves as a forum for sharing the insights gained from the work carried out by the Internal Audit Department.

2.5.2. PERIODIC CONTROL: INTERNAL AUDIT

The Internal Audit Function is tasked with assisting the Board of Directors, in particular through its involvement in the Audit Committee and Executive Management in safeguarding the assets, reputation and viability of the Group and its entities. By performing periodic controls, it provides independent and objective assurance on the design, suitability and effectiveness of governance, internal control and risk management systems. It issues recommendations on actions to correct any failings detected and monitors their implementation.

The Internal Audit Function plays a key part in tightening up risk control and improving overall performance. The scope of the Internal Audit Function encompasses:

- achievement of strategic objectives and the viability of the business model;
- technical, economic and financial position;
- compliance with the law and regulations;
- effectiveness of resources and organisations;
- operational performance (including projects) and effectiveness of operational controls;
- risk oversight (including strategic, emerging and reputational risks) as well as the relevance and performance of the associated risk management system;
- effectiveness of IT systems;
- procedures to prevent internal and external fraud, and corruption;
- strategic outsourcing and the way in which it is monitored;
- Corporate Social Responsibility (CSR);
- reliability of financial information, and the quality of management data in general.

The Internal Audit Function comes under the responsibility of Covéa's Internal Audit Department. It reports directly to the Group's Chief Executive Officer and operates under the functional authority of the Audit Committee. It has direct access at all times to the company's senior executives and the Board of Directors.

It produces reports on a regular basis and sends them to members of the Executive Committee¹², including:

- a quarterly internal audit of KPIs tracking the progress made on the audit plan and the implementation of recommendations;
- the annual report of the Group's Internal Audit Function, which presents audit results, progress on the implementation of recommendations, and an assessment of compliance with the internal audit policy based on various performance indicators.

The Internal Audit Function undergoes regular assessment by an independent body as part of IFACI Certification, which was renewed in 2021 and maintained in 2022. This certification offers stakeholders a guarantee that the quality of services and the internal audit system has been maintained.

2.5.3. COMPLIANCE AND INTERNAL CONTROL SYSTEM

Compliance system

In order to ensure that the Group complies with applicable regulatory requirements, Covéa's Compliance Department sets up procedures to respond to the duties of the Compliance Assurance Function with regard to a number of matters, such as combating money laundering and terrorist financing, data protection, business ethics, customer protection and relations with supervisory authorities.

The Compliance Assurance Function is tasked with:

- advising management bodies on any matter relating to compliance with legal, regulatory and administrative provisions regarding insurance and reinsurance activities;
- identifying and assessing non-compliance risks associated with operations and changes in the legal framework;
- assessing the suitability of measures adopted to prevent non-compliance.

The Compliance Assurance Function, headed by Covéa's Chief Compliance Officer, reports to the Risks Committee on its activities on a regular basis.

To effectively carry out these duties, within the scope of its policy, the Compliance department relies on an organisational structure that enables it to anticipate and analyse regulatory changes and their impact in terms of compliance on Group activities, and coordinate or oversee the implementation of priority regulatory requirements, as well as assess the risk of non-compliance in order to determine its major areas of exposure and main actions to be taken. These activities are set out in the compliance plan, established yearly.

¹² Group Management Committee as of 1 January 2023.

In addition, a compliance assurance plan is prepared every year, based on themes arising from the compliance policy. The Compliance Assurance Function prioritises the themes of compliance and the scope of checks. These compliance checks, which ensure the existence and implementation of procedures, are carried out by the Permanent Internal Control Department on behalf of the Compliance Assurance Function. The conclusions of these checks (results and actions to ensure compliance) are presented jointly by the Compliance Assurance Function and the Permanent Internal Control Department to the Risks Committee at least once per year.

Internal control system

The internal control system seeks to identify, assess and manage operational risks. It helps to ensure activities are compliant, operations are effective and resources are used efficiently. It aims to ensure that:

- the Group complies with applicable laws and regulations;
- the instructions and priorities set out by Executive Management are followed;
- the Group's internal processes are effective, especially those safeguarding tangible and intangible assets (such as expertise and reputation);
- financial information is reliable, for example by separating duties, identifying information sources, observing accounting rules, etc.

The organisation of the internal control system is designed to ensure its independence and enable it to fulfil its role effectively.

In addition, the Permanent Internal Control Department, which reports to the General Risk Department, is responsible for giving a consolidated overview of operating risks at Group level. It produces regular reports on internal control submitted to managers, senior executives and governance bodies in accordance with an annual reporting plan.

2.5.4. ACTUARIAL FUNCTION

The Actuarial Function, which is part of the Group Actuarial Department, ensures that prudential technical provisions are calculated using appropriate methodologies, models and underlying assumptions. It also assesses the quality of the data used to establish prudential provisions and gives an opinion on underwriting and reinsurance policies. By improving the understanding and management of underlying operational risks, the Actuarial Function's work makes the risk management system more robust.

The Actuarial Function draws mainly on its own resources as well as on the Group's control system to carry out its duties. Consequently, the findings and recommendations made by the Group's permanent internal control system and Internal Audit Function on the quality assessment of reserving processes, data, underwriting and reinsurance enable the Actuarial Function to identify priorities for more thorough investigation during the year. The coordination of key functions, and in particular the work of the Operational Risk Committee, also guides the efforts of the Actuarial Function in accordance with the knowledge gained of the material risks and considerations identified.

The Actuarial Function prepares an annual report in which it presents its conclusions on the assessment of technical provisions and gives an opinion on the underwriting and reinsurance policies. This annual report is sent to the Audit Committee and the Risks Committee and is subject to approval by the Board of Directors.



03. A COMMITTED AND RESPONSIBLE GROUP

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3.1 SOCIAL IMPACT: COVÉA'S CSR STRATEGY

Covéa is a leading insurance provider that takes its vocation to protect even further by bringing about the social and environmental transition. The Group works to build a sustainable growth model that benefits its stakeholders, members, customers, employees and society at large.

To achieve this, Covéa has made it its ambition to guide everyone towards a world of sustainable growth.

The Group is developing its core responsibilities across each of the areas in which it operates and each of its spheres of influence as a company, employer, insurer and investor. It has decided to take things beyond the natural scope of its responsibilities by focusing on five core fields in which its efforts have a legitimate basis and a potential significant impact:

- **Equal opportunity:** Covéa wants to help create a more inclusive society through measures to encourage fair treatment and employability, and by combating all forms of discrimination.
- **Knowledge:** offering everyone the chance to access knowledge goes hand in hand with equal opportunities. The Group and its brands forge partnerships with an educational and cultural purpose.
- **Risk prevention:** this is what an insurance provider is all about. As a responsible insurance provider, Covéa wishes to share this expertise to benefit not only its customers, but also society at large.
- **Local economy and communities:** we want to boost local economic development to help reduce geographical divides.
- **Environment:** Covéa is helping to step up the transition towards a more sustainable society by reducing its impact on the environment, favouring responsible investments and offering sustainable products and services to its customers and members.

In 2020, Covéa adopted a new social commitment strategy entitled: "Our Social Impact". This strategy is designed to have a profound, inclusive and tangible influence on society, setting out clear requirements and providing evidence of what has been achieved ("#PreuveEnEst").

The Group has embedded into its new strategic plan, "Covéa 2024 - Growing together", its targets for inclusion of people with disabilities, women's rights, its low carbon pathway, and the creation of the Covéa corporate foundation.

In 2022, for the first time, Covéa wanted its CSR policy to be certified by EcoVadis. With an overall score of 52 out of 100, the Group obtained the bronze medal in recognition of its CSR performance. The results put the focus on sustainable procurement, balanced across the three pillars of environment, ethics and labour/human rights. Covéa pursues ongoing improvement and intends to increase its score in the next few years.

The social impact strategy applies to all French entities. A total of 20 or so projects involving around 150 internal contributors within 95% of the main departments in France were rolled out in 2022, delivering the expected initial results.

Outside France, the Group's scope of action was expanded further in 2022 with the acquisition of PartnerRe, a reinsurer committed to taking action in terms of managing climate risk and making economies resilient to climate change, as well as inclusion and diversity. The main information relating to the new entity's CSR aims and actions is set out in a dedicated section of this document. More details can be accessed directly on the PartnerRe website.

3.2 TANGIBLE EVIDENCE: TAKING CONCRETE ACTION

The Covéa Group voluntarily chooses to publish a Non-Financial Performance Statement covering its entire financial and social scope. This document, available on the Covéa website, describes how Covéa addresses the social and environmental impacts of its activities.

The main actions taken by the Group in France with regard to sustainability in 2022 are set out below.

3.2.1 A RESPONSIBLE COMPANY

3.2.1.1 PROMOTING EQUAL OPPORTUNITIES FOR A MORE INCLUSIVE SOCIETY

Covéa and its brands believe firmly in taking action to promote gender equality and professional integration while fighting discrimination.

Improving women's rights at the Group, such as ensuring their protection within society, is one of our priorities, already as an intrinsic objective within our business but also as a duty to society. With 21,000 employees in France, more than 60% of whom are women, equal opportunity is central to Covéa's social impact strategy.

In addition, the Group pledges to promote the inclusion of people with disabilities, both internally and through sponsorship and partnerships.

By developing sponsorship programmes and partnerships, the Group increases its impact on diversity and equal opportunities in such a way that promotes a more inclusive society.

To take things even further, Covéa set up a corporate foundation in late 2022. Through its actions, as concrete proof of the Group's commitment to society, the Foundation will give it the means to support non-profit organisations and foundations promoting three causes: women's rights, inclusion and knowledge.

Our sponsorship efforts and partnerships to promote inclusion and equal opportunities

Taking action for women's rights with the Fondation des Femmes

Since 2020, Covéa has supported the Fondation des Femmes, the leading foundation in France for women's rights and combating violence against women. A new €400,000 donation in 2022

enabled the Fondation des Femmes to continue with its efforts, funding two programmes to support non-profit organisations and raise awareness among the public.

In 2022, Covéa also took part, alongside the Fondation des Femmes and other businesses, in putting together prevention guidelines to help businesses understand domestic violence.

Facilitating girls' education and career development

Under its partnership with the non-profit organisation Capital Filles, 113 female employees from Covéa volunteered across 15 academic districts in the 2021-22 school year, providing educational and career guidance to female high school students from disadvantaged or isolated rural areas.

Promoting the professional integration of young people through partnerships with schools

As part of its social commitment to young people, Covéa has signed several partnerships with top schools, such as Paris Dauphine University, EFREI and the Web School Factory.

Improving disability support

The Group's foundations

The MMA and MAAF brands created two foundations to further inclusion and guidance for people with disabilities.

Under the aegis of the Fondation de France, the MMA Solidarity Foundation supports community projects that improve the capabilities, wellbeing, self-fulfilment and social inclusion of disabled people, in particular young people who have suffered serious accidents.

In 2022, the Foundation invested €579,650 in 72 new projects. Since it was set up in 1983, the MMA Solidarity Foundation has supported over 2,500 projects and helped more than 25,000 people with disabilities.

The MAAF Foundation finances and contributes to innovative projects to improve the everyday lives of disabled people. For example, it backs communication and awareness efforts, participates in funding medical studies and research, and helps develop device prototypes, cultural initiatives and integration projects.

In 2022, the Foundation launched its third call for projects as part of its multi-year commitment (2019-2023) to the issue of the increasing age of people with disabilities. Since it was set up, it has supported over 100 projects and distributed over €2 million in grants.

French national parks network

In 2021, GMF, the French national parks network and the French Office for Biodiversity continued their partnership and sponsorship programme for a period of three years to promote a shared joy of nature. Over the next three years, its projects will focus on enabling all people, including disabled people, to access and understand nature, preserving biodiversity and preventing risks. GMF has supported around 136 initiatives since the partnership began.

Partnership with the Fédération Française Handisport: inclusion through sport

In 2022, Covéa signed a major partnership agreement with Fédération Française Handisport (FFH), the French disabled sports federation, in relation to the “Disabled sports for young people” campaign, allowing young people with disabilities to improve their confidence and self-esteem. The partnership reflects the Group’s commitment to equal opportunity and inclusion, a core focus of its 2024 strategic plan, and a key area for action for its corporate foundation. Covéa is the main sponsor of the Fédération Française Handisport.

Partnership with My Human Kit to create appropriate solutions with the help of people with disabilities

In 2022, Covéa signed a partnership agreement with My Human Kit, a non-profit that aims to manufacture technical aids by, with and for people with disabilities. This approach capitalises on these people’s ability to adapt and their inventiveness, while also devising solutions with them that respond specifically to their needs. In 2022, the first international Humanlabs forum was held in Rennes, France. The three-day “Fabrikarium” held from 17 to 20 October was attended by 60 people – including six Covéa employees – split into six teams to work on six projects, using open source solutions. The participating teams, guided by the expertise of people with disabilities on their needs, came up with and produced six different solutions, combining creativity, digital production methods and collective intelligence.

3.2.1.2 PROVIDING ACCESS AND PASSING DOWN EXPERTISE TO ALL

Covéa and its brands partner a variety of cultural, academic and educational projects, to which the Group has emphatically demonstrated its commitment by including knowledge as one of the areas for action in its social impact strategy. The Group is keen to step up its sponsorship efforts, its partnerships as well as its educational and cultural projects supporting people in need, which create significant value for society. Knowledge is also one of the three core focuses of the Covéa corporate foundation.

3.2.1.3 CONTRIBUTING TO THE SOCIAL AND ECONOMIC DEVELOPMENT OF LOCAL COMMUNITIES

Through its geographic coverage, the Covéa Group drives social and economic development in local communities. Its brand networks ensure Covéa is always close at hand to serve its customers. Furthermore, the Group provides significant job opportunities at its main sites and supports local businesses through its work with foundations and incubators.

Impact on the local active working population

In 2019 (latest figures from INSEE):

- 3.3% of the active population in Le Mans employed by MMA;
- 2.2% of the active population in Chartres employed by MMA;
- 5.6% of the active population of the Niort labour market area employed by MAAF.

In addition to the Group’s impact on direct jobs, it boosts indirect jobs by working with local transport companies, educational establishments and trade bodies, as well as social and cultural institutions.

Building a regional network

Covéa’s brands (MAAF, MMA and GMF) stay close at hand to serve their members and customers through their regional network bringing together 2,411 points of sale throughout France.

Contributing to the social and economic development of local communities

The Group aims to increase its close collaboration with startups innovating in digital technology, in particular in insurtech.

- MAAF is a member of the solutions accelerator French AssurTech, which acts as a catalyst in bringing to the fore the insurance solutions of tomorrow. The platform aims to fast-track the growth of insurance tech start-ups, facilitate the sharing of experience and cooperation between mutual insurance companies, and contribute to the development of digital technology in the region around Niort.
- MMA is a founding member of the non-profit organisation Le Mans Tech, which accelerates the development of clean transport and energy start-ups by enabling them to take advantage of a local, national and international ecosystem.

MMA Future Entrepreneurs Foundation

The MMA Future Entrepreneurs Foundation focuses its ideas and action around the entrepreneur, the physical and mental forms entrepreneurs can take, and the interactions they have with their company and region in adapting to change. One of the foundation’s main areas of action is producing and distributing robust content, especially research, and organising events to support entrepreneurs.

Community outreach days

Covéa resumed its community outreach efforts in 2022 following the lockdown. These events are intended for Group employees wanting to devote one day of their paid leave to helping a charity close to where they live. A total of 21 one-day events were organised – including three specifically for GMF partners and employees – between September 2022 and January 2023, in partnership with Unis-Cité Entreprises, close to Covéa's main sites in Paris, Le Mans, Niort, Chartres, Tours, Strasbourg, Lyon and Nantes. A total of 193 Covéa employees took part in various events at partner associations.

3.2.1.4 REDUCING THE ENVIRONMENTAL FOOTPRINT OF THE GROUP'S OPERATIONS

The Group pledges to work towards sustainable growth, with the target of reducing its direct greenhouse gas emissions by 3% per year across its operations. The Science Based Targets methodology was used to identify Covéa's sources of emissions relating to its operations and ways of reducing them. A strategy was then devised for cutting these emissions. This low-carbon strategy sets out the Group's pathway, with three key milestones aligned with global targets set by the COP21 and COP26 agreements for 2024, 2034 and 2050. This aim fits in with the "Covéa 2024 – Growing together" strategic plan.

In 2022, Covéa upheld its commitment to reduce the environmental impact of its employees' commuting and business travel. This was reflected by a significant increase in the proportion of low-emission vehicles in the long-term leasing fleet and the executive vehicles fleet. More low-emission vehicles were also available on short-term leases. Electric vehicles are now used for mail shuttle services in the Île-de-France region.

In addition, the Group encourages its employees to use more environmentally friendly modes of transport, which also enable them to cut the cost of travelling to work. For example, Covéa has introduced a **sustainable transportation benefit** covering a wide range of eligible transportation options and high maximum amounts. In addition, Covéa conducted a two-month experiment at three central sites to loan 60 electric bicycles to employees, in partnership with GoodWatt.

To reduce energy consumption, Covéa Immobilier continued with its Tertiary Eco Energy project to reduce energy consumption by 40% to 60% by 2030 to 2050. An energy efficiency plan to cut energy consumption by 10% by 2024 was devised in September 2022 to contribute to the national effort in France and respond to government demands.

Covéa Immobilier is also working to obtain environmental certification for all the buildings it owns and/or an environmental label for all construction projects.

➔ At the end of 2022, Construction quality labels or certifications had been obtained at over 69,523 m² (62,840 m² in 2021) and Operations quality labels or certifications at over 76,000 m² (68,000 m² in 2021) of operating property at the Group's main sites.

Circular economy practices were developed by reusing materials at worksites and seeking out reused materials as an alternative to new resources, under the Booster programme. The worksite waste management policy was applied on a trial basis at two projects in Le Mans. In addition, a "Products, Equipment, Materials, Waste" waste diagnostic process was carried out at three operating projects in Le Mans and Niort.

In 2022, Covéa upheld its strong commitment made in 2020 to reduce its non-worksites waste. For example, food service partner Sodexo launched its "Wastewatch" anti-food waste campaign in 2022, which identified the areas generating the most waste in order to launch corrective measures in 2023.

For the European Week for Waste Reduction, Covéa led a drive to collect unused computer hardware in partnership with Les Ateliers du Bocage, a non-profit organisation with over 25 years' expertise in sorting and reuse, as well as environmental and community digital activities.

Biodiversity is also a priority issue for Covéa Immobilier. The Covéa Group is aiming to obtain accreditation for five of its main sites by 2024. An EcoJardin officer has been appointed to support property teams at the target sites. The Saran site obtained the EcoJardin label in 2022.

➔ Covéa's energy-related greenhouse gas emissions per m²: **13.17 kgCO₂e/m²** (reduction of 9.36% versus 2021 and 12.32% since 2019)

Sponsorship programmes to understand the challenges of the energy and environmental transition

The Covéa Group has become a sponsor of *Avenir Commun Durable – Environnement, énergie, société* (Together for a sustainable future – Environment, Energy, Society). This initiative was launched by Collège de France professors to provide interdisciplinary scientific responses to climate change issues and disseminate evidence-based data to inform general reflection. In concrete, this sponsorship programme has led to the support of an Avenir Commun Durable research chair, whose lectures are free and open to the general public.

3.2.1.5 PROMOTING CSR IN BUSINESS CONDUCT

In setting its social engagement strategy, the Group takes its responsibilities seriously, which cover business ethics, sustainable procurement, duty of care, and anti-corruption and anti-fraud measures.

Social commitment

In order to enable its employees to better understand the core CSR priorities and apply them at Covéa, the Group implemented an interactive training module, which had been taken by 29% of employees by the end of 2022.

A further e-learning module on sustainable finance was provided at the end of the year, allowing employees to gain a better understanding of ESG and the role of investors in financing the environmental and social transition.

Sustainable procurement

Covéa's procurement policy reflects its commitment to ensuring the sustainability of the social impact of its procurement. This is based on:

- Group-wide third-party supplier risk management to ensure a "360° view" of supplier risk;
 - a digital risk qualification system, based on categorisation of third parties into four risk groups: low/medium/high/very high, to define and trigger an appropriate evaluation process;
 - a reliable third party evaluation process by means of sending out questionnaires, including in particular a CSR assessment sent to all third parties consulted in our calls for tenders, accounting for 20% of the total score given to the supplier;
 - including companies from the sheltered employment sector and/or disabled self-employed professionals in consultation and tendering processes whenever possible;
 - supporting the local economy by inviting SMEs to quote for projects when they may be able to fulfil the requirements.
- ➔ 100% of suppliers consulted since September 2022 have received a CSR questionnaire within the framework of calls for tenders.

Duty of care

Covéa has developed, implemented and published its duty of care plan, having identified risks in relation to human rights, fundamental freedoms, personal health and safety and environmental protection arising from the insurance and reinsurance activities of the Group and those of its subsidiaries, subcontractors and suppliers.

Covéa has deployed a system to handle any red flags in relation to these risks, available to employees and third parties (see section on the company whistleblowing procedure below).

Business ethics

Covéa's Ethics Charter, which was fully updated in 2021, is the reference document that sets out the Group's ethical values, providing common guidelines enabling all individuals to carry out their professional duties with peace of mind in accordance with the Group's principles and rules.

It is intended to guide employees in the behaviour expected of them and behaviours that should be avoided or are prohibited. Covéa's Ethics Charter refers in particular to the existence of the company whistleblowing procedure to detect internal shortcomings and help to develop a culture of integrity.

Company whistleblowing procedure

The Covéa Group adopted a whistleblowing procedure in 2018 to respond to its legal obligations with regard to:

- protection of whistleblowers, as a result of the Sapin II law of 9 December 2016;
- prevention and detection of corruption, as a result of the Sapin II law of 9 December 2016 (see section on anti-corruption below);
- the duty of care plan, resulting from the duty of care law of 27 March 2017 (see section on duty of care below).

Anti-corruption

The Group has a zero-tolerance policy on corruption and condemns corruption in all its forms. In accordance with the Sapin II law, Covéa implements a corruption prevention and detection programme, which includes in particular a corruption risk map, an anti-corruption code of conduct appended to the rules and regulations, a log of gifts and invitations, a company whistleblowing procedure, a specific anti-corruption training programme to raise employees' awareness about combating corruption, accounting procedures and an accounting control plan, and measures to assess and monitor the effectiveness of the anti-corruption system.

Anti-money-laundering and countering financing of terrorism (AML/CFT)

Special procedures in place within the Group cover regulatory requirements and continuous monitoring of AML/CFT matters and freezing of assets. These procedures are reviewed annually and updated in the event of any changes to the Group's risk classification or changes in regulations.

They cover:

- entering into business relationships and complying with know-your-customer procedures, particularly for politically exposed persons (PEPs), and keeping this information up to date;
- detecting individuals whose assets have been frozen;
- monitoring suspicious transactions and applying surveillance measures throughout the business relationship;
- enhancing examination of risk situations and reporting suspicious activity to Tracfin;
- training staff on all these measures to comply with AML/CFT regulations and the freezing of assets;
- implementing internal controls to check the effective implementation of these measures within the Group.

In 2022, all networks and staff (with limited exposure and exposed to AML/CFT risk) were asked to update their AML/CFT knowledge through an e-learning programme. All new employees also take one of the AML/CFT training modules on joining the company, depending on their level of risk exposure.

Combating fraud from external sources

The procedure to combat fraud from external sources centres around two principles – protecting the community of policyholders insured against fraud and helping to limit claims expenses and improve the quality of risk insurance.

Applicable to the entire Group and involving all claims management staff, the procedure covers mapping, training, leading, documentation, coordination, detection, management, inquiries, assistance and steering actions. This procedure complies with regulations governing privacy and data protection (GDPR and data protection laws).

Combating tax evasion

Covéa complies with its tax reporting obligations in each country and does not operate in countries or territories deemed uncooperative by France, the OECD or the European Union. Covéa also helps to ensure its customers honour their tax obligations.

Furthermore, within the framework of its tax obligations, the Group applies the Common Reporting Standard (CRS) to its entities, which gives tax authorities systematic knowledge of income received abroad by tax residents, and complies with the requirements of the US Foreign Account Tax Compliance Act (FATCA), which aims to combat tax evasion involving foreign accounts held or entities owned by US taxpayers.

3.2.1.6 SECURITY OF DATA AND IT SYSTEMS

In 2022, Covéa continued to implement GDPR, working via a five-person team wholly dedicated to data protection and DPD correspondents appointed at the main brands and cross-functional departments handling personal data. The Group also took measures to enhance rules for accessing brands' customer areas.

- ➔ **94%** of Covéa employees took the GDPR training module in 2022 (93% in 2021).

The cyber risk prevention policy of Covéa and its subsidiaries helps protect the continuity of the Group's essential activities. A "comprehensive policy to safeguard Information Systems Security" (INFOSEC) document was drawn up in 2017 to set out basic IT security principles. An IT system user charter is also attached to the Group's rules of procedure in order to establish the responsibilities of each user of its IT systems.

This policy includes the CyberSafe programme to raise awareness among all employees.

- ➔ 33% of Covéa employees took at least one module of the INFOSEC programme (32% in 2021).

3.2.2 A RESPONSIBLE EMPLOYER

3.2.2.1 ENSURING EMPLOYEE HEALTH AND QUALITY OF LIFE AT WORK

New advances in terms of quality of life and working conditions were set out in concrete in an agreement signed in February 2022. This is in addition to existing agreements, some measures of which relate to quality of life and working conditions, such as agreements concerning gender equality, disability, working hours and remote working.

