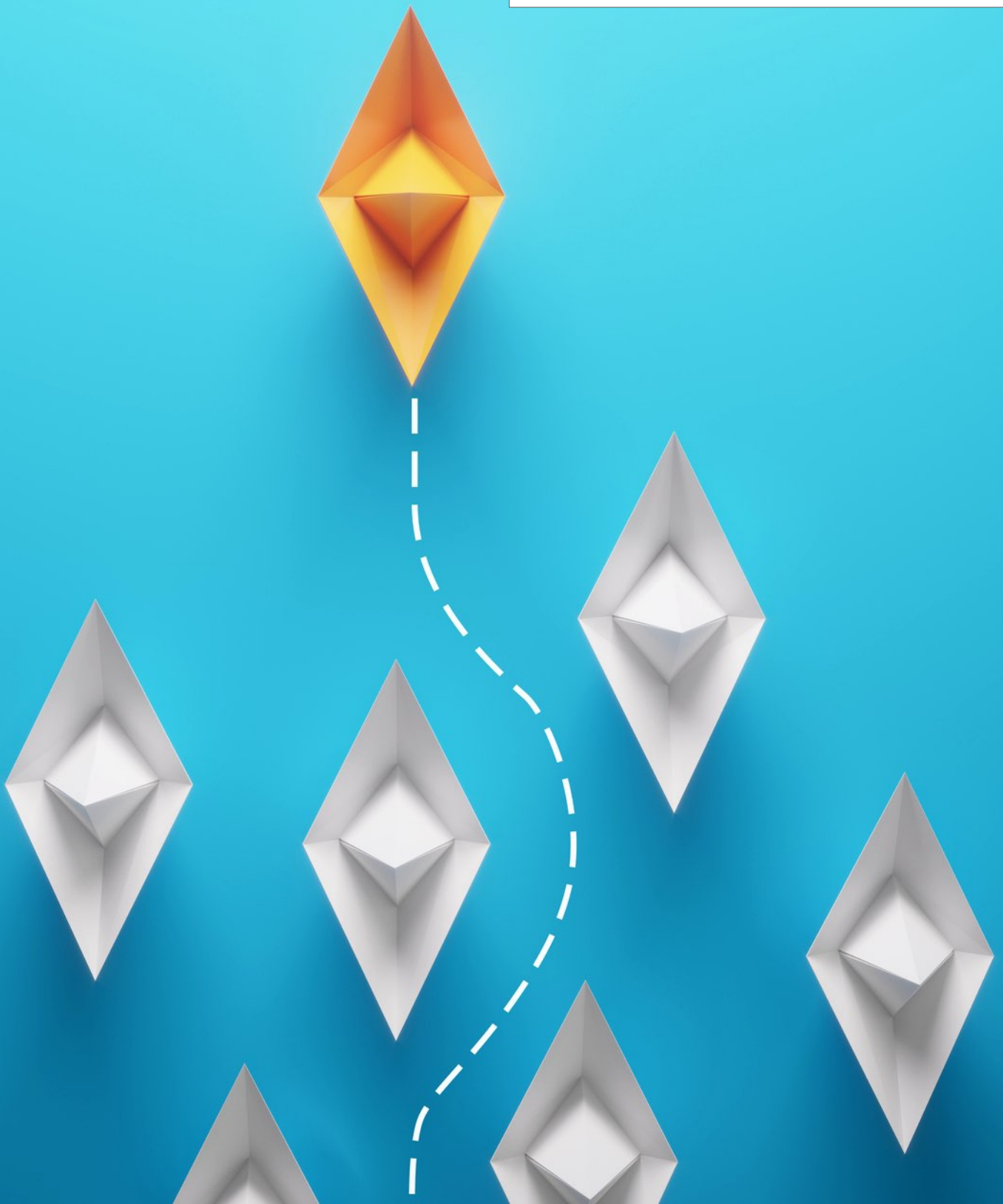


Fundación **MAPFRE**

2023 REVENUE RANKING OF THE
LARGEST EUROPEAN
INSURANCES GROUPS

MAPFRE Σconomics



2023 Revenue Ranking of the Largest European Insurances Groups

This study has been prepared by MAPFRE Economics.
Publication rights have been assigned to Fundación MAPFRE.

The information contained in this study may be reproduced in part,
provided the source is cited.

Cite as follows:
MAPFRE Economics (2024), *2023 Revenue Ranking of the Largest European Insurances Groups*, Madrid, Fundación MAPFRE.

© Cover image: iStock

© Text:
MAPFRE Economics - mapfre.economics@mapfre.com
Spain: Carretera de Pozuelo, 52 - Edificio 1
28222 Majadahonda, Madrid
Mexico: Avenida Revolución, 507
Col. San Pedro de los Pinos
03800 Benito Juárez, Mexico City

© For this edition:
2024, Fundación MAPFRE
Paseo de Recoletos, 23. 28004 Madrid
www.fundacionmapfre.org

July 2024.

MAPFRE Economics

Manuel Aguilera Verduzco

General Manager

avmanue@mapfre.com

Gonzalo de Cadenas Santiago

Director of Macroeconomics and Financial Analysis

gcaden1@mapfre.com

Ricardo González García

Director of Analysis, Sectorial Research and Regulation

ggricar@mapfre.com

José Brito Correia

jbrito@mapfre.com

Begoña González García

bgonza2@mapfre.com

Isabel Carrasco Carrascal

icarra@mapfre.com.mx

Fernando Mateo Calle

macafee@mapfre.com

Rafael Izquierdo Carrasco

rafaizq@mapfre.com

Eduardo García Castro

gcedua1@mapfre.com

Johannes Ricardo Rojas Díaz

jroja1@mapfre.com

Clemente Ruiz-Tagle

Isabel Diez de Rivera Vergara

Alvaro Arroyo Hernández

Natalia Bernal García

Alejandro Ramos Suárez

Contents

| | |
|---|-----------|
| Presentation | 9 |
| 1. Rankings | 11 |
| 1.1 Overall ranking | 12 |
| 1.2 Non-Life ranking | 13 |
| 1.3 Life ranking | 15 |
| 1.4 Other figures | 17 |
| 1.4.1 Results and balance sheet | 17 |
| 1.4.2 Combined ratio | 18 |
| 1.4.3 Solvency ratios | 22 |
| 2. Analysis and impact of the IFRS 17 standard | 25 |
| 2.1 Main differences in the ranking between IFRS 17 and IFRS 4 | 25 |
| 2.2 Impact on financial statements after IFRS 17 | 26 |
| Data and metrics | 31 |
| Index of tables and boxes | 33 |
| References | 35 |

Presentation

This new edition of *Revenue Ranking of the Largest European Insurances Groups* does not follow, as in previous versions, the criteria of analysis by total premium volume. This is due to the fact that, since the IFRS 17 and IFRS 9 accounting standards entered into force on January 1, 2023, insurance revenue has been the new figure reflected on the income statement, replacing gross written premiums, and therefore the ranking in its previous format. Likewise, it should be noted that gross written premiums are not part of the mandatory IFRS reports, although in some cases they have continued to be presented in 2024 (under IFRS 17) and in 2023 (under IFRS 4). It is therefore impossible to include a year-on-year analysis beyond 2022, as in many cases this information is not available.

In addition, this ranking is complemented with information on the solvency levels of each ranked insurance group, which they are required to disclose under the corresponding regulations. It also details the net results, combined ratios, and balance sheet composition of these insurance groups during the previous year, although the data has been restated for 2022 for the purposes of comparison with 2023 and differs from that reported the previous year. Moreover, applying the new IFRS 17 accounting standard has resulted in the appearance of new concepts, with a section of this report dedicated to explaining the impact of these new concepts with respect to the previous standard.

MAPFRE Economics

1. Rankings

In short, 2023 was a challenging year, with different types of risks (macroeconomic, financial, geopolitical, technological, etc.), and subject to a constant rebalancing of uncertainties, with shocks fading, conflicts crystallizing, and tensions emerging. The impact of tighter lending conditions and the credit crunch in many economies could be felt in the real economy, resulting in lower economic growth.¹ This backdrop allowed for moderate growth in business volume in the insurance industry, especially in the segments most linked to the economic cycle and credit volume, such as motors insurance, construction and business investment insurance, and Life protection insurance.

On the other hand, expectations of future interest rate cuts by the main central banks generated downward movements in interest rate curves. However, the high interest rate levels compared to those of the last decade, as well as the expectation that they may continue to drop, will further favor the savings-linked Life insurance business. Moreover, the panorama continues to be marked by inverted risk-free yield curves in the main markets, especially the United States and Eurozone. This is forcing companies to adapt their product offers, on account of the negative slope of the interest rate curve, which makes it impossible to offer a positive term premium on longer-term products.

Meanwhile, equities performed well in 2023, thanks to expectations of lower interest rates. This backdrop has favored the development of Life insurance products in which the policyholder assumes the investment risk. These products can help to broaden the composition of reference assets, increasing the weight of fixed income in the mix of products offered on the market. This is

especially beneficial to policyholders who are more risk averse, considering that major equity indexes, particularly those in the United States, are at all-time highs.

Thus, in a context of persistent inflation and high financing costs, it is estimated that the Life insurance segment during 2023 saw average growth of 8.1%, while the Non-Life insurance segment grew by around 7.1%. This growth was especially driven by developed markets, accounting for more than half of overall premium growth. In turn, emerging Asia and China will contribute the most of all emerging markets, accounting for approximately 1 percentage point (pp) each, while Latin America contributed around 0.5 pp.

Looking to 2024, high interest rates will continue to create a favorable environment for savings-linked Life insurance and annuities. In addition, the improvement in the financial performance of investment portfolios, falling inflation, and revision of insurance premiums to adapt them to inflation may offset in 2024 the negative effect inflation has had on the insurance industry's profitability. However, a factor to be considered is the increase in the frequency and severity of catastrophic events due to climate change, and in some markets, the increase in legal disputes over claims, which could affect the sector, placing a squeeze on profitability and the offer of coverage and gradually widening the insurance gap. Natural disasters continued to have a severe impact, with significant events including the earthquake in Turkey and Syria and flooding in Australia. Global economic losses from natural disasters in 2023 are estimated to stand at 280 billion dollars, of which 108 billion dollars were covered by insurance.²

In turn, environmental, social and governance (ESG) concerns remain a priority for insurers, influencing their underwriting and investment decisions.³ Finally, cyber risk is still a top concern, with insurers investing significantly in cybersecurity to protect themselves against increasingly sophisticated threats.

1.1 Overall ranking

The insurance revenue under IFRS 17 of the main 15 European insurance groups increased by 5.5% in 2023, reaching 468.8 billion euros (see Table 1.1). Based on this information, the 2023 ranking⁴ is headed by Allianz. The German group performed well in 2023, with insurance revenue up 4.9% year on year to 91.3 billion euros. Allianz's revenue accounts for 19.5% of the total revenue of insurance companies on the overall ranking of insurers considered for the purposes of this report.⁵ In second position is the French group Axa, with a volume of insurance revenue standing at 81 billion euros, up 0.5% on 2022, accounting for 17.3% of the total revenue of the 15 insurance groups included in the analysis.⁶

Zurich ranks third in 2023 with 51.9 billion euros (11.1% of the total revenue on the ranking), up by 7.4% year on year.⁷ Italian firm Generali places fourth on the ranking, with 49.5 billion euros in insurance revenue, up by 9.6% from the previous year.⁸ It is worth noting that Generali's income, combined with the first three insurers on the ranking, accounts for more than 58% of the total revenue of the 15 largest European insurance groups considered in the analysis.

