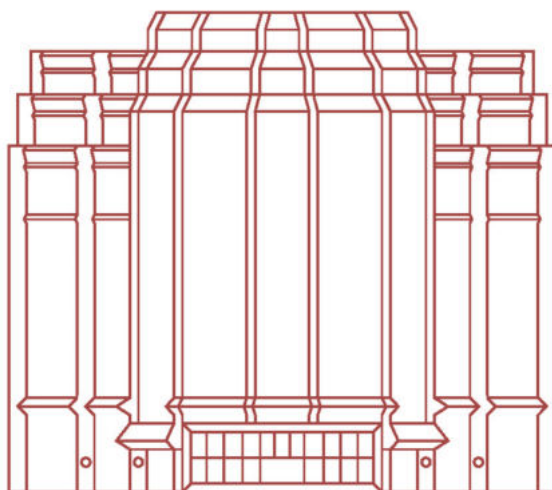


Solvency and Financial Situation Report

MAF Group



31/12/2023

Summary

The Solvency and Financial Situation report 2023 presents information on the activity of the MAF Group and its solvency as at 31st December 2023. It also contains information pertaining to the insurance and reinsurance entities of the MAF Group subject to Solvency II.

- Mutuelle des Architectes Français Assurances,
- EUROMAF.

This report was prepared in accordance with the Solvency II regulations¹, according to the plan indicated in Appendix 20 of the Delegated Regulation:

- Business and performance,
- System of governance,
- Risk profile,
- Valuation,
- Capital management.

Unless otherwise mentioned, the figures presented in this report are in millions of Euros.

Business and performance

The MAF Group was created in 1931 based on the *Mutuelle des Architectes Français Assurances (MAF Assurances)* which is its consolidating entity.

An insurer of French architects from the outset, the MAF Group gradually opened up to other construction designers, creating its subsidiary EUROMAF in 2000.

The Group's business is therefore principally driven by construction insurance, and more particularly professional and third-party liability insurance (97% of gross reinsurance premiums acquired in 2022).

The principal factors impacting the development of the MAF Group's business are connected to the construction business in the various countries in which the two main companies operate, inflation given the long-winded clearance of commitments, the competitive environment, as well as the development of techniques and technologies in the construction sector.

2023 recorded a shift in the construction business in Europe, in a context that remains inflationary. However, a sharp decrease in indexes was recorded in France, with the MAF index at the end of September reflecting a price trend of 2.81% compared to 7.49% at the end of September 2022.

In Germany, the T3 cost-of-construction index displayed a price trend of 5.75% compared to 14.1% at the end of September 2022, and construction inflation in Belgium decreased from 10.82% to 3.69% (data at the end of November).

The development objectives have been met due to the resilience of the Architects portfolio and significant new business volumes in the Other designers segment, despite the sector being in difficulty.

La Mutuelle continued with the implementation of its strategic plan validated by the Board of Directors in December 2021 and presented to employees in April 2022.

The implementation of this first plan is staggered over five years. 2023 saw many projects, some of which were completed, and others which will be completed in 2024 or 2025 in accordance with the multi-year project plan.

¹ Directive 2009/138/EC of the European Parliament and of the Council of 25th November 2009 Commission Delegated Regulation 2015/35 of 10th October 2014 supplementing the Directive

The gross reinsurance turnover increased by €5.1M (+1.5%) to €347.9M. This includes premiums received at €344.8M, the turnover for other activities at €2.6M and other operating revenue at €0.3M.

As a consequence of the decrease in indexes and the progressive integration of inflation in the settlement of claims, a very limited reversal of the provision for cost deviation was recorded.

The financial income increased by €119.1M (+414%) to €147.8M following the rate increases. It also includes capital gains following the sale of a building.

The net profit amounts to €19.5M (+€26.6M compared to 2022).

System of governance

The year 2023 saw:

- The appointment of Stéphanie Artigaud as Finance Director, as of 1st January 2023,
- The resignation, following the discontinuation of operations, of Cédric Vigneron, Director and Architect, on 11th December 2023,
- The appointment of a new external DPO as from 1st December 2023: The firm Osborne & Clarke.

The Group's Board of Directors, together with that of its consolidating company, MAF Assurances, is responsible for defining the strategic guidelines and the general policy of the Group, and ensures their implementation. Without prejudice to the role and the specific prerogatives of the Board of Directors of each entity, the Board of Directors of the consolidating company has an overall view and ensures that the defined strategy is implemented within each company.