In 2022, Covéa maintained its risk prevention unit to support and aid employees and managers and updated its Single Occupational Risk Assessment Document. An annual action plan was implemented to prevent the main risks, covering three areas:

- the working environment;
- raising awareness, providing information and equipping employees;
- detecting and taking care of situations of deterioration in working conditions, whether in relation to individuals or collectively, and implementing the necessary support measures.

In 2022, Covéa launched its very first Group-wide employee opinion survey to assess their level of engagement and their feelings about 20 issues. A uniform level of participation within each department provided a full and representative overview of employees' viewpoints, opinions and level of engagement at Covéa. The survey allowed the Group to collect 11,000 opinions on a variety of issues, such as remote working, improving everyday IT tools and the complexity of internal processes.

- ➔ 81% of employees worked remotely (out of eligible employees and excluding those on suspended contracts) (77.6% in 2021).
- ➔ **67%** participation rate in the survey and **63%** employee engagement rate in 2022.

3.2.2.2 SUPPORTING CAREER MANAGEMENT AND THE LONG-TERM DEVELOPMENT OF HUMAN CAPITAL

Career-long training and career management are essential components of the Group's competitive strategy. In its collective bargaining agreement on strategic workforce planning for 2021-2023, Covéa pledged to maintain and develop the skills of its employees. By harnessing foresight to prepare employees for the direction jobs are taking and dedicating the resources needed to plan ahead of time, the Group is also committed to enhancing internal mobility.

For example, the Group is continuing to develop its educational offering by incorporating new forms of learning (digital, mock interviews, practical examples) to enable employees to become more adaptable and autonomous, and improve accessibility and ongoing skills development. Self-led learning is also facilitated by means of improved self-service training modules.

- ➔ Percentage of employees who benefited from Covéa's ongoing learning programme: **95.4%** (94.6% in 2021)
- ➔ Average number of hours each Covéa employee spends in training: 19.2 hours (18.1 hours in 2021)

3.2.2.3 PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

Covéa pledges to promote diversity through an inclusive approach, which values each employee as an individual, whatever their unique qualities, differences and opinions. This goal is broken down into five key areas

Employing and integrating people with disabilities

The 2021-2023 disability agreement sets the aim of hiring 150 people with disabilities by the end of 2023. An interactive handbook has been made available to employees to share and explain the main aspects of the agreement.

- ➔ **6.25%** of the workforce was made up of people with disabilities in 2022
- ➔ 60 people with disabilities were recruited in 2022 (compared with 50 in 2021)

Digital accessibility

On the basis of its multi-year programme, the Group adopted a governance structure in 2022 dedicated to digital accessibility, known as the Accessibility Team, comprising 16 digital accessibility officers in charge of coordinating the efforts of each brand and department concerned.

A total of 11 audits were performed in 2022 (13 in 2021), mainly on internal digital matters. In addition, corrective measures were to make the maaf.fr, mma.fr and gmf.fr websites more accessible.

Around 100 employees received training in 2022. An initial training plan has been drawn up concerning 130 employees (developers, UX/UI designers, product owners, communications officers, etc.), which will be launched in the first half of 2023.

Preventing and combating discrimination

Covéa has developed its range of training courses to prevent discrimination and deployed specific modules for certain businesses:

- 63% of employees took the "Diversity makes a difference" course at the end of 2022, which was launched in 2019;
- Continued deployment of the "Hiring without discrimination" module for recruitment officers; 71 recruitment officers trained since the rollout began in 2020;
- Continued rollout over three years of the new "Communicating inclusively" training module developed for communications professionals.

Promoting gender equality

The new three-year agreement (2021-2023) on gender equality in the workplace covers six areas of action: promotion at work and recruitment from outside the Group, professional training, work/life balance, effective remuneration, and sexist and sexual violence. It includes a number of impactful measures:

- target of 57% women managers;
- increase in the budget allocated to reducing pay gaps to **€600,000** over the period of the agreement;
- paternity leave compensation that exceeds statutory requirements, increased to the employee's net salary over the entire leave period;
- ongoing rollout of the "Women's Career Paths and Projects" training module, with a new module in 2022 for non-managerial staff, with the target of helping women achieve their career plans and develop their leadership skills. **77** female employees were trained in 2022;
- creation of the new "Acting against sexist and sexual violence" training module for managers, to be rolled out over five years.

Covéa's gender equality score, published voluntarily in 2023, was 91 out of 100 (as at end-2022), relatively stable in relation to the score published in 2022 (92 at end-2021). The total percentage of women employees at Covéa remained stable, at 65.7%.

The proportion of women in managerial positions is increasing steadily, reaching 54.61% in 2022.

Facilitating the professional integration of young people

Covéa is committed to helping young people find work in order to enhance and refresh the company's skill sets and support widespread access to training. To this end, 400 work/study students were recruited

for the start of the 2021-2022 academic year, and 600 for the start of the 2022 academic year. The Group had a total of 700 work/study students in 2022-2023. A complete set of tools has been set up to better support these young people, including a dedicated community to support and unite them.

In 2022, Covéa obtained HappyIndex® Trainees Alternance certification for the second year in a row, following a survey if its work/study students. 94% of respondents would recommend the Group for a work/study placement.

3.2.2.4 MAINTAINING CONSTRUCTIVE DIALOGUE WITH EMPLOYEE REPRESENTATIVES

Covéa takes steps to engage in constructive dialogue with employee representatives. This is maintained through a number of bodies, responsible for different scopes and priorities. Employee representative bodies operating within Covéa's Economic and Social Unit (ESU) include the central Economic and Human Resources Committee (EHRC) and three branch EHRCs based in Niort, Levallois and Le Mans.

All the meetings held with employee representative bodies accounted for 54% of the total annual workload of Covéa's Employee and Labour Relations Department (number of days of meetings relative to number of working days).

3.2.3 A RESPONSIBLE INSURANCE PROVIDER

3.2.3.1 CREATING A SUPPORTIVE CUSTOMER EXPERIENCE THAT GOES BEYOND INSURANCE

Improving the customer experience is a major component of the Group's 2022-2024 strategy. In a world that is undergoing profound changes, through its brands, Covéa wants to be at the forefront of the cover and services that customers seek.

Monitoring customer satisfaction

At each brand, customer satisfaction is measured using a questionnaire sent the day after contact with the brand to ask customers about their overall satisfaction with the experience.

Covéa's average next-day satisfaction score across its three brands (MAAF, MMA and GMF) was **8.8 out of 10** in 2022 (compared with **8.8 out of 10** in 2021). 77% of customers stated that they were "very satisfied" (score of 9 or 10 out of 10) (compared with 76% in 2021).

2022 IFOP brand commitment survey

In 2022, Covéa and its MAAF, MMA and GMF brands took part in IFOP's annual brand commitment survey conducted in February. This survey assessed its commitment score and consumers' expectations of the Group's brands compared with other companies in the sector.

In the banking and insurance sector, the Covéa Group's brands have a fairly high level of commitment, with MAAF ranked fifth (54% responded "committed" to "very committed"), GMF ranked seventh (53% responded "committed" to "very committed") and MMA ranked thirteenth (49% responded "committed" to "very committed") out of a total of 32 brands. More generally, banks and mutual insurance companies are regarded as more committed, as well as being subject to the highest expectations.

Supporting customers day in, day out through a service platform

Covéa supports its customers day in, day out through the range of services available on the customer account page. In 2022, the service platform offered around 20 services helping to support vulnerable people, reduce the Group's environmental impact and prevent risk. It was enhanced to include new services focusing on mobility, housing, health and wellbeing, and occupational risk prevention.

➔ **1,418,000** MAAF, MMA and GMF customers logged into the service platform in 2022 (1,218,000 in 2021)

A proactive policy to support personal injury victims

The multidisciplinary teams of the Personal Injury Department work to provide personal injury victims with in-kind solutions on top of monetary compensation. Managers and personal injury inspectors work with internal and external experts, such as occupational therapists, architects and social workers, to give advice and offer solutions for social reintegration, home adaptations and transport solutions. A dedicated tool, Cove'AVictimes, was also launched to make it easier to share information between Personal Injury Department staff, with a view to helping to support victims.

The "Land Occupation Knowledge" programme is designed to roll out Covéa's support policy on a national and local level and facilitate the policy of paying out settlement compensation. In concrete, the national network of 51 personal injury inspectors – 16 of whom specialise in dealing with significant personal injury claims – allows for immediate proximity to injured parties and their families, lawyers, etc. This allows for appropriate advice to be given and support solutions proposed, as well as fair and adequate compensation. It will also allow for closer relations and contact with a number of local operators that may be involved in caring for disabilities, such as rehabilitation centres, non-profit organisations and equipment suppliers.

MMA obtains 100% “Service France Garanti” certification for its customer service

This year, MMA obtained “Service France Garanti” certification, a quality label reviewed each year by AFNOR, in recognition of service companies with employees in France. To obtain the label, at least 90% of people working directly with customers must have an employment agreement under French law. MMA fully meets the criteria, as all its services and customer service are provided in France.

Handling weather events

When exceptional weather events occur, MAAF, MMA and GMF can set up mobile units on site in the damaged area with the help of a local representative. The mobile teams deal with customers face to face, either replacing affected branches or supporting the local network. On site, they assess the damage sustained, offering advice and guidance to policyholders. In addition, the local representative also assesses damages in order to take appropriate measures.

3.2.3.2 ADAPTING OUR PRODUCTS, SERVICES AND COMPENSATION TO SOCIAL AND ENVIRONMENTAL ISSUES

The range of insurance solutions available through Covéa brands is evolving to respond to current social changes and new customer needs.

Covéa worked with its operational departments to identify the characteristics of social and environmental impact insurance. These criteria are used to assess products and services and identify potential improvements. The idea is to develop insurance products that meet customer expectations while improving their social and environmental impact over the policy duration.

Products and services are adapting to new uses and practices. For example, the collaborative economy and its digital platforms are creating new uses in relation to our homes. The Covéa brands provide cover and services relating to buying and selling or renting a home, as well as third-party liability extensions for the buying and selling of goods and services.

In motor insurance, the Covéa brands also provide insurance cover for electric vehicles, guaranteeing the battery, whether rented or bought, along with the vehicle itself, while breakdown cover includes a tow service to take the vehicle to the nearest charging point. Drivers of environmentally friendly vehicles are also offered discounts.

Brands are also careful to limit the environmental impact in handling motor claims. Customers are encouraged to choose sustainable

repair options such as repair over replacement, reused parts, partners specialised in eco-friendly repairs. The CESVI technocentre (90%-owned by Covéa) drives progress in auto repair techniques, encouraging garages to repair and reuse certain vehicle parts instead of replacing them. In 2022, 14% of parts used came from the circular economy.

In family and leisure insurance, to better support customers, policies at all brands cover personal injury of drivers of motorised personal transport vehicles, whether rented or bought.

Finally, all health services are accompanied by extensive communications throughout the year, enabling policyholders to get the right service at the right time and highlight the need for prevention in order to manage their health.

3.2.3.3 SHARING EXPERTISE TO INCREASE SAFETY AWARENESS AND RISK PREVENTION

Covéa and its brands leverage their knowledge of risk to help members and customers to prevent risks relating to health, mobility, life at home and at work. For example, the Group shares its expertise to enhance its preventive measures with regard to customers. This commitment is also put into practice through a policy of substantial and ongoing funding for research to prevent new technology, climate or public health risks.

Raising awareness about climate & natural risks

Covéa has developed several risk prevention tools, including:

- Climate alerts: warning messages sent to policyholders via text, emails, social media posts, with the aim of facilitating potential claims filings;
 - ➔ In 2022, Covéa’s brands sent around 2.2 million text messages to their customers about severe weather events (compared with more than 3.5 million in 2021);
- Covisiomap: a tool for preventing and assessing commercial risks, providing disaster models for the 10 main climate and natural risks;
- Coventéo: modelling of climate risks – hail, drought, storms – to better understand and measure their impact on insurance and assistance portfolios.

Road safety

Each of Covéa’s brands raises customer awareness about the dangers of the road through a variety of actions and communication campaigns.

- MMA IARD encourages all individuals, both drivers and pedestrians, to take an active role in their own prevention and offer advice to their friends and family. MMA communicates

via its digital prevention platforms to reach as many people as possible. The brand launched a digital and press road risk campaign in May 2022 for professionals during Occupational Road Safety Days (opinion poll, awareness video). Moreover, MMA's zerotracas.mma website logged **711,980** visits in 2022.

- In addition to its regular initiatives, GMF organised its seventh consecutive "Trace Ta Route avec Max" game on road safety, designed for elementary and middle school children and their teachers. After completing the programme, pupils can obtain their first road safety certificate. 93 classes have signed up for the 2022/2023 edition.
- MAAF continued in 2022 with its efforts to raise awareness about the dangers of the road, in particular with its film "Alcohol, drugs, driving under the influence: look out for danger", which received the bronze trophy in the social innovation category at the 2022 *Trophées de l'Assurance* awards.

Preventive healthcare for our customers

In 2022, Santéclair launched new services for health insurance policyholders with the Group's three brands: unlimited access to virtual consultations with a new Santéclair partner, the "Well in my head" ("*Bien dans ma tête*") service (video consultation with a psychologist, enhanced directory of mental health professionals, list of psychiatric institutions, help with finding an emergency psychiatric service, wellbeing coaching programme), as well as new ophthalmology centres offering appointments within a maximum of two weeks. The Group also continued to cover the flu vaccine for all its health insurance policyholders.

Following the launch of the Addict'town escape game in late 2021 to raise awareness about addiction, GMF invited a number of its customers to try it out and also offered a support service for difficult everyday situations, "*GMF vous accompagne*" ("GMF supports you"), comprising a website and a telephone number to speak to a counsellor.

MMA and MAAF have also made Addict'town available on their websites to raise awareness about this issue among their customers and prospects, following a sharp rise in addictions following the health crisis and the general context.

Publication of a white paper on climate change

To anticipate and contribute as much as possible to combating climate change, the Covéa Group published a white paper on the topic. This scientific study, the result of several years of research, identifies and quantifies the major climate risks that lie ahead for mainland France.

The aim was to quantify how the frequency and intensity of four climate events will develop between now and 2050, namely storms, drought, flooding and hail. Taking an innovative multi-model approach, the study gives an overview of Covéa's own level of claims, while looking at the specifics of each region covered by its brands' portfolios.

Innovating through research

Covéa has supported the biomedical researchers from Clinathec research centre since 2018, as a way of promoting long-term research programmes. In partnership with the French Alternative Energies and Atomic Energy Commission (CEA), Grenoble Alpes University Hospital, INSERM (French National Institute of Health and Medical Research) and Université Grenoble Alpes, no fewer than 90 clinicians, researchers, biologists, and micro/nanotechnology and electronics experts are contributing to the implementation of a new biomedical research model.

More specifically, Covéa supports the Covéa NeuroTec programme, a particularly innovative project that uses infrared light to slow the progression and effects of Alzheimer's disease.

3.2.4 A RESPONSIBLE INVESTOR

3.2.4.1 INTEGRATING ESG CRITERIA INTO THE INVESTMENT STRATEGY

Covéa Finance, Covéa's asset management company, leads the Group's ESG strategy when it comes to investing in financial assets. ESG criteria are integrated into the investment process through a four-pronged approach – the exclusion policy, the shareholder engagement policy, specialised funds and calculation of the carbon intensity of its portfolios.

The exclusion policy sets out all the areas in which the Group refrains from directly investing in shares or bonds, including any company involved with controversial weapons, tobacco production, the gambling and betting industry, or coal, in line with the thresholds and timelines to gradually phase out this energy source by 2030 (for OECD countries) and 2040 (for non-OECD countries). This exclusion policy was extended in 2022 to include activities connected to unconventional oil and gas, with a timetable for gradual withdrawal between now and 2030. Unconventional refers to production activities (according to certain thresholds) related to shale oil and gas, oil and gas from tar sands, coal-bed methane and extra-heavy oil.

The shareholder engagement policy structures the ESG assessments of private and sovereign issuers (shares and debt), oversees the voting process at general meetings and shapes shareholder dialogue, which enables Covéa Finance to consider issuers in relation to their material priorities and encourage them to improve their performance and transparency in respect of environmental, social and governance matters.

Specialised environmental and Socially Responsible Investment (SRI) funds are subject to specific non-financial ratings.

Furthermore, Covéa Finance calculates the carbon intensity of most portfolios to produce a benchmark indicator that ensures transparency (in accordance with Article 29 of the French law on Energy and Climate and its implementing decree), as well as helping to manage climate risk and achieve targets with regard to curbing climate change. This indicator is also used in ESG assessments of issuers, and as a selection criterion for certain environmental funds.

In 2022, Covéa Finance was once again able to test out the relevance of its approach as part of the SRI accreditation process for its four environmental funds (Covéa Aeris, Solis, Terra and Aqua), on top of

the range of funds already awarded the label (Covéa Flexible ISR and Covéa Actions Solidaires). This also confirms the consistent categorisation of these funds in category 1 under AMF policy 2020-03, guaranteeing that the average ESG rating of stocks in the portfolio is above that of its investment universe (average ESG ratings¹ of fund securities above the average rating of 80% of the highest-rated securities in the universe).

Covéa Finance continued to ramp up its environmental commitment in 2022. The Covéa Terra fund received the Greenfin label, created by the French Ministry of Ecological Transition, which guarantees the green credentials of investment funds and is targeted at financial service providers acting for the common good by using transparent and sustainable practices.

Having joined the Just Transition Coalition in 2021, Covéa Finance takes part in shareholder dialogue with a number of companies in the energy sector.

In 2022, Covéa Finance exercised its right to vote in respect of 93.32% of shares it holds, in accordance with the principles set out in its shareholder engagement policy. In the course of the year, Covéa Finance voted at 348 general meetings and organised 40 meetings (shareholder dialogue) with issuers about corporate ESG practices.

➔ **97.4%** of assets under management underwent ESG analysis in 2022.

3.2.4.2 RESPONSIBLE PROPERTY INVESTING

Covéa pursues a responsible property investment policy, led by Covéa Immobilier. This policy is intended to anticipate changes in the market, lower buildings' carbon emissions, manage buildings' energy efficiency, harness the appeal of its properties and encourage occupants to use buildings in an environmentally friendly way.

To implement this policy, Covéa signed the Energy Efficiency in Buildings Charter, the Circular Economy Charter in the property and construction industries (CircoLab charter) and the Water Management Charter drawn up by the City of Paris, and in 2021 joined the "Booster du Réemploi" initiative to encourage reuse of materials in the building sector.

Covéa has also taken concrete measures to support the French tertiary sector decree by means of the Tertiary Eco Energy project.

¹ On the basis of Covéa Finance internal ratings and external ratings provided by Covéa Finance's ESG data provider.

In addition, Covéa Immobilier is preparing to update its carbon reduction strategy with a further action plan to reduce greenhouse gas emissions from investment properties.

Furthermore, the reuse of spare parts recovered from construction and maintenance sites has also been made standard with maintenance companies. Together with Upcycléa, Covéa Immobilier launched a trial at the Nord Pont site in 2022 to develop the potential of resources present in the buildings. This project will be extended to other sites by maintenance companies and staff.

Biodiversity, waste management and water management are also key concerns. Covéa Immobilier systematically conducts a sustainable development audit prior to every major redevelopment project. In addition, Covéa Immobilier joined forces with the OID and Gecina to found a programme that accelerates and coordinates biodiversity initiatives.

- ➔ Since 2012, more than **170,000 m²** of Covéa's commercial property assets have obtained a construction/renovation or operation environmental quality label or certification, including 97% of the commercial buildings redeveloped
- ➔ Covéa's energy-related greenhouse gas emissions per m²: 12.33 kgCO_{2e}/m² (15.33 kgCO_{2e}/m² in 2021, 8.25 kgCO_{2e}/m² in 2020)

3.2.5 PARTNERRE, THE GROUP'S NEW REINSURANCE ENTITY

PartnerRe is a leading global reinsurer with a broadly diversified and balanced portfolio. In the light of the increasing numbers of major natural disasters – often related to climate change – the reinsurance industry has gained more recognition for the role it plays in to deal with the evolving climate risk landscape.

PartnerRe is a responsible reinsurer that has adopted an ESG approach in all of its activities, both in risk management, underwriting, investments, business conduct, and the management of its resources.

ESG in risk management

PartnerRe is continually assessing the main environmental risks, improving its reporting procedures and ensuring that the company adopts a consistent position with regard to climate change, both internally and externally.

PartnerRe has had a dedicated Catastrophe Research team since 1999. PartnerRe's climate scientists provide guidance and expertise to the underwriting and risk management teams. Since 2011, PartnerRe has had its own natural disaster risk assessment process. This View of Risk ("VoR") sets the basis for pricing the peak natural catastrophe risks. PartnerRe's Catastrophe Research team is continuously monitoring the latest scientific findings on climate

change impacts published in peer-reviewed scientific journals and the IPCC assessment reports and applying them to the context of risk quantification and risk management.

ESG in underwriting practices

PartnerRe actively manages the physical risks associated with climate change in its underwriting activities. It has focused primarily on understanding the impact of climate change on risks related to non-life activities to enable the company and its customers to remain resilient to changes in climate risk.

PartnerRe is shifting its existing facultative business portfolio away from areas identified as most carbon-intensive by means of its underwriting guidelines and seeking out cover of sustainable risks and industries. PartnerRe no longer (re)insures, on a direct and facultative basis, any new constructions of coal-based power plants and/or coal mines. The company also seeks to avoid (re)insuring companies that derive a significant part of their revenue or energy production from thermal coal. Any exceptions must be authorised by the Division Head after consideration of whether the region under consideration has practical near-term alternative energy sources.

PartnerRe also regularly evaluates the impact of climate change for each region around the world where the company has climate exposure risks. PartnerRe's regular review process ensures that it keeps up with the latest climate change trends and continuously incorporates the latest scientific consensus into its risk estimation, which helps to ensure the sustainability of its reinsurance operations.

Climate has an even greater impact on drought, extreme temperature and flood than some of the other catastrophe exposed perils and this puts the agriculture portfolio more at risk over time. In view of this, PartnerRe is committed to quantifying this risk and playing a role in mitigating the impacts of climate change. Finally, some of PartnerRe's life and health reinsurance solutions are based on managing risks associated with cancer and cardiovascular disease. Each year, PartnerRe invests resources in supporting the development of new cancer and critical illness products in response to evolving medical developments.

ESG in PartnerRe's investment strategy

PartnerRe is a long-term investor that believes that managing capital means taking account of ESG factors, risk factors and analysis of returns on investment. The analysis of ESG factors is embedded into PartnerRe's investment process. On a semi-annual basis, negative screening is conducted on all internally managed assets to identify any exposure to "ESG stragglers". PartnerRe defines "ESG stragglers" as any issuance with an ISS ESG Corporate rating in the 9th decile or below. It also carries out negative screening to determine the magnitude of overall investments in high greenhouse gas emission sectors, in order to confirm that its aggregate market exposure to these industries remains at conservative levels. In addition, PartnerRe

excludes known issuers involved in the development and proliferation of controversial weapons.

PartnerRe has set itself a 2025 target of 0% market weight exposure in thermal coal-based investments and less than 1% of internally managed assets in companies that are classified as “ESG stragglers”. It is also planning to increase the book value of its sustainable portfolio (green or social bonds, as well as securities or other investments that have an ESG, sustainability, or impact focus) to \$850 million by the end of 2023. Finally, PartnerRe considers the 10 principles of the United Nations Global Compact in all of its investments.

Promoting CSR in business conduct

PartnerRe’s code of conduct sets out the high standards of behaviour and strong ethical foundation on which PartnerRe is built. It applies to all directors, officers and employees. PartnerRe provides training on Code topics to all employees upon joining the organisation and subsequently to all employees on an annual basis. This is supplemented by additional policies, guidelines and procedures that fully explain the application of these values and underpin the Code, which cover topics such as Conflicts of Interest, Anti-Money Laundering, Anti-Trust, Anti-Fraud and our Modern Slavery Act Transparency Statement.

Reducing its environmental impact

PartnerRe is committed to carefully managing its impact on the environment. Many of its 15 offices around the world are housed in buildings with environmental certifications: LEED Certified (United States), LEED Gold (Ireland), BOMA Best (Canada), Minergie Eco (Switzerland), HQE (France), SG Clean (Singapore). Environmental certification is a set criterion whenever a new lease is assessed.

Through its three ESG partners (Native Energy, Climate Neutral Group and the Swiss Climate Foundation), PartnerRe offsets carbon emissions related to some of its business operations, and supports small and medium-sized enterprises at the forefront of energy efficiency and climate protection, respectively.

Diversity and inclusion

PartnerRe hires and advances people from all kinds of backgrounds, with a diverse range of identities. Its Diversity and Inclusion strategy is based on four main priorities: equal opportunity for all, promoting a culture of inclusion, raising awareness, and increasing diversified representation at all levels of the organisation.

The most recent Diversity & Inclusion Pulse survey of its employees showed that the company’s commitment is yielding results, as 83% of respondents agreed that people of all backgrounds can succeed at PartnerRe, reflecting an 8% improvement from the initial D&I survey results just 18 months before.