Talanx is fifth on the ranking, with revenue that increased by 9.1% compared to 2022, coming in at 43.2 billion euros.⁹ MAPFRE ranks sixth, with insurance revenue

standing at 24.8 billion euros, up by 9.1% year on year.¹⁰ As for the next four positions, English insurer Aviva, which saw growth of 7.4%, comes in seventh, with 21.3 billion euros in revenue.¹¹ Next is Ergo, in eighth place, with 20.1 billion euros of revenue and a similar growth rate (6.4%).¹² Coming in ninth and tenth are two French insurance companies: Groupama, which experienced growth of 5.9%, to 14.8 billion euros,¹³ and Crédit Agricole Assurances, which also saw its insurance revenue increase, although more moderately (2.1%).

Placing eleventh on the 2023 ranking is the health insurance monoliner Bupa, whose insurance revenue (12.4 billion euros) grew by 5.2%.¹⁴ In twelfth place is R+V, which tied with CNP; these are the only two insurance companies whose insurance revenue dropped year on year. R+V earned 12.3 billion euros in revenue, down by 0.9% on the previous year's revenue (12.4 billion euros), partially justified by a drop in single health insurance premiums.

From the eleventh position on the ranking onward, the first changes can be seen compared to the previous year (when compared to the "virtual ranking of insurance revenues in 2022" or "restated 2022 ranking"). Thus, looking at the 2022 revenue that the top 15 insurance companies would recognize under IFRS 17, Legal & General ranked fifteenth that year, and therefore would have climbed two positions in 2023, to thirteenth.¹⁵ This can be attributed to both the company's 8.6% growth, with 11.1 billion euros in insurance revenue, and the drop in revenue recognized by its closest competitor, CNP (-3.3%), which placed fourteenth, falling one position from the "restated 2022 ranking."

Table 1.1
Ranking by volume of insurance revenue
 (millions of euros)

| | Group | Country | 2023 | 2022 _{r+} | 2023-2022 change | Share |
|-----------------------|---------------------------|----------------|----------------|--------------------|------------------|---------------|
| 1 | ALLIANZ | Germany | 91,251 | 86,985 | 4.9% | 19.5% |
| 2 | AXA | France | 80,889 | 80,449 | 0.5% | 17.3% |
| 3 | ZURICH | Switzerland | 51,882 | 48,302 | 7.4% | 11.1% |
| 4 | GENERALI | Italy | 49,496 | 45,141 | 9.6% | 10.6% |
| 5 | TALANX | Germany | 43,237 | 39,645 | 9.1% | 9.2% |
| 6 | MAPFRE | Spain | 24,781 | 22,717 | 9.1% | 5.3% |
| 7 | AVIVA | United Kingdom | 21,272 | 19,815 | 7.4% | 4.5% |
| 8 | ERGO | Germany | 20,098 | 18,896 | 6.4% | 4.3% |
| 9 | GROUPAMA | France | 14,774 | 13,947 | 5.9% | 3.2% |
| 10 | CRÉDIT AGRICOLE ASSURANCE | France | 13,467 | 13,195 | 2.1% | 2.9% |
| 11 | BUPA | United Kingdom | 12,386 | 11,771 | 5.2% | 2.6% |
| 12 | R+V | Germany | 12,317 | 12,424 | -0.9% | 2.6% |
| 13 | LEGAL & GENERAL | United Kingdom | 11,068 | 10,187 | 8.6% | 2.4% |
| 14 | CNP | France | 11,003 | 11,381 | -3.3% | 2.3% |
| 15 | VIENNA GROUP | Austria | 10,922 | 9,738 | 12.2% | 2.3% |
| First 5 total | | | 316,755 | 300,522 | 5.4% | 67.6% |
| Total 15 First | | | 468,842 | 444,594 | 5.5% | 100.0% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

* Data restated pursuant to IFRS 17.

Finally, Austrian insurer Vienna Group (Vienna Insurance Group, VIG) places fifteenth on the ranking (sixteenth on the “restated 2022 ranking”), with insurance revenue of 10.9 billion euros.¹⁶ Now, from the perspective of revenue growth, Vienna Group experienced the highest rate of growth (12.2%)¹⁷ on the 2023 ranking. Other groups that saw significant growth in insurance revenue during the year were Generali (9.6%), Talanx (9.1%), and MAPFRE (9.1%). The only groups that, as indicated previously, experienced a drop in revenue compared to the figures recognized the previous year are R+V (-0.9%) and CNP (-3.3%).

1.2 Non-Life ranking

The 15 groups on the 2023 Non-Life ranking obtained insurance revenue of 345 billion euros, up by 7.3% year on year (using restated data for 2022 as per IFRS 17). As can be seen in Table 1.2, all groups recorded increases in their insurance revenue. Talanx (up by 10.0%), Vienna Group (13.7%), Unipol (11.8%), and Mutua Madrileña (10.3%) are the four insurance groups that achieved double-digit growth in 2023. In turn, the top four Non-Life insurance companies (Allianz, Axa, Zurich, and Talanx) account for 56.8% of the segment's total revenue.

The top five groups account for 65.6% of insurance revenue (226.3 billion euros), 0.2 percentage points (pp) down on 2022¹⁸ (65.8%), and saw average annual growth of 6.9%; only Axa, which experienced growth of 2.8%, lagged behind the top 15 groups on the ranking (7.3%). It is worth noting that as part of this ranking, only insurance companies that presented insurance revenue data under IFRS 17 have been included. Therefore, the French mutual insurance companies Aema and Covéa do not appear.

In relation to positions on the Non-Life ranking, Allianz remains the leader in 2023, with insurance revenue of 68.8 billion euros, up by 7.5% year on year.¹⁹ Insurance revenue for the Property & Casualty segment, including Health, of the Axa group, which ranks next, grew by 2.8% to 51.3 billion euros.²⁰ Zurich and Talanx place third and fourth, respectively. Zurich's insurance revenue in the Non-Life segment increased by 7.7% in 2023, to 41.6 billion euros.²¹ In relation to the Talanx group, insurance revenue saw growth of 10%, to 34.2 billion euros, thanks to Property &

Table 1.2
Non-Life: overall ranking of European insurance groups*
(ranking by insurance revenue, millions of euros)

| | Group | Country | 2023 | 2022,** | 2023-2022 change | Share |
|----------------|-----------------|----------------|---------|---------|------------------|--------|
| 1 | ALLIANZ | Germany | 68,757 | 63,963 | 7.5% | 19.9% |
| 2 | AXA | France | 51,296 | 49,876 | 2.8% | 14.9% |
| 3 | ZURICH | Switzerland | 41,588 | 38,615 | 7.7% | 12.1% |
| 4 | TALANX | Germany | 34,170 | 31,059 | 10.0% | 9.9% |
| 5 | GENERALI | Italy | 30,498 | 28,141 | 8.4% | 8.8% |
| 6 | MAPFRE | Spain | 20,478 | 19,163 | 6.9% | 5.9% |
| 7 | ERGO | Germany | 16,757 | 15,442 | 8.5% | 4.9% |
| 8 | GROUPAMA | France | 13,644 | 12,547 | 8.7% | 4.0% |
| 9 | AVIVA | United Kingdom | 12,564 | 11,790 | 6.6% | 3.6% |
| 10 | BUPA | United Kingdom | 12,386 | 11,771 | 5.2% | 3.6% |
| 11 | VIENNA GROUP | Austria | 10,300 | 9,056 | 13.7% | 3.0% |
| 12 | R+V | Germany | 9,275 | 8,749 | 6.0% | 2.7% |
| 13 | UNIPOL | Italy | 8,947 | 8,000 | 11.8% | 2.6% |
| 14 | SAMPO GROUP | Finland | 7,535 | 7,277 | 3.5% | 2.2% |
| 15 | MUTUA MADRILEÑA | Spain | 6,764 | 6,132 | 10.3% | 2.0% |
| First 5 total | | | 226,309 | 211,654 | 6.9% | 65.6% |
| First 15 total | | | 344,959 | 321,582 | 7.3% | 100.0% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

* Includes Health line of business.

** Data restated pursuant to IFRS 17.

Casualty premium growth of 10% (12% adjusted for currencies).

Generali remains in fifth place on the ranking. Its insurance revenue in the Non-Life segment grew to 30.5 billion euros in 2023, 8.4% more than the previous year.²² The MAPFRE Group remains the sixth-largest European Non-Life insurer, with a revenue volume of 20.5 billion euros, up by 6.9% year-on-year.²³ Ergo, in seventh position, followed by Groupama, in eighth, experienced growth of 8.5% and 8.7%, respectively,²⁴ with insurance revenue of 16.8 and 13.6 billion euros.²⁵

The Aviva group remains in ninth position on the Non-Life ranking, with insurance revenue growth of 6.6%, to 12.6 billion euros.²⁶ Bupa places tenth, with revenue of 12.4 billion euros, up by 5.2% compared to 2022. Vienna Group occupies eleventh place on the Non-Life ranking, with 10.3 billion euros in insurance revenue, which translates to growth of 13.7%.²⁷ R+V, Unipol, Sampo Group, and the Mutua Madrileña group occupy the last positions on the Non-Life ranking, with insurance revenue of 9.3, 9.0, 7.5, and 6.8 billion euros, respectively. Worth particular note here is the growth seen by Unipol, up by 11.8%.²⁸

1.3 Life ranking

The first four insurance companies on the Life ranking in 2023 account for 53.9% of insurance revenue. Insurance markets such as Germany, France, and Italy saw drops in Life premium volume. Generally speaking, in Europe, high inflation and economic uncertainty stoked by geopolitical tensions, including sanctions against Russia for its war in Ukraine, as well as the conflict in Israel and Palestine, put pressure on the market for this insurance segment. The challenging geopolitical and economic envi-

ronment in 2023 (which, so far, has extended into 2024) significantly impacted the Life segment, with a drop in premiums in some of the main markets in which European insurance groups operate. The loss of household income in real terms led to lower demand for savings products, although in certain cases this was offset by an increase in sales of Life protection products.²⁹

As can be gleaned when analyzing the ranking of the 15 largest European Life insurance groups in Table 1.3,³⁰ these companies recognized growth of 2.2% in insurance revenue in 2023, which reached 154.2 billion euros. Seven groups saw a drop in revenue compared to the previous year, and the remaining eight performed favorably.