Moreover, the General Management is vested with the broadest powers to act in the Group's name in all circumstances. It notably relies on:

- An Executive Committee specific to the French Companies of the Group whose role is the operational implementation of the defined strategy,
- The International Management, tasked with ensuring the operational supervision and the coordination of activities performed abroad.

Finally, the Group's key functions embody the same function within the principal entities of the Group. Moreover, their role involves the global coordination of work performed within the other entities. The organisation ensures that they have the independence required to perform their duties, the necessary human means, and equipment, as well as direct access to various decision-making bodies (Executives, Board of Directors, Audit Committee, etc.).

Risk profile

The solvency capital requirement (SCR) calculated on the basis of the standard formula is used by the MAF Group to evaluate its risk profile. This is mainly composed of non-life (59% of the basic SCR before diversification) and market underwriting risks (37% of the basic SCR before diversification).

The MAF Group's basic SCR is up €98M compared to 2022, which is largely down to the increase in non-life underwriting SCR (+13%) following the increase in technical provisions and the slight upturn in market SCR (+5%) following the rise in the stock market.

It should be noted that the components of the risk profile presented in this report benefit from mitigation mechanisms enabling the reduction of their volatility.

Valuation

The MAF Group's prudential scope corresponds with the statutory scope of consolidation. The consolidation methods applied on a statutory level are reproduced on a prudential level for the consolidated entities (global integration after the elimination of reciprocal operations).

The substantial assets and liabilities categories comprising the Solvency II reports of the MAF Group's consolidated entities were valued in accordance with the Solvency II prudential standards.

The valuation methodologies implemented on 31st December 2023 are presented in this report. They are stable compared with the previous year.

Capital management

The own funds management process is regulated by a policy validated by the Board of Directors, specifying the objectives, the governance and the means implemented with regard to own funds management in order to ensure that the Board of Directors and the General Management possess the information necessary to supervise and manage the economic capital in accordance with the objectives and the strategy of each entity and the Group.

The MAF Group own funds management measures aim to limit risks to a level that aligns with the risk appetite, whilst enabling the Group to strengthen the own funds level to guarantee the sustainability and the development of its business.

The MAF Group's own funds of €1,548M are exclusively constituted of unrestricted tier 1 own funds. All of these are therefore eligible for the solvency capital requirement (SCR) and minimum capital requirement (MCR), evaluated according to the Standard Formula.

At the end of 2023:

- The SCR coverage ratio amounted to 172%, down on the previous year (225%), following the decrease in net assets and the increase in capital requirement,
- The MCR coverage ratio amounted to 604%, down on the previous year (740%).

The decreased ratios are due to the decrease in rates and in the increase in market SCR.

It should be noted that no non-compliance with the SCR and MCR coverage requirements was observed during the financial year.

Quantitative appendices

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MAF Group - Table S.02.01.02: Balance sheet at 31.12.2023 in Euros

		Solvency II value
	Rub.	C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	76 660 000
Investments (other than assets held for index-linked and unit-linked contrats)	R0070	3 826 330 905
Property (other than for own use)	R0080	514 475 000
Holdings in related undertakings, including participations	R0090	1 580 777
Equities	R0100	158 254 820
Equities - listed	R0110	158 254 820
Equities - unlisted	R0120	0
Bonds	R0130	2 239 746 939
Government bonds	R0140	289 912 100
Corporate bonds	R0150	1 782 259 659
Structured notes	R0160	167 575 180
Collateralised securities	R0170	0
Collective investments undertakings	R0180	635 133 619
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	277 081 921
Other investments	R0210	57 829
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	150 271
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	150 271
Reinsurance recoverables from:	R0270	296 185 872
Non-life and health similar to non-life	R0280	296 185 872
Non-life excluding health	R0290	296 185 872
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	27 479 096
Reinsurance receivables	R0370	18 639 991
Receivables (trade, not insurance)	R0380	33 901 644
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	90 557 433
Any other assets, not elsewhere shown	R0420	21 370
Total assets	R0500	4 369 926 581

		Solvency II value
	Rub.	C0010
Technical provisions - non-life	R0510	2 568 929 158
Technical provisions - non-life (excluding health)	R0520	2 568 929 158
TP calculated as a whole	R0530	
Best Estimate	R0540	2 230 722 825
Risk margin	R0550	338 206 333
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	0
TP calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions - index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	850 071
Pension benefit obligations	R0760	53 388
Deposits from reinsurers	R0770	619 466
Deferred tax liabilities	R0780	194 035 529
Derivatives	R0790	0
Debts owed to credit institutions	R0800	3 620 243
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	26 589 486
Reinsurance payables	R0830	1 352 360
Payables (trade, not insurance)	R0840	25 881 140
Subordinated liabilities	R0850	0
Subordinated liabilities not in basic own funds	R0860	0
Subordinated liabilities in basic own funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	312
Total liabilities	R0900	2 821 931 153
Excess of assets over liabilities	R1000	1 547 995 428