A number of internal initiatives have also been launched to support equality, such as panel discussions, career development programmes and networking opportunities. The percentage of women in senior leadership roles increased from 19% in 2021 to 23% in 2022. Finally, Employee Resource Groups support events such as Pride Month, Juneteenth, International Women’s Day and World Mental Health Day.

Supporting our employees and communities

PartnerRe has a long history of supporting relief efforts in communities devastated by natural catastrophes such as hurricanes, typhoons, earthquakes, wildfires as well as human-made disasters. Recent examples include: the explosions in Beirut (Women for Women International), the earthquake in Haiti (Doctors without Borders), the wildfires in California and a donation for medical relief in the Ukraine through Doctors without Borders.

PartnerRe also implemented programs facilitating company matching both for employees’ donations of money and time. PartnerRe’s annual Day of Giving enables employees to make an impact by partnering with not-for-profits and taking part in volunteer activities that benefit their local communities.

ESG governance

PartnerRe’s Board has established three Board Committees to ensure the Board’s ESG goals are met: the Audit Committee, the Investment Committee and the Underwriting and Risk Committee, and each Committee is chaired by an independent director.

The management of ESG risks is embedded within PartnerRe’s ERM Framework and is applicable to all PartnerRe subsidiaries. A dedicated ESG taskforce, headed by a member of the Company’s Executive Leadership Team, is also in charge of providing guidance and actions necessary to implement ESG in the organisation.

3.3 EUROPEAN TAXONOMY

Covéa, which aims to guide everyone towards a world of sustainable growth, believes that investors have a crucial role to play in ensuring the transition to a low carbon economy.

For the second year in a row, Covéa has published information about the proportion of taxonomy-eligible investments. The tables below present the results based on all investment assets for MAAF Assurances SA, MMA IARD (SA), GMF Assurances and Fidélia Assistance, Group subsidiaries required to disclose a Non-Financial Performance Statement.

	GMF Assurances				MAAF Assurances SA				MMA IARD SA				FIDELIA Assistance			
	Turnover basis		CapEx basis		Turnover basis		CapEx basis		Turnover basis		CapEx basis		Turnover basis		CapEx basis	
	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%	Amount (in €M)	%
Share of taxonomy-eligible investments	1,015	18.4%	1,081	19.6%	1,012	10.2%	1,098	11.1%	1,455	11.8%	1,540	12.5%	13	5.4%	16	6.4%
Share of non-taxonomy-eligible investments	2,390	43.3%	2,324	42.1%	3,574	36.0%	3,487	35.2%	3,706	30.0%	3,620	29.3%	66	27.0%	64	26.1%
Relative share of derivatives*	9	0.2%	9	0.2%	24	0.2%	24	0.2%	28	0.2%	28	0.2%	1	0.2%	1	0.2%
Share of exposures to undertakings not subject to the NFRD**	192	3.5%	192	3.5%	432	4.4%	432	4.4%	268	2.2%	268	2.2%	2	0.6%	2	0.6%
Total assets invested (excluding sovereign exposures)	3,607	65.4%	3,607	65.4%	5,042	50.9%	5,042	50.9%	5,456	44.2%	5,456	44.2%	82	33.4%	82	33.4%
Investments in sovereign entities (central governments, central banks and supranational issuers)	1,908	34.6%	1,908	34.6%	4,873	49.1%	4,873	49.1%	6,901	55.8%	6,901	55.8%	164	66.6%	164	66.6%
Total assets invested	5,514	100%	5,514	100%	9,915	100%	9,915	100%	12,357	100%	12,357	100%	245	100%	245	100%
Share of taxonomy-eligible investments on total investments excluding investments in sovereign entities		28.2%		30.0%		20.1%		21.8%		26.7%		28.2%		16.3%		19.2%

* Derivatives held indirectly by funds.

** Change of method for this financial year: percentage calculated on the basis of information provided by ISS concerning counterparties subject to NFRD requirements.

The methodology used to calculate the ratios and the description of the scope of eligible and non-eligible investments are set out in the respective non-financial performance statements of MAAF Assurances SA, MMA IARD (SA), GMF Assurances and Fidélia Assistance.

For its four entities required to disclose a Non-Financial Performance Statement, Covéa also publishes information relating to taxonomy-eligible revenues ("non-life underwriting ratio"). The table below shows the proportion of taxonomy-eligible gross written premiums relative to total non-life written premiums.

Subsidiary	Total non-life gross written premiums (in €m)	Amount of taxonomy-eligible premiums (in €m)	Percentage of taxonomy-eligible premiums in 2022
MAAF Assurances SA	2,784	1,457	52%
MMA IARD SA	5,131	2,050	40%
GMF Assurances	1,916	1,046	55%
Fidélia Assistance	481	75	16%

The methodology used to calculate the ratios and the description of the scope of eligible and non-eligible activities are set out in the respective non-financial performance statements of MAAF Assurances SA, MMA IARD (SA), GMF Assurances and Fidélia Assistance.



04. BOARD OF DIRECTORS' MANAGEMENT REPORT TO THE GENERAL MEETING

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4.1 MARKET ENVIRONMENT

4.1.1 FINANCIAL MARKETS

2022 was marked by the war in Ukraine, which had a severe impact on the global economy. Rising energy and commodities prices, as well as stresses on supply chains, resulted in very sharp acceleration in prices. This inflation prompted most of the main central banks to step up tightening their monetary policy and increase interest rates over the course of the year. Higher prices and monetary restrictions weighed down worldwide growth.

In Europe, the geopolitical climate and the desire to reduce energy imports from Russia led to soaring energy prices and, as a result, a steep rise in inflation, reaching 9.2% in December 2022. Against this backdrop, the European Central Bank made a number of key rate hikes as of summer 2022, while many eurozone governments announced measures to help households and businesses cope with the rise in energy prices and protect buying power. These measures helped to limit the slowdown in annual GDP growth in the European Community, which amounted to 3.5% relative to 2021.

In the United States, the increase in prices also ramped up as a result of the ongoing imbalance between supply and demand, with inflation peaking at 9.1% mid-year. Consumer spending held up in 2022 despite inflation weighing down consumers' buying power. The Federal Reserve initiated a new cycle of monetary tightening and made a drastic interest rate hike. Meanwhile, the Senate adopted the Inflation Reduction Act, which aims to protect buying power and reduce the public deficit. These measures helped to curb inflation and the economic slowdown. Following two quarters of decline at the start of the year, GDP saw a rebound in the second half of the year and ended 2022 up 2.1% year-on-year.

In the United Kingdom, the sharp rise in energy prices as a result of the war in Ukraine also resulted in the acceleration in inflation, which reached a record of 11% in October, and a significant fall in consumer buying power. In the light of this situation, the Bank of England made a number of interest rate hikes. In addition to economic difficulties, the country was rocked by political instability in the second half of 2022. Annual GDP growth came to 4% relative to 2021.

In Asia, economic activity in China was adversely affected by the continuation of the "zero Covid" public health policy, which blighted domestic demand and manufacturing production. The government decided to abandon this policy at the end of the year, but the ensuing steep rise in infections means that activity is unlikely to return to normal in the short term. Japan's monetary policy continued to go against the grain of the other major developed economies, leading to a sharp fall in the yen, affecting its trade balance.

Bond markets

The brisk growth seen up to the start of 2022, the widespread rise in commodities prices and fears of an inflationary spiral prompted the majority of central banks to quickly tighten their monetary policy, with significant increases in key rates. This automatically resulted in very marked and consistent readjustment in interest rates across all maturities. French 10-year government bond yields rose by 292 basis points, ending the year at 3.11%, while US 10-year Treasury yields climbed 236 points to 3.87%. On the eurozone corporate bond market, the market risk premium increased by 70 points: the primary market remained abundant but suffered a clear slowdown at the end of the year, in particular for the lowest-rated issuers. On the other side of the Atlantic, the same can be said for private issuers, with the spread widening by around 50 basis points and the average actuarial rate on US corporate bonds (investment grade category) returning to levels not seen since 2009, at around 6%.

Equity markets

Generally high valuations at the start of the year, the sharp rise in interest rates, fears about company profits against the backdrop of inflation and exacerbation in geopolitical tensions unsettled the equity markets in 2022. The year was characterised by a downward trend accompanied by a very high level of volatility, with significant and fluctuating sector rotations. In the eurozone, the CAC 40 and the EURO STOXX suffered falls of 9% and 12% respectively. US indices suffered heavy falls in 2022, with the S&P 500 and the NASDAQ ending the year down 19% and 33% respectively. The FTSE 100 in the United Kingdom ended the year up 1%, reflecting the weighting of commodity producers in the index.

Foreign exchange market

The US dollar rose sharply against most currencies, boosted in particular by the Federal Reserve's monetary policy and the rapid increase in its key rates, gaining a significant 6% against the euro, giving a EUR/USD exchange rate of 1.07 at the end of 2022. Sterling also fell against the euro, down 5%, with a EUR/GBP exchange rate of 0.89 at 31 December 2022.

4.1.2 INSURANCE MARKETS IN FRANCE¹

In the **property and casualty insurance** market, 2022 was affected by an exceptional level of weather-related claims experience, in particular heavy hailstorms impacting all personal and commercial lines markets, and a record level of drought. The sharp rise in inflation

¹ Source: France Assureurs.

also affected the claims experience, with an increase in the cost of spare parts and repairs. Some markets continued to be penalised by production chain disruptions and the shortage of raw materials. In this situation, the cost of claims rose by 14.6% in the motor insurance market and 33.7% in the home insurance market, with an increase in average costs and frequencies. Premiums rose by 2.9% in motor insurance and 4.3% in comprehensive home insurance in 2022.

After reaching a record level in 2021, premium inflows in the **savings market** fell by 3% to €144.4 billion due to a 5% fall in euro-denominated policies inflows to €86.7 billion. Gross inflows into unit-linked policies fell very slightly by 0.3% to €57.7 billion, representing 40% of total inflows compared with 39% in 2021. Claims totalled €130.1 billion, up 3% relative to 2021. Net life insurance inflows totalled €14.3 billion in 2022, boosted by positive inflows into unit-linked policies of €34.6 billion, partly offset by negative net inflows of -€20.3 billion into euro-denominated policies. In the **pensions market**, the PER (*Plan d'Épargne Retraite*) introduced by the Pacte law enjoyed further success, with net inflows of €7.4 billion and technical reserves of around €49 billion at end-2022. The number of policyholders increased by 37% year-on-year to 3.8 million.

Rates credited to policyholders

Against the backdrop of rising interest rates and inflation, Covéa increased the rates credited on its flagship products to help protect customers' and members' savings. At the end of 2022, the credited rates on these products were 2.05% for GMF and MAAF, and 1.4% to 2.15% (depending on the bonus) for MMA.

In the **health and protection market**, premiums increased by 5.7%, exceeding the increase in claims, which were 3% higher than in 2021. In the health insurance market, France's "100% santé" healthcare reform has been rolled out gradually over the last two years, allowing for full reimbursement of the cost of some hearing, dental and optical devices, resulting in an increase in consumption of care services and average costs. Following a sharp increase of over 15% in 2021, claims rose by 3.5% in 2022. In the protection insurance market, claims increased by 2.3% in 2022 compared with 1.1% in 2021. Premiums rose by 5.9% and 5.5% in the health and protection markets respectively.

4.1.3 REINSURANCE MARKETS

2022 was once again characterised by a high level of claims experience in connection with weather-related events, culminating in Hurricane Ian, which hit the United States in late September. This was one of the costliest events in the history of the insurance and reinsurance industry. Against the backdrop of the Covid-19 pandemic and the war in Ukraine, central banks in Europe and

the United States made significant rate hikes to cope with inflationary pressure, resulting in unrealised capital losses on financial assets for insurance and reinsurance companies.

This led to a contraction in available capital on the reinsurance market, contributing to the ongoing upward trend in reinsurance prices. As a result, conditions have improved significantly on recent renewals in the property and casualty segment, particularly in terms of covering natural disasters, with substantial increases in attachment points and considerable price rises. Inflation remained at a high level in early 2023, impacting the cost of claims, prices and returns on investment, with a favourable effect on the latter two.

As was the case with the non-life reinsurance market, the life and health reinsurance market entered a cycle of price readjustment following the Covid-19 pandemic. While the level of claims experience was down relative to 2021, the United States saw another year of excess deaths in relation to Covid-19, although to a lesser extent than at the height of the pandemic. This price readjustment is also the result of uncertainties about the future, whether with regard to Covid-19 (concerns about "long Covid") or the economic environment, particularly inflation.

4.2 SIGNIFICANT EVENTS

Group structure : significant operations

Acquisition of global reinsurer PartnerRe

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.

Sale of subsidiaries in Italy:

Bipiemme Vita and Bipiemme Assicurazioni

Under the agreement signed in late June 2021, on 12 April 2022, Banco BPM exercised its option to buy the stakes held by Covéa in Bipiemme Vita and Bipiemme Assicurazioni. After obtaining approval from the Italian supervisory authorities, the Covéa Group finalised the sale of its stakes to Banco BPM for €309 million on 22 July 2022.

This fits in with the Covéa Group's strategy of refocusing its international operations and making reinsurance the main priority in developing its business outside France.

Planned sale of Irish subsidiary:

Medical Insurance Company DAC (MIC)

In October 2022, Covéa signed an agreement to sell MIC, the Group's subsidiary based in Ireland, to the Compre group. Subject to regulatory authorisations first being obtained, the sale should be finalised in 2023.

Termination of agreement to sell US subsidiary CSE

In August 2022, the Covéa Group announced the mutual termination of the agreement signed with US group Porch in September 2021 concerning the sale of GMF Financial Services Corp., owner of California-based CSE.

Merger of Assurances Mutuelles de France into La Garantie Mutuelle des Fonctionnaires

In November 2022, Assurances Mutuelles de France's portfolio of assistance insurance guarantees was transferred to La Sauvegarde, and Assurances Mutuelles de France was merged into La Garantie Mutuelle des Fonctionnaires.

As a result of these transactions, which fit in with the Group's desire to continue to simplify its legal structure, La Garantie Mutuelle des Fonctionnaires has changed its name to AM-GMF.

Weather-related events

2022 saw a number of weather-related events, including Hurricane Ian in the United States, Storm Eunice in Europe, the thunderstorms in May and June and an exceptional drought in France.

For the current year, the cost of weather-related events for the Group's insurance activities in France totalled €667 million in 2022, including reinsurance recoverables and changes in equalisation and other reserves. PartnerRe's contribution to the Group's net income before tax includes the cost net of retrocessions and reinstatement premiums in relation to Hurricane Ian, estimated at €296 million in 2022.

4.3 RESULTS AND FINANCIAL POSITION

Following the acquisition of PartnerRe, the Group changed how it presents its results, which are now broken down into the following four segments:

- French entities' insurance activities, including all of the Group's French insurance entities, as well as Covéa Lux, taking account of its internal reinsurance activities, primarily with French insurance companies;
- International entities' insurance activities, including all of the Group's international insurance entities;
- Reinsurance activities, comprising Covéa Coopérations and all entities of PartnerRe, the acquisition of which was finalised in July 2022. PartnerRe's contribution to the Group's financial indicators corresponds to the period from 12 July 2022 to 31 December 2022;
- Other activities: this segment includes all Group entities not involved in insurance or reinsurance activities².

The presentation of financial information for the period ended 31 December 2021 has been changed in order to ensure that it is comparable with the 2022 financial year.

4.3.1 GROUP ACTIVITIES AND RESULTS

Activities

The Group saw a strong 19.1% increase in **earned premiums** to €22,696 million in 2022:

<i>In € millions</i>	2022	2021
Insurance - French entities	15,306	15,408
Insurance - International entities	1,568	1,951
Insurance activities	16,874	17,359
Reinsurance activities	5,822	1,705
Group earned premiums	22,696	19,064

This increase in premiums relates first of all to the strong growth in **reinsurance activities** following the acquisition of PartnerRe in July 2022, representing a contribution of €4,082 million at year-end 2022. Premiums from **insurance activities** decreased by 2.8%, primarily due to the decline in international insurance activities following the sale of the Group's Italian subsidiaries.

In France, the reduction in premiums was due to the 7.2% fall in gross inflows in the savings and pensions market. The Group saw further growth in property and casualty insurance and health and protection insurance, with premiums up 0.5% and 3.3% respectively at year-end 2022.

² As an exception, all PartnerRe entities are included in reinsurance.

Net income (Group share)

The table below gives a breakdown of net income by income statement item as stated in the financial statements:

<i>In € millions</i>	2022	2021
Earned premiums	22,696	19,064
Economic operating income ³ from insurance and reinsurance activities	1,331	1,305
Of which non-life insurance and reinsurance	829	933
Of which life insurance and reinsurance	503	372
Economic operating income from other activities	(100)	32
Group share in net income from companies accounted for using the equity method	(13)	3
Other non-technical items ⁴	(26)	(105)
Income tax	(297)	(397)
Net income (Group share)	896	838

The table below gives a breakdown of net income by segment reflecting the Group's activities:

<i>In € millions</i>	2022	2021
Insurance France	778	883
Of which non-life insurance	512	602
Of which life insurance	266	280
International insurance	(117)	24
Reinsurance ⁵	214	(92)
Other activities	21	24
Net income (Group share)	896	838

Net income (Group share) totalled €896 million at year-end 2022:

- Net income from **insurance activities in France** came to €778 million, down €105 million relative to 2021. This was mainly due to non-life insurance activities, affected by an exceptionally high weather-related claims experience in 2022, as well as higher inflation and interest rates. In life insurance, net income remained relatively stable year-on-year.
- Net income from **international insurance activities** fell sharply, representing a loss of €117 million, primarily due to the result of the Group's United Kingdom subsidiary, which was among other things penalised by non-recurring costs relating to the implementation of a plan to return to breakeven.

- In **reinsurance**, net income totalled €214 million, including a contribution of €348 million from PartnerRe covering the period from 12 July 2022 to 31 December 2022. Covéa Coopérations sustained a further net loss, mainly as a result of an ongoing high level of claims experience in connection with the health crisis.
- Net income from **other activities** remained stable at €21 million at year-end 2022.

The Group's combined ratio came out at 98.2%⁶ compared with 97.1% at 31 December 2021.

³ Corresponding to "Economic operating income before goodwill amortisation and impairment" in the income statement.

⁴ Including minority interests.

⁵ Including result from PartnerRe's other activities.

⁶ Excluding amortisation of intangible assets resulting from the acquisition net of deferred acquisition costs of PartnerRe for the period and excluding non-recurring costs incurred in the United Kingdom in the amount of -€293 million and -€61 million respectively.

4.3.2 DIRECT INSURANCE: ACTIVITIES AND RESULTS

4.3.2.1 ACTIVITIES AND RESULTS OF FRENCH INSURANCE ENTITIES

Activities

Group earned premiums

<i>In € millions</i>	2022	2021
Motor	3,890	3,874
Home and other private risks	2,091	2,055
Commercial lines	3,525	3,542
Legal protection and assistance	328	310
Other	54	58
Total property and casualty insurance	9,888	9,839
Health and protection	2,470	2,392
Savings and pensions	2,948	3,177
Total life, health and protection insurance	5,418	5,569
Total earned premiums	15,306	15,408

In **property and casualty insurance**, earned premiums came to €9,888 million, up 0.5% relative to 2021:

- In **personal lines**, earned premiums totalled €5,981 million, up 0.9% relative to 2021. In motor insurance and home and other private risks insurance, premiums rose by 0.4% and 1.7% respectively as a result of changes in prices. Excluding the partnership with the BPCE group, earned premiums increased by 1.0% in motor insurance and 2.6% in home and other private risks insurance.
- In **commercial lines**, earned premiums came to €3,525 million, down 0.5% relative to 2021. Excluding the affinity and partnerships market, premiums rose by 2.1%, with an increase of 4.1% in premiums over the current year, boosted by targeted price increases in the corporate market and solid momentum in small business market. In affinity and partnerships market, premiums fell by 10%, mainly in relation to motor insurance in the property segment in Italy.
- In **legal protection**, earned premiums increased by 4.3% to €277 million, reflecting growth in the policy portfolio and price changes. Non-Group **assistance** activities saw further growth, up 14.8% relative to 2021, representing earned premiums of €51 million in 2022.

In **life, health** and **protection insurance**, earned premiums dropped 2.7% year-on-year to €5,418 million:

- The Group continued to expand its **health and protection** business, with a 3.3% increase in premiums relative to 2021. In health insurance, the 1.2% increase in premiums related primarily to the rise in premiums on individual policies, reflecting growth in the policy portfolio and price changes. In the protection market, premiums grew by 7.4%, driven by group and individual policies, with premiums up 19.9% and 3.5% respectively relative to 2021.
- In **savings**, gross inflows fell by 7.7%, mainly as a result of euro-denominated policies and, to a lesser extent, unit-linked policies. PER (*Plan d'Épargne Retraite*) savings plans saw further growth, resulting in stable premiums in the **pensions** market relative to 2021. Unit-linked policies accounted for 25% of total savings and pensions gross inflows, stable year-on-year.

Earned premiums⁷ of the main non-life and mixed insurance entities

<i>In € millions</i>	2022	2021
MMA IARD	5,167	5,161
MAAF Assurances SA	2,787	2,721
GMF Assurances	1,896	1,854
MAAF Santé	599	543
APGIS	541	532
Fidélia Assistance	481	470
Covéa Protection Juridique	282	270
SMI	156	163

Earned premiums at **MMA IARD** rose slightly by 0.1% relative to 2021. In commercial lines, earned premiums were up 1.6%, in keeping with the pricing and underwriting strategy. In personal lines, the 0.7% increase in earned premiums was due to price changes in motor and home insurance. MMA IARD continued its growth in the health and protection insurance market with a 6.2% rise in premiums, driven mainly by group insurance. These changes were partly offset by a decline in the affinity and partnerships market, particularly in motor insurance.

MAAF Assurances SA's earned premiums rose 2.4% relative to 2021, primarily driven by the motor and home insurance markets, with premiums up 1.4% and 3.5% respectively as a result of growth in the policy portfolio and price changes. MAAF Assurances SA also continued its growth in protection and commercial insurance.

GMF Assurances saw further growth, with earned premiums up 2.3% relative to 2021. Motor and home insurance premiums rose by 1.4%, mainly as a result of price changes. GMF Assurances' premiums in the health and protection markets increased by 6.5%, notably boosted by the growth of the portfolio.

MAAF Santé's premiums rose by 10.4% relative to 2021, mainly thanks to inwards reinsurance covering MMA group insurance policies. Earned premiums from direct business grew 1.9%, spurred by the increase in premiums in individual health insurance with further growth in the policy portfolio.

The increase in earned premiums at **APGIS** related primarily to health and non-life protection activities, mainly as a result of price changes and new business.

Fidélia Assistance's earned premiums grew by 2.2% in 2022. Inwards reinsurance primarily from the Group's three brands increased by 1.1% relative to 2021. In direct business, earned premiums were up 17.1%.

Covéa Protection Juridique continued to expand its business in the legal protection market, its core business, with premiums up 4.3% thanks to growth in the policy portfolio and price changes.

The 3.9% fall in earned premiums at **SMI** was mainly due to the transfer to MMA of a portfolio of previously co-insured group health insurance policies.

Premiums⁷ of life insurance entities

<i>In € millions</i>	2022	2021
MMA VIE	1,297	1,453
GMF VIE	1,099	1,134
MAAF VIE	768	798

⁷ Company financial statements.

MMA Vie saw a 10.8% fall in premiums as a result of the 12.9% reduction in gross inflows from euro-denominated and unit-linked policies. In the pensions market, PER (*Plan d'Épargne Retraite*) pension savings plan saw further growth, with premiums up 5.4%. Unit-linked policies accounted for 34% of total savings and pensions gross inflows, stable year-on-year. MMA Vie also continued to expand its protection activities, with premiums up 7.8%, boosted by both individual and group policies.

GMF Vie saw a fall in premiums of 3.2%. In unit-linked policies, gross inflows increased by 0.4% and represented 15.3% of total savings and pensions gross inflows compared with 14.7% at end-2021.

In euro-denominated policies, gross inflows fell by 4.3%. GMF Vie continued to expand its protection activities, with premiums up 2.2%, thanks among other things to solid momentum in creditor insurance.

MAAF Vie saw a 3.8% fall in premiums, mainly as a result of the 5.0% reduction in gross inflows from euro-denominated and unit-linked savings policies. Premiums in the pensions market increased by 9.0%, boosted primarily by the PER (*Plan d'Épargne Retraite*) pension savings plan. Unit-linked policies accounted for 23% of total savings and pensions gross inflows, stable year-on-year. In protection insurance, MAAF Vie sustained a 1.1% fall in premiums relative to 2021.

Net income (Group share)

<i>In € millions</i>	2022	2021
Earned premiums	15,306	15,408
Economic operating income	1,059	1,321
Of which non-life insurance	695	942
Of which life insurance	364	379
Group share in net income from companies accounted for using the equity method	4	3
Other non-technical items	(26)	(39)
Income tax	(259)	(402)
Net income (Group share)	778	883
Of which non-life insurance	512	602
Of which life insurance	266	280

Economic operating income came to €1,059 million compared with €1,321 million in 2021, a fall of €262 million.