Under IFRS 17 (based on insurance revenue instead of gross premiums), Generali no longer leads the ranking,³¹ being one of the insurance companies to see the biggest negative impact on its insurance contract valuation following the application of the new accounting standard. Thus, the leader of the 2023 Life ranking in this market segment is Axa, which recognized revenue of 29.6 billion euros, down by 3.2% compared to the previous year.³² Allianz places second, with revenue of 22.6 billion euros, also down by 2.3% year on year.³³ Generali moves up to third on the ranking, with revenue growth of 11.7%, one of the highest in this ranking, to 19 billion euros.³⁴ French firm CNP, which places fourth on the ranking, also saw a 4.8% drop in its revenue (from 10.2 billion euros in 2023) compared to the previous year. They are followed, in fifth and sixth place, by Zurich and Talanx, which switch positions compared to the previous year (as we have indicated, the 2022 ranking is a virtual ranking prepared expressly with the leading insurance companies on the 2023 ranking, measured by insurance revenue rather than gross premiums, using restated and reformulated data pursuant to IFRS 17 for the purposes of

Table 1.3
Life: overall ranking of European insurance groups
 (ranking by insurance revenue, millions of euros)

| | Group | Country | 2023 | 2022, ¹ | 2023-2022 change | Share |
|-----------------------|------------------------------|----------------|----------------|--------------------|---------------------|---------------|
| 1 | AXA | France | 29,593 | 30,572 | -3.2% | 20.3% |
| 2 | ALLIANZ | Germany | 22,589 | 23,114 | -2.3% | 15.3% |
| 3 | GENERALI | Italy | 18,979 | 16,997 | 11.7% | 11.3% |
| 4 | CNP ¹ | France | 10,198 | 10,717 | -4.8% | 7.1% |
| 5 | ZURICH | Switzerland | 10,169 | 9,550 | 6.5% | 6.3% |
| 6 | TALANX | Germany | 10,009 | 9,925 | 0.8% | 6.6% |
| 7 | AVIVA | United Kingdom | 7,951 | 7,979 | -0.4% | 5.3% |
| 8 | LEGAL & GENERAL | United Kingdom | 7,604 | 6,713 | 13.3% | 4.4% |
| 9 | CRÉDIT AGRICOLE ASSURANCE | France | 7,287 | 7,415 | -1.7% | 4.9% |
| 10 | NATIONALE- NEDERLANDEN | Netherlands | 6,584 | 6,389 | -3.1% | 4.2% |
| 11 | SWISS LIFE | Switzerland | 6,457 | 5,586 | 15.6% | 3.7% |
| 12 | BNP ¹ | France | 5,423 | 5,472 | -0.9% | 3.6% |
| 13 | MAPFRE | Spain | 4,303 | 3,554 | 21.1% | 2.4% |
| 14 | M&G | United Kingdom | 3,720 | 3,447 | 7.9% | 2.3% |
| 15 | ERGO | Germany | 3,342 | 3,454 | -3.2% | 2.3% |
| First 5 total | | | 91,529 | 90,950 | 0.6% | 60.3% |
| First 15 total | | | 154,209 | 150,884 | 2.2% | 100.0% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Breakdown calculated with figures by premium segment and by difference with total insurance industry revenue

* Data restated pursuant to IFRS 17.

comparison with 2023). Zurich³⁵ saw 6.5% growth in its revenue to 10.2 billion euros, while Talanx recognized slight growth of 0.8%, with revenue of 10.0 billion euros.³⁶

All companies from seventh position onwards on the Life segment ranking, with this place occupied by the British Aviva, come in at under 10.0 billion euros in insurance revenue. Aviva saw its revenue drop by 0.4%, to 8 billion euros,³⁷ while Legal & General³⁸, in eighth position, up by 13.3% to 7.6 billion euros, replaced French company Crédit Agri-

cole Assurances. As a result, the French insurer dropped to ninth position, with a 1.7% decrease in its revenue, to 7.3 billion euros.³⁹ Among the companies that come next on the Life ranking, only BNP Paribas Cardiff, which places twelfth, and German firm Ergo, in fifteenth, performed worse than the year before, with decreases in their revenue of 0.9% and 3.2%, respectively. Swiss Life, in turn, recognized 6.5 billion euros of insurance revenue in 2023, placing eleventh on the ranking, with growth of 15.6%.⁴⁰

Of the remaining groups on the ranking, the growth achieved by MAPFRE is worth particular mention (the most significant growth of the companies analyzed), up by 21.1% compared to the previous year⁴¹ to 4.3 billion euros, placing thirteenth. M&G and Ergo round out the Life segment ranking for 2023, with insurance revenue growth of 7.9% in the case of the former, while the latter saw its insurance revenue fall by 3.2%.⁴²

1.4 Other figures

1.4.1 Results and balance sheet

As reflected in Table 1.4.1-a, in 2023, the aggregate net results of the 15 largest European insurance groups amounted to 37.2 billion euros, up 50.4% on the figure recognized in 2022. Marked growth was recorded by Aviva (reversing its fortunes of 1.2 billion euros in losses in 2022 to 1.3 billion euros of profit in 2023), R+V, and Groupama, all of which experienced growth of more than 200% year on year. The other groups that saw their profits increase recorded double-digit growth, with the exception of Zurich (6.7%). In contrast, only Legal & General (-44.5%) saw a drop in its net results compared to 2022.⁴³ In the case of Bupa, its profits grew strongly and its results followed suit, up by 183.3% during the year.⁴⁴

Regarding the aggregate result of the 15 groups attributable to the controlling company, it reached 33.9 billion euros, up by 56.5% on 2022. The involvement of non-controlling interests in the results of the 15 insurance groups as a whole stood at 8.8%, dropping 3.6 percentage points (pp) year on year. Worth note are the groups with the most significant involvement of non-controlling interests: Talanx (37.9%), MAPFRE (46.5%), and CNP (16%). On the other hand, and as discussed in previous editions of this report,⁴⁵ these profits are impacted considerably by the results of groups that, in addition to the insurance busi-

ness, manage a significant volume of assets. Chapter 2 of this report explains how the IFRS 17 standard has impacted results. To this end, the results for 2022 have been adapted to this standard by insurance companies for comparison purposes, which is why they may differ from the results for 2022 published in previous reports.

The leader of the insurance revenue ranking, the Allianz group, also recorded the highest net profit on the ranking, at 9.0 billion euros, up by 31.7% year on year. Its operating profit broke the 6.9-billion-euro threshold for the first time.⁴⁶ In second place is Axa, with results attributable to the controlling company of 7.2 billion euros, up by 42%.⁴⁷ The insurance groups placing third and fourth in the insurance revenue ranking, Zurich⁴⁸ (with a 6.7% year-on-year increase in its result attributable to the controlling company) and Generali (66.9%), returned positive results.

In the case of the Generali group, net attributable profit increased by 67.7%, to 3.8 billion euros.⁴⁹ From the other members of the ranking, worth particular mention are the net results of non-controlling interests at Aviva, in seventh position, with growth in the net result after non-controlling interests of 201.2%,⁵⁰ as are those of Groupama, in ninth (+3,823%).⁵¹ In eleventh place, R+V recorded growth of 5,354%, on account of a lower loss ratio and better return on investments. Meanwhile, British firm Legal & General saw a drop of 44.5% in its net profit compared to the previous year, recognizing a profit of 509 million euros.

Finally, to provide complementary data, Table 1.4.1-b presents the basic information on the balance sheets of the insurance groups included in the 2023 overall ranking. It should be noted that, under IFRS 17, it was impossible in many cases to obtain the breakdown between unit-linked products when the policyholder assumes the risk, in

Table 1.4.1-a
Net result of European insurance groups
(millions of euros)

| Group | Net result before non-controlling interests and after tax | | | Attributable to controlling company | | | Attributable to non-controlling interests | | |
|---------------------------|---|---------------------|-----------------|-------------------------------------|-------------------|-----------------|---|-------------------|-----------------------|
| | 2023 | 2022 _r * | % YoY 2023-2022 | 2023 | 2022 _r | % YoY 2023-2022 | 2023 | 2022 _r | change (pp) 2023-2022 |
| ALLIANZ | 9,032 | 6,856 | 31.7% | 8,541 | 6,421 | 33.0% | 5.4% | 6.3% | -0.91 |
| AXA | 7,373 | 5,207 | 41.6% | 7,189 | 5,061 | 42.0% | 2.5% | 2.8% | -0.31 |
| ZURICH | 4,362 | 4,088 | 6.7% | 4,024 | 3,770 | 6.7% | 7.8% | 7.8% | -0.03 |
| GENERALI | 4,122 | 2,470 | 66.9% | 3,747 | 2,235 | 67.7% | 9.1% | 9.5% | -0.42 |
| TALANX | 2,545 | 1,902 | 33.8% | 1,581 | 706 | 123.9% | 37.9% | 62.9% | -25.00 |
| MAPFRE | 1,267 | 974 | 30.1% | 677 | 564 | 20.2% | 46.5% | 42.1% | 4.43 |
| AVIVA | 1,272 | -1,208 | 205.3% | 1,248 | -1,233 | 201.2% | 1.9% | -2.0% | 3.94 |
| ERGO | 721 | 572 | 25.9% | 721 | 572 | 25.9% | 0.0% | 0.0% | 0.00 |
| GROUPAMA | 510 | 13 | 3,823.1% | 510 | 13 | 3,823.1% | 0.0% | 0.0% | 0.00 |
| CRÉDIT AGRICOLE ASSURANCE | 1,757 | 1,555 | 13.0% | 1,756 | 1,554 | 13.0% | 0.1% | 0.1% | -0.01 |
| BUPA | 488 | -585 | 183.3% | 485 | -589 | 182.4% | 0.5% | -0.6% | 1.07 |
| R+V | 587 | 21 | 2,695.2% | 600 | 11 | 5,354.5% | -2.2% | 47.6% | -49.83 |
| LEGAL & GENERAL | 509 | 917 | -44.5% | 526 | 919 | -42.8% | -3.2% | -0.1% | -3.03 |
| CNP | 2,044 | 1,462 | 39.8% | 1,717 | 1,171 | 46.6% | 16.0% | 19.9% | -3.91 |
| VIENNA GROUP | 576 | 464 | 24.2% | 559 | 472 | 18.4% | 3.0% | -1.8% | 4.79 |
| Total | 37,165 | 24,708 | 50.4% | 33,881 | 21,647 | 56.5% | 8.8% | 12.4% | -3.55 |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

* Data restated pursuant to IFRS 17.

insurance contract liabilities (formerly technical provisions), or the breakdown in the corresponding investments. Therefore, only the total investment value is shown. In terms of liabilities, insurance contract liabilities are divided among three new headings under IFRS 17: future cash flows, risk adjustment, and CSM (contractual service margin). Once again, it should be noted that the 2022 data has been adapted to this new accounting standard by the insurance groups for comparison purposes, so it may differ from the 2022 results published in previous reports.