MAF Group - Table S.05.01.02: Premiums, claims and expenses per business line at 31.12.2023 in Euros

	Rub.	Business line for: non-life insurance and reinsurance undertakings (direct insurance and proportional reinsurance accepted)						Business line for non-proportional reinsurance accepted				Total
		Fire insurance and other property damage	General third-party liability insurance		Legal protection insurance	Assistance	Various financial losses	Health	Accidents	Maritime, air and transport insurance	Property	
		C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written												
Gross – Direct Business	R0110	19 636 100	320 519 675	0	6 906 151	0	85 987	0	0	0	0	347 147 913
Gross – Proportional reinsurance accepted	R0120	4 330	4 668,425	0	0	0	0	0	0	0	0	4 672 755
Gross – Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0	3 976	0	8	3 984
Reinsurers' share	R0140	2 330 632	38 104 476	0	0	0	0	0	0	0	0	40 435 108
Net	R0200	17 309 798	287 083 624	0	6 906 151	0	85 987	0	3 976	0	8	311 389 544
Premiums earned												
Gross – Direct Business	R0210	15 885 683	317 635 131	0	6 633 914	0	74 987	0	0	0	0	340 229 715
Gross – Proportional reinsurance accepted	R0220	4 079	4 574 188	0	0	0	0	0	0	0	0	4 578 266
Gross – Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0	3 976	0	8	3 984
Reinsurers' share	R0240	1 934 251	38 723 191	0	0	0	0	0	0	0	0	40 687 442
Net	R0300	13 925 510	283 486 128	0	6 633 914	0	74 987	0	3 976	0	8	304 124 523
Claims incurred												
Gross – Direct Business	R0310	3 379 592	305 174 958	0	33 043	0	31 956	0	0	0	0	308 619 549
Gross – Proportional reinsurance accepted	R0320	-137 144	56 537 745	0	0	0	0	0	0	0	0	56 400 601
Gross – Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0	0	0	0	0
Reinsurers' share	R0340	384 656	49 542 875	0	0	0	0	0	0	0	0	49 927 531
Net	R0400	2 857 791	312 169 828	0	33 043	0	31 956	0	0	0	0	315 092 619
Expenses incurred	R0550	3 648 846	64 329 586	0	2 237 552	0	0	0	0	0	0	70 215 983
Balance – Other technical income/expenses	R1210											0
Total technical expenses	R1300											70 215 983

MAF Group - Table S.05.02.01: Premiums, claims and expenses per country at 31.12.2023 in Euros

		Home country	Total Top 5 and home country	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations
		C0080	C0140	C0090	C0090
Country	R0010			GERMANY	BELGIUM
Premiums written					
Gross - Direct Business	R0110	309 267 924	346 910 427	29 190 969	8 451 534
Gross - Proportional reinsurance accepted	R0120	4 672 755	4 672 755	0	0
Gross - Non-proportional reinsurance accepted	R0130	3 984	3 984	0	0
Reinsurers' share	R0140	36 667 018	40 268 293	2 815 245	786 030
Net	R0200	277 277 646	311 318 874	26 375 724	7 665 503
Premiums earned					
Gross - Direct Business	R0210	302 819 385	340 053 437	28 802 604	8 431 448
Gross - Proportional reinsurance accepted	R0220	4 578 266	4 578 266	0	0
Gross - Non-proportional reinsurance accepted	R0230	3 984	3 984	0	0
Reinsurers' share	R0240	35 779 539	40 520 627	3 704 693	1 036 395
Net	R0300	271 622 097	304 115 061	25 097 911	7 395 053
Claims incurred					
Gross - Direct Business	R0310	256 325 915	308 725 108	42 450 589	9 948 604
Gross - Proportional reinsurance accepted	R0320	56 400 601	56 400 601	0	0
Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0
Reinsurers' share	R0340	41 688 958	49 887 276	6 634 652	1 563 666
Net	R0400	271 037 558	315 238 433	35 815 937	8 384 938
Changes in other technical provisions					
Gross - Direct Business	R0410	0	0	0	0
Gross - Proportional reinsurance accepted	R0420	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0430	0	0	0	0
Reinsurers' share	R0440	0	0	0	0
Net	R0500	0	0	0	0
Expenses incurred	R0550	60 905 621	70 101 518	8 684 547	511 350
Other expenses	R1200		0		
Total expenses	R1300		70 101 518		

