# Annual Report and Financial Statements

# Chubb European Group SE

31 December 2022

La Tour Carpe Diem
31 Place des Corolles, Esplanade Nord
92400 Courbevoie
France

COMPANY REGISTRATION NUMBER: 450 327 374 RCS Nanterre

*Reflections on 2022*

I am pleased to report yet another set of strong results for Chubb European Group SE ("CEG") for the year ended 31 December 2022. Despite the volatility and uncertainty that characterised the year, we were once again able to grow our business, successfully executing our strategies against a backdrop of generally favourable market conditions, and report a healthy underwriting profit.

Despite January seeing a return to relative normality post-pandemic with the majority of domestic COVID-19 restrictions lifted, only a few weeks later Russia launched an invasion of Ukraine that triggered an ongoing humanitarian crisis, with millions of people displaced from their homes, with the war continuing to