1.4.2 Combined ratio

In 2023, insured losses from natural disaster amounted to 108 billion dollars, maintaining an annual growth trend of 5-7% since 1994. The earthquake in Turkey and Syria was the costliest disaster, with insured losses of 6.2 billion dollars. Likewise, severe convective storms resulted in record losses of 64 billion dollars, with 85% originating in the United States and rapid growth seen in Europe. The effects of climate change are intensifying these events, increasing the urgency of mitigation and adaptation measures.⁵²

Table 1.4.1-b
Balance sheet of European insurance groups
(billions of euros)

| Group | ASSETS | | | | | | | | | | | |
|---------------------------|----------------|---------------------|-------------|--------------|-------------------|---------------|--------------|-------------------|--------------|----------------|-------------------|-------------|
| | Investments | | | Cash | | | Others | | | Total assets | | |
| | 2023 | 2022 _r * | variation | 2023 | 2022 _r | variation | 2023 | 2022 _r | variation | 2023 | 2022 _r | variation |
| | | | | | | | | | | | | |
| ALLIANZ | 874.7 | 832.0 | 5.1% | 29.2 | 22.9 | 27.6% | 79.3 | 81.0 | -2.1% | 983.2 | 935.9 | 5.1% |
| AXA | 560.9 | 551.9 | 1.6% | 25.0 | 26.2 | -4.6% | 58.6 | 60.2 | -2.7% | 644.4 | 638.4 | 1.0% |
| ZURICH | 255.6 | 245.3 | 4.2% | 6.6 | 7.1 | -6.6% | 65.2 | 61.0 | 7.0% | 327.4 | 313.3 | 4.5% |
| GENERALI | 466.8 | 447.3 | 4.4% | 7.1 | 6.9 | 2.5% | 34.7 | 49.0 | -29.2% | 508.6 | 503.2 | 1.1% |
| TALANX | 147.9 | 138.6 | 6.7% | 5.1 | 3.6 | 42.0% | 16.4 | 16.3 | 0.6% | 169.3 | 158.5 | 6.9% |
| MAPFRE | 44.0 | 41.4 | 6.3% | 2.1 | 2.6 | -19.0% | 8.9 | 8.2 | 7.6% | 54.9 | 52.2 | 5.3% |
| AVIVA | 283.6 | 253.1 | 12.0% | 19.9 | 25.4 | -21.6% | 75.8 | 71.1 | 6.6% | 379.3 | 349.7 | 8.5% |
| ERGO ¹ | 136.4 | 130.8 | 4.2% | n.d. | n.d. | - | 11.4 | 11.5 | -0.3% | 147.8 | 142.3 | 3.9% |
| GROUPAMA | 85.5 | 79.2 | 7.9% | 1.0 | 1.3 | -26.0% | 5.4 | 5.7 | -5.2% | 91.9 | 86.3 | 6.5% |
| CRÉDIT AGRICOLE ASSURANCE | 408.7 | 381.8 | 7.0% | 1.7 | 1.4 | 16.3% | 4.7 | 6.8 | -31.5% | 415.0 | 390.1 | 6.4% |
| BUPA | 4.2 | 4.4 | -4.0% | 2.6 | 1.6 | 59.2% | 11.5 | 11.9 | -3.7% | 18.3 | 17.9 | 2.0% |
| R+V | 117.6 | 108.4 | 8.5% | 2.4 | 3.1 | -20.2% | 8.2 | 9.5 | -13.7% | 128.2 | 120.9 | 6.0% |
| LEGAL & GENERAL | 543.8 | 504.4 | 7.8% | 23.7 | 40.4 | -41.5% | 34.8 | 34.9 | -0.4% | 602.2 | 579.7 | 3.9% |
| CNP | 384.9 | 380.9 | 1.1% | 1.9 | 1.8 | 7.1% | 49.6 | 41.9 | 18.3% | 436.4 | 424.6 | 2.8% |
| VIENNA GROUP | 38.0 | 35.8 | 6.1% | 1.6 | 2.3 | -32.7% | 9.2 | 9.1 | 1.3% | 48.8 | 47.2 | 3.3% |
| Total | 4,352.4 | 4,135.3 | 5.2% | 129.8 | 146.6 | -11.5% | 473.7 | 478.3 | -1.0% | 4,955.9 | 4,760.3 | 4.1% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany and International.

* Data restated pursuant to IFRS 17.

Table 1.4.1-b (continued)
Balance sheet of European insurance groups
(billions of euros)

| Group | LIABILITIES | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|--------------------------------------|----------------|-------------|--------------------------------|----------------|-----------------|-------------|------------------|--------------|--------------------------------------|--------------|-------------|-------------------|--------------|-------------|--------------------------------|--------------|--------------|----------------|----------------|-------------|
| | Total insurance contract liabilities | | | Insurance contract liabilities | | | | | | Other insurance contract liabilities | | | Other liabilities | | | Total liabilities ² | | | | | |
| | 2023 | 2022,+ | variation | Future cash flows | | Risk adjustment | | CSM ¹ | | Other insurance contract liabilities | | 2023 | 2022,+ | variation | 2023 | 2022,+ | variation | 2023 | 2022,+ | variation | |
| | | | | 2023 | 2022,+ | variation | 2023 | 2022,+ | variation | 2023 | 2022,+ | | | | | | | | | | variation |
| ALLIANZ | 776.8 | 740.5 | 4.9% | 706.3 | 670.4 | 5.40% | 6.6 | 7.2 | -8.6% | 53.8 | 53.4 | 0.8% | 10.0 | 9.5 | 5.3% | 142.8 | 136.7 | 4.5% | 919.6 | 877.2 | 4.8% |
| AXA | 469.0 | 457.2 | 2.6% | 431.3 | 419.9 | 2.70% | 3.1 | 3.1 | -0.1% | 34.7 | 34.2 | 1.4% | - | - | - | 123.0 | 132.1 | -6.8% | 592.1 | 589.3 | 0.5% |
| ZURICH | 197.0 | 190.7 | 3.3% | 168.9 | 163.9 | 3.00% | 3.6 | 3.8 | -5.1% | 15.2 | 14.1 | 7.4% | 9.3 | 8.9 | 4.9% | 106.6 | 97.4 | 9.4% | 303.6 | 288.2 | 5.4% |
| GENERALI | 412.4 | 395.8 | 4.2% | 377.6 | 361.7 | 4.40% | 2.6 | 2.8 | -6.7% | 31.8 | 31.0 | 2.5% | 0.4 | 0.3 | 36.6% | 64.9 | 78.5 | -17.3% | 477.3 | 474.3 | 0.6% |
| TALANX | 131.0 | 123.2 | 6.4% | 111.4 | 105.6 | 5.60% | 5.6 | 5.3 | 5.5% | 10.2 | 9.2 | 10.8% | 3.7 | 3.1 | 22.1% | 21.6 | 21.0 | 2.7% | 152.6 | 144.1 | 5.8% |
| MAPFRE | 38.4 | 35.6 | 7.9% | 29.5 | 27.1 | 8.90% | 0.8 | 0.7 | 20.4% | 2.6 | 2.3 | 12.7% | 5.5 | 5.5 | -0.7% | 6.9 | 7.8 | -10.7% | 45.3 | 43.3 | 4.5% |
| AVIVA | 140.6 | 132.8 | 5.9% | 112.8 | 108.4 | 4.10% | 1.6 | 1.7 | -3.1% | 9.7 | 7.8 | 24.0% | 16.4 | 14.9 | 10.1% | 227.3 | 205.0 | 10.9% | 367.9 | 337.8 | 8.9% |
| ERGO ³ | 135.1 | 130.4 | 3.6% | 120.3 | 114.4 | 5.20% | 0.8 | 0.9 | -5.5% | 12.8 | 14.0 | -9.0% | 1.2 | 1.1 | 4.6% | 7.6 | 6.4 | 18.7% | 142.7 | 136.8 | 4.3% |
| GROUPAMA | 73.7 | 70.7 | 4.2% | 69.2 | 66.1 | 4.70% | 0.9 | 0.9 | -3.7% | 3.6 | 3.7 | -2.4% | 0.0 | 0.0 | - | 8.4 | 6.8 | 23.0% | 82.1 | 77.5 | 5.9% |
| CRÉDIT AG- RICOLEAS- SURANCE | 348.3 | 331.2 | 5.2% | 321.0 | 305.6 | 5.00% | 3.3 | 3.7 | -9.4% | 23.8 | 21.8 | 9.5% | 0.2 | 0.1 | 28.9% | 56.3 | 49.0 | 15.0% | 404.6 | 380.2 | 6.4% |
| BUPA | 3.0 | 2.7 | 12.0% | 1.5 | 1.3 | 19.10% | 0.0 | 0.0 | 26.0% | - | - | - | 1.5 | 1.4 | 5.3% | 6.8 | 7.1 | -4.2% | 9.8 | 9.8 | 0.2% |
| R+V | 105.2 | 98.4 | 6.9% | 90.2 | 84.5 | 6.70% | 0.8 | 1.0 | -15.2% | 5.4 | 4.8 | 13.3% | 8.8 | 8.2 | 7.9% | 13.3 | 13.6 | -2.2% | 118.5 | 112.0 | 5.8% |
| LEGAL & GENERAL ⁴ | 471.2 | 421.1 | 11.9% | 85.0 | 70.6 | 20.40% | 3.4 | 2.6 | 31.0% | 17.3 | 15.1 | 14.4% | 365.6 | 332.8 | 9.8% | 125.5 | 152.4 | -17.6% | 596.7 | 573.5 | 4.1% |
| CNP | 375.4 | 361.6 | 3.8% | 352.8 | 340.8 | 3.50% | 2.1 | 1.9 | 10.0% | 19.5 | 17.8 | 9.1% | 1.1 | 1.0 | 9.7% | 37.8 | 40.4 | -6.4% | 413.2 | 401.9 | 2.8% |
| VIENNA GROUP | 37.8 | 36.4 | 3.9% | 21.7 | 20.9 | 3.90% | 1.1 | 1.1 | -0.1% | 5.8 | 5.8 | -0.7% | 9.2 | 8.5 | 7.7% | 4.9 | 5.1 | -4.2% | 42.7 | 41.5 | 2.9% |
| Total | 3,714.8 | 3,528.1 | 5.3% | 2,999.5 | 2,861.1 | 4.80% | 36.4 | 36.6 | -0.5% | 246.2 | 235.2 | 4.7% | 432.8 | 395.3 | 9.5% | 953.7 | 959.1 | -0.6% | 4,668.5 | 4,487.2 | 4.0% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Contractual service margin

2/ Liabilities excluding equity

3/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany and International.

4/ Future cash flows from unit-linked investments not reported, hence the high value in others.

* Data restated pursuant to IFRS 17.

Table 1.4.1-b (continued)
Balance sheet of European insurance groups
(billions of euros)

| Group | EQUITY | | | | | | | | | | Total liabilities ¹ | | |
|---------------------------|--------------|--------------|-------------|---------------------------|-------------|-------------|--------------|--------------|-------------|----------------|--------------------------------|-------------|--|
| | Own funds | | | Non-controlling interests | | | Equity | | | | | | |
| | 2023 | 2022,+ | variation | 2023 | 2022,r | variation | 2023 | 2022,r | variation | 2023 | 2022,r | variation | |
| ALLIANZ | 58.5 | 54.4 | 7.5% | 5.1 | 4.3 | 18.1% | 63.6 | 58.7 | 8.2% | 983.2 | 935.9 | 5.1% | |
| AXA | 49.6 | 46.1 | 7.6% | 2.8 | 3.0 | -6.6% | 52.4 | 49.1 | 6.7% | 644.4 | 638.4 | 1.0% | |
| ZURICH | 22.5 | 24.0 | -6.1% | 1.3 | 1.2 | 10.4% | 23.8 | 25.2 | -5.4% | 327.4 | 313.3 | 4.5% | |
| GENERALI | 29.0 | 26.7 | 8.7% | 2.3 | 2.3 | -0.3% | 31.3 | 29.0 | 8.0% | 508.6 | 503.2 | 1.1% | |
| TALANX | 10.4 | 8.6 | 20.9% | 6.3 | 5.7 | 11.5% | 16.8 | 14.3 | 17.2% | 169.3 | 158.5 | 6.9% | |
| MAPFRE | 8.5 | 7.8 | 8.6% | 1.2 | 1.1 | 10.9% | 9.7 | 8.9 | 8.9% | 54.9 | 52.2 | 5.3% | |
| AVIVA | 11.1 | 11.5 | -4.0% | 0.4 | 0.4 | 4.8% | 11.4 | 11.9 | -3.8% | 379.3 | 349.7 | 8.5% | |
| ERGO ² | 5.1 | 5.5 | -7.0% | n.a. | n.a. | - | 5.1 | 5.5 | -7.0% | 147.8 | 142.3 | 3.9% | |
| GROUPAMA | 9.9 | 8.8 | 12.3% | 0.0 | 0.0 | 22.2% | 9.9 | 8.8 | 12.3% | 91.9 | 86.3 | 6.5% | |
| CRÉDIT AGRICOLE ASSURANCE | 10.3 | 9.7 | 5.5% | 0.2 | 0.2 | -16.3% | 10.4 | 9.9 | 5.1% | 415.0 | 390.1 | 6.4% | |
| BUPA | 8.4 | 8.1 | 4.3% | 0.0 | 0.0 | -8.1% | 8.4 | 8.1 | 4.2% | 18.3 | 17.9 | 2.0% | |
| R+V | 9.0 | 8.3 | 8.8% | 0.8 | 0.7 | 6.2% | 9.8 | 9.0 | 8.6% | 128.2 | 120.9 | 6.0% | |
| LEGAL & GENERAL | 5.6 | 6.3 | -11.4% | 0.0 | 0.0 | 47.9% | 5.5 | 6.2 | -11.7% | 602.2 | 579.7 | 3.9% | |
| CNP | 19.1 | 18.8 | 1.9% | 4.1 | 4.0 | 4.6% | 23.3 | 22.7 | 2.3% | 436.4 | 424.6 | 2.8% | |
| VIENNA GROUP | 5.9 | 5.5 | 7.7% | 0.1 | 0.2 | -43.0% | 6.0 | 5.7 | 5.5% | 48.8 | 47.2 | 3.3% | |
| Total | 262.8 | 250.0 | 5.1% | 24.6 | 23.1 | 6.8% | 287.4 | 273.0 | 5.3% | 4,955.9 | 4,760.3 | 4.1% | |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Total liabilities including equity.

