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PRESS RELEASE

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2020 results: a solid, committed group.

KEY FIGURES, GROUP

€16.6 BILLION - EARNED PREMIUMS

€415 MILLION - NET INCOME

€16.4 BILLION - EQUITY

394% - SOLVENCY RATIO

KEY FIGURES, FRANCE

11.6 MILLION POLICYHOLDERS

10.7 MILLION VEHICLES COVERED

8.1 MILLION HOMES COVERED

3 MILLION HEALTH BENEFICIARIES

Thierry Derez, Chairman and Chief Executive Officer:

“Covéa conducts its business with professionalism and empathy. In 2020, the Group's teams put in a tremendous effort every day to support and assist our policyholders, our service providers and, more broadly, actors in the national economy. Our commitment translated into the implementation of substantial solidarity measures.

In the current environment, we remain very solid as a group and our solvency meets the highest standard in the market. This robustness secures our sustainability and commitment for the long term, enabling us to face the future with confidence and peace of mind.”

Covid-19 pandemic:

In a year severely impacted by the Covid-19 pandemic, the Group responded rapidly, implementing measures to protect its employees and ensure optimal health security, while continuing to perform its activities and deliver services to its policyholders. Business continuity, monitoring and communication plans were put in place throughout the year, including making working from home a priority for employees. These measures enabled the Group to ensure the smooth running of its operations.

In this environment, the Covéa Group, through its three brands, implemented exceptional measures to support its policyholders. **These supportive measures represent a total amount of €363 million.** They include, most notably, health crisis benefits for professionals and businesses, support measures for service providers, extended cover for our policyholders on the frontline, premium rebates for retail and professional customers and financial donations to associations.

The Group also contributed €93 million to measures to support the French economy and society, through the solidarity fund set up by the State to support VSEs and SMEs and the exceptional taxes introduced by the French government on health premiums.

These solidarity measures together represent a total expense of €457 million¹ in the financial statements at 31 December 2020.

During the crisis, the Group also fulfilled its role as an insurer, with claims, essentially relating to **business interruption cover, amounting to an estimated cost of €456 million after reinsurance¹.**

Lastly, Covéa committed to investing **€101 million to participate in the French government's initiative to support business recovery.**

Activities:

In 2020, the Group's earned premiums came to €16.6 billion, down 4.5% versus 31 December 2019. The decline was mainly due to the fall in gross inflows into euro-denominated savings products in France and Italy, in a market that has dropped sharply.

Earned premiums <i>In € millions</i>	2019	2020	Change
Property & casualty insurance	9,623	9,560	- 0.7%
Life, health and protection insurance	5,616	5,169	- 8.0%
Total insurance, France	15,239	14,729	- 3.3%
Total insurance, international	2,161	1,893	- 12.4%
Total insurance	17,400	16,622	- 4.5%

In France, earned premiums totalled €14.7 billion, down 3.3% versus 31 December 2019.

In property & casualty insurance, premiums were affected by the solidarity measures taken by the Group to support its retail and professional policyholders.

Restated for the direct impacts of the crisis, the Group's premiums increased by 0.7% compared with 31 December 2019:

- In the retail market, earned premiums rose by 1.2%, driven by home insurance and other personal lines. In motor insurance, premiums remained stable relative to December 31 2019.
- In the commercial lines market, hit hard by the crisis, earned premiums fell by 0.4% overall, with trends varying from segment to segment.
- The Group also continued to develop in legal protection insurance and inwards reinsurance, with earned premiums increasing by 3.3% and 7% respectively.

In life, health and protection insurance, gross inflows into savings and pensions products fell by 16.2%. The downturn was partially offset by growth in health and personal protection premiums. In this market, the Group continued to develop in its priority areas with:

- A 5.7% increase in gross inflows into unit-linked savings products;
- Premium growth of 28% in the pension market, related to the launch of retirement savings plans (PER) in the first half of 2020 for the MAAF and MMA brands;
- Health and personal protection premiums up 3.4%, the increase coming from both group and individual policies.

¹ Before taxes

Earned premiums at the **international subsidiaries** represented 11.4% of the Group total. They amounted to €1.9 billion, down 12.4%, mainly due to the decrease in inflows into savings and pensions products in Italy.

Results

<i>In € millions</i>	2019	2020	Change
Net income (loss), Group share	858	415	-443
Of which France	856	491	-365
Of which International	2	(76)	-78
Group combined ratio	98.1%	100.8%	+2.7 points
France combined ratio	97.3%	100.0%	+2.7 points

In France, the current claims experience was affected by the consequences of the Covid 19 pandemic, mainly with a deterioration in the commercial lines market due to business interruption losses and an improvement in the motor market. These effects, combined with the extensive solidarity measures implemented (particularly premium rebates and benefits to support policyholders during the health crisis) and the impacts of the stressed financial markets, resulted in a €365 million reduction in net income (Group share). The combined ratio was 100.0%.

The net income (Group share) of **international subsidiaries** fell by €78 million, mainly due to the investments made by Covéa Insurance to advance to the next stage of its expansion into affinity distribution channels and the evolution of Italy's economic environment, which weighed on BPM Vita's contribution.

Consequently, the Group share of net income came to €415 million, compared with €858 million at 31 December 2019, a 52% decrease.

Balance sheet:

<i>In € billions</i>	2019	2020
Shareholders' equity	16.0	16.4
Financial investments (realisable value)	111	112
Unrealised capital gains	14.0	14.4
Solvency ratio	406%	394%

The Group's combined equity totalled €16.4 billion, an increase of €0.4 billion, corresponding to net income for 2020.

The fair value **of financial investments was €112 billion**, including €14.4 billion in unrealised capital gains. To implement its long-term investment strategy, Covéa relies on the expertise of its asset management company Covéa Finance and on Covéa Immobilier.

The solvency ratio was 394% and confirms the Covéa Group's financial robustness.

Ratings:

On 4 March 2020, **Moody's Investors Service** reaffirmed Covéa Coopérations' "**Aa3**" financial strength rating with a stable outlook.

On 18 December 2020, **A.M. Best** confirmed Covéa Coopérations' "**A (Excellent)**" financial strength rating and "**a+**" long-term issuer credit rating. The outlook associated with these ratings is "stable".

On 28 January 2021, **S&P Global Ratings** confirmed the "**AA-**" financial strength rating of the Covéa Group's rated entities. The outlook associated with these ratings is "stable".

The financial statements will be submitted to the General Meeting for approval on 24 June 2021.

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