- **In non-life insurance**, 2022 brought exceptionally high weather-related claims experience, affecting all personal and commercial markets, including in particular a series of thunderstorms accompanied by hail in May and June and a record level of drought. This was mitigated by outward reinsurance and reversals of equalisation reserves. Technical margin was also affected by the rise in inflation, weighing down on the reserves and average costs of claims settled. These effects were partly offset by the favourable impact of higher interest rates on annuities reserves. The combined ratio therefore came out at 99.1%, up 2.5 points. Net financial income remained stable, with the increase in recurring income on fixed income products partly offset by a lower level of capital gains realised and a less favourable currency effect than in 2021.

- **In life insurance**, the economic operating income was stable excluding the non-recurring impact relating to the consequence of the PER savings plans ringfencing on the capitalisation reserve. Against the backdrop of rising interest rates and growth in net financial income, Covéa raised the rates credited to policyholders on the flagship products of the Group's three brands while maintaining the level of profit-sharing reserves⁸, which remained stable relative to 2021 at €2,911 million, representing 6.2% of mathematical reserves in euro-denominated savings and pensions policies.

Group share in net income from companies accounted for using the equity method came to €4 million, corresponding to the share of income from Protec BTP, Carma and Carma Vie.

Income tax fell by €144 million compared with 2021 due to the decrease in pre-tax income and the lower tax rate payable in France.

Net income totalled €778 million compared with €883 million in 2021.

⁸ Excluding deferred profit-sharing reserve.

4.3.2.2 ACTIVITIES AND RESULTS OF INTERNATIONAL INSURANCE ENTITIES

In July 2022, the Group finalised the sale of its Italian subsidiaries, Bipiemme Vita and Bipiemme Assicurazioni. The Group's earned premiums and net income for 2022 therefore include a contribution from these entities corresponding to the first half of 2022.

Activities

Outside France, earned premiums from direct insurance activities totalled €1,568 million, compared with €1,951 million in 2021. Excluding the impact of the sale of the Group's Italian subsidiaries, premiums increased by 9.7%, primarily in the United Kingdom.

<i>In € millions</i>	2022	2021
United Kingdom	1,009	913
Italy	428	912
Other countries	131	126
Total	1,568	1,951

In the United Kingdom, Covéa Insurance's premiums increased by 9.5% at constant exchange rates. This was thanks to growth in premiums in the home insurance and commercial lines markets, mainly reflecting price changes against the backdrop of rising inflation. In motor insurance, premiums were down slightly relative to 2021.

In the United States, CSE Insurance Company sustained a 7.1% fall in premiums at constant exchange rates as a result of the technical recovery plan put in place by the company since 2019.

Net income (Group share)

<i>In € millions</i>	2022	2021
United Kingdom	(121)	14
Italy	9	35
Other countries	(4)	(25)
Total	(117)	24

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 in claims frequency observed after two years of lockdowns. A plan to achieve breakeven was set up and has resulted in non-recurring write-offs of intangible assets.

The contribution from **other countries** corresponds mainly to the contribution from the Group's US subsidiary CSE Insurance Company, which was impacted in 2021 by the recognition of provisions relating to the proposed sale of the company.

4.3.3 REINSURANCE: ACTIVITIES AND RESULTS

As the acquisition of PartnerRe was finalised on 12 July 2022, PartnerRe's contribution to earned premiums and net income at year-end 2022 corresponds to the period from 12 July 2022 to 31 December 2022.

Activities

Group earned premiums

<i>In € millions</i>	2022	2021
Non-life reinsurance	3,757	349
Life reinsurance	2,065	1,356
Total reinsurance	5,822	1,705

Earned premiums increased by €4,117 million, mainly as a result of the acquisition of PartnerRe, which contributed to €4,082 million at year-end 2022, including €3,334 million in non-life reinsurance and €748 million in life reinsurance. In other reinsurance

activities, earned premiums were 2.1% higher than in 2021, primarily in non-life reinsurance due to the growth of the portfolio and price changes against the backdrop of tougher conditions in the reinsurance market.

Earned premiums from reinsurance entities

<i>In € millions</i>	2022	2021
PartnerRe ⁹	7,943	6,696
Covéa Coopérations ¹⁰	1,798	1,760

On an annual basis, **PartnerRe's** earned premiums increased 5.6% at constant exchange rates. In non-life reinsurance, premiums rose by 6.7%, boosted by growth of 10.2% in property and casualty premiums, mainly as a result of development in casualty lines under favourable market conditions. In specialty reinsurance, premiums fell slightly by 0.8%, with growth in energy and marine offset primarily by a reduction in agriculture. Life reinsurance premiums rose by 1.4%, with increases in longevity and long-term protection business partly offset by a decrease in short-term protection business.

Covéa Coopérations saw a 2.1% increase in premiums relative to 2021 as a result of the development of non-life, life and health activities, excluding treaties with SCOR Ireland and SCOR Global Reinsurance Ireland, which sustained a fall in premiums. As of 2 July 2023, new business and renewals will be provided by PartnerRe, and Covéa Coopérations will continue to manage risks underwritten prior to this date. The treaties with SCOR Ireland and SCOR Global Reinsurance Ireland are not concerned by this transfer.

⁹ US GAAP financial statements translated at the average annual exchange rate.

¹⁰ Company financial statements.

Net income (Group share)

<i>In € millions</i>	2022	2021
PartnerRe	348	-
Covéa Coopérations	(134)	(92)
Net income (Group share)	214	(92)

PartnerRe's contribution amounted to €348 million over the period from 12 July to 31 December 2022. This includes the amortisation of intangible assets relating to the acquisition net of deferred acquisition costs over the period. In non-life reinsurance, earnings were driven by the quality of underwriting and favourable market conditions. The combined ratio came out at 91.0%¹¹ despite the impact of Hurricane Ian, which hit the United States at the end of September. In life reinsurance, PartnerRe's contribution includes the favourable effect of higher

interest rates on mathematical reserves covering guaranteed minimum death benefits.

Covéa Coopérations posted a loss, mainly in life reinsurance as a result of the claims experience remaining high in connection with the health crisis coupled with lower premiums.

Overall, the combined ratio for non-life reinsurance activities was 92.7%¹¹.

4.3.4 OTHER ACTIVITIES: ACTIVITIES AND RESULTS

Activities

Revenue¹²

<i>In € millions</i>	2022	2021
Covéa Finance	103	115
Other companies	10	11
Total	113	126

Revenue from other activities relates primarily to **Covéa Finance**, the asset management company of the majority of the Covéa Group's French companies. It generated revenue of €103 million (excluding intercompany sales eliminated in the combined accounts), down 10.5% as a result of the decrease in assets under management in 2022.

Net income (Group share)

<i>In € millions</i>	2022	2021
Covéa Finance	15	31
Other companies	6	(7)
Total	21	24

The reduction in the contribution from **Covéa Finance** was mainly due to the fall in revenue and higher operating expenses, relating in particular to higher IT costs. The contribution from **other companies** corresponds chiefly to the contribution from investment

holding company Coparex, partly offset by the contribution from MMA Holding UK plc in the United Kingdom, which owns Covéa Insurance in particular.

¹¹ Excluding depreciation of intangible assets resulting from the acquisition of PartnerRe net of deferred acquisition costs for the period, representing an expense of €293 million.

¹² Contribution of companies to revenue from the Group's other activities.

4.3.5 COMBINED BALANCE SHEET

- **Equity (excluding minority interests):** The Group's equity totalled €17,559 million compared with €17,231 million as at 31 December 2021. This represents an increase of €328 million, reflecting the positive contribution of net income, partly offset by the effect of the rise in the euro against the US dollar on PartnerRe's equity.
- **Subordinated liabilities and senior debt** amounted to €1,737 million compared with €179 million as at 31 December 2021. This increase follows the acquisition of PartnerRe, with liabilities of €1,596 million (see Note 15 of the Notes to the financial statements).
- **Gross technical reserves:** gross technical reserves totalled €106,033 million compared with €94,400 million as at 31 December 2021:

<i>In € millions</i>	2022	2021
Non-life technical reserves	43,984	28,548
Life technical reserves	55,935	57,769
Technical reserves for unit-linked policies	6,114	8,083
Technical reserves	106,033	94,400

- The acquisition of PartnerRe in July 2022 resulted in a €17,105 million increase in technical reserves, including non-life technical reserves of €14,546 million and life technical reserves of €2,560 million.
- The Group's Italian subsidiaries sold in July 2022 made a contribution of €4,579 million to life insurance reserves, €1,782 million to reserves for unit-linked policies and €24 million to non-life technical reserves at year-end 2021.
- **Investments (excluding investments held to cover unit-linked liabilities):** The net book value of investments held by all Group entities¹³ came to €99,063 million compared with €93,147 million as at 31 December 2021:

<i>In € millions</i>	2022	2021
Property ¹⁴	4,264	3,770
Equities & equity mutual funds	9,327	9,331
Bonds & bond mutual funds ¹⁵	82,162	77,811
Other	3,310	2,235
Investments (net book value)	99,063	93,147

- PartnerRe's contribution to the Group's investments totalled €17,980 million at 31 December 2022, comprising 80% bonds and bond mutual funds and 9% equities and equity mutual funds.
- The Group's Italian subsidiaries, sold in July 2022, made a contribution to investments of €4,836 million at year-end 2021.

¹³ Including investments from other undertakings.

¹⁴ Including operating property.

¹⁵ Including pledged securities in the amount of €5,243 million as at 31 December 2022 and €57 million as at December 2021, classified as "Other investments" in Note 8.1 of the Notes to the financial statements.

- **Investments held to cover unit-linked liabilities** amounted to €6,104 million compared with €8,064 million as at 31 December 2021. The Group's Italian subsidiaries, sold in July 2022, made a contribution of €1,770 million at year-end 2021.
- **Unrealised capital gains and losses**¹⁶: Unrealised capital gains and losses decreased by €13,775 million compared with 2021 due to the rise in interest rates and the decline in the equity markets in 2022. In property investments, equities and equity mutual funds, unrealised capital gains came to €5,630 million as at 31 December 2022.

<i>In € millions</i>	2022	2021
Property ¹⁷	3,431	3,193
Equities & equity mutual funds	2,199	4,526
Bonds & bond mutual funds ¹⁸	(6,336)	5,349
Other	(3)	(2)
Unrealised capital gains and losses	(710)	13,065

4.3.6 OTHER INFORMATION

As a "combining entity", under Article 173-6 of the French Ecological and Energy Transition Act, Covéa prepares a separate report on how it incorporates environmental, social and governance criteria into its investment process. This report will be available on its website.

4.4 SUBSEQUENT EVENTS

No event that would have a material impact on the Covéa Group's financial statements for the period ended 31 December 2022 occurred after the closing date.

4.5 OUTLOOK

Within the framework of its insurance activities, encompassing in particular the MAAF, MMA and GMF brands, the Group intends to continue to implement its 2022-2024 strategic plan, *Growing together*.

As Leader, Covéa will always strive to leverage the professionalism of its staff in order to continue to achieve profitable growth. The Group will continue with its *Transformation*, in particular its digital transformation, and its *Commitment* to its customers and members, as well as its employees and partners.

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

As part of its risk management system, the Group will endeavour to monitor sector, economic and social conditions, notably the ongoing conflict in Ukraine, and continue to analyse the potential effects on its financial position, as well as on the expectations of its members and staff.

¹⁶ Including investments from other undertakings.

¹⁷ Including operating property.

¹⁸ Including pledged securities in the amount of -€169 million as at 31 December 2022 and €4 million as at December 2021, classified as "Other investments" in Note 8.1 of the Notes to the financial statements.



05. FINANCIAL STATEMENTS

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5.1 COMBINED FINANCIAL STATEMENTS

5.1.1 COMBINED BALANCE SHEET

In € thousands

Assets	Notes	Gross amount	Depreciation, amortisation and provisions	Net amount 2022	Net amount 2021
Intangible assets	Note 7	5,323,878	(1,937,978)	3,385,900	280,247
— Goodwill		1,398,507	(390,175)	1,008,332	2,718
— Other		3,925,371	(1,547,803)	2,377,568	277,529
Investments from insurance undertakings	Note 8.1	98,499,990	(1,015,953)	97,484,037	91,865,848
— Land and buildings		4,905,907	(717,513)	4,188,394	3,755,765
— Investments in associates and affiliates		735,166	(165,683)	569,483	1,031,812
— Other investments		92,858,917	(132,757)	92,726,160	87,078,271
Investments held to cover unit-linked liabilities	Note 8.4	6,103,541		6,103,541	8,063,642
Investments from other undertakings	Note 8.5	1,653,267	(74,638)	1,578,629	1,280,937
Investments accounted for using the equity method	Note 8.6	545,900		545,900	87,636
Reinsurers' share in technical reserves	Note 16	5,305,883		5,305,883	2,951,881
Receivables arising from insurance or reinsurance operations	Note 9	4,147,030	(152,729)	3,994,301	3,226,346
Receivables from banking sector entities	Note 10	2,382,241		2,382,241	2,241,289
Other receivables	Note 11	2,181,118	(12,779)	2,168,339	2,610,287
Other assets	Note 12	789,799	(524,396)	265,403	127,262
Accruals – assets	Note 13	8,034,827		8,034,827	4,517,362
— Deferred acquisition costs		2,600,096		2,600,096	2,348,413
— Other		5,434,731		5,434,731	2,168,949
Total assets		134,967,474	(3,718,473)	131,249,001	117,252,737

In € thousands

Liabilities	Notes	2022	2021
Group equity	Note 14.1	17,559,053	17,231,364
— Share capital or equivalent		1,139,435	1,136,313
— Additional paid-in capital		6,358	6,358
— Reserves		15,517,181	15,250,826
— Net income		896,079	837,867
Minority interests	Note 14.2	228,486	104,742
Subordinated liabilities	Note 15.1	597,100	178,630
Gross technical reserves	Note 16	99,919,561	86,316,788
— Life technical reserves		55,935,283	57,769,240
— Non-life technical reserves		43,984,278	28,547,548
Technical reserves for unit-linked policies	Note 16	6,113,855	8,082,867
Provisions for risks and charges	Note 18	789,421	739,169
Payables arising from insurance or reinsurance operations	Note 19	1,853,103	1,193,567
Debt securities	Note 15.2	1,139,770	
Debt with banking sector entities	Note 20	398,503	285,476
Other payables	Note 21	2,117,930	2,504,668
Accruals – liabilities	Note 22	532,219	615,466
Total liabilities		131,249,001	117,252,737

5.1.2 COMMITMENTS RECEIVED AND GIVEN

In € thousands

	2022	2021
Commitments received		
Insurance undertakings	1,817,443	8,634,567
Other undertakings	10,465	540,925
Commitments given¹		
Insurance undertakings	8,668,929	10,299,333
Other undertakings	482,235	664,140
Pledged securities received from reinsurers	4,309,422	1,530,737
Derivative financial instruments		
Commitments received	4,115,287	3,355,112
Commitments given	4,142,835	3,301,294

¹ Including securities pledged and provided as collateral to ceding companies.

5.1.3 COMBINED INCOME STATEMENT ALL ACTIVITIES

<i>In € thousands</i>	Notes	Non-life insurance activities	Life insurance activities	Other activities	2022	2021
Written premiums		16,317,959	5,701,532		22,019,491	19,177,872
Change in unearned premiums		676,437			676,437	(114,200)
Earned premiums	Note 29.5	16,994,396	5,701,532		22,695,928	19,063,672
Revenue or income arising from other activities				112,850	112,850	126,352
Other operating income		10,187	48,611	3,417	62,215	83,823
Net financial income (expense)	Note 27	1,032,716	417,715	36,116	1,486,547	2,664,746
Total operating profit		18,037,299	6,167,858	152,383	24,357,540	21,938,593
Claims expenses		(12,680,644)	(5,182,346)		(17,862,990)	(16,175,330)
Net income (expense) arising from outwards reinsurance		122,559	(36,807)		85,752	(405,203)
Expenses arising from other activities				(265,448)	(265,448)	(114,619)
General expenses ¹		(4,560,318)	(523,324)		(5,083,642)	(3,906,152)
Total operating expenses		(17,118,403)	(5,742,477)	(265,448)	(23,126,328)	(20,601,304)
OPERATING INCOME before goodwill amortisation and impairment	Note 29	918,896	425,381	(113,065)	1,231,212	1,337,289
Inter-segment transfers		(90,292)	77,408	12,884		
ECONOMIC OPERATING INCOME before goodwill amortisation and impairment		828,604	502,789	(100,181)	1,231,212	1,337,289
Goodwill amortisation and impairment					(847)	(839)
Other net non-technical income (expense)					(19,739)	(10,174)
OPERATING INCOME after goodwill amortisation and impairment					1,210,626	1,326,276
Non-recurring income (expense)	Note 28				5,764	(81,812)
Income tax	Note 23				(296,548)	(396,661)
NET INCOME OF CONSOLIDATED UNDERTAKINGS					919,842	847,803
Group share in net income from discontinued operations						
Group share in net income from companies accounted for using the equity method	Note 8.6				(12,614)	2,551
COMBINED NET INCOME					907,228	850,354
Minority interests					(11,149)	(12,487)
NET INCOME (Group share)					896,079	837,867

¹ Including amortisation of intangible assets of €296 million resulting from the acquisition of PartnerRe net of deferred acquisition costs incurred for PartnerRe over the period: €293 million in non-life and €3 million in life.

5.1.4 NOTES TO THE 2022 COMBINED FINANCIAL STATEMENTS

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1. SIGNIFICANT EVENTS

Acquisition of PartnerRe:

The acquisition of reinsurance group PartnerRe from Exor was finalised on 12 July 2022 for a cost including acquisition-related expenses and taking account of currency hedging of €8.0 billion.

The description and effects of this acquisition on the combined financial statements for the year ended 31 December 2022 are set out in Note 6.2 Acquisition of PartnerRe group.

End of partnership between Covéa and Banco BPM:

Under the agreement signed in late June 2021 between Covéa and Banco BPM, on 12 April 2022, Banco BPM exercised its option to buy the stakes held by Covéa in Bipiemme Vita (81%-owned by Covéa) and Bipiemme Assicurazioni (a wholly owned subsidiary of Bipiemme Vita).

After obtaining approval from the Italian supervisory authorities, the Covéa Group finalised the sale of its stakes to Banco BPM for €309 million on 22 July 2022.

Termination of agreement to sell US subsidiary CSE:

On 10 August 2022, the Covéa Group announced the mutual termination of the agreement signed with US group Porch in September 2021 concerning the sale of GMF Financial Services Corp., owner of the California-based CSE group.

This decision had no material impact on the combined financial statements for the year ended 31 December 2022.

Planned sale of Irish subsidiary MIC:

On 13 October 2022, Covéa signed an agreement to sell its Irish subsidiary Medical Insurance Company DAC (MIC) to the Compré group. The sale, subject to the approval of the Irish regulatory authorities, will take place in 2023.

The agreement also provides for novation of existing reinsurance treaties between MIC and the Covéa Group to an external reinsurer when the sale happens. Technical reserves as at 31 December 2022 include the expected effects of this novation.

Weather-related events:

2022 saw a number of weather-related events, including Hurricane Ian in the United States, Storm Eunice in Europe, the thunderstorms in May and June and an exceptional drought in France.

For the current year, the cost of weather-related events for the Group's insurance activities in France totalled €667 million in 2022, including reinsurance recoverables and changes in equalisation and other reserves. PartnerRe's contribution to the Group's result before tax includes the cost net of retrocessions and reinstatement premiums in relation to Hurricane Ian, estimated at €296 million in 2022.

2. SUBSEQUENT EVENTS

No event that would have a material impact on the Covéa Group's financial statements for the period ended 31 December 2022 occurred after the closing date.

3. NOTES ON ACCOUNTING PRINCIPLES

Note 1 Accounting standards

The Covéa Group's combined financial statements are drawn up under French GAAP, in accordance with ANC Regulation 2020-01 relating to consolidated and combined financial statements.

These are the result of the application of consolidation and combination rules to:

- the financial statements of the Covéa Group's French insurance and reinsurance undertakings, prepared in accordance with the rules set in ANC Regulation 2015-11 relating to the annual financial statements of insurance undertakings;
- the financial statements of the Covéa Group's other French entities, prepared in accordance with ANC Regulation 2014-03 relating to the French general chart of accounts;
- the financial statements of the Covéa Group's foreign undertakings adjusted for harmonisation with French GAAP.

Note 2 Combination and consolidation methods

2.1 INTEGRATION METHODS

The Covéa Group's combined financial statements are compiled by:

- combining entities that are not linked by shareholding ties but by a combination agreement;
- and by consolidating entities that are controlled exclusively or jointly or are under the significant influence of one or more of these combined entities.

A combination is applied to mutual entities and provident institutions that are connected under the Group's combination agreement.

The combination consists of line-by-line aggregation of the combined entities' financial statements after eliminating intra-group transactions and subject to any other adjustments for harmonisation purposes, using the accounting methods applied by the Group.

Entities over which the Group has exclusive control are fully consolidated.

Exclusive control is the power to direct an entity's financial and operating policy in order to benefit from its activities. This exists in particular when a majority of the voting rights are held directly or indirectly.

Full consolidation consists of line-by-line incorporation of the controlled entities' financial statements after eliminating intra-group transactions and subject to any other adjustments for harmonisation and consolidation purposes. Equity and net income are broken down into the combining entity's interest and minority interests.

Entities for which there is an agreement in place giving joint control to a limited number of shareholders are proportionately consolidated. Proportional consolidation consists of the line-by-line incorporation of the portion representing the combining entity's interests in the financial statements of the jointly controlled entities, after any adjustments. This method did not apply to any entities in 2022.

Entities over which the Group has significant influence are recognised under the equity method.

Significant influence is the power to participate in an entity's financial and operating policy without having control. It is presumed to apply when at least 20% of voting rights are held directly or indirectly. Recognition under the equity method consists of substituting the book value of shares held with the share of equity, including net income for the period, determined in accordance with the accounting methods used by the Group.

Information about the Group's scope of consolidation is provided in Note 6 "Combination scope".

2.2 FIRST-TIME CONSOLIDATION

2.2.1 GENERAL PRINCIPLES

An entity enters the scope of consolidation on the date the Group takes control.

Its acquisition cost is equal to the amount paid to the seller by the buyer, plus costs directly associated with the acquisition net of the corresponding tax saving.

On the first-time consolidation of an entity, identifiable assets and liabilities are valued in accordance with general principles for the recognition of acquisitions. The entry value corresponds to the price the buyer would have agreed to pay if it had acquired the assets and liabilities separately, taking account of the intended use.

Assets and liabilities of the acquired entity, including intangible assets, are considered identifiable if they correspond to the definition of assets and liabilities under French GAAP and can be valued separately under conditions allowing for their value to be monitored.

The difference between the acquisition cost of shares and the percentage stake in the acquired entity's capital is allocated to valuation differences if it relates to identifiable assets and liabilities, and the unallocated amount is recognised as goodwill.

The buyer has until the end of the first financial year after the acquisition to adjust the recognition and valuation of identifiable assets and liabilities, as well as goodwill, on the basis of the new information obtained.

Goodwill and valuation differences relating to a foreign entity are recognised in the foreign currency and restated in euros at the end of each financial year, treated as assets of the foreign entity itself.

2.2.2 IDENTIFIED INTANGIBLE ASSETS

An intangible asset is recognised for a business combination separately from goodwill if it is identifiable, i.e. separable or as a result of a legal or contractual right, and will generate probable future economic benefits and its value can be identified with a sufficient level of reliability.

The following constitute intangible assets:

- values of business acquired, corresponding to the discounted value of estimated future earnings on insurance or reinsurance policies in force at the acquisition date, reflecting the difference between the fair value and the book value of technical liabilities;
- customer relationships, representing the discounted value of expected cash flows from contract renewals;
- a brand, valued using the royalty method, consisting of estimated discounted future cash flows expected from the brand licence.

Intangible assets for which there is foreseeable limit to how long they will provide economic benefits are amortised over their useful life. If this is not the case, they are not amortised.

If at the end of the financial year there is an indication of impairment of intangible assets, an impairment test is carried out; the net book value of the asset is compared to its present value. If the present value is lower than the net book value, this is aligned with the present value by means of impairment and the amortisation schedule is adjusted accordingly, if applicable.

2.2.3 GOODWILL

For financial years beginning after 1 January 2016, where there is no foreseeable limit to how long goodwill will provide economic benefits for the Group, this is not amortised. However, goodwill with a limited useful life is amortised on a straight-line basis

over this period, or if this cannot be reliably determined, over 10 years.

An impairment test is carried out if there is an indication of impairment at the end of the financial year and, for goodwill with an unlimited useful life, at least once a year. If the present value is lower than the net book value, an impairment loss is recognised.

With regard to goodwill recognised in the combined balance sheet prior to 1 January 2016, the Group uses the first-time application measures provided for in ANC regulation 2015-09 by maintaining the existing amortisation schedule for the remaining period.

2.3 TRANSLATION OF FOREIGN ENTITIES' FINANCIAL STATEMENTS

The financial statements of non-eurozone foreign entities are translated into euros using the closing rate method, with assets, liabilities and commitments received and given translated at the year-end exchange rate, and income and expenses translated at the average exchange rate for the period.

There are no Covéa Group undertakings located in high-inflation countries. The share of currency translation differences attributable to the Group is recognised in equity, and the share attributable to third parties in minority interests.

2.4 YEAR-END

The financial year-end date for all combined and consolidated entities is 31 December.

Note 3 Valuation methods and rules

3.1 INVESTMENTS

3.1.1 PROPERTY ASSETS

Land, buildings and shares of unlisted property companies are presented under "Land and buildings" and recorded at their acquisition cost.