2/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany and International.

* Data restated pursuant to IFRS 17.

As can be seen in Table 1.4.2, more than half of the groups that make up the Non-Life ranking returned better combined ratios or suffered only slight deteriorations. It should be noted, however, that the traditional way of calculating the combined ratio (net of reinsurance income) has changed based on the new definition of items under IFRS 17, with said ratio becoming a sort of technical margin of contribution to results. Although this technical measure may be completely standardized under the items of IFRS 17 in the future (some insurance groups have calculated the combined ratio with insurance revenue data, while others have done so with allocated premium data), in this report, this indicator has been included using the same name, which is how it was published by the insurance groups analyzed, presenting the values that the groups stated in their respective reports.

In general, all insurance groups in the Non-Life segment considered on the ranking recorded combined ratios below 100% in 2023, with Unipol reporting the highest combined ratio (98.2%). In turn, Sampo Group (with a combined ratio of 84.6%), Ergo (88.9%), and Vienna Group (92.6%) have the best combined ratios of the companies analyzed.

Compared to the previous year, MAPFRE and Allianz⁵³ barely saw any change in their combined ratio, down by 0.1 pp and 0.5 pp, respectively. However, R+V,⁵⁴ the Mutua Madrileña group, and Unipol⁵⁵ experienced significant drops of 5.7 pp, 5.1 pp, and 4.4 pp, respectively. On the other hand, Axa⁵⁶ and Groupama⁵⁷ improved their combined ratio compared to the previous year by 4.4 pp and 3.6 pp, respectively, with Non-Life ratios that stood at 93.2% and 96.8%.

1.4.3 Solvency ratios

Finally, information regarding the solvency ratios of the main insurance groups

Table 1.4.2
Non-Life: combined ratios
(%)

| Group | Combined ratio | | |
|---------------------|----------------|--------------------|-------------|
| | 2023 | 2022 ^{r*} | change (pp) |
| ALLIANZ | 93.8 | 93.3 | 0.5 |
| AXA | 93.2 | 97.6 | -4.4 |
| ZURICH | 94.5 | 94.5 | - |
| TALANX | 93.4 | 95.2 | -1.8 |
| GENERALI | 94.0 | 95.4 | -1.4 |
| MAPFRE ¹ | 96.6 | 96.5 | 0.1 |
| ERGO ² | 88.9 | 90.3 | -1.4 |
| GROUPAMA | 96.8 | 100.4 | -3.6 |
| AVIVA ³ | 96.2 | 95.2 | 1.0 |
| BUPA | 96.0 | 93.0 | 3.0 |
| VIENNA GROUP | 92.6 | 92.8 | -0.2 |
| R+V | 95.1 | 89.4 | 5.7 |
| UNIPOL | 98.2 | 93.8 | 4.4 |
| SAMPO GROUP | 84.6 | 85.8 | -1.2 |
| MUTUA MADRILEÑA | 96.9 | 91.8 | 5.1 |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Under IFRS 17, there is no expense ratio and combined ratio breakdown. Under standardized local accounting, the loss ratio is 70.6% (2022) and 69.6% (2023), and the expense ratio is 27.4% (2022) and 27.6% (2023).

2/ Property & Casualty Germany (excluding International).

3/ Undiscounted COR: the Group considers that the COR with claims measured on an undiscounted basis (undiscounted COR) is more aligned with the way the business is managed, and the discounted COR reflects the impact of the discount pursuant to IFRS 17.

* Data restated pursuant to IFRS 17.

(included in the Life and Non-Life rankings) is presented in Table 1.4.3. According to this information, all the groups analyzed exceed the mandatory solvency capital required of the group by 75%, and 14 have admissible own funds that are more than double the amount required. Finally, of the 21 insurance groups analyzed, which are shown in Table 1.4, six have improved their solvency ratio compared to the previous year, 13 have seen it worsen, with Zurich (-33.0%) and Sampo Group (-32.8%) worth particular mention; one has seen no changes (Nationale-Nederlanden).

Table 1.4.3
Solvency ratios of the European insurance groups
featured on the ranking

| Group | Country | 2023 | 2022 | Change 2023-2022 (pp) |
|---------------------------|----------------|--------|--------|-----------------------------|
| CNP | France | 253.0% | 230.0% | 23.0 |
| BNP | France | 183.0% | 163.0% | 20.0 |
| UNIPOL | Italy | 215.0% | 200.0% | 15.0 |
| AXA | France | 227.0% | 215.2% | 11.8 |
| R+V | Germany | 224.0% | 212.7% | 11.3 |
| CRÉDIT AGRICOLE ASSURANCE | France | 215.0% | 204.0% | 11.0 |
| NATIONALE-NEDERLANDEN | Netherlands | 197.0% | 197.0% | - |
| ALLIANZ | Germany | 229.0% | 230.0% | -1.0 |
| GENERALI | Italy | 220.0% | 221.0% | -1.0 |
| TALANX | Germany | 242.0% | 243.0% | -1.0 |
| MAPFRE | Spain | 199.6% | 201.2% | -1.6 |
| MUTUA MADRILEÑA | Spain | 306.0% | 309.0% | -3.0 |
| SWISS LIFE ² | Switzerland | 210.0% | 215.0% | -5.0 |
| BUPA | United Kingdom | 175.0% | 181.0% | -6.0 |
| AVIVA | United Kingdom | 188.0% | 198.0% | -10.0 |
| VIENNA GROUP | Austria | 268.9% | 279.9% | -11.0 |
| LEGAL & GENERAL | United Kingdom | 224.0% | 236.0% | -12.0 |
| GROUPAMA | France | 267.0% | 282.0% | -15.0 |
| SAMPO GROUP | Finland | 177.2% | 210.0% | -32.8 |
| ZURICH ¹ | Switzerland | 234.0% | 267.0% | -33.0 |
| ERGO ³ | Germany | n.d. | n.d. | n.d. |

Source: MAPFRE Economics (based on data from the SFCRs of the groups specified)

1/ The solvency ratio published by Zurich corresponds to the internal Z-ECM model, which also forms the basis of the Swiss Solvency Test, authorized by the FINMA Supervisor for obtaining an AA rating.

2/ Swiss Life presents a solvency ratio as per the internal model compliant with the Swiss Solvency Test authorized by FINMA on January 1, 2022.

3/ ERGO does not present its own solvency ratio since it belongs to the Munich Re group.

* Data restated pursuant to IFRS 17.

2. Analysis and impact of the IFRS 17 standard

2.1 Main differences in the ranking between IFRS 17 and IFRS 4

The IFRS 9 and IFRS 17 accounting standards that came into force on January 1, 2023, and apply to listed insurance groups (or companies that issue listed debt) significantly change the valuation and classification criteria for insurance contracts, as well as financial instruments, compared to the previous IAS 39 and IFRS 4 standards. As a result, “Net premiums allocated to the fiscal year” is no longer an item on the income statement under insurance business revenue, and the new “insurance revenue” item appears in its place, encompassing the following four concepts: (i) expected benefits, (ii) risk adjustment variation, (iii) CSM (contractual service margin) release, and (iv) premium release for portfolios valued under the PAA (Premium Allocation Approach) model.⁵⁸ Although at businesses applying the PAA model, insurance revenue is conceptually similar to accrued premiums, at companies applying the BBA (Building Block Approach) and VFA (Variable Fee Approach),⁵⁹ the differences will be greater if only accrued premiums are compared as opposed to insurance revenue. This is due to the fact that there is no heading under the new standard that directly corresponds with written premiums from direct insurance (IFRS 4).

For the purpose of constructing the ranking in this report, groups that have not published data based on the new accounting standard⁶⁰ were not included, and consideration was only given to insurance revenue compiled pursuant to IFRS 17 and published by the corresponding insurance groups. Based on the data published in annual reports under the new standard, a comparative exercise was performed between gross written premiums for 2022 under IFRS 4 (criteria

used to prepare the ranking of the top 15 European groups for 2022) and written premiums in 2023 and 2022 under IFRS 17 (in the latter year, restated and not necessarily coinciding with the figures reported previously). The most notable differences when comparing insurance revenue in 2023 to gross written premiums in 2022 are in cases such as Generali, CNP, and Crédit Agricole Assurances (which recognized, in 2023, sums of 49.5, 11.0, and 13.5 billion euros in insurance revenue, respectively, notably lower than premiums in the previous year, which reached 81.5, 36.0, and 35.3 billion euros, respectively).

In relation to the available information on restated premiums for 2022 in the latest annual report and premiums reported the same year in the previous report (under IFRS 4), the valuation is somewhat favorable in the cases of Axa, Groupama, and CNP, while for the remaining insurance companies, premiums are lower, with particular mention for the decrease of 10.7% seen at Aviva.⁶¹ Finally, based on the analysis of insurance revenue in 2023 and premiums reported in the annual report for the year, it can be concluded that, for all insurance groups, insurance revenue is lower than gross premiums (excluding the specific exception of Aviva mentioned above). Worth particular mention are the cases of CNP and Crédit Agricole Assurances, which reported income that is 68% and 64% lower than the volume of gross premiums for the year, respectively. Generali, in turn, saw a drop in its insurance revenue of 40% compared to the value of its premiums, while other insurance companies, such as Axa, Vienna Group, and Nationale-Nederlanden, recognized insurance revenue that was 21% lower than the value of their premiums. This means that the companies on this ranking, ordered by insurance revenue, have experienced changes in their relative positions

compared to the previous year, on account of the new valuations used by the different accounting methods, distribution of contracts in the Life and Non-Life lines of business, and longer duration of their insurance portfolios. In other words, these results are not necessarily a product of changes in insurance business performance during the past year.

2.2 Impact on financial statements after IFRS 17

The main differences in the new IFRS 17 accounting standard with respect to the previous IFRS 4 concern the implementation of the same accounting policy for all insurance contracts, with a market valuation approach that facilitates comparisons with other non-insurance companies. Thus, actuarial calculations using the new standard are updated regularly based on the discount rates applied to the expected cash flows generated by insurance contracts that are more in line with the market value.