MAF Group - Table S.23.01.22: Own funds at 31.12.2023 in Euros

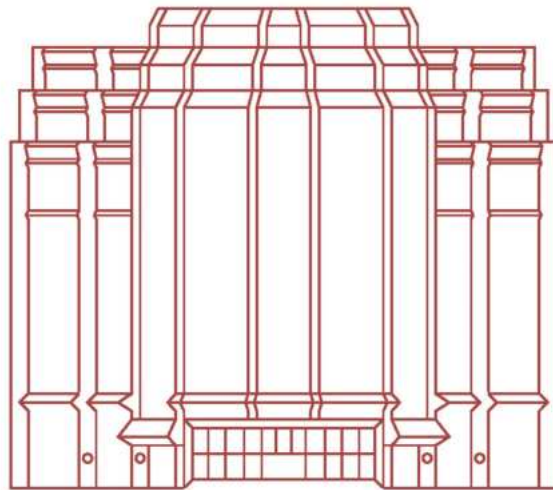
		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010					
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	10 621 449	10 621 449			
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	0	0			
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	1 537 373 979	1 537 373 979			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Total deductions	R0280					
Total basic own funds after deductions	R0290	1 547 995 428	1 547 995 428			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1 547 995 428	1 547 995 428			
Total available own funds to meet the minimum consolidated group SCR	R0530	1 547 995 428	1 547 995 428			
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1 547 995 428	1 547 995 428			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	1 547 995 428	1 547 995 428			
Consolidated Group SCR	R0590	898 789 809				
Minimum consolidated Group SCR	R0610	256 282 406				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	172%				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	604%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	1 547 995 428	1 547 995 428			
SCR for entities included with D&A method	R0670					
Group SCR	R0680	898 789 809				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	172%				

MAF Group - Table S.32.01.22: Companies in the Group's scope at 31.12.2022

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
LEI/9695007IGQ675ZA2BA87	FRANCE	EUROMAF	2 - Non life insurance undertaking	Société anonyme	2 - Non-mutual	Autorité de Contrôle Prudentiel et Résolution
SC/I1035	FRANCE	MAF CONSEIL	99 - Other		2 - Non-mutual	Autorité de Contrôle Prudentiel et Résolution
SC/I1036	GERMANY	AIA	99 - Other		2 - Non-mutual	BAFIN
LEI/894500YHSFUZISTJLG79	FRANCE	SAS WAGRAM	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
SC/I1038	GERMANY	AFB	99 - Other		2 - Non-mutual	BAFIN
SC/I1040	FRANCE	SCI Malesherbes	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
LEI/9695004R2B7WRRBF1O73	FRANCE	Mutuelle des Architectes Français	2 - Non life insurance undertaking	Société d'assurance mutuelle	1 - Mutual	Autorité de Contrôle Prudentiel et Résolution
SC/I1043	FRANCE	PATRIMAF	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
SC/I1042	FRANCE	MAFINVEST	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
SC/I1047	FRANCE	FRIEDLAND	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
SC/I1045	FRANCE	LIEGE	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	
SC/I1046	FRANCE	LUSSAC	11 - Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35		2 - Non-mutual	

Identification code and type of code of the undertaking	Ranking criteria (in the group currency)							
	Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings, insurance holding companies or mixed financial holding companies	Underwriting performance	Investment performance	Total performance
LEI/9695007/GQ675ZA2BA87	574 758 522			13 957 173		6 008 899	8 251 438	4 656 845
SC/11035		1 884 893						
SC/11036		11 695 355						
LEI/894500YHSFUZISTJLG79			198 322 846					
SC/11038		1 129 606						
SC/11040			55 169 273					
LEI/9695004R2B7WRRBF1O73	4 082 432 167			294 895 697		24 806 905	106 695 830	13 889 512
SC/11043			85 803 876					
SC/11042			69 289 250					
SC/11047			1 702 621					
SC/11045			2 273 170					
SC/11046			2 617 695					

Identification code and type of code of the undertaking	Accounting standard	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation	Covered by internal model for Group SCR calculations	Type of VA being used in the group internal model
		% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking		
LEI/9695007IGQ675ZA2BA87	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1035	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1036	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
LEI/894500YHSFUZ15TJLG79	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1038	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1040	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
LEI/9695004R2B7WRRBF1O73	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1043	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1042	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1047	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1045	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA
SC/I1046	2 - Local GAAP	1	1	1		1 - Dominant		1 - Included in the scope		1 - Method 1: Full consolidation	2 - No	Total/NA



VOUS AVEZ L'AUDACE, NOUS AVONS L'ASSURANCE.