The gross value of buildings is broken down into the following components: structure, envelope, technical installations, and fixtures and fittings. Amortisation periods are adapted to the type of building, components and useful life.

The realisable value of property assets is their market value, taking account of appraisal values.

A provision for impairment is recognised if the net book value is higher than:

- the market value for property assets that are intended to be sold in the short term;
- the value in use determined on the basis of expected future economic benefits for assets intended to be held.

The value in use of operating properties owned for the long term for the Group's own use is generally equal to their net book value.

3.1.2 INVESTMENTS IN ASSOCIATES AND AFFILIATES

Investments in associates and affiliates are recognised at cost. Acquisition-related expenses (transfer duties, fees or commissions, and registration expenses) are included in the acquisition cost. The realisable value of investments in associates and affiliates corresponds to their most recent quoted market price for listed shares and their market value assessed on the basis of their market and utility for unlisted securities.

A provision for impairment is recognised if the net book value is higher than their recoverable value taking account of the time frame, capacity and effective usefulness of holding the shares.

3.1.3 EQUITIES AND MUTUAL FUND UNITS – VARIABLE-INCOME SECURITIES

Equities and mutual fund units are stated at their purchase price. Their realisable value corresponds to their most recent quoted market price for listed securities, their most recent net asset value for mutual fund units, or their market value assessed on the basis of their market and utility for unlisted securities.

At each year-end, these securities are reviewed on a line-by-line basis to determine whether unrealised capital losses relative to their realisable value are long-term.

Unrealised capital losses are presumed to be long-term in the following cases:

- where there was already a provision for impairment at the previous year-end;
- the investment constantly sustained a material unrealised capital loss of more than 20% in non-volatile markets, or 30% in volatile markets, relative to its book value over a period of six consecutive months. Considering the market volatility observed over the past financial year, the criterion for significant impairment applied at 31 December 2022 was 20%;
- if there is objective evidence that the company will be unable to recover all or part of the historical value of the investment in the foreseeable future.

In addition to this assumption, investments showing a material unrealised capital loss of more than 50% at year-end are subject to a specific review.

The provision for long-term impairment is determined and recognised taking account of the intention and ability to hold the investment:

- if there is no intention or ability to hold the investment for a specific time frame, impairment is valued as the difference between the net book value and market value, if the latter is lower than the book value;
- if there is the intention or ability to hold the investment for a specific time frame, impairment is valued as the difference between the net book value and the recoverable value, if the latter is lower than the book value during the intended time frame. Apart from in exceptional cases, the recoverable value should not be lower than the market value and should not change significantly during the holding period.

3.1.4 BONDS – FIXED-INCOME SECURITIES AND OTHER AMORTISABLE SECURITIES

Amortisable securities are stated at their purchase price excluding accrued interest. The difference between the purchase price and the redemption value is recognised in profit or loss over the remaining term of the securities based on an actuarial calculation. This difference is recorded on the balance sheet under investments. The realisable value of these securities corresponds to their last quoted price or, by default, their market value.

For standard bonds and similar securities (within the meaning of Article R. 343-9 of the French Insurance Code), a provision for impairment is booked if there is a known credit risk, i.e. if it is likely that the issuer will not be able to meet its commitments (payment of interest and repayment of capital). The impairment loss reflects all projected losses.

For other amortisable securities (within the meaning of Article R. 343-10 of the French Insurance Code), provisions are booked as follows:

- if there is the intention or ability to hold the investment until maturity, a provision is only set aside for the known credit risk, as above;
- if there is no intention or ability to hold the investment to maturity, the provision is calculated by analysing all the risks identified over the intended holding period, in accordance with the same terms as in note 3.1.3.

3.1.5 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES

Investments held to cover unit-linked policies are measured at market value.

3.1.6 OTHER INVESTMENTS

Other investments comprise primarily loans, pledged securities and cash deposits with ceding companies, funds withheld by ceding companies and deposits with banks (in particular term deposits and accounts). They are recognised at cost and subject to impairment if there is a risk that they cannot be recovered.

3.2 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are included in off-balance sheet commitments given or received at their notional amount. Their accounting treatment on the balance sheet and the income statement depends on the type of hedging strategy.

The aim of an investment or divestment strategy is to set the value of a future investment or a planned divestment. During the life of the derivative financial instrument, premiums, margin calls and intermediate flows are recorded with a balancing entry in asset or liability accruals, with no impact on profit or loss. When the strategy is unwound, the realised losses or gains on the derivative financial instrument are included in the purchase or sale price.

The aim of a return strategy is to secure the return or change the return profile of an investment or group of investments. The impact of the strategy is spread over the life of the investment and does not affect the recognition of the assets or liabilities concerned by the strategy. Income and expenses that arise from the derivative financial instrument, whether realised or unrealised, are recorded in the income statement over the duration of the strategy, taking into account the effective return on the instrument.

As regards currency derivatives, off-balance sheet commitments in foreign currencies are remeasured using the exchange rate at the balance sheet date. Any gains or losses arising on this remeasurement are recorded in the balance sheet as currency translation differences, with a balancing entry in accruals.

- When the derivative financial instrument relates to a structural position (see Note 3.4) or falls within the framework of an investment strategy, the currency translation differences are shown on the balance sheet until the date of realisation of the position or until the investment date.

- When the derivative financial instrument relates to an operating item (see Note 3.4), as part of a divestment or return strategy, currency translation differences are taken to profit or loss.

Interest differences relating to forward exchange transactions, i.e. premiums or discounts, are recorded as interest income or expenses over the effective period of the hedged transaction.

For derivative financial instruments not covered by any of these hedging strategies, provisions are set aside for unrealised losses recognised at each year-end. Unrealised gains are not recognised in profit or loss.

3.3 RECEIVABLES AND PAYABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS

These receivables and payables comprise mainly direct insurance receivables and payables, earned premiums not written, outwards and inwards reinsurance receivables and payables, and payables representing cash deposits received from reinsurers.

They are recognised at their nominal value. An impairment loss is recognised for receivables when their recoverable amount is less than their net book value.

3.4 FOREIGN CURRENCY ASSETS AND LIABILITIES

Foreign currency assets and liabilities consisting of operating positions, such as foreign currency investments, technical reserves, cash, receivables or payables are translated into euros based on exchange rates at the end of the financial year. Currency translation differences relating to these operations are taken to income.

Strategic investments intended to be held for the long term consist of structural positions and are fixed at their historic exchange rate.

3.5 OTHER ASSETS

Other tangible assets

“Other assets” consist mainly of operating equipment. They are recorded as assets on the balance sheet at their acquisition cost and are amortised over their useful life.

Other intangible assets

In addition to intangible assets arising from a business combination (see Note 2.2.2 "Identified intangible assets"), other intangible assets comprise primarily:

- values of insurance agency business for which the Group temporarily holds or partly finances exercise rights. A provision for impairment is recognised to cover any probable decrease in the resale value of the business;
- software purchased and IT development costs when they relate to clearly separable projects with a serious chance of technical success. These intangible assets are amortised over their useful life.

3.6 ASSET AND LIABILITY ACCRUALS

Asset and liability accruals primarily include estimates of ceding companies reports to be received, deferred acquisition costs and expense loadings, accrued interest and rents not yet due and accruals relating to derivative financial instruments (see Note 3.2 "Derivative financial instruments").

Reports to be received from ceding companies

Reports to be received from ceding companies at the financial year-end date in respect of inwards reinsurance give rise to estimates of expected cash flows and are recognised as accruals.

Estimated reserves for assumed claims are recognised as technical reserves.

Deferred acquisition costs

• Non-life deferred acquisition costs

The portion of acquisition costs not attributable to the financial year is recognised as an asset on the balance sheet and amortised on a basis consistent with that used to defer unearned premiums.

• Life deferred acquisition costs

Deferrable acquisition costs corresponding to costs and fees relating to the acquisition of new policies or renewals are deferred up to the limit of future profit margins for the policies in question, determined by grouping together products with the same characteristics. They are amortised in line with the pattern of recognition for these margins and recognised as accruals under assets.

Expense loadings for acquisition costs, which may be applicable in direct insurance, are recognised as income to be deferred over several years as accruals under liabilities, and taken to income on the basis of the same rate as deferrable acquisition costs.

Life deferred acquisition costs also include commissions paid to Scor Ireland (formerly Scor Life Ireland) on the implementation in 2021 of inwards reinsurance treaties with Scor, which are amortised in line with the pattern of recognition for future

margins as anticipated at the inception of the treaties, after adjustments (see Note 13 "Accruals – assets").

3.7 CAPITALISATION RESERVE

Allocations to and reversals from the capitalisation reserve, specific to French life insurance entities, recognised if applicable in the individual financial statements, are cancelled through profit or loss in the combined financial statements. If a loss is highly likely to be recorded on the sale of securities that are subject to this reserve, these restatements result in the recognition of deferred profit sharing.

3.8 TECHNICAL RESERVES

Reserves are calculated gross of reinsurance, with the share payable by the reinsurers shown as an asset.

For foreign entities, the local rules for calculating technical reserves are retained if they are sufficient to meet all commitments and are based primarily on the use of risk tables and discount rates recognised locally as appropriate, subject to adjustments for harmonisation where applicable (see Note 4 "Adjustments relating to the main differences between French and foreign regulations").

Unearned premium reserves

For all outstanding policies, unearned premium reserves reflect the portion of written premiums relating to future risk periods.

Claims reserves

Claims reserves represent the estimated value of expenses in principal and fees, both internal and external, required to settle all incurred claims that are not yet paid, whether they are known or not yet known, including those that might be paid in annuities. They are estimated with a sufficiently conservative approach to cover costs incurred in connection with adverse developments or scenarios (e.g. high inflation). They reflect an estimated ultimate cost of settling insurance claims and include case-by-case reserves for reported claims, reserves for claims incurred but not reported, reserves for recoveries to be collected and reserves for claims handling costs.

In direct business, reported claims cases are valued at their estimated actual cost or on the basis of a flat rate for certain risk categories, including both principal and ancillary amounts. Valuations are revised periodically in view of any relevant new information obtained. In inwards reinsurance, reserves are assessed on a case-by-case basis according to information received from ceding companies; they may be supplemented by the reinsurer if it deems that claims covered by the treaty may be higher than those announced by the ceding companies.

An ultimate value is estimated for reserves for claims incurred but not reported and for unfavourable changes in reported claims using statistical methods such as claims development triangles. In inwards reinsurance, these reserves are intended to cover the reinsurer's commitments in respect of reports not yet received from ceding companies, because of the delay between the claim occurring and the reinsurer being asked for payment, and if applicable additional reserves deemed necessary by the reinsurer based on its own estimates, in addition to information reported by the ceding companies.

Reserves for recoveries to be collected are estimated with reference to past collection rates.

For construction risks, reserves recorded are as a minimum equal to the sum of the total cost of outstanding incurred claims, whether reported or not, and the estimated cost of future claims expected to occur by the end of the limitation period.

A claims handling costs reserve is set aside to cover future expenses associated with handling and settling outstanding claims.

Annuities reserves

Reserves set aside in respect of potential annuities and annuities paid are calculated, if applicable, using locally recognised mortality tables and discount rates.

In France, in accordance with applicable accounting regulations:

- for annuities other than protection insurance annuities, the mortality table used is table TD88-90 and the discount rate is capped at 60% of the *taux moyen des emprunts d'État* (TME) – the average yield on French government bonds – over the last 24 months, plus 10 basis points, i.e. 0.63% for the year ended 31 December 2022, compared with 0% in 2021.
- for protection insurance annuities, the tables used correspond to regulatory incapacity and disability tables and the discount rate is capped at 75% of the TME for the last 24 months, i.e. a maximum of 0.66% for the year ended 31 December 2022, compared with 0% for the year ended 31 December 2021.

Equalisation reserves

Equalisation reserves stated in the individual financial statements are eliminated in the Group's combined financial statements apart from those that are contractual in nature and those intended to cope with fluctuations in the loss ratio due to future risks and events characterised by low frequency and a high unit cost (e.g. natural events, atomic risk, pollution, attacks, etc.).

Unexpired risk reserve

The unexpired risk reserve represents future losses, i.e. the portion of claims, inclusive of management costs, that exceeds the fraction of the premium carried forward to the next financial year and subsequent financial years, plus financial income on premiums received. The calculation is carried out using a statistical method on an overall basis for each category of insurance or reinsurance.

Life insurance mathematical reserves

- **Mathematical reserves**

Mathematical reserves represent the difference between the present value of commitments made by insurers and policyholders respectively for direct business, or by the reinsurer and ceding companies respectively for inwards reinsurance.

Mathematical reserves are calculated in accordance with locally recognised risk tables in force at the year-end date, and local discount rates, as determined at the time of underwriting, with, where appropriate, harmonisation adjustments for foreign entities.

- **Guaranteed minimum death benefit reserve**

A guaranteed minimum death benefit reserve is also booked in respect of cover for certain policies for which the financial risk is borne by policyholders, providing for a minimum amount of capital in the event of death if the market value of unit-linked policies falls. This corresponds to the present value of future benefits to be paid to beneficiaries if guarantees are triggered. The discount rate applied, after adjustment for harmonisation if applicable, corresponds to the reference life technical rate at the year-end date, i.e. 60% of the TME for the last six months.

- **Reserve for management costs**

The reserve for management costs makes provisions for future management expenses not covered by premium loadings or the financial margin. This reserve is calculated by grouping together policies with similar characteristics.

Technical reserves for unit-linked policies

Mathematical reserves for unit-linked policies are valued with reference to the value of underlying assets. Gains and losses resulting from the remeasurement of these assets are recognised in profit or loss in order to eliminate the impact of the change in the technical reserves.

Policyholders' profit-sharing reserves

These reserves correspond primarily to profit sharing allocated to holders of euro-denominated life insurance policies not yet included in mathematical reserves. They are determined by taking account of contractual clauses and legal obligations, which in France require a minimum allocation corresponding to 90% of technical profits (or 100% of technical profits minus 4.5% of premiums, if applicable) and 85% of financial profits to be paid out within eight years.

In the combined financial statements, in addition to these reserves, reserves are recognised for deferred profit sharing calculated on the basis of certain life consolidation adjustments in order to represent a future right of policyholders to these amounts. This is the case in particular for the adjustment of the capitalisation reserve (see Note 3.7 "Capitalisation reserve").

Reserve for financial contingencies

A reserve for financial contingencies is booked when the rate of return on assets is lower than the technical interest rate for mathematical reserves.

Reinsurers' share in technical reserves

Reinsurers' share in technical reserves is calculated according to the contractual terms of the treaties on the basis of gross technical reserves or statistical methods consistent with those used on a gross basis.

3.9 PROVISIONS FOR RISKS AND CHARGES AND CONTINGENT LIABILITIES

3.9.1 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are determined by each combined and consolidated entity. These provisions are intended to cover clearly identifiable risks and charges that past or ongoing events make likely to occur.

Provisions for risks and charges include primarily provisions for long-term employee benefits, provisions for litigation and other provisions for risks.

Provisions for long-term employee benefits

- **Post-employment benefits (defined benefit plans)**

The Group sets aside provisions for all defined-benefit post-employment benefits using the following methods in accordance with French GAAP (known as method 2 of ANC recommendation 2013-02).

- Past service costs arising from the introduction or modification of plans are recognised immediately on the balance sheet and in profit or loss.
- Actuarial gains and losses are treated using the corridor method and are restated for the change in provisions and recognised in off-balance sheet commitments. A percentage of these gains and losses is recognised in profit or loss. This percentage corresponds to the amount of aggregate actuarial gains and losses not recognised at the start of the year that exceeds 10% of the actuarial liability, divided by the average remaining period until retirement.
- Rights to benefits are attributed from the date of entry into service.

Provisions recognised in liabilities correspond to the actuarial valuation of commitments, less actuarial gains and losses that have not yet been recognised, and less, where applicable, the value of non-Group life insurance policies taken out as cover for pension benefits.

The actuarial valuation of post-employment benefits for the Group's main entities is based primarily on the following assumptions, recognised as locally appropriate:

- discount rate: 2.20% to 3.68%;
- future pay growth rate (including long-term inflation): 2.25% to 4%.

- **Post-employment benefits (defined contribution plans)**

Contributions are recognised in profit or loss as an offset to the current service cost for staff members enrolled in the plans.

- **Other long-term benefits**

Long-term commitments giving rise to the payment of benefits during the working life of employees, such as long-service awards and long-service leave, are not treated as post-employment commitments. They are covered by specific provisions that require actuarial gains and losses and past service costs to be recognised immediately in profit or loss.

Provisions recognised in liabilities correspond to the actuarial valuation of commitments.

3.9.2 CONTINGENT LIABILITIES

Contingent liabilities correspond to an obligation that is neither probable nor certain on the reporting date, or a probable obligation for which no outflow of resources is likely. Contingent liabilities, which are not provisioned, are presented in the notes to the financial statements (see Note 18 "Provisions for risks and charges and contingent liabilities").

3.10 INCOME TAXES

Income taxes include taxes on income, both current and deferred. A temporary difference, which gives rise to deferred tax, arises when the carrying amount of an asset or liability is different from its tax value. Deferred tax assets and liabilities are recognised on the combined balance sheet under "Other receivables" and "Other payables" respectively. Deferred taxes related to the same tax payer – as is the case, for example, for entities belonging to the tax group of which Covéa SGAM is head – are aggregated and stated net. Deferred taxes are calculated using the balance sheet approach based on temporary differences between the carrying amounts and tax values of assets and liabilities, referring to the tax rules and rates in force at the end of the reporting period and applicable when the temporary differences are realised. The main temporary differences correspond to:

- temporary differences between the accounting result and the taxable result, particularly on the values of certain investments and technical reserves;

- differences between the consolidated carrying amount and the tax value of assets and liabilities;
- tax loss carryforwards;
- capital gains subject to deferred taxation;
- consolidation adjustments.

In the event of a net tax liability position, deferred taxes are systematically recorded. However, for a net tax asset position, deferred tax is recognised only when sufficient taxable profits against which the deductions represented by deferred tax assets can be offset are anticipated.

As of 1 January 2008, Covéa SGAM has opted for the tax group regime applicable in France.

3.11 SEGMENT REPORTING: NET INVESTMENT INCOME

The breakdown of combined net investment income between the technical and non-technical income share for each company is determined in proportion to the consolidated technical reserves and the contribution to consolidated equity before elimination of securities, except where there are segregated assets for which the associated financial income is allocated to equity.

Note 4 **Adjustments relating to the main differences between French and foreign regulations (harmonisation adjustments)**

The financial statements of entities located abroad, in particular for the recognition of certain investments and certain technical reserves, are restated to make them compliant with French regulations.

Certain local regulations require investments to be stated at market value. In accordance with French GAAP, these investments are restated at historical cost and result, if applicable, in provisions for impairment according to the principles set out in Note 3.1 "Investments".

Technical reserves are calculated in accordance with the principles applicable in each country. They are maintained at this level in the Group's combined financial statements if they are sufficient to cover all commitments and the risk tables and discount rates applied are recognised as locally appropriate, subject to being aligned with the Group's principles. In this regard, some life insurance reserves are adjusted to align the means of determining their discount rate with those applied by the Group in accordance with the principles described in Note 3.8 "Technical reserves".

Note 5 **Elimination of intra-group transactions**

Intra-Group transactions are eliminated in the combined financial statements. They cover primarily:

- payables and receivables recording the use of shared goods and services in particular;
- dividends paid between Group entities;
- intra-Group lending transactions;
- intra-Group reinsurance transactions;
- capital gains and losses on intra-Group disposals (the assets sold are kept at their historical value);
- provisions for impairment of shares in consolidated subsidiaries and affiliates (with no impact on deferred tax).

Note 6 **Combination scope**

6.1 COMPOSITION OF THE COMBINATION SCOPE

The Covéa Group presents combined financial statements in accordance with regulations that state that when insurance undertakings constitute a group whose cohesion does not result from capital ties, one of them must prepare and publish combined financial statements.

The combination agreement appoints Covéa SGAM as the combining entity. At 31 December 2022, it linked the following undertakings: Covéa SGAM, Apgis, AM-GMF, Le Finistère, MAAF Assurances, MAAF Santé, MMA IARD Assurances Mutuelles, MMA Vie Assurances Mutuelles and SMI.

These entities have close relationships in many areas, such as:

- common management;
 - shared operational services;
 - joint subsidiaries;
 - co-insurance or reinsurance agreements.
- **The following are included in the combination scope:**
 - entities that one or more parties to the combination agreement control exclusively or jointly;
 - entities over which one or more parties to the combination agreement exert significant influence;
 - "special purpose" entities created specifically to manage a transaction or group of similar transactions on an undertaking's behalf. These entities must be included in the combination scope if one or more of the Group's entities control them.

- **The following are not included in the combination scope:**

- entities that are controlled or subject to significant influence considered immaterial at Group level, with materiality assessed chiefly in relation to the Group's equity, net income and earned premiums;
- property investment entities and mutual funds, which have the characteristics of investments. These are held with a view to covering technical insurance commitments, do not contribute to the Group's financing, do not significantly hold securities of other entities that may change the scope of combination and, for property investment entities, their income for the year is included in their holders' financial statements in the same financial year;
- entities that are being liquidated and are not material;
- entities that are held temporarily or in which the Group is not entitled to participate in their financial and operational policies.

These exclusions do not affect the true and fair view given by the combined financial statements.

- **Main changes in Covéa's combination scope:**

Mutual insurance companies Assurances Mutuelles de France and La Garantie Mutuelles des Fonctionnaires merged with retroactive effect on 1 January 2022. As this is an internal restructuring between two combined entities, the merger does not affect the Group's combined financial statements for 2022.

The sale of Bipiemme Vita, 81%-owned by Covéa, and Bipiemme Assicurazioni, wholly owned by Bipiemme Vita, was finalised on 22 July 2022. Bipiemme Vita and Bipiemme Assicurazioni were deconsolidated on 1 July 2022.

A total of 11 economic interest groups or GIEs (GIE AGSI, Cibail, Européenne de Règlement, MMA SI, Euro Gestion Santé, Europac, Logistic, Europex, Eurodem, RCDI, Covéa Agora) and one non-profit organisation (Association pour le Développement des Compétences) were fully consolidated in 2022. Their assets and liabilities are integrated on a line-by-line basis into the Group's combined financial statements. As these structures rebill their costs to other Group entities, their consolidation does not affect the Group's income statement.

The PartnerRe group is consolidated in the Covéa Group's combined financial statements following the finalisation of its acquisition on 12 July 2022 (see Note 6.2 "Acquisition of PartnerRe").

For each entity in the scope, the following table presents its area of activity, the consolidation method, the country where its head office is located and its business segment (see Note 29 "Segment reporting").

Name	Area of activity	Head office location	Consolidation method	Business segment	% control	% interest
SGAM Covéa	Mutual holding company	France	Cmb	Other		
AM - GMF	Non-life insurance	France	C	Non-life		
MAAF Assurances	Non-life insurance	France	C	Non-life		
MAAF Santé	Complementary health insurance	France	C	Life/Non-life		
MMA IARD Assurances Mutuelles	Non-life insurance	France	C	Non-life		
MMA Vie Assurances Mutuelles	Life insurance	France	C	Life		
Appis	Group health and protection insurance	France	C	Life/Non-life		
Le Finistère	Non-life insurance	France	C	Non-life		
SMI	Health and protection	France	C	Life/Non-life		
Covéa Coopérations	Holding and reinsurance activities	France	F	Life/Non-life	100.00	100.00
Covéa PJ	Legal protection insurance	France	F	Non-life	100.00	100.00
Fidélia Assistance	Assistance insurance	France	F	Non-life	99.99	99.99
GMF Assurances	Non-life insurance	France	F	Non-life	100.00	100.00
La Sauvegarde	Non-life insurance	France	F	Non-life	99.99	99.99
MAAF Assurances SA	Non-life insurance	France	F	Non-life	100.00	100.00
MMA IARD SA	Non-life insurance	France	F	Non-life	100.00	100.00
BPCE IARD	Non-life insurance	France	F	Non-life	50.00	50.00
CSE Insurance Company	Non-life insurance	United States	F ¹	Non-life	100.00	100.00
Covéa Insurance plc	Non-life insurance	United Kingdom	F	Non-life	100.00	100.00
GMF Vie	Life insurance	France	F	Life	100.00	100.00
MMA Vie SA	Life insurance	France	F	Life	100.00	100.00
MAAF Vie	Life insurance	France	F	Life	100.00	100.00
PartnerRe	Reinsurance	Bermuda	F ¹	Life/Non-life/ Other	100.00 ²	100.00 ²
Covéa Lux	Reinsurance	Luxembourg	F	Life/Non-life	100.00	100.00
Medical Insurance Company	Non-life insurance	Ireland	F	Non-life	100.00	100.00
Covéa Finance	Third-party asset management	France	F	Other	100.00	100.00
Midepp	Asset management	France	F	Other	100.00	100.00
Assurland	Online insurance price comparison	France	F	Other	100.00	100.00
GMF Financial Services Corp.	Holding company	United States	F	Other	100.00	100.00
MMA Holdings UK plc	Holding company	United Kingdom	F	Other	100.00	100.00
SA Immobilière des MMA	Property company	France	F	Life	100.00	100.00
SCI Flèche Mizola	Property company	France	F	Life	100.00	100.00
SCI Boissy Royale	Property company	France	F	Non-life	100.00	100.00
SCI Sécurité Pierre	Property company	France	F	Non-life	100.00	100.00
Covéa Invest	Investments and acquisitions of equity interests	France	F	Other	100.00	100.00

Name	Area of activity	Head office location	Consolidation method	Business segment	% control	% interest
Coparex	Investments and acquisitions of equity interests	France	F	Other	100.00	100.00
Covéa D	Non-profit organisation	France	F	Other	100.00	100.00
Prifinance	Defeasance company	France	F ¹	Other	62.00	62.00
GIE AGSI	Economic interest group	France	F	Other	100.00	100.00
GIE CIBAIL	Economic interest group	France	F	Other	100.00	100.00
GIE EUROPEENNE DE REGLEMENT	Economic interest group	France	F	Other	100.00	100.00
GIE MMA SI	Economic interest group	France	F	Other	100.00	100.00
GIE EURO GESTION SANTE	Economic interest group	France	F	Other	100.00	100.00
GIE EUROPAC	Economic interest group	France	F	Other	100.00	100.00
GIE LOGISTIC	Economic interest group	France	F	Other	100.00	100.00
GIE EUROPEX	Economic interest group	France	F	Other	100.00	100.00
GIE EURODEM	Economic interest group	France	F	Other	100.00	100.00
GIE RCDI	Economic interest group	France	F	Other	100.00	100.00
GIE COVEA AGORA	Economic interest group	France	F	Other	100.00	100.00
Association pour le Développement des Compétences	Non-profit organisation	France	F	Other	100.00	100.00
Carma	Partnership with Carrefour – Personal property insurance	France	EM		49.99	49.99
Carma Vie	Partnership with Carrefour – Creditor insurance	France	EM		49.99	49.99
Protec BTP	Non-life insurance	France	EM		35.00	35.00

Cmb: combining entity

C: combined entity

F: full consolidation

EM: equity method

¹ Groups consolidated based on their consolidated financial statements.