IFRS 17 proposed three valuation approaches that should be applied to portfolio contracts by the transition date for the restated opening balance sheet. These approaches are:

- 1) Full Retrospective Approach (FRA). If this approach were not feasible (for example, in long-term contracts issued well before the transition date), insurance companies would have the option of using either of the other two methods.
- 2) Modified Retrospective Approach (MRA).
- 3) Fair Value Approach (FVA).

The use of a specific approach entails a cost in terms of difficulty of calculation and precision, as well as differing impacts on the income statement; ultimately, this will depend on the information available from each insurance company. It should be noted that the final impact due to the difference in valuation of liabilities/assets per insurance/reinsur-

ance contract between IFRS 17 and IFRS 4 must be recorded against the first-time adoption reserve. The transition approaches have affected both the opening equity as at January 1, 2022 (as will be seen in more detail when looking at changes in liabilities, as an increase in the contractual service margin, or CSM, in isolation will cause a larger decrease in equity), as well as the amount of profit recognized after that date in relation to contracts in place as at January 1, 2022.

Meanwhile, according to the standard, insurance contracts can be valued applying three different approaches:

- 1) The general "default" model (BBA, Building Block Approach).
- 2) The Premium Allocation Approach (PAA), a simplified model for coverage lasting one year or less, whereby the CSM is not used for its valuation, and it measures the liability for the remaining coverage (LFRC); this approach is similar to the unearned premiums approach under IFRS 4. This approach tends to be used for Non-Life insurance, although it would also be valid for reinsurance, Life products of less than one year, or contracts lasting more than one year when the result of applying the approach does not differ significantly from the result that would be obtained under the BBA approach.
- 3) The Variable Fee Approach (VFA), which is mandatory for investment contracts with direct share characteristics (unit-linked products or Life with profit-sharing products).

Under the BBA model, cash flows from the fulfillment of insurance contract portfolios are calculated with discount rates that make it possible to obtain the best estimate of liability (BEL). The regulations allow two methodologies to be used (similar to Solvency II) known as the "bottom-up" and "top-down" approach. As regards discount rates, there are two considerations to be taken into account. The first is the "locked-

in or inception rate,” the discount rate determined on the date of recognition of the insurance contract, and the discount rate used during the reporting year at the closing date, or “current rate.”

Income statement

The central themes of the change in accounting standards are the separation of profits generated by insurance activity and financial profits, and the new concept of the contractual service margin (CSM), which includes technical profits generated on insurance operations, whose temporary recognition will generate technical profits for each period on the income statement. As a result, the new IFRS 17 accounting standard no longer explicitly recognizes premiums received directly as income on the income statement, as was the case under IFRS 4. Furthermore, the variation in technical provisions and benefits associated with investment components also disappears from the income statement. Additionally, there are differences in acquisition expenses that, applying the BBA and VFA approaches, can be accrued over time and do not have a sudden impact on the income statement.

Another point worth mentioning about IFRS 17 is that it allows financial income and expenses resulting from the change in the insurance discount rate to be allocated to results (OCI⁶²), regardless of the option chosen in relation to the assets (IFRS 9). The use of this option reduces volatility caused by changes in the interest rate curve, as they are absorbed by this item rather than being directly allocated to results. At five of the eight insurance groups for which there is restated information for 2022 under the new accounting standard, premium income has fallen. This is the case since, as indicated above, in addition to changing the calculation method that would be conceptually similar to accrued premiums, the investment component of Life Savings products, such as unit-linked types, is not included.

The impact on the combined ratio is different and depends, to a large extent, on the

calculation approach used by each insurance group (some of these groups do not include the net expenses of reinsurance contracts). The combined Non-Life ratio, consisting of the sum of the loss ratio and the expense ratio, has been calculated by some insurance groups using insurance revenue and by others using allocated premium data. In the case of expenses attributable to insurance activity, these are replaced by the sum of other compliance expenses and acquisition expenses, for a lower amount than under IFRS 4, and the loss ratio is included under the new “benefits” headings. Thus, some European insurance groups do not have information broken down into expense ratios and loss ratios for Non-Life.

Assets and investments

IFRS 4 had a specific heading for investments in products where the policyholder assumes the risk (unit-linked), which disappeared under IFRS 9 and is included under “financial investments at fair value” with changes in equity (in the VFA approach for liability for remaining coverage) along with other valuations. It should be noted that some insurance groups have not provided this detailed unit-linked information in their most recent annual reports.

Meanwhile, there are other asset items, such as outstanding cash flows, which under IFRS 17 are recognized as part of LFRC (liability for remaining coverage) in liability for insurance contracts, while under IFRS 4 they formed part of assets in the receivables category. Likewise, the item for other assets, which includes the accrual of fees, is now recorded as a reduction of liability for insurance contracts. This means that some insurance groups have seen the total value of their assets and investments reduced.

Liabilities, equity, and own funds

The amount recognized on the balance sheet for each series of insurance/reinsurance contracts consists of the liability for remaining coverage (LFRC) and the liability for incurred claims (LFIC). Liability for re-

Box 2.2 Contractual service margin (CSM)

Under the IFRS 17 standard, the contractual service margin (CSM) is a component of liabilities or, where applicable, assets for the group of insurance or reinsurance contracts and represents the unearned profit to be recognized as services are provided in the future. Thus, the CSM release entails the recognition of part of said unearned profit on the income statement. The CSM release, combined with changes in the value of investments, as well as the effect of the change in the interest rate at which insurance contracts are discounted and variations in the risk margin of insurance contracts, is reflected in the attributable result under IFRS 17. Liability for remaining coverage includes cash flows arising from fulfillment of the assigned future services and the CSM. With this in mind, the CSM will initially be recognized under liabilities as an obligation (formerly, “technical provisions”) and will gradually be released to the income statement in proportion to the insurance services provided in the period over the lifetime of the policies.

Under the Building Block Approach, or BBA (general default model for measuring insurance

contracts), the CSM can fluctuate, but never be negative. If the negative changes in discounted future cash flows are greater than the remaining CSM, the difference is immediately recognized in profit or loss (loss component). IFRS 17 requires insurance companies to disclose the methodology used in the CSM release. To determine the pattern of release, “coverage units” must be identified, which must be defined based on the expected coverage and benefits provided.

For example, Table A shows the CSM analysis for the leading insurance groups on the 2023 Life ranking, given its marked importance in that line of business as a component of insurance contract liabilities. The average CSM rate over the total insurance contract liabilities for all insurance groups considered in 2023 was 6.5%. Swiss Life, with 9.6%, had the highest CSM percentage in relation to insurance contract liabilities, followed by Ergo, with 9.5%. At the opposite end of the scale, British firm Legal & General, at 3.7%, and M&G, at 4.1%, obtained the lowest percentage of future unearned profit over their liabilities for corresponding insurance contracts.

Table A
Contractual service margin (CSM)
(billions of euros)

| Group | CSM | | CSM released | | CSM / CS liability | | CSM released / CSM | |
|---------------------------|--------------|--------------------|--------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| | 2023 | 2022 _{r+} | 2023 | 2022 _r | 2023 | 2022 _r | 2023 | 2022 _{r+} |
| AXA | 34.7 | 34.2 | 2.9 | 3.0 | 7.4% | 7.5% | 8.3% | 8.8% |
| ALLIANZ | 53.8 | 53.4 | 5.1 | 5.1 | 6.9% | 7.2% | 9.4% | 9.5% |
| GENERALI | 31.8 | 31.0 | 3.0 | 2.9 | 7.7% | 7.8% | 9.5% | 9.3% |
| CNP | 19.0 | 17.3 | 2.6 | 2.8 | 5.1% | 4.8% | 13.7% | 16.0% |
| ZURICH | 15.2 | 14.1 | 1.5 | 1.4 | 7.7% | 7.4% | 9.6% | 9.8% |
| TALANX | 10.2 | 9.2 | 0.5 | 1.5 | 7.8% | 7.5% | 4.7% | 16.5% |
| AVIVA | 9.7 | 7.8 | 0.9 | 0.8 | 6.9% | 5.9% | 9.5% | 9.9% |
| LEGAL & GENERAL | 17.3 | 15.1 | 1.3 | 1.1 | 3.7% | 3.6% | 7.8% | 7.6% |
| CRÉDIT AGRICOLE ASSURANCE | 23.8 | 21.8 | 2.2 | 2.2 | 6.8% | 6.6% | 9.3% | 10.0% |
| NATIONALE-NEDERLANDEN | 7.0 | 6.9 | 0.8 | 0.8 | 4.7% | 4.7% | 11.2% | 11.3% |
| SWISS LIFE | 16.5 | 16.5 | 1.4 | 1.2 | 9.6% | 10.4% | 8.4% | 7.4% |
| BNP | 11.9 | 12.5 | n.d. | n.d. | 5.3% | 5.8% | n.a. | n.a. |
| MAPFRE | 2.6 | 2.3 | 0.4 | 0.3 | 6.7% | 6.4% | 13.7% | 12.0% |
| M&G | 6.7 | 7.1 | 0.8 | 0.8 | 4.1% | 4.4% | 11.5% | 11.0% |
| ERGO | 12.8 | 14.0 | 0.8 | 0.9 | 9.5% | 10.8% | 6.4% | 6.8% |
| Total | 273.0 | 263.1 | 24.1 | 24.8 | 6.5% | 6.6% | 8.8% | 9.4% |

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

* Data restated pursuant to IFRS 17.

maining coverage includes cash flows arising from fulfillment of the assigned future services and the CSM. The valuation of a group of insurance contracts includes all future cash flows, using current information to make estimates of these flows, as well as discount rates and the non-financial risk adjustment. Thus, the way in which insurance liabilities are measured has changed, with the impact of the financial discount and the inclusion of realistic assumptions in the measurement of commitments worth particular mention. The accrued part of this CSM is recognized on the income statement as insurance revenue in each period to reflect the services provided. The CSM will initially be recognized under liabilities as an obligation, recognized as part of the former “provisions” and released to the income statement in proportion to the insurance services provided in the period over the lifetime of the policies.

Future changes in operating assumptions (e.g., changes in mortality, contraction, and expense assumptions) and experience adjustments (e.g., changes between expected and actual) will affect the CSM. As a result, the provision for unearned premiums under IFRS 4 can be found in insurance contract liabilities under IFRS 17, depending on the measurement approach taken (BBA,⁶³ VFA, or PPA) and broken down by CSM, adjustment by non-financial risk,⁶⁴ and current estimate of future cash flows. Implicitly, changes in the measurement of insurance contract liabilities will be reflected in the attributable result for the period or own funds, although in the opposite direction. Across almost all the insurance groups analyzed for which information is available, there has been growth in own funds based on the restated data for 2022 and a reduction in insurance contract liabilities (formerly technical provisions), as well as total liabilities.

“Technical provisions,” as they have been known until now, are included mainly under “Insurance contract liabilities” (the value of which is lower under IFRS 17, given the financial discount included in the calculation

formula and the netting seen in asset items). Liabilities for accounting asymmetries and cash flows pending payment, reflected under “Debts and items payable,” are also recognized under liabilities; however, they will now be considered in LFRC under IFRS 17. With this in mind, there are new items, such as LFRC and LIC (Liability for Incurred Claims), for insurance and reinsurance. Finally, it should be noted that the IFRS 17 accounting standard requires insurance companies to disclose the methodology used in the release of the CSM.

Conclusions

The new accounting standard, IFRS 17, has entailed an external change in the way that financial statements look, as well as an internal change in the calculations made to measure the value of assets and liabilities. Summarizing the effects, based on information used previously, and understanding their impact requires an additional effort. With this in mind, based on the available information analyzed, a breakdown does not always exist for written premiums for direct and accepted insurance by lines under IFRS 17, as was the case under IFRS 4. As a result, this report reflects changes due to the calculation of variables under the new accounting standard, which may modify the ranking of insurance groups in relation to their revenue metrics (previously premiums), balance sheet, and combined ratio, as well as other aspects.⁶⁵

Data and metrics

Data sources

The amount of insurance revenue after consolidation adjustments for each insurance group worldwide, based on data published by the insurance groups in their annual reports, was used in the preparation of this ranking. In some insurance groups, there may be differences between the total and the sum of their segments due to said adjustments.

Exchange rates used

The average exchange rate for the year was used to calculate insurance revenue and results. For balance sheet figures, the year-end exchange rate was used.

Index of tables and boxes

Tables

| | | |
|---------------|--|----|
| Table 1.1 | Ranking by volume of insurance revenue | 13 |
| Table 1.2 | Non-Life: overall ranking of European insurance groups | 14 |
| Table 1.3 | Life: overall ranking of European insurance groups | 16 |
| Table 1.4.1-a | Net result of European insurance groups | 18 |
| Table 1.4.1-b | Balance sheet of European insurance groups | 19 |
| Table 1.4.2 | Non-Life: combined ratio | 22 |
| Table 1.4.3 | Solvency ratios of the European insurance groups | 23 |

Boxes

| | | |
|---------|--|----|
| Box 2.2 | Contractual service margin (CSM) | 28 |
|---------|--|----|

References

1/ See: MAPFRE Economics (2024), *2024 Economic and Industry Outlook: Second-Quarter Forecast Update*, Madrid, Fundación MAPFRE.

2/ See: Swiss Re, "Natural catastrophes in 2023: gearing up for today's and tomorrow's weather risks," *Sigma* no. 1/2024 (FT Markets).

3/ The European Union (EU) CSRD, implemented in 2023, requires companies to disclose information on environmental and social risks and opportunities. To this end, in December 2022, Directive 2022/2464 as regards corporate sustainability reporting (CSRD) was published. The EU requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues and on the impact of their activities on people and the environment. The new standards will ensure that investors and other stakeholders can access the information they need to assess investment risks stemming from climate change and other sustainability issues, as part of the European Green Deal. The first companies will be required to apply the new standards for the first time in fiscal year 2024 for reports published in 2025.

4/ It must be noted that, due to changes in insurance accounting standards under IFRS 17, starting this year the ranking is prepared based on insurance revenue rather than premium volume, meaning it is not possible compare it to previous years or reports.

5/ The driver of Allianz's growth was the Property and Casualty business, which saw growth of 8.4% to 77 billion due to positive price and volume effects, underscored by the Life and Health business, where new business grew by 2.2% to 4 billion euros, mainly as a result of strong growth in the United States. This was partially offset by the drop in revenue in the Asset Management business.

6/ Compared to 2022, updated in line with IFRS 17, Axa's total revenue increased by 3%, driven by Property and Casualty (7%), with growth in the commercial line (9%) given the continued favorable price effects, as well as higher volumes in the personal line (6%), driven largely by favorable price effects, partially offset by a drop in exposure to Natural Catastrophes at Axa XL Reinsurance (-5%). This was partially offset by (i) Life and Health (-2%), with Health down by 7% following the non-renewal of two large international contracts inherited by the group (excluding these contracts, Health rose 7%). Life was up by 1% due to continued growth in Protection (4%), especially in Japan, partially offset by lower premiums in Savings (-2%), mainly in Italy due to difficult market conditions, and (ii) Asset Management (-2%), due to the drop in management fees, reflecting a lower average asset base. See: <https://www.axa.com/en/about-us/key-figures#financial-data>

7/ Growth was driven by strong results across all business segments and an increase in the profitability of commercial insurance, on account of increased underwriting discipline and improved connectivity and data analytics capabilities. It also benefited from the effective management of exposure to extreme weather events that reduced the volatility of earnings and the successful execution of strategic initiatives in the P&C and Life segments.

8/ The growth recorded by Generali was based on the fact that gross written premiums increased to 82.5 billion euros (5.6%), driven by significant growth in general insurance (12.0%) and net inflows from Life focused entirely on unit-linked and protection.

9/ The positive trend in Talanx's net income was driven by profit growth across all divisions and large loss payments that remained within budget, in addition to inflation-related increases in price.

10/ MAPFRE's performance in 2023 can be attributed to a 9.7% increase in premiums, without relevant exchange rate impact. This growth reflects a general improvement in the business, with increases of 8.4% in Non-Life and 14.6% in Life, with positive contributions from the Iberia and Latin American regions, as well as the reinsurance business.

11/ Growth supported by the performance of the occupational pensions business, with a record breaking 6.9 billion pounds in net flows, driven by the awarding of 477 new plans in the year. The Private Health sector saw strong demand from companies and individual customers, with sales up by 41% in 2023. Additionally, higher interest rates boosted the annuities market, with impressive volumes of 5.5 billion pounds in addition to strong margins.

12/ The most important lines were automobile third-party liability insurance and automobile damage insurance, which generated insurance income of 95.4 million euros and 63.7 million euros, accounting for 37.1% and 24.8% of the total portfolio, respectively. Casualty insurance accounted for 50.3 million euros, or 19.6%.

13/ At Groupama, 52% of activity can be attributed to property & casualty and third-party liability insurance, while health and pension insurance accounts for 30% of business volume, and retirement savings represents 17%. Activity was boosted by personal and professional insurance (11.0%, of which 7.2% was distributed in France and 20.5% internationally), benefiting from the sustained growth of the private automobile insurance sector (11.1%, of which 3.4% was in France and 22.2% internationally, in particular in Romania).

14/ Fundamentally attributable to a 22% increase in customers, particularly in the United Kingdom, with improved performance in the healthcare business.

15/ In the case of Legal & General, the company attracted investment clients for its pension risk transfer (PRT) business. At the same time, it has continued to expand its international franchises, which performed well in the United States, Europe, and Asia, with 40% of assets under management outside the United Kingdom.

16/ There was double-digit growth in gross written premiums compared to the previous year in Poland (12.7%), Expanded EEC (+12.5%), and Special Markets (+11.3%). In the Special Markets segment, Georgia (+19.9%) and Turkey (+18.4%, adjusted for inflation) recorded strong premium growth. The increase was mainly due to the growth in casualty insurance (PAA). On the mergers and acquisitions side, the acquisition of the Slovak pension fund company, 365.life, the Polish and Romanian companies of the former Aegon CEE business, and the increase in the holding in the Hungarian business and market in Poland are worth particular mention.

17/ See: <https://group.vig/en/investor-relations/ir-news/ir-meldungen/vienna-insurance-group-confirms-highly-successful-2023-financial-year/>

18/ With 2022 data restated pursuant to IFRS 17.

19/ Axa's insurance revenue experienced growth in the property damage line, given the strong growth in premiums across some lines, although this was mainly due to the increase in prices in response to persistent inflation of claims. However, underwriting results remained under pressure in some lines, such as the automobile line. Investment income also increased on account of higher returns.

20/ Thanks to the underlying income in the Property & Casualty line, which increased by 2.1 billion euros (+73%) to 5.0 billion euros under IFRS 17 and IFRS 9.

21/ Zurich's premium growth, adjusted for currency movements, stood at 9%, driven by strong performance in all regions, especially EMEA, North America, and Asia-Pacific. North America continued to benefit from higher rates, particularly in casualty and automobile insurance. Asia-Pacific experienced a strong recovery in the travel insurance business and growth in the auto retail business, while Latin America saw strong business growth and increased retail sales across the region. In US dollars, gross written premiums for this group increased by 7%, with price increases of around 6%, supported by a

change in commercial insurance rates of 7% (9% in North America) and an acceleration in rate increases in the retail business. As regards the Talanx group, insurance premium revenue in Latin America increased by 44% to 2.7 billion euros, boosted by the acquisitions of Liberty Mutual operations in Brazil, Chile, Colombia, and Ecuador. In Europe, premium revenue grew on account of higher average premiums in Turkey and automobile and building insurance in Poland.

22/ This was thanks to the improvement in profitability and stability in the combined ratio, with all regions performing strongly. The acquisition of Liberty Seguros and Conning Holdings Limited strengthened Generali's position in Europe. The strong performance of both lines of business, the non-automobile line, up by 8.7%, achieving widespread growth in all the areas in which that group operates. Europ Assistance premiums grew by 23%, driven by the continued expansion of travel business volumes. The automobile line grew by 17.5%, thanks to the positive figures seen in Italy, France, Central and Eastern Europe, and Argentina; excluding Argentina, a country plagued by hyperinflation, automobile line premiums would have increased by 6.3%.

23/ Revenue in the automobile sector amounted to 6.5 billion euros in 2023, compared to 6.3 billion euros in 2022. The home and fire and allied lines segment increased from 2.9 billion euros to 3.2 billion euros. In the health sector, revenue increased from 1.6 billion euros to 1.7 billion euros. Revenue in the Non-Life business reflected the strong performance of the Property & Casualty business (7.8%) driven by the Business line and the Health and Accident lines (7.7%). In the Automobile line, revenue grew 2.8% due to the progressive adaptation of rates to the inflationary context. However, both the Motors and Property & Casualty businesses have been affected by weather events, in particular the severe storms in Spain during the second half of the year.

24/ As indicated previously, the figures for 2022 have been restated under IFRS 17, and therefore, the comparison of relative positions with respect to the previous year may differ from the publication for that year.

25/ In Ergo's Property & Casualty segment, Germany showed strong growth in insurance revenue across several key lines of business, despite some contractions in specific areas, such as marine and legal protection insurance. Fire and property insurance, which accounts for approximately 24% of insurance revenue, grew by 3.4% in 2023, while third-party liability insurance, which represents around 20%, saw growth of 15.7%. Finally, automobile insurance, which accounts for around 18%, experienced growth of 12.5%. In turn, Groupama recognized P&C premium revenue of 8.8 billion euros. Among the most significant revenue, third-party liability insurance is worth particular mention, up by 15.7%, in addition to personal accidents, by 13.7%, and automobile insurance, by 12.5%. However, marine insurance and the legal protection line fell 12.9% and 1.5%, respectively.

26/ Aviva delivered growth of 24% in personal lines in the UK, with 41% growth in the retail sector, which now accounts for more than half of gross written premiums. The company has also strengthened its position with strategic acquisitions, such as Azur Underwriting's HNW personal lines and Axa XL's private client team, the 460-million pound acquisition of AIG's UK protection business, and the acquisition of Optium in Canada to improve its range of vehicle replacement insurance.

27/ This growth was supported by a revenue increase from automobile insurance in Austria, with a 7.1% rise in gross premiums in this line, mainly on account of the increase in prices; there was also an increase in automobile third-party liability insurance, up by 5.5%, and automobile damage insurance, up by 8.6%. Non-automobile lines saw growth of 8.3%.

28/ The automobile segment, with a premium volume of 4.0 billion euros and growth of 3%, played an important role. In the non-automobile segment, premiums also saw growth of 5.2%, to 4.7 billion euros. Companies responsible for this growth include: UniSalute, with 796 million in premiums (+38.7%), Linear, with revenue of 216 million euros in premiums (+12.2%), and Arca Assicurazioni, with 272 million euros in premiums (+10.9%).

29/ See: MAPFRE Economics (2024), *2024 Economic and Industry Outlook: Second-Quarter Forecast Update*, Madrid, Fundación MAPFRE.