² At 31 December 2022:

- Covéa owned 100% of the 100,000,000 ordinary shares (class A) in PartnerRe;
- 7,666 class C ordinary shares were issued and granted within the framework of remuneration plans. These are recognised as provisions for risks and charges, taking account in particular of the fact they can be redeemed. Restricted share units/performance share units, without voting rights, were also awarded but not yet vested and not yet settled in class C ordinary shares (maximum number of 265,805 as at 31 December 2022);
- 8,000,000 preferred shares, without voting rights, listed on the New York Stock Exchange, were not acquired by Covéa and are classified as minority interests taking account of their qualification as equity instruments in view of their characteristics.

6.2 ACQUISITION OF PARTNERRE GROUP

The PartnerRe group is included in the Covéa Group's combination scope following the acquisition by Covéa Coopérations of 100% of the ordinary shares held by Exor on 12 July 2022. As a result, the Covéa Group has acquired exclusive control of the PartnerRe group, which is fully consolidated in its combined financial statements. The acquisition did not include the preferred shares listed on the New York Stock Exchange, which are treated in the Covéa Group's combined financial statements as minority interests not giving the right to a share of net assets, valued at their liquidation value. The acquisition cost was €8,006 million. This takes account of the exchange rate of the partial currency hedging put in place

ahead of the acquisition being finalised (see Note 25 "Derivative financial instruments") and includes costs directly attributable to the acquisition net of the corresponding tax saving. The acquisition was paid for entirely in cash.

The PartnerRe group's assets and liabilities were integrated into the Covéa Group's combined financial statements on 12 July 2022 on the basis of the accounting situation under US GAAP as at 30 June 2022, adjusted for significant transactions during the intervening period. If applicable, these have been restated in the opening balance sheet in accordance with applicable French GAAP and translated into euros at the exchange rate on 12 July 2022.

The opening position is summarised as follows:

In € millions

Acquisition cost, including directly attributable costs	8,006
Intangible assets from the acquisition*	2,666
Investments	18,259
Other assets	7,356
Total assets excluding goodwill	28,283
Gross technical reserves	18,376
Other liabilities	2,769
Minority interests	199
Total liabilities	21,345
Net value of identifiable assets and liabilities	6,937
Goodwill	1,069

* Amount before deferred taxes, with deferred taxes on these intangible assets representing €179 million.

Intangible assets identified on exercise of the purchase price allocation amounted to €2,487 million net of deferred taxes on the acquisition date. These include:

- values of non-life and life reinsurance business in force at the acquisition date representing a total of €1,667 million net of tax. These values correspond to the discounted value of expected margins on non-life unearned premiums and premiums to be written and estimated future life profits, reflecting the difference between the fair value and the book value of technical liabilities. In view of the fair value measurement methods, deferred acquisition costs have been cancelled out in preparing the opening balance sheet;

- the value of customer relationships of €526 million net of deferred taxes, representing the discounted value of expected cash flows from contract renewals, taking account of existing strong ties with brokers and customers;
- the brand representing an amount of €294 million, corresponding to estimated discounted future cash flows from theoretical royalties expected from the brand licence.

With the exception of the brand, which does not have a limited useful life, these intangible assets are amortised on the basis of amortisation schedules reflecting the pattern of recognition for future profit margins or the useful life on a straight-line basis, of between two and 20 years.

Goodwill, corresponding to the difference between the acquisition cost and the net value of identifiable assets and liabilities, amounted to €1,069 million. As there is no foreseeable limit to how long goodwill will provide economic benefits for the Group, goodwill

is not amortised. As the acquisition took place recently and there was no indication of impairment, no impairment was considered as at 31 December 2022.

The PartnerRe group's contribution to the Covéa Group's combined income statement as at 31 December 2022 is as follows:

<i>In € millions</i>	Amounts recognised in the income statement¹	Estimated amounts over one full year
Gross earned premiums	4,082	7,943
Net income (Group share)	348	835

¹ Corresponding to the period from the acquisition date to 31 December 2022.

Gross earned premiums and net income (Group share) over one full year, as if the acquisition had taken place on 1 January 2022, are estimated on the basis of:

- results under US GAAP over 12 months;
- applying the main adjustments for harmonisation with French GAAP, including elimination of unrealised capital gains and losses on financial assets;

- one full year of amortisation of intangible assets as valued on the date of taking control.

These figures do not necessarily correspond to the results that would have been achieved if the acquisition had actually taken place under the conditions existing on 1 January 2022.

The effects of the acquisition of the PartnerRe group on the summary financial statements as at 31 December 2022 are as follows:

<i>In € millions</i>	31 December 2022	Of which PartnerRe
Assets		
Intangible assets	3,386	2,861
Investments from insurance undertakings	97,484	17,306
Investments held to cover unit-linked liabilities	6,104	
Investments from other undertakings	1,579	674
Investments accounted for using the equity method	546	455
Reinsurers' share in technical reserves	5,306	1,978
Receivables arising from insurance or reinsurance operations	3,994	385
Receivables from banking sector entities	2,382	429
Other receivables	2,168	258
Other assets	265	27
Accruals – assets	8,035	3,352
Total assets	131,249	27,725

In € millions

Liabilities	31 December 2022	Of which PartnerRe
Group equity	17,559	7,798
Minority interests	228	188
Subordinated liabilities	597	456
Gross technical reserves	99,920	17,105
Technical reserves for unit-linked policies	6,114	
Provisions for risks and charges	789	71
Payables arising from insurance or reinsurance operations	1,853	545
Debt securities	1,140	1,140
Debt with banking sector entities	399	
Other payables	2,118	385
Accruals – liabilities	532	37
Total liabilities	131,249	27,725

In € millions

Income statement	31 December 2022	Of which PartnerRe
Earned premiums	22,696	4,082
Revenue	113	
Other operating income	62	0
Net financial income (expense)	1,487	341
Total operating profit	24,358	4,423
Claims expenses	(17,863)	(2,683)
Net income (expense) arising from outwards reinsurance	86	(59)
Expenses arising from other activities	(265)	(94)
General expenses	(5,084)	(1,168)
Total operating expenses	(23,126)	(4,004)
Operating income before goodwill amortisation and impairment	1,231	419
Inter-segment transfers		(10)
Economic operating income before goodwill amortisation and impairment	1,231	409
Goodwill amortisation and impairment	(1)	
Other net non-technical income (expense)	(20)	0
Operating income after goodwill amortisation and impairment	1,211	409
Non-recurring income (expense)	6	
Income tax	(297)	(40)
Net income of consolidated undertakings	920	369
Group share in net income from companies accounted for using the equity method	(13)	(17)
Combined net income	907	352
Minority interests	(11)	(5)
Net income (Group share)	896	348

In € millions

Off-balance sheet	31 December 2022	Of which PartnerRe
Commitments received		
Insurance undertakings	1,817	791
Other undertakings	10	
Commitments given		
Insurance undertakings	8,669	6,048
Other undertakings	482	
Pledged securities received from reinsurers	4,309	2,855
Derivative financial instruments		
Commitments received	4,115	4,115
Commitments given	4,143	4,143

4. NOTES TO THE BALANCE SHEET

Note 7 Intangible assets (including goodwill)

7.1 BREAKDOWN BY TYPE

In € thousands	2022			2021
	Gross	Amortisation and impairment	Net	Net
Goodwill	1,398,507	(390,175)	1,008,332	2,718
PartnerRe	1,006,571		1,006,571	
Covéa Insurance	8,137	(6,376)	1,761	2,718
Other	383,799	(383,799)		
Values of insurance and reinsurance business acquired	1,824,149	(741,007)	1,083,142	49,975
PartnerRe	1,696,639	(663,472)	1,033,167	
Other	127,510	(77,535)	49,975	49,975
Other intangible assets	2,101,222	(806,796)	1,294,426	227,554
Customer relationships (PartnerRe)	535,336	(17,845)	517,491	
Brand (PartnerRe)	276,971		276,971	
Compensation paid for insurance agencies and share of agents' exercise rights financed by the Group	203,722	(2,855)	200,867	191,751
Software and IT development costs ¹	1,072,837	(784,235)	288,602	3,992
Lease rights	10,290	(212)	10,078	10,739
Other	2,066	(1,649)	417	21,072
Total	5,323,878	(1,937,978)	3,385,900	280,247

¹ Including net book value of €240 million from the consolidation of economic interest groups in 2022.

Note 8 Investments

8.1 SUMMARY OF INVESTMENTS FROM INSURANCE UNDERTAKINGS

<i>In € thousands</i>	2022				
	Gross value ⁴	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investment property ^{1,2}	4,905,907	(717,513)	4,188,394	7,576,883	3,388,489
Equities and other variable-income securities ²	4,193,388	(166,849)	4,026,539	5,213,462	1,186,923
Units of equity mutual funds	4,321,017	(59,866)	4,261,151	5,236,270	975,119
Bonds and other fixed-income securities	70,949,940	(114,427)	70,835,513	64,355,197	(6,480,316)
Units of bond mutual funds	5,775,415	(2,040)	5,773,375	6,086,336	312,961
Other investments ³	8,354,323	44,742	8,399,065	8,231,922	(167,143)
Total⁵	98,499,990	(1,015,953)	97,484,037	96,700,070	(783,967)
Total listed investments	87,914,900	(99,187)	87,815,713	83,389,987	(4,425,726)
Total unlisted investments	10,585,090	(916,766)	9,668,324	13,310,083	3,641,759
Share of investments of life insurance undertakings in direct business	49,215,973	(277,326)	48,938,647	47,679,779	(1,258,868)
Share of investments of other insurance and reinsurance undertakings	49,284,017	(738,627)	48,545,390	49,020,291	474,901

¹ Investment property mainly comprises land, operating and investment properties, and shares in unlisted property companies and related current accounts.

² Including reclassification of €211 million in gross value as at 31 December 2022 from equities (equity interests) to investment property, in view of the nature of the holdings.

³ Other investments mainly comprise pledged securities in the amount of €5,240 million (bonds and units of bond mutual funds), cash deposits and funds withheld by ceding companies in the amount of €560 million, deposits with banks (mainly term deposits and accounts) in the amount of €748 million, loans in the amount of €1,052 million, and mortgage loans held directly in the amount of €397 million, in gross values as at 31 December 2022.

⁴ Gross value, including shares not fully paid up in companies recorded as assets on the balance sheet against the recognition of debt (under "Other payables") in the amount of €30 million as at 31 December 2022.

⁵ The acquisition of PartnerRe contributed to the increase in investments between 2021 and 2022 (see Note 6.2 "Acquisition of PartnerRe group"). Conversely, the sale of Bipiemme Vita reduced investments between 2021 and 2022 by €4,781 million (net book value).

<i>In € thousands</i>	2021				
	Gross value ²	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investment property ¹	4,437,443	(681,678)	3,755,765	6,908,553	3,152,788
Equities and other variable-income securities	4,379,402	(210,709)	4,168,693	6,428,820	2,260,127
Units of equity mutual funds	4,082,257	(46,606)	4,035,651	6,282,376	2,246,725
Bonds and other fixed-income securities	72,689,382	(345,969)	72,343,413	77,242,645	4,899,232
Units of bond mutual funds	5,288,422		5,288,422	5,732,769	444,347
Other investments	2,280,928	(7,024)	2,273,904	2,278,565	4,661
Total	93,157,834	(1,291,986)	91,865,848	104,873,728	13,007,880
Total listed investments	84,826,574	(351,662)	84,474,912	94,132,720	9,657,808
Total unlisted investments	8,331,260	(940,324)	7,390,936	10,741,008	3,350,072
Share of investments of life insurance undertakings in direct business	59,414,804	(344,680)	59,070,124	67,158,428	8,088,304
Share of investments of other insurance and reinsurance undertakings	33,743,030	(947,306)	32,795,724	37,715,300	4,919,576

¹ Investment property mainly comprises land, operating and investment properties, and shares in unlisted property companies and related current accounts.

² Gross value, including shares not fully paid up in companies recorded as assets on the balance sheet against the recognition of debt (under "Other payables") in the amount of €28 million as at 31 December 2021.

N.B. : For policies with a profit-sharing clause, the realisation of unrealised capital gains generates rights for the beneficiaries.

8.2 INVESTMENTS IN ASSOCIATES AND AFFILIATES

In € thousands

	2022				
	Gross value	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investments from insurance undertakings	735,166	(165,683)	569,483	587,999	18,516
Equities and other variable-income securities	710,872	(165,683)	545,189	563,620	18,431
Other investments	24,294		24,294	24,379	85
Investments from other undertakings	109,690	(51,285)	58,405	59,206	801
Equities and other variable-income securities	80,388	(51,285)	29,103	29,904	801
Other investments	29,302		29,302	29,302	0
Total	844,856	(216,968)	627,888	647,205	19,317

In € thousands

	2021				
	Gross value	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investments from insurance undertakings	1,238,302	(206,490)	1,031,812	1,181,288	149,476
Equities and other variable-income securities	909,863	(206,490)	703,373	852,764	149,391
Other investments	328,439		328,439	328,524	85
Investments from other undertakings	95,116	(38,518)	56,598	57,769	1,171
Equities and other variable-income securities	85,298	(38,518)	46,780	47,951	1,171
Other investments	9,818		9,818	9,818	
Total	1,333,418	(245,008)	1,088,410	1,239,057	150,647

8.3 INVESTMENTS IN UNCONSOLIDATED ENTITIES

The information below covers investments in unconsolidated entities for which the Group's investment exceeds €1 million.

8.3.1 SHARES IN PROPERTY COMPANIES

Shares in property companies are recorded under "Land and buildings" on the asset side of the balance sheet.

In € thousands

Companies	Head office location	Percentage held by the Group	Group investments		Equity at 100% ²	Net income (loss) at 100% ²	Realisable value ¹	Revenue at 100% ²
			Gross ⁴	Impairment				
SCI Marble Haussmann	France	100.00%	377,389		12,866	10,253	418,646	19,068
SCI Covéa Real Estate Long Terme (CoreLT)	France	100.00%	228,759		95,265	(8,461)	251,397	
SA Sécurité Pierre Investissements	France	90.65%	173,044		217,288	7,469	371,307	12,941
SCI Immobilière Générale Française	France	100.00%	166,310		50,962	12,062	289,404	9,084
SCI Core 102 Charonne	France	100.00%	160,830		(1,879)	(1,929)	163,664	3,981
SCI 6 Avenue Kléber	France	100.00%	150,213		41,391	6,391	217,914	9,330
SCI Prony Bureaux	France	100.00%	141,832		148,608	9,668	407,282	16,025
SCI Séquana Rive Gauche	France	100.00%	140,229		96,850	6,850	174,836	11,150
IENA Investissements Participations SAS ⁵	France	100.00%	126,120		127,794	(51)	168,781	
SCI Califimmo	France	100.00%	114,911		120,876	4,201	155,016	7,185
SAS Prony Habitation	France	100.00%	83,962		87,295	1,460	180,480	7,383
SCI Core 9-13 Banque	France	100.00%	80,005		49	(1)	80,005	
SARL MDM Kellermann	France	100.00%	76,860		13,449	739	111,505	
SCI Le Tropic	France	100.00%	66,591		16,237	4,237	86,870	7,230
Breteuil Ségur	France	100.00%	63,900		44,913	14,913	131,565	59,912
SAS Foncière Opéra Gaillon	France	100.00%	61,248	(6,626)	48,656	2,212	78,643	4,326
SCI Dalle 1	France	100.00%	56,040		38,151	3,196	99,914	5,603
Lagune international SAS ⁵	Luxembourg	25.25%	58,278		142,143	44,831	71,205	72
Covivio Alexander Platz SARL	Luxembourg	25.00%	51,044				64,853	
SCI Dalle 2	France	50.00% ³	41,697		80,421	11,885	120,168	14,989
SCI Silverseine	France	100.00%	39,968		16,741	6,741	82,944	
SCI Londres Athènes	France	100.00%	33,989		39,604	4,747	96,135	
SAS Covéa Real Estate Développement I	France	100.00%	27,832		19,823	(4,257)	28,995	
SAS Covéa Real Estate Développement II ⁵	France	100.00%	27,042		14,748	(59)	35,244	
SCI MGF Immobilier	France	100.00%	26,225		8,116	512	28,660	1,085
SCI Espace Performance	France	100.00%	23,581		23,883	568	23,862	1,281
SCI Cital Wacken	France	100.00%	17,809	(6)	12,737	1,542	19,306	3,136
SAS Covéa Real Estate Résidentiel	France	100.00%	12,333	(268)			12,065	

In € thousands

Companies	Head office location	Percentage held by the Group	Group investments		Equity at 100% ²	Net income (loss) at 100% ²	Realisable value ¹	Revenue at 100% ²
			Gross ⁴	Impairment				
SARL Boulogne Ailes MDM	France	100.00%	8,897		7,822	(736)	17,169	49
SCI de Placements de Covéa Protection Juridique	France	100.00%	8,661		8,629	49	12,382	
SARL Lyon MDM	France	100.00%	8,067		7,741	236	21,302	933
SCI 36 Bd St Marcel	France	100.00%	6,582		821	820	15,576	1,042
SCI Core Invest Iard	France	100.00%	6,050		50		6,050	
SCI MDM Vie	France	100.00%	5,641		6,403	762	12,749	979
SCI Maison des Quatre	France	100.00%	4,629		2,812	249	5,460	243
SARL Le Mans 37 Chanzy MDM	France	100.00%	4,334	(317)	4,002	14	4,017	
SCI du Groupe des Mutuelles du Mans Assurances	France	100.00%	3,681		2,527	(1,153)	4,079	2,615
Paris Office JV Limited	United Kingdom	100.00%	3,197		3,689	1,014	1,701	2,230
SAS Chauray Valeur	France	100.00%	2,020		2,685	185	5,791	417
SAS Le Grand Bleu	France	100.00%	1,734		1,825	259	4,499	523
Other			4,354					
Total			2,695,889	(7,217)				

¹ Group share.

² Equity, net income and revenue for the 2021 financial year, apart from for Paris Office JV Limited, for which the amounts shown correspond to the 2022 financial year.

³ The percentage held by the Group directly is 50%, but control by the Group is 100% taking into account both direct and indirect holdings.

⁴ Gross value, including shares not fully paid up in companies recorded as assets on the balance sheet against the recognition of debt (under "Other payables") in the amount of €2 million at 31 December 2022.

⁵ Entities reclassified from "Other equity interests" to "Shares in property companies".

8.3.2 OTHER EQUITY INTERESTS

Other equity interests are recorded under "Investments in associates and affiliates" on the asset side of the balance sheet.

In € thousands

Companies	Head office location	Percentage held by the Group	Group investments		Equity at 100% ²	Net income (loss) at 100% ²	Realisable value ¹	Revenue at 100% ²
			Gross ⁴	Impairment				
Covivio ³	France	7.16%	385,360		9,193,810	923,596	376,907	888,204
GMF Recouvrement	France	100.00%	136,008	(72,896)	63,112	(45)	63,112	38
Appenin	France	100.00%	37,038	(3,962)	3,196	(2,955)	33,195	20
PRCM Conservative Property Transformer	Bermuda	100.00%	10,015		9,613	898	10,263	1,990
PRCM Tracker Property Transformer	Bermuda	100.00%	9,278		8,766	195	9,568	3,106
PRCM Enhanced Property Transformer	Bermuda	100.00%	8,084		7,397	(840)	8,546	5,167
Covéa Next	France	100.00%	6,023	(2,465)	18,517	80	3,554	
Cesvi France	France	90.00%	5,501		6,520	6	5,868	3,214
MMA Participations	France	100.00%	5,414		5,625	2,974	2,914	
AZ Plus	France	100.00%	5,268		4,638	(12)	4,625	
Santéclair	France	46.63%	2,868		10,681	1,139	4,740	31,174
MMA Gestion	France	100.00%	3,095		3,897	9	4,002	11,721
Humensis	France	7.52%	2,629	(2,629)	(645)	(4,221)		41,444
Occidentale de conseils et de gestion (OCG)	France	100.00%	2,005		2,479	60	2,497	163
RL Finance	France	18.36%	1,453		10,612	201	1,948	
CAT SA	France	100.00%	1,417		4,126	2,700	3,940	17,431
Darva (Développement d'applications sur réseaux à valeur ajoutée)	France	22.57%	1,042		19,679	1,504	4,771	30,236
Fidélia Services	France	100.00%	1,011		713	38	711	425
Other			87,363	(83,731)				
Total investments in unconsolidated associates and affiliates recorded under "Equities and other variable income securities"			710,872	(165,683)				

¹ Group share.

² Equity, net income and revenue for the 2021 financial year, apart from for PRCM entities, for which the amounts shown correspond to the 2022 financial year.

³ Consolidated equity, net income and revenue.

⁴ Gross value, including shares not fully paid up in companies recorded as assets on the balance sheet against the recognition of debt (under "Other payables") in the amount of €28 million at 31 December 2022.

8.4 INVESTMENTS HELD TO COVER UNIT-LINKED LIABILITIES

Investments held to cover unit-linked policies are measured at market value.

<i>In € thousands</i>	2022	2021
Investment property	53,521	57,181
Equities and other variable-income securities		
Bonds and other fixed-income securities	2,085,182	1,936,434
Units of bond mutual funds	255,050	240,957
Units of other mutual funds	3,709,788	5,829,070
Total¹	6,103,541	8,063,642

¹ The sale of Bipiemme Vita reduced investments between 2021 and 2022 by €1,770 million.

8.5 INVESTMENTS FROM OTHER UNDERTAKINGS

<i>In € thousands</i>	2022				
	Gross value	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investment property	90,970	(15,305)	75,665	117,723	42,058
Equities and other variable-income securities	332,777	(55,029)	277,748	278,552	804
Units of equity mutual funds	763,760	(2,171)	761,589	798,153	36,564
Bonds and other fixed-income securities	119,510	(4,674)	114,836	110,993	(3,843)
Units of bond mutual funds	194,888		194,888	198,992	4,104
Other investments ¹	151,362	2,541	153,903	148,609	(5,294)
Total	1,653,267	(74,638)	1,578,629	1,653,022	74,393

¹ Other investments comprise primarily pledged securities in the amount of €111 million gross.

<i>In € thousands</i>	2021				
	Gross value	Amortisation and impairment	Net value	Realisable value	Unrealised capital gain/loss
Investment property	28,955	(14,830)	14,125	53,880	39,755
Equities and other variable-income securities	834,473	(38,517)	795,956	797,792	1,836
Units of equity mutual funds	331,819	(850)	330,969	348,030	17,061
Bonds and other fixed-income securities	25,329	(493)	24,836	24,836	
Units of bond mutual funds	97,139	(201)	96,938	97,690	752
Other investments	23,112	(4,999)	18,113	16,284	(1,829)
Total	1,340,827	(59,890)	1,280,937	1,338,512	57,575

8.6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<i>In € thousands</i>	2022		
	Ownership (%)	Combined balance sheet value	Contribution to combined income
Insurance undertakings			
Carma	49.99	66,361	2,492
Carma Vie	49.99	5,549	944
Protec BTP	35.00	19,208	549
Other undertakings			
Almacantar ¹	36.26	454,782	(16,599)
Total		545,900	(12,614)

¹ Entity owned by the PartnerRe group.