30/ For the purposes of comparison, the ranking does not include Sogecap, as it provides data on premiums rather than revenue.

31/ See: MAPFRE Economics (2023), *2022 Ranking of the Largest European Insurance Groups*, Madrid, Fundación MAPFRE.

32/ In the case of this group, underlying Life profits stood at 2.7 billion euros, up by 29 billion euros (1%) compared to the whole of 2022 under IFRS 4 and IAS 39, and down by 259 million euros (9%) compared to the whole of 2022 under IFRS 17 and IFRS 9. Financial profit dropped by 174 million euros, mainly due to the reduction in income on investments in Belgium and Luxembourg and the increase in the discount of claims reserves (-65 million euros) due to the increase in interest rates in 2022. In addition, the 102-million-euro drop in the CSM release, mainly in France, due to net outflows in traditional General Account savings and a Protection runoff portfolio in France adversely affected the technical margin in short-term businesses.

33/ This drop can be attributed to unfavorable exchange rate effects (1.4 billion euros) and negative consolidation effects (212 million euros). In Germany, total business volume dropped to 21.9 billion euros, down by 0.7%, mainly on account of the drop in single premium sales. In Asia-Pacific, total business volume fell across the region (with the exception of Thailand and Indonesia) to 5.9 billion euros, equivalent to a 5.7% decrease, mainly in Taiwan (380 million euros), due to the decrease in unit-linked business associated with regulatory changes, and China (254 million euros), mainly due to a drop in savings and annuities.

34/ Due to the 2% growth in premiums, coming to 51.4 billion euros. Both saw growth in the savings and pensions line (10%), in particular in Asia (28.7%), Italy (11.3%), and France (3.8%), and in the protection line (6.4%). The drop in premiums can be traced to the unit-linked insurance sector, which contracted by 13.1%, especially in France (-20.5%) and Italy (-16.3%).

35/ Zurich's Life business reported a record operating profit of 2.1 billion dollars, up by 39% year on year. This growth can be attributed to an increase in income across all sectors of activity and the execution of the group's strategy, focusing on protection and reduced capital savings. New business premiums in the Life line, valued in dollars, increased by 24%.

36/ At Talanx, the value of the new Life business grew significantly, especially in the bancassurance segment.

37/ Despite organic growth of 17% in individual annuities, and inorganic growth following the acquisition of AIG's protection business in the United Kingdom, worth 460 million pounds.

38/ Legal & General's growth was supported by premium underwriting of new PRT (Pension Risk Transfer) business worth 13.7 billion pounds in the UK, USA, and Canada, including a record 12 billion pounds in the UK. Legal & General agreed to a 4.8-billion-pound buyout of the Boots Pension Scheme, securing the benefits of 53,000 members of the scheme, making it the UK's largest single transaction by premium size and Legal & General's largest by number of members.

39/ Despite the fact that the gross premiums in the savings/retirement business amounted to 26.4 billion euros in 2023.

40/ A result of the fact that the value of new business increased to 515 million Swiss francs in 2023 (497 million Swiss francs in 2022). The new business margin increased to 4.0% (3.5% in 2022) due to the positive performance of interest rates and a better business volume and mix. Swiss Life International, which includes cross-border business for high net worth individuals, saw premium growth of 29% year on year to 1.7 billion Swiss francs.

41/ In relation to the Life business, premiums increased by around 760 million, driven by Life savings in Spain. The result reflects strong technical performance across all geographies, with robust financial income, especially in Latin America. The Life Protection combined ratio is particularly impressive (82.7%), improving by 0.4 percentage points during the year. This has led to growth in Life's technical-financial result of 12%.

42/ As a result, fundamentally, of the stronger performance of the British market compared to the German market. Furthermore, in Ergo Life (Germany), insurance income last year stood at 2.9 billion euros, which was down year on year (3.0 billion euros), mainly due to a drop in income from the release of the contractual service margin.

43/ Legal and General, despite making an adjusted operating profit of 1.7 billion pounds, recognized lower profits after tax and non-controlling interests due to specific one-off accounting effects.

44/ Bupa's growth can be attributed to its performance in United Kingdom Dental, which made progress with the first phases of its restructuring plan. For 2024, this is expected to be even greater on account of the investment in the Indian business, in the form of Niva Bupa.

45/ See: MAPFRE Economics (2023), *2022 Ranking of the Largest European Insurance Groups*, Madrid, Fundación MAPFRE.

46/ This is despite 2023 once again seeing an increase in the loss ratio due to the greater frequency of natural disasters. The investment result was influenced by the operating profit of 3.1 billion euros in the Asset Management segment.

47/ This figure can be attributed to the underlying income in Property & Casualty, which was up by 2.1 billion euros (73%), to 5.0 billion euros under IFRS 17 and IFRS 9, as well as the significant increase in income from investments (484 million euros) given the increase in reinvestment returns in fixed income assets. However, this was partially offset by an expected increase in the settlement of the discount of loss reserves (-184 million euros) given the increase in interest rates seen in 2022.

48/ The growth in Zurich's net result came to 4.4 billion euros, and the result attributable to the controlling company stood at 4.0 billion euros. This was mainly on account of the operating profit in the P&C business, which rose by 7% to 3.9 billion dollars, primarily driven by an increase in insurance income and an improved investment result. On the Life side, Zurich achieved a record operating profit of 2.1 billion dollars, up by 39% year on year.

49/ Generali performed well both in terms of operating and non-operating results. It is worth noting that the tax rate fell from 35% to 27.6% mainly due to the absence of certain non-deductible charges, recorded in 2022, and the increase in items such as the disposal of Generali Deutschland, recorded in 2023. In addition, the result attributable to non-controlling interests, although up in 2023, resulted in a lower rate of non-controlling interests, which stood at 9.1% (9.5% in 2022), mainly due to the results of Banca Generali and the Asian companies. These were penalized in 2022 by the performance of the financial markets, especially in investments at fair value with changes in profits.

50/ As a result of investment income increasing significantly due to the higher returns in fixed-income assets and improvements in operational efficiency, with a 1% drop in base controllable costs.

51/ Supported by 627 million euros of operating income, despite the high burden of climate-related claims (1.3 billion euros before reinsurance).

52/ Source: Swiss Re, at: <https://www.swissre.com/mexico/articulos-y-publicaciones/Catastrofes-naturales-e-inflacion-en-2022--una-tormenta-perfecta.html>

53/ This group (Allianz) indicates that, setting aside losses on natural disasters, its annual loss ratio improved by 0.7 pp, to 69.1%, mainly on account of a positive discount effect of 2.9%, a difference of 1.2 pp compared to the previous year, given the backdrop of high interest rates. However, this positive effect was partially offset by the higher inflation of claims, particularly in the retail business.

54/ R+V attributes the deterioration in its combined ratio to the El Niño phenomenon and climate change, in a year with the highest number of extreme weather events since records began.

55/ Unipol saw its combined ratio worsen due to exceptional weather phenomena related to the floods in Emilia-Romagna in May and wind and hailstorms in Northern Italy at the end of July.

56/ Axa's combined ratio can be attributed to the favorable performance of previous years' reserves, as well as the increase in the current year's discount, driven by higher interest rates. Other factors include the improvement in the loss ratio; this has been supported by the non-repetition of the impacts caused by

the war in Ukraine and reduction in claims due to natural disasters, especially in Axa XL Reinsurance, in the absence of Hurricane Ian and the reduction in exposure. In France, the lower loss ratio as a result in the reduction in storms was partially offset by the high number of catastrophes in the second half of the year in Europe and Asia, Africa, and EMEA-LATAM.

57/ Benefiting, in particular, from an increase in the discount of technical provisions, as well as an improvement in the traditional loss ratio and the previous years' performance.

58/ Acronym for Premium Allocation Approach.

59/ Acronyms for Building Block Approach and Premium Allocation Approach.

60/ The Covéa, Aema, and Sogecap Groups.

61/ Due to the local accounting reconciliation IFRS 4 premiums and IFRS 17 for insurance income from other segments 8.2 billion pounds (see page 357/372 of its annual report).

62/ Other Comprehensive Income.

63/ Under BBA, the CSM may fluctuate but never be negative. If the negative changes in discounted future cash flows are greater than the remaining CSM, the difference is immediately recognized in profit or loss (loss component).

64/ Under PAA, risk adjustment is maintained until claims are finalized.

65/ As a result, mutual insurance companies (such as Covéa and Aema), as they are not listed and are not required to report under this new regulation, have not been included in this report. Likewise, Sogecap has not been included in the total ranking, as it does not report insurance revenue under IFRS 17.

Other reports from MAPFRE Economics

MAPFRE Economics (2024), *Demographics: An Analysis of Their Impact on Insurance Activity*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2024), *Risk Environment 2024–2026: Classification and Analysis*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2024), *Insurance Solvency Regulation Systems Outlook*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2024), *2024 Economic and Industry Outlook*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *MAPFRE GIP 2023*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *The Latin American Insurance Market in 2022*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *The Spanish Insurance Market in 2022*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *2022 Ranking of Insurance Groups in Latin America*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *Real Estate Markets and the Insurance Sector*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2023), *Global Savings and Insurance Industry Investments*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2022), *COVID-19: A Preliminary Analysis of Demographic and Insurance Industry Impacts*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2021), *A Global Perspective on Pension Systems*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2020), *Elements for the Development of Life Insurance*, Madrid, Fundación MAPFRE.

MAPFRE Economic Research (2019), *Population Aging*, Madrid, Fundación MAPFRE.

MAPFRE Economic Research (2018), *Global Insurance Potential Index*, Madrid, Fundación MAPFRE.

MAPFRE Economic Research (2018), *Health Systems: A Global Analysis*, Madrid, Fundación MAPFRE.

DISCLAIMER

This document has been prepared by MAPFRE Economics for information purposes only. It does not reflect the views or opinions of MAPFRE or Fundación MAPFRE. The document presents and compiles data, views, and estimates relative to the time at which it was prepared. These were prepared directly by MAPFRE Economics or otherwise obtained from or prepared using sources considered reliable, but which have not been independently verified by MAPFRE Economics. Therefore, MAPFRE and Fundación MAPFRE specifically refuse all liability with respect to its precision, integrity, or correctness.

The estimates contained in this document have been prepared on the basis of widely accepted methodologies and should be treated as forecasts or projections only, given that the results obtained from positive or negative historical data cannot be considered as a guarantee of future performance. Equally, this document and its contents are subject to changes that will depend on variables such as the economic outlook or market performance. MAPFRE and Fundación MAPFRE therefore refuse all liability with respect to how up to date or relevant these contents may be, or with respect to providing any related notices.

This document and its contents do not constitute any form of offer, invitation, or solicitation to purchase, participate, or divest in financial assets or instruments. This document and its contents cannot form part of any contract, commitment, or decision of any type. With regard to the investment in financial assets connected with the economic variables analyzed in this document, readers of this study must be aware that under no circumstances should they base their investment decisions on the information given in this document. People or companies offering investment products to potential investors are legally bound to provide the necessary information by which to make a suitable investment decision. For all of the foregoing, MAPFRE and Fundación MAPFRE specifically refuse all liability for any direct or indirect harm, loss, or damage that may ensue from the use of this document or its contents for these purposes.

The contents of this document are protected by intellectual property laws. The information contained in this study may be reproduced in part, provided the source is cited.

Fundación
MAPFRE

www.fundacionmapfre.org

Paseo de Recoletos, 23
28004 Madrid

Fundación **MAPFRE**

www.fundacionmapfre.org

Paseo de Recoletos, 23
28004 Madrid