<i>In € thousands</i>	2021		
	Ownership (%)	Combined balance sheet value	Contribution to combined income
Insurance undertakings			
Carma	49.99	63,022	988
Carma Vie	49.99	5,452	848
Protec BTP	35.00	19,162	715
Total		87,636	2,551

Note 9 Receivables arising from insurance or reinsurance operations

9.1 BREAKDOWN BY TYPE

<i>In € thousands</i>	2022			2021
	Gross	Provisions	Net	
Earned premiums not written	483,966		483,966	399,156
Other receivables arising from direct insurance operations	2,714,176	(112,720)	2,601,456	2,333,255
Receivables arising from outwards reinsurance operations	541,978	(30,807)	511,171	346,074
Receivables arising from inwards reinsurance operations	406,910	(9,202)	397,708	147,861
Total	4,147,030	(152,729)	3,994,301	3,226,346

9.2 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022			Total
	Within 1 year	Between 1 and 5 years	After 5 years	
Earned premiums not written	483,966			483,966
Other receivables arising from direct insurance operations	2,578,221	21,988	1,247	2,601,456
Receivables arising from outwards reinsurance operations	503,690	6,486	995	511,171
Receivables arising from inwards reinsurance operations	339,978	47,720	10,010	397,708
Total	3,905,855	76,194	12,252	3,994,301

Note 10 Receivables from banking sector companies

10.1 BREAKDOWN BY TYPE

<i>In € thousands</i>	2022			2021
	Gross	Provisions	Net	
Current accounts and cash	2,382,241		2,382,241	2,241,289
Total	2,382,241		2,382,241	2,241,289

10.2 BREAKDOWN BY ACTIVITY

<i>In € thousands</i>	2022		Total
	Insurance and reinsurance undertakings	Other undertakings	
Current accounts and cash	1,793,061	589,180	2,382,241
Total	1,793,061	589,180	2,382,241

10.3 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022			Total
	Within 1 year	Between 1 and 5 years	After 5 years	
Current accounts and cash	2,382,241			2,382,241
Total	2,382,241			2,382,241

Note 11 Other receivables

11.1 BREAKDOWN BY TYPE

<i>In € thousands</i>	2022			2021
	Gross	Provisions	Net	
Staff and related accounts	8,349		8,349	7,549
State and social security organisations	515,878	(947)	514,931	284,633
Deferred tax assets	929,548		929,548	979,110
Other receivables	727,343	(11,832)	715,511	1,338,995
Total	2,181,118	(12,779)	2,168,339	2,610,287

11.2 BREAKDOWN BY ACTIVITY

<i>In € thousands</i>	2022		
	Insurance and reinsurance undertakings	Other undertakings	Total
Staff and related accounts	7,994	355	8,349
State and social security organisations	192,820	322,111	514,931
Deferred tax assets	922,954	6,594	929,548
Other receivables	605,868	109,643	715,511
Total	1,729,636	438,703	2,168,339

11.3 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022			Total
	Within 1 year	Between 1 and 5 years	After 5 years	
Staff and related accounts	4,022		4,327	8,349
State and social security organisations	514,931			514,931
Deferred tax assets	317,050	437,359	175,139	929,548
Other receivables	705,702	3,202	6,607	715,511
Total	1,541,705	440,561	186,073	2,168,339

Note 12 Other assets

12.1 BREAKDOWN BY TYPE

<i>In € thousands</i>	2022			2021
	Gross	Provisions	Net	
Deposits and sureties	10,329		10,329	15,466
Other tangible assets ¹	779,470	(524,396)	255,074	111,796
Total	789,799	(524,396)	265,403	127,262

¹ Including net book value of €129 million from the consolidation of economic interest groups in 2022.

12.2 BREAKDOWN BY ACTIVITY

<i>In € thousands</i>	2022		
	Insurance and reinsurance undertakings	Other undertakings	Total
Deposits and sureties	9,988	341	10,329
Other tangible assets	122,263	132,811	255,074
Total	132,251	133,152	265,403

Note 13 Accruals-Assets

<i>In € thousands</i>	2022			2021
	Insurance and reinsurance undertakings	Other undertakings	Total	
Accrued interest and rents not yet due	606,902	25	606,927	572,683
Life deferred acquisition costs ¹	1,580,822		1,580,822	1,722,657
Non-life deferred acquisition costs	1,019,274		1,019,274	625,756
Prepaid expenses	7,643	34,204	41,847	11,392
Technical reinsurance valuations ²	4,509,459		4,509,459	1,373,408
Other accruals – assets ³	272,741	3,757	276,498	211,466
Total	7,996,841	37,986	8,034,827	4,517,362

¹ Commission paid on the implementation in 2021 of life inwards reinsurance treaties with Scor Ireland (SI, formerly Scor Life Ireland, SLI) are recognised in euros as deferred acquisition costs net of amortisation in line with the pattern of recognition for future margins as anticipated at the inception of the treaties, after adjustments. As at 31 December 2022, this represented an amount of €1,117 million.

² Technical reinsurance valuations recognised as assets and technical reserves related to inwards reinsurance recognised as liabilities (see Note 16 "Technical reserves") include estimates of ceding company reports to be received.

As regards the treaties with Scor Ireland and Scor Global Reinsurance Ireland (SGRI, formerly Scor Global Life Reinsurance Ireland, SGLRI), as at 31 December 2022, flows were recognised on the basis of 2021 reports, plus estimates, in particular for 2022.

³ Of which accruals on derivative financial instruments: see Note 25 "Derivative financial instruments".

Note 14 Equity

14.1 GROUP EQUITY

<i>In € thousands</i>	Initial capital	Additional paid-in capital	Consolidated reserves	Net income	Total equity
Group equity at 31 December 2020	1,132,856	6,358	14,801,773	415,077	16,356,064
Appropriation of 2020 net income			415,077	(415,077)	
Net income for 2021				837,867	837,867
Additional capital raised	3,457				3,457
Currency translation differences			31,608		31,608
Changes in scope					
Other			2,368		2,368
Total changes	3,457		449,053	422,790	875,300
Group equity at 31 December 2021	1,136,313	6,358	15,250,826	837,867	17,231,364
Appropriation of 2021 net income			837,867	(837,867)	
Net income for 2022				896,079	896,079
Additional capital raised	3,122				3,122
Currency translation differences ¹			(571,533)		(571,533)
Changes in scope					
Other			21		21
Total changes	3,122		266,355	58,212	327,689
Group equity at 31 December 2022	1,139,435	6,358	15,517,181	896,079	17,559,053

¹ Currency translation differences relate to the restatement in euros of consolidated net positions in foreign currencies.

Equity capital at 31 December 2022 includes €1,139,435 thousand corresponding to the initial capital of affiliated entities and to Covéa SGAM's initial capital of €20,590 thousand.

14.2 MINORITY INTERESTS

<i>In € thousands</i>	Consolidated reserves	Net income	Total equity
Position at 31 December 2020	86,499	11,215	97,714
Appropriation of 2020 net income	11,215	(11,215)	
Net income for 2021		12,487	12,487
Currency translation differences			
Distribution	(5,434)		(5,434)
Changes in scope			
Other	(25)		(25)
Total changes	5,756	1,272	7,028
Position at 31 December 2021	92,255	12,487	104,742
Appropriation of 2021 net income	12,487	(12,487)	
Net income for 2022		11,149	11,149
Currency translation differences	(11,652)		(11,652)
Distribution	(12,524)		(12,524)
Changes in scope ¹	136,771		136,771
Other			
Total changes	125,082	(1,338)	123,744
Position at 31 December 2022	217,337	11,149	228,486

¹ Including €199 million corresponding to PartnerRe preferred shares not acquired by Covéa, classified as minority interest, at the opening balance sheet translation rate, and -€63 million from the sale of Bipiemme Vita and Bipiemme Assicurazioni in 2022.

Note 15 Subordinated liabilities and debt securities

15.1 SUBORDINATED LIABILITIES

<i>In € thousands</i>	Maturity			2022	2021
	Within 1 year	Between 1 and 5 years	After 5 years		
Subordinated non-voting securities			141,011	141,011	144,580
Redeemable subordinated notes ^{1 2}			456,089	456,089	34,050
Total			597,100	597,100	178,630

¹ Including at 31 December 2022 two lines of junior subordinated notes issued by the PartnerRe group, presenting the following main characteristics:
- nominal amount of \$500 million; final redemption date in 2050 (with possibility of early redemption subject to certain conditions); fixed interest rate, then interest rate based on a Treasury rate plus a margin;
- nominal amount of \$62 million; final redemption date in 2066 (with possibility of early redemption subject to certain conditions); interest rate based on an interbank rate plus a margin (with possible deferral of payment subject to certain conditions).

² €34 million subordinated note issued by Bipiemme Vita redeemed at maturity in March 2022.

15.2 DEBT SECURITIES

In € thousands	Maturity			2022	2021
	Within 1 year	Between 1 and 5 years	After 5 years		
Debt securities ¹		692,549	447,221	1,139,770	
Total		692,549	447,221	1,139,770	

¹ Senior notes issued by the PartnerRe group representing nominal amounts of €750 million and \$500 million respectively; final redemption date in 2026 and 2029 (with possibility of early redemption subject to certain conditions); fixed interest rate.

Note 16 Technical reserves

16.1 TECHNICAL RESERVES BY TYPE

In € thousands	2022			2021
	Non-life	Life	Total	
Gross technical reserves				
Unearned premium reserves	5,735,655		5,735,655	3,205,632
Life insurance reserves		48,662,259	48,662,259	52,564,538
Claims reserves ¹	34,764,271	3,986,124	38,750,395	23,630,310
Policyholders' profit-sharing reserves	79,265	3,134,279	3,213,544	3,195,391
Equalisation reserves	783,100	96,296	879,396	1,068,382
Mathematical reserves for annuities	2,302,957		2,302,957	2,453,244
Other technical reserves	319,030	56,325	375,355	199,291
Subtotal gross technical reserves	43,984,278	55,935,283	99,919,561	86,316,788
Technical reserves for unit-linked policies		6,113,855	6,113,855	8,082,867
Total²	43,984,278	62,049,138	106,033,416	94,399,655
Reinsurers' share in technical reserves				
Unearned premium reserves	260,579		260,579	37,576
Life insurance reserves		194,145	194,145	213,619
Claims reserves	4,312,700	36,231	4,348,931	2,206,845
Policyholders' profit-sharing reserves	958	56	1,014	1,078
Equalisation reserves	1,830	80,606	82,436	81,589
Mathematical reserves for annuities	415,964		415,964	407,300
Other technical reserves	1,845	969	2,814	3,874
Total	4,993,876	312,007	5,305,883	2,951,881
Net technical reserves			100,727,533	91,447,774

¹ Technical reinsurance valuations recognised as assets (see Note 13 "Accruals – assets") and technical reserves related to inwards reinsurance recognised as liabilities include the estimates of ceding company reports to be received.
As regards the treaties with SI and SGRI, as at 31 December 2022, reserves were estimated on the basis of 2021 reports, plus estimates, in particular for 2022. Reserves also include an additional reserve in relation to the effects of Covid-19 in 2022.

² The acquisition of PartnerRe contributed to the increase in gross technical reserves between 2021 and 2022 (see Note 6.2 "Acquisition of PartnerRe group"). Conversely, the sale of Bipiemme Vita reduced technical reserves between 2021 and 2022 by €4,579 million excluding unit-linked policies and €1,782 million in unit-linked policies.

16.2 BREAKDOWN OF POLICYHOLDERS' PROFIT-SHARING RESERVES (NET OF REINSURANCE AND EXCLUDING UNIT-LINKED POLICIES)

<i>In € thousands</i>	2022	2021
Due reserves	2,992,437	3,023,245
Unconditional deferred reserves		
Conditional deferred reserves	220,093	171,068
Total	3,212,530	3,194,313

Note 17 Legally ring-fenced operations

The Covéa Group's legally ring-fenced insurance operations mainly comprise the retirement savings plans (PERPs, *Plans d'Épargne Retraite Populaire*, and PERs, *Plan d'Épargne Retraite*) of life entities in France. These ring-fenced operations correspond to the following amounts in the combined balance sheet:

<i>In € thousands</i>	2022 ¹	2021
Unit-linked investments	49,332	67,029
Other investments	804,899	4,857,059
Unit-linked technical reserves	49,520	67,098
Other technical reserves	775,769	4,743,445

¹ The change between 2021 and 2022 relates primarily to the sale of Bipiemme Vita, which used separate accounts, and conversely to the transfer of assets and liabilities excluding unit-linked policies in separate accounts dedicated to PER retirement savings plans as at 31 December 2022.

Note 18 Provisions for risks and charges and contingent liabilities

<i>In € thousands</i>	2021 year-end	Changes in scope	Currency translation differences	Allocations	Reversals	Reclassifications	2022 year-end
Provisions for long-term employee benefits ¹	530,083	86,416	(2,857)	16,101	(28,639)		601,104
Provision for disputes	28,181	150		1,347	(2,490)	(6,284)	20,904
Provision for tax inspections and tax	77,916	2,071		16,216	(49,534)	6,194	52,863
Provisions for commitments to subsidiaries, divested companies	62,959		3,021		(5,743)		60,237
Badwill							
Other provisions	40,030	138	(665)	18,240	(3,520)	90	54,313
Total	739,169	88,775	(501)	51,904	(89,926)		789,421

¹ These provisions include in particular defined-benefit post-employment benefits (€495 million as at 31 December 2022, excluding frozen plans) for the portion of liabilities not covered by external hedging assets and minus actuarial gains and losses not yet recognised and presented as off-balance sheet items using the corridor method. See Note 24 "Commitments received and given".

CONTINGENT LIABILITIES

Crédit Martiniquais

Beginning in May 2000, MMA Vie Assurances Mutuelles, as a former director of the bank Crédit Martiniquais (now called Financière du Forum) between March 1990 and December 1994, had been involved in proceedings commenced by the Fonds de Garantie des Dépôts et de Résolution (FGDR) against former de jure and de facto executive officers, statutory auditors and all directors of Crédit Martiniquais.

The purpose of these proceedings was to obtain repayment from all the parties concerned of a sum estimated at €178.5 million, corresponding to the difference between payments made by FGDR to address the bank's situation and those that it was able to recover. On 9 January 2019, the Court of Cassation ruled in favour of the defendants, definitively settling these proceedings, thereby releasing MMA Vie Assurances Mutuelles from any further legal action. No

provision had been recorded in the financial statements given the degree of uncertainty in the case for MMA Vie Assurances Mutuelles. Alongside this, on 27 April 2018, new proceedings to cover liabilities were filed in the commercial court by Fides, the liquidator of Financière du Forum, in which MMA Vie Assurances Mutuelles is involved with other parties.

The purpose of these proceedings is to obtain payment by MMA Vie Assurances Mutuelles of a maximum sum of €100 million.

In a ruling handed down on 16 February 2021, the Paris commercial court dismissed as inadmissible the action brought by Fides. The Paris Court of Appeal's decision of 20 September 2022 on the admissibility of the action and the basis once again rejected the claim from Fides, which has launched an appeal.

At 31 December 2022, there were no objective grounds for raising a provision in connection with this litigation.

Note 19 Payables arising from insurance or reinsurance operations

19.1 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022				2021
	Within 1 year	Between 1 and 5 years	After 5 years	Total	
Payables arising from direct insurance operations	851,644	5,135	2	856,781	753,374
Payables arising from reinsurance operations	699,357	34,513	644	734,514	283,156
Liabilities for cash deposits received from reinsurers	257,419	4,389		261,808	157,037
Total	1,808,420	44,037	646	1,853,103	1,193,567

Note 20 Debt with banking sector entities

20.1 BREAKDOWN BY ACTIVITY

<i>In € thousands</i>	2022			2021
	Insurance and reinsurance undertakings	Other undertakings	Total	
Debt owed to credit institutions	386,390	12,113	398,503	285,476
Total	386,390	12,113	398,503	285,476

20.2 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022			Total
	Within 1 year	Between 1 and 5 years	After 5 years	
Debt owed to credit institutions	388,121	8,763	1,619	398,503
Total	388,121	8,763	1,619	398,503

Note 21 Other payables

21.1 BREAKDOWN BY ACTIVITY

<i>In € thousands</i>	2022			2021
	Insurance and reinsurance undertakings	Other undertakings	Total	
Deferred tax liabilities	73,516	32,358	105,874	158
Other borrowings, deposits and sureties received	79,876	40,998	120,874	125,299
Staff and related accounts	367,310	129,252	496,562	355,232
State and social security organisations	422,336	45,153	467,489	663,416
Other payables	591,093	336,038	927,131	1,360,563
Total	1,534,131	583,799	2,117,930	2,504,668

21.2 BREAKDOWN BY MATURITY

<i>In € thousands</i>	2022			Total
	Within 1 year	Between 1 and 5 year	After 5 years	
Deferred tax liabilities	19,260	32,211	54,403	105,874
Other borrowings, deposits and sureties received	79,264	37,657	3,953	120,874
Staff and related accounts	496,562			496,562
State and social security organisations	467,489			467,489
Other payables	888,150	38,859	122	927,131
Total	1,950,725	108,727	58,478	2,117,930

Note 22 Accruals-Liabilities

<i>In € thousands</i>	2022			2021
	Insurance and reinsurance undertakings	Other undertakings	Total	
Accrued interest not yet due on debt	8,870	8,321	17,191	
Deferred income ¹	122,003		122,003	124,486
Other accruals – liabilities ²	354,783	2,515	357,298	466,780
Prepaid income	32,927	2,800	35,727	24,200
Total	518,583	13,636	532,219	615,466

¹ Including deferred acquisition expense loadings.

² Including accruals on derivative financial instruments: see Note 25 "Derivative financial instruments".

Note 23 Income tax

23.1 BREAKDOWN OF TAX EXPENSE

<i>In € thousands</i>	2022			2021
	Insurance and reinsurance undertakings	Other undertakings	Total	
Current tax expense	(137,788)	(23,646)	(161,434)	(536,089)
Deferred tax expense	(146,468)	11,354	(135,114)	139,428
Total	(284,256)	(12,292)	(296,548)	(396,661)

23.2 DEFERRED TAX

<i>In € thousands</i>	2022	2021
Deferred tax arising from temporary differences	855,899	1,020,670
Deferred tax arising from consolidation adjustments	(32,225)	(41,718)
Total deferred tax recognised in the balance sheet	823,674	978,952
Of which:		
assets (other receivables)	929,548	979,110
liabilities (other payables)	(105,874)	(158)

23.3 ANALYSIS OF TAX EXPENSE

<i>In € thousands</i>	2022	2021
Combined net income	907,228	850,354
Goodwill amortisation	(847)	(839)
Group share in net income from companies accounted for using the equity method	(12,614)	2,551
Income tax	(296,548)	(396,661)
Income before tax	1,217,237	1,245,303
Theoretical current tax rate	25.83%	28.41%
Theoretical tax expense	(314,351)	(353,759)
Impact of tax rate differences	24,444	(32,160)
Impact of permanent differences	16,778	(2,047)
Impact of adjustments and other items	(23,419)	(8,695)
Group tax expense	(296,548)	(396,661)
Effective tax rate	24.36%	31.85%

The impact of tax rate differences on the theoretical tax expense reflects the difference between the tax calculated for each entity using the standard rate applicable locally and the tax calculated using the rate in force in France.

The standard income tax rate in France for 2022 is 25.83%, including the social security contribution on earnings.

Note 24 Commitments received and given

Commitments received and given by insurance undertakings

<i>In € thousands</i>	2022	2021
Commitments received¹	1,817,443	8,634,567
Commitments given	8,668,929	10,299,333
Guarantees, sureties and credit collateral given	570,928	41,773
Long-term employee benefits ⁴	785	29,279
Commitments on securities, assets or income ^{1 2}	7,916,845	9,961,439
Other commitments	180,371	266,842
Pledged securities received from reinsurers	4,309,422	1,530,737
Derivative financial instruments^{1 3}		
Commitments received	4,115,287	3,355,112
Commitments given	4,142,835	3,301,294

Commitments received and given by other undertakings

<i>In € thousands</i>	2022	2021
Commitments received¹	10,465	540,925
Commitments given	482,235	664,140
Guarantees, sureties and credit collateral given	117,093	
Long-term employee benefits ⁴	1,010	3,435
Commitments on securities, assets or income ¹	86,279	625,695
Other commitments	277,853	35,010

¹ At 31 December 2021, the planned acquisition of PartnerRe resulted in a number of off-balance sheet commitments in view of the acquisition price to be paid to Exor, the shares to be received in return and the currency hedging put in place. These commitments disappeared when the acquisition was finalised on 12 July 2022.

² These commitments given comprise securities pledged and provided as collateral (see footnotes to the tables (3) of Note 8.1 "Summary of investments from insurance undertakings" and (1) of Note 8.5 "Investments from other undertakings"), primarily to ceding companies.

³ See Note 25 "Derivative financial instruments".

⁴ Defined-benefit post-employment benefits relating to active plans as at 31 December 2022 are covered by assets or give rise to the recognition of provisions for risks and charges and/or off-balance sheet commitments as shown in the table below:

<i>In € thousands</i>	2022⁶	2021⁶
Post-employment benefits (defined benefit plans)		
Actuarial commitments	656,201	585,717
External hedging assets	222,887	112,429
Provisions for risks and charges	494,643	457,489
Off-balance sheet ⁵		
Commitments given	1,795	32,714
Commitments received	63,124	16,915

⁵ Actuarial gains and losses not recognised using the corridor method are presented as off-balance sheet commitments given where they are representative of an expense, and received where they are representative of income.

⁶ As of 31 December 2022, the information disclosed covers the various defined-benefit post-employment benefits, excluding frozen plans. Pro forma information is provided for 2021 comprising the various commitments, including those relating to common employment agreements.

Note 25 Derivative financial instruments

In € thousands

	2022				
	Notional amount ¹	Fair value	Accruals – assets	Accruals – liabilities	Income (expense)
By type of risk					
Interest rate risk	107,579	(1,554)	0	(1,554)	68
Currency risk	4,011,113	(3,405)	0	(3,405)	24,799
Other	24,144	12,748	12,748	0	355
Total	4,142,835	7,789	12,748	(4,959)	25,222
By type of strategy					
Investment/divestment strategy	0	0	0	0	0
Return strategy	4,002,778	(2,793)	0	(2,793)	24,799
Other transactions	140,057	10,582	12,748	(2,166)	423
Total	4,142,835	7,789	12,748	(4,959)	25,222
By type of instrument					
Foreign exchange forwards	4,011,113	(3,405)	0	(3,405)	24,799
Interest rate swaps	107,579	(1,554)	0	(1,554)	(204)
Other	24,144	12,748	12,748	0	628
Total	4,142,835	7,789	12,748	(4,959)	25,222

¹ Corresponding to the commitment given.

At 31 December 2022, outstanding derivative financial instruments corresponded to derivatives held by the PartnerRe group, primarily in respect of macro-hedging of its net active and passive foreign currency exposures against currency risk, qualified as a return strategy under French GAAP.

In € thousands

	2021				
	Notional amount ¹	Fair value	Accruals – assets	Accruals – liabilities	Income (expense)
By type of risk					
Interest rate risk					
Currency risk	3,301,294	0	53,818	55,408	(1,590)
Other					
Total	3,301,294	0	53,818	55,408	(1,590)
By type of strategy					
Investment/divestment strategy	3,301,294	0	53,818	55,408	(1,590)
Return strategy					
Other transactions					
Total	3,301,294	0	53,818	55,408	(1,590)
By type of instrument					
Foreign exchange forwards	3,301,294	0	53,818	55,408	(1,590)
Interest rate swaps					
Other					
Total	3,301,294	0	53,818	55,408	(1,590)

¹ Corresponding to the commitment given.

At 31 December 2021, the Covéa Group had an investment strategy in place as part of a future investment transaction with the aim of hedging a portion of the acquisition price of PartnerRe in the amount of \$3,800 million against currency risk. A commitment given to deliver a specified amount in euros of €3,301 million in view of the forward rate and a commitment received to receive a specified amount in US dollars of \$3,800 million, equivalent to €3,355 million, at the closing exchange rate, were recognised as off-balance sheet commitments. This hedging was terminated when the acquisition was finalised on 12 July 2022.

Note n° 26 Related parties

As defined in Article R.123-199-1 of the French Commercial Code, parties are considered to be related if one of them (whether an entity or a person) exclusively controls, jointly controls or has significant influence over the other, or if a same third party (whether an entity or a person) exclusively controls, jointly controls or has significant influence over both of them. Key executive officers and directors are also considered to be related parties.

However, in accordance with Article 282-15 of ANC Regulation 2020-01, disclosures in notes to financial statements are only required for material related-party transactions that have not been entered into on an arm's length basis and are not between entities under exclusive control and therefore eliminated on consolidation. For the Covéa Group, the transactions described below fell within the scope of the disclosure requirement at 31 December 2022.

Transactions with directors and general managers

Base remuneration and other components of remuneration (including pension benefits, if any) awarded by Covéa SGAM to its directors and general managers in respect of their corporate mandates and, where applicable, their employment contracts, are described in section 2.4, "Remuneration policy", within Chapter 2 of this Annual Report.

Directors and general managers of Covéa SGAM are also likely to subscribe life and non-life insurance policies offered by the Group as part of its ordinary business. Their terms and conditions are for the most part similar to those granted to the Group's customers, members or other employees.

Transactions with entities accounted for using the equity method

Group entities Protec BTP, Carma, Carma Vie and Almacantar are accounted for using the equity method. They paid a total of €1 million in dividends to the Group in the 2022 financial year. Other internal transactions mainly comprise intra-Group invoicing of services for €14 million and reinsurance mechanisms with the Group for a reinsurance balance of €1 million in 2022.

Transactions with controlled unconsolidated entities, in accordance with the principles presented in Note 6, "Combination scope"

Controlled unconsolidated entities mainly comprise:

- Property investment companies covered by a clause for immediate transfer of their income to their partners, with total income in this respect included in the Group's combined financial statements for the year ended 31 December 2022 of €55 million;
- Other structures considered as non-material for the Group, which are presented in Note 8.3.1, "Shares in property companies" and Note 8.3.2, "Other equity interests".

5. NOTES TO THE INCOME STATEMENT AND SEGMENT REPORTING

Note 27

Net financial income (expense) (life and non-life)

In € thousands	2022			2021
	Non-life insurance	Life insurance	Total	
Investment income	717,988	1,238,405	1,956,393	1,716,477
Other investment income ¹	304,545	108,627	413,172	104,259
Internal and external investment management costs and interest	(88,016)	(63,697)	(151,713)	(133,314)
Other investment expenses	(168,994)	(145,979)	(314,973)	(336,974)
Net investment income	765,523	1,137,356	1,902,879	1,350,448
Realised gains on investments	432,544	394,405	826,949	996,387
Realised losses on investments	(165,351)	(203,974)	(369,325)	(332,948)
Realised gains and losses on investments¹	267,193	190,431	457,624	663,439
Adjustments on unit-linked policies (capital gains)		205,283	205,283	716,213
Adjustments on unit-linked policies (capital losses)		(1,115,355)	(1,115,355)	(69,973)
Adjustments on unit-linked policies		(910,072)	(910,072)	646,240
Net financial income	1,032,716	417,715	1,450,431	2,660,127
Of which total investment income	1,455,077	1,946,720	3,401,797	3,533,336
Of which total investment expenses	(422,361)	(1,529,005)	(1,951,366)	(873,209)

¹ Foreign exchange gains (losses) reclassified from "Realised gains and losses on investments" to "Other investment income" between 2021 and 2022. On a pro forma basis, net income of €63 million would therefore have been reclassified in 2021.

Note 28 Non-recurring income (expense)

The main components of non-recurring income (expense) were as follows:

<i>In € thousands</i>	2022	2021
Tax and social security (URSSAF) litigation	1,974	(18,002)
Indemnity settlement		(20,000)
Provision for impairment	4,570	(46,341)
Other non-recurring income and expenses	(780)	2,531
Non-recurring income (expense)	5,764	(81,812)

Note 29 Segment reporting

29.1 NON-LIFE INSURANCE TECHNICAL ACCOUNT

<i>In € thousands</i>	2022					2021
	Gross transactions	Outwards reinsurance	Net transactions	Elimination of inter-segment transfers	Net transactions after elimination of inter-segment transfers	
Earned premiums	16,994,396	(1,818,264)	15,176,132		15,176,132	12,253,350
Written premiums	16,317,959	(1,586,779)	14,731,180		14,731,180	12,359,403
Change in unearned premiums	676,437	(231,485)	444,952		444,952	(106,053)
Net financial income	605,809		605,809	26,601	632,410	455,906
Allocated financial income	605,809		605,809	26,601	632,410	455,906
Other technical income	10,239	54,801	65,040	(52)	64,988	15,831
Claims expenses	(13,036,980)	1,726,198	(11,310,782)		(11,310,782)	(8,637,968)
Claims and related expenses paid	(11,115,519)	919,890	(10,195,629)		(10,195,629)	(8,080,356)
Claims reserve expenses	(1,921,461)	806,308	(1,115,153)		(1,115,153)	(557,612)
Other technical reserve expenses	122,171	(1,148)	121,023		121,023	3,782
Profit sharing	5,661	(120)	5,541		5,541	(6,234)
Acquisition and administrative costs	(4,105,306)	188,670	(3,916,636)		(3,916,636)	(2,828,970)
Acquisition costs ¹	(2,689,365)		(2,689,365)		(2,689,365)	(1,691,367)
Administrative costs	(1,415,941)		(1,415,941)		(1,415,941)	(1,264,953)
Commissions received from reinsurers		188,670	188,670		188,670	127,350
Other technical expenses	(397,634)	(26,844)	(424,478)	13,177	(411,301)	(411,706)
Change in equalisation reserves	228,504	(734)	227,770		227,770	5,503
Non-life technical income	426,860	122,559	549,419	39,726	589,145	849,494
Employee profit sharing			(70,555)		(70,555)	(65,404)
Net financial income excluding share allocated to technical income			349,740	50,566	400,306	172,354
Operating income before goodwill amortisation and impairment			828,604	90,292	918,896	956,444
Inter-segment transfers				(90,292)	(90,292)	(22,901)
Economic operating income before goodwill amortisation and impairment			828,604		828,604	933,543

¹ Including amortisation of intangible assets of €293 million resulting from the acquisition of PartnerRe net of deferred acquisition costs incurred for PartnerRe over the period.

29.2 LIFE INSURANCE TECHNICAL ACCOUNT

In € thousands	2022					2021
	Gross transactions	Outwards reinsurance	Net transactions	Elimination of inter-segment transfers	Net transactions after elimination of inter-segment transfers	
Premiums	5,701,532	(60,135)	5,641,397		5,641,397	5,630,698
Investment income	2,414,969		2,414,969	(62,112)	2,352,857	1,790,698
Adjustments on unit-linked policies (capital gains)	205,283		205,283		205,283	716,213
Other technical income	75,217		75,217	(26,606)	48,611	61,644
Claims expenses	(6,209,699)	53,142	(6,156,557)		(6,156,557)	(5,673,827)
Claims and related expenses paid	(5,811,937)	55,188	(5,756,749)		(5,756,749)	(4,298,504)
Claims reserve expenses	(397,762)	(2,046)	(399,808)		(399,808)	(1,375,323)
Technical reserve expenses	2,134,610	(35,255)	2,099,355		2,099,355	(112,744)
Life insurance reserves	1,644,241	(34,596)	1,609,645		1,609,645	1,124,642
Reserves for unit-linked policies	485,643		485,643		485,643	(1,237,568)
Other technical reserves	4,726	(659)	4,067		4,067	182
Profit sharing	(1,107,256)	165	(1,107,091)		(1,107,091)	(1,055,495)
Acquisition and administrative costs	(440,169)	5,276	(434,893)		(434,893)	(429,864)
Acquisition costs	(287,873)		(287,873)		(287,873)	(294,207)
Administrative costs	(152,296)		(152,296)		(152,296)	(139,160)
Commissions received from reinsurers		5,276	5,276		5,276	3,503
Other technical expenses	(79,049)		(79,049)	(159)	(79,208)	(90,048)
Investment expenses	(1,036,539)		(1,036,539)	11,469	(1,025,070)	(405,071)
Adjustments on unit-linked policies (capital losses)	(1,115,355)		(1,115,355)		(1,115,355)	(69,973)
Net financial income transferred	(90,316)		(90,316)	(882)	(91,198)	(97,160)
Life technical income	453,228	(36,807)	416,421	(78,290)	338,131	265,071
Employee profit sharing			(3,948)		(3,948)	(4,085)
Net financial income excluding share in technical income			90,316	882	91,198	97,160
Operating income before goodwill amortisation and impairment			502,789	(77,408)	425,381	358,146
Elimination of inter-segment transfers				77,408	77,408	13,480
Economic operating income before goodwill amortisation and impairment			502,789		502,789	371,626

29.3 INCOME FROM OTHER ACTIVITIES

In € thousands

	2022			2021
	Net	Elimination of inter-segment transfers	Transactions after elimination of inter-segment transfers	
Revenue	156,833	(43,983)	112,850	126,352
Other operating income	3,417		3,417	6,347
Operating expenses	(296,547)	31,099	(265,448)	(114,619)
Operating income	(136,297)	(12,884)	(149,181)	18,080
Net financial income (expense)	36,116		36,116	4,619
Operating income before goodwill amortisation and impairment	(100,181)	(12,884)	(113,065)	22,699
Elimination of inter-segment transfers		12,884	12,884	9,421
Economic operating income before goodwill amortisation and impairment	(100,181)		(100,181)	32,120

29.4 TECHNICAL RESERVES BY CATEGORY

29.4.1 LIFE GROSS TECHNICAL RESERVES BY CATEGORY

In € thousands	Direct business							Direct business							Inwards reinsurance	Total
	Capitalisation policies (single/flexible premium)	Capitalisation policies (recurring premium)	Personal protection insurance	Individual savings policies (single/flexible premium)	Individual savings policies (recurring premium)	Group protection insurance	Group savings insurance	Unit-linked insurance (single/flexible premium)	Unit-linked insurance (recurring premium)	Pension savings plans (PERPs)	Personal injury (individual policies)	Personal injury (group policies)	Financial loss	Total Direct business		
Life claims reserves	2,223		31,833	441,622	19,324	22,448	2,890	796	512	63	7,522			529,233	3,456,891	3,986,124
Life insurance reserves	1,255,966		31,149	44,522,266	977,694	226,094	291,420			125,076	631	99		47,430,395	1,231,864	48,662,259
Life equalisation reserves			4,713	105		81,773	9,705							96,296		96,296
Technical reserves for unit-linked policies								5,933,230	131,105	49,520				6,113,855		6,113,855
Policyholders' profit-sharing reserve				3,130,011	44	111				1,018				3,131,184	3,095	3,134,279
Life other technical reserves				13,066		24	296			7,366	4,349			25,101	31,224	56,325
Total	1,258,189		67,695	48,107,070	997,062	330,450	304,311	5,934,026	131,617	183,043	12,502	99		57,326,064	4,723,074	62,049,138

29.4.2 NON-LIFE GROSS TECHNICAL RESERVES BY CATEGORY

In € thousands	Direct business								Direct business								Inwards reinsurance	Total	
	Personal injury		Motor		Property damage		Natural disasters	General third-party liability	Legal protection	Assistance	Miscellaneous financial loss	Transport	Construction		Surety	Freedom to provide services			Total Direct business
	Individual policies	Group policies	Third party liability	Damage	Personal	Commercial							Damage	Third party liability					
Non-life unearned premium reserves	233,767	57,526	327,803	797,367	639,273	382,958	64,071	196,831	92,332	75,658	41,347	11,156		39,060	375,187	3,334,336	2,401,319	5,735,655	
Non-life claims reserves	491,277	285,068	7,845,459	1,576,071	1,916,188	2,648,294	1,266,295	2,075,952	201,839	19,617	72,941	68,569	658,123	3,509,249	3,460	103,479	22,741,881	12,022,390	34,764,271
Non-life equalisation reserves		76,206		29,029	134,193	36,186	12,772				23						288,409	494,691	783,100
Policyholders' profit-sharing reserve		5,167		33,413		2,411			2,019	3,240	14,732					17,629	78,611	654	79,265
Non-life other technical reserves	93,634	501,454	1,620,471	7,591	93,800	73,426	34,457	113,542						60	74		2,538,509	83,478	2,621,987
Total	818,678	925,421	9,793,733	2,443,471	2,783,454	3,143,275	1,377,595	2,386,325	296,190	98,515	129,043	79,725	658,123	3,548,369	3,460	496,369	28,981,746	15,002,532	43,984,278

29.5 BREAKDOWN OF EARNED PREMIUMS

By geographical area (according to the head office location of Group entities)

In € millions	France	International				Total
		Total	PartnerRe	Covéa Insurance (UK)	Other ¹	
Earned premiums						
2021	17,111	1,953		913	1,040	19,064
2022	17,045	5,651	4,082	1,009	560	22,696

¹ Including primarily Bipiemme Vita and Bipiemme Assicurazioni in Italy representing €912 million in 2021 and €428 million in 2022.

By type of cover

In € millions	LIFE												Inwards reinsurance	Overall total
	Direct business													
	Capitalisation policies		Individual insurance			Group insurance		Unit-linked policies		Pension savings plans (PERPs)	Total			
	Single/flexible premium	Recurring premium	Protection	Savings (single/flexible premium)	Savings (recurring premium)	Protection	Savings	Single/flexible premium	Recurring premium					
2021	44		152	2,708	109	74	16	1,162	9	53	4,327	1,358	5,685	
2022	55		153	2,373	82	75	14	867	6	10	3,635	2,067	5,702	
% 2022 overall total	0.96		2.69	41.63	1.44	1.32	0.24	15.20	0.10	0.17		36.25	100.00	

In € millions	NON-LIFE												Inwards reinsurance	Overall total
	Direct business													
	Personal injury		Motor		Property damage		Third party liability	Transport	Construction	Other	Total			
	Individual	Group	Third party liability	Damage	Personal	Commercial								
2021	1,293	896	1,340	3,523	2,122	1,394	385	57	559	1,314	12,883	496	13,379	
2022	1,305	961	1,344	3,540	2,187	1,625	566	53	546	1,292	13,419	3,575	16,994	
% 2022 overall total	7.68	5.66	7.91	20.83	12.87	9.56	3.33	0.31	3.22	7.60		21.03	100.00	

Note 30 Staff costs and headcount

	2022	2021
Staff costs (in € thousands) ¹	1,878,474	1,493,452
Headcount (full-time equivalents) ¹	22,061	18,078
— Non-managerial employees	11,623	9,409
— Managerial employees	10,438	8,669

¹ Staff costs and headcount for combined and fully consolidated entities.
At 31 December 2022, the headcount included:
— economic interest groups (GIEs) and Association pour le Développement des Compétences in respect of 2022;
— the PartnerRe group, integrated in July 2022;
representing staff costs of €385 million and 4,031 full-time equivalents.

At 31 December 2022, the headcount of unconsolidated entities dedicated to management activities, whose staff are not included in the above data, was 1,646 employees.

The breakdown of this headcount is as follows:

- MMA Gestion: 34 employees;
- Covéa Insurance Services Limited: 1,612 employees.

Note 31 Remuneration of corporate officers

Remuneration paid to members of Covéa's board of directors and management bodies in respect of their mandates in the combining entity, affiliated entities and consolidated subsidiaries amounted to a gross total of €3,708 thousand.

Note 32 Statutory auditors' fees

The following table shows the fees recorded in the combined income statement for the financial year for each of the Group's Statutory Auditors, distinguishing between fees for the statutory audit of the financial statements and for other services provided.

Amounts excluding taxes, in € thousands	2022				Total
	PwC ¹		Mazars ¹		
	Statutory Auditors in France	Members of the Statutory Auditors' network ²	Statutory Auditors in France	Members of the Statutory Auditors' network ²	
Statutory audit of financial statements					
— SGAM Covéa	691		590		1,281
— Fully or proportionally consolidated subsidiaries	2,698	7,910	913	24	11,545
Subtotal	3,389	7,910	1,502	24	12,826
Other services					
— SGAM Covéa	61		61		121
— Fully or proportionally consolidated subsidiaries	487	495	63		1,045
Subtotal	548	495	124		1,166
Total	3,937	8,404	1,626	24	13,992

¹ Statutory Auditors of Covéa's combined financial statements.

² Fees of subsidiaries' statutory auditors for the statutory audit of financial statements and other services.

Other services provided by the Group's Statutory Auditors to SGAM Covéa and its subsidiaries and affiliates are as follows:

- consulting in relation to the financial statements and financial information;
- consulting in relation to internal control;
- services other than audit required of statutory auditors by law;
- services other than audit required of statutory auditors by French or foreign supervisory authorities responsible for insurance, competition and tax;
- limited review of financial statements;
- certification;
- services relating to social and environmental information;
- Solvency 2 review;
- review of regulatory compliance;
- review of and advice on accounts closing practices and procedures;
- preparation of tax returns and tax compliance services outside France;
- findings arising from the agreed procedures.

5.2 STATUTORY AUDITORS' REPORT ON THE COMBINED FINANCIAL STATEMENTS

(For the year ended December 31, 2022)

To the Annual General Meeting
COVEA SGAM
86 - 90 rue Saint-Lazare
75009 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying combined financial statements of COVEA SGAM for the year ended December 31, 2022.

In our opinion, the combined financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis of our opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the combined financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2022 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the combined financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the combined financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the combined financial statements.

KEY AUDIT MATTER 1 : VALUATION OF THE NON-LIFE CLAIMS RESERVES

Risk identified and main judgement

According to the insurance code and accounting regulations, Non-Life insurance companies must estimate the claims reserves required for settlement of both principal and incidental amounts including management expenses of all claims incurred but not paid, whether or not advised at year-end.

Reserves for Non-Life claims amount to €34.8 billion in the Group balance sheet as at December 31, 2022. They represent one of the largest liability items and assessment of their value involves a number of assumptions. They therefore constitute a key audit matter.

Different methodologies may be used to value these reserves; the main methods are explained in the Note 3.8 in the notes to the combined financial statements:

- Valuation of known claims is performed case by case at actual cost or at a fixed rate in direct business and according to cedant's information for assumed business;
- In order to estimate the ultimate cost of all known and unknown claims, these reserves are supplemented using statistical methods such as development triangle requiring a high degree of judgment;

- In the construction segment, claims not yet reported are valued according to methods provided by law by applying coefficients defined by regulation to premiums or known claims.

The judgment is greater in long-tail segments (Motor third-party liability, General third-party liability and Construction). Estimating claims reserves therefore entails a significant degree of judgment and special attention had to be paid to the level of audit procedures implemented.

It is the same for the assessment of the load of climatic events that occurred in 2022 and for the integration of the inflation rate increase in the reserving.

Our audit approach

In order to assess the reasonableness and adequacy of the estimate of claims reserves and their compliance with regulations, our audit approach was based on the information provided to us and involved the following work carried out jointly with our actuarial experts.

- Obtaining an understanding of the internal control system for evaluate data completeness and accuracy and the reliability of the models underlying the calculations and testing the design and effectiveness of the key controls identified.
- Assessing the relevance of statistical methods and the appropriateness of the actuarial assumptions made by the Group, and compliance of those assumptions and methods with those prescribed by regulations.
- Checking the reliability of the statements prepared by your Group in terms of the integrity of data produced and used to estimate claims reserves, and testing source documents.
- Assessing how significant events likely to affect cost forecasts for the financial year are considered, especially the climatic events that occurred in 2022 and the inflation context.
- Carrying out an independent estimate of claims reserves in a selection of segments and in particular those with long tails.
- Analysing the liquidation of provisions booked at the previous year-end in the light of actual charges in order to check whether they support previous estimates provided by the Group.
- Assessing the consistency of methods for calculating the adequacy of the reserves for claims recorded.
- Finally, we also checked the appropriateness of the financial information in the Notes to the combined financial statements.

KEY AUDIT MATTER 2: ESTIMATE OF LIFE TECHNICAL RESERVES

Risk identified and main judgement

Life technical reserves amount to €54.8 billion at December 31, 2022, of which €6.1 billion for unit-linked policies.

These reserves, mostly consisting of mathematical reserves, represent the difference between the present value of commitments respectively made by the insurer and those made by policyholders, in direct business, or by the reinsurer and the reinsured companies, in assumed business. The estimation methods and assumptions used to determine the life technical reserves are set out in the Note 3.8 to the combined financial statements.

The mathematical reserves must, where necessary, be supplemented by additional reserves to cover the insurer's or reinsurer's other commitments (global management reserve, minimum guarantee reserve). Calculation of these additional reserves, even though governed by regulations, involves the use of actuarial assumptions and management judgment.

Given the preponderance of these mathematical reserves in the balance sheet at December 31, 2022 and the required judgment to estimate the additional reserves, we considered this item a key audit matter.

Our audit approach

In order to assess the adequacy of the estimate of life insurance reserves, we carried out the following work jointly with our actuarial experts:

- Updating of our knowledge and testing of the control system for the underwriting management and claims payment processes.
- Control of management data transfers in the accounting system.
- Assessment of the consistency of methods used and compliance with the requirements of applicable regulations.
- Checking the roll-over of mathematical reserves and analysis of the sources of margin (fees, financial margin).
- Assessment of the methodology and assumptions used to estimate the additional reserves covering Group commitments.
- Recalculation of mathematical reserves relating to certain products or annuities and testing, on samplings, of projections made.
- Control of compliance with regulations in the calculation of overall reserves.

KEY AUDIT MATTER 3: VALUATION OF INSURANCE COMPANIES' UNLISTED FINANCIAL AND PROPERTY INVESTMENTS (EXCEPT UNIT-LINKED FUNDS)

Risk identified and main judgement

The net book values, on the asset side of the balance sheet, of insurance companies' unlisted financial and property investments except unit-linked funds are €9.7 billion at December 31, 2022.

According to insurance sector accounting regulations, these assets must be valued at each year-end in order to ensure there is no loss of value that could lead to an impairment.

These assets are difficult to value because their market value is not easily discoverable or there is no market value, and their valuation therefore requires professional judgment on the assumptions used.

The Note 3.1 to the combined financial statements sets out the valuation methods for investment assets and in particular the methods and assumptions used for the various types of unlisted assets.

The weight of these unlisted assets in the Group's balance sheet and the high degree of judgment required for their valuation led us to consider this a key audit matter.

Our audit approach

In order to assess the reasonableness of the valuations used for the various types of unlisted assets, and any resulting impairments, we specifically carried out the following checks:

- Evaluation and testing of the design and effectiveness of key controls on valuation methods.
- Assessment of the methodologies used to value unlisted assets.
- Assessment of the relevance of assumptions used for these valuations compared with market practices.
- Comparison with available external valuations, particularly for property assets (property and shares in property companies).
- Analysis of the consistency of changes in valuations in comparison with the preceding year-end and the global economic context.
- Checking of the calculation of any impairments required.

KEY AUDIT MATTER 4: ESTIMATE OF CEDING COMPANIES NOT YET RECEIVED ACCOUNTS

Risk identified and main judgement

As indicated in the Note 3.6 to the combined financial statements, ceding companies' not yet received accounts for the assumed business necessitate the estimate of expected cash flows.

This estimate needs a high degree of judgement which led us to consider the estimate of ceding companies not yet received accounts as a key audit matter. We paid particular attention to the not yet received accounts for the PartnerRe's assumed business and to the treaties subscribed with SCOR Ireland and SCOR Global Reinsurance Ireland.

Our audit approach

In order to respond to this risk, we carried out the following procedures:

- Assessment of methodologies and assumptions used to estimate ceding companies not yet received accounts.
- Obtaining an understanding of the internal control system for estimate these accounts and testing the design and effectiveness of the key controls identified.
- Analysis on a treaties sampling of the forecasts made consistency regarding information obtained by the group from the ceding companies.
- Analysis of the true-up between estimates made as of 31st December 2021 and accounts received in 2022.
- Checking of the calculation performed at the year-end and of the correct accounting of entries related to these calculations.
- Assessment of methodologies used to estimate firstly the ceding companies assumed flows by PartnerRe and secondly to estimate assumed flows from treaties with SCOR Ireland and SCOR Global Reinsurance Ireland.

KEY AUDIT MATTER 5: PARTNERRE'S GOODWILL ASSESSMENT

Risk identified and main judgement

As at 31st December 2022, the accounted goodwill related to PartnerRe amounts to €1,007 million.

The methods for determining this goodwill are specified in the Note 6.2 to the combined financial statements.

It has been computed by difference between the PartnerRe's acquisition cost and the net value of identifiable assets and liabilities.

The estimate of some identifiable assets (reinsurance contracts portfolios value, renewal rights value and the brand) is based of margin, future profits and cash-flows assessment which need a high degree of judgement.

This high degree of judgement and the goodwill and other intangible assets accounted in relation of ParnterRe amounts led us to consider its assessment as a key audit matter.

Our audit approach

In order to respond to this risk, we carried out the following procedures jointly with our actuarial experts:

- Assessment of the methodology used to assess the goodwill and identifiable intangible assets amounts.
- Performing of audit procedures on the balance sheet at the PartnerRe's acquisition date and on the homogenization restatements made by the group on this balance sheet.
- Assessment of the assumptions used to determine identifiable intangible assets appropriateness in particular regarding to PartnerRe's budgeting plan.
- Checking of the data underlying these assumptions.
- Checking of the goodwill computation.
- Review of the appropriateness of the information given in the Notes related to the PartnerRe's goodwill assessment.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the combined financial statements.

Other verifications and information pursuant to legal and regulatory requirements

Appointment of the Statutory Auditors

Our firms were appointed Statutory Auditors of COVEA SGAM by the Annual General Meeting held on June 18, 2003.

At December 31, 2022, our firms were in the twentieth consecutive year of their engagement and the fifth year since the SGAM came under the framework of Public Interest Entities as defined by European law.

Responsibilities of management and persons responsible for corporate governance for the combined financial statements

Management is responsible for preparing combined financial statements giving a true and fair view in accordance with French accounting rules and principles and for implementing the internal control procedures it deems necessary for the preparation of combined financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management 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 it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The combined financial statements were adopted by the Board of Directors.

Responsibilities of the Statutory auditors for the audit of the combined financial statements

Audit objective and approach

Our role is to issue a report on the combined financial statements. Our objective is to obtain reasonable assurance about whether the combined financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards 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 taken by users on the basis of these combined financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the combined financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks,

and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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 the internal control procedures 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 internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the Notes to the combined financial statements;
- assess the appropriateness of management's 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. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the combined financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the combined financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the combined financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the combined financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, May 3, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

MAZARS

Gérard Courrèges
Frédéric Trouillard-Mignen

Christophe Berrard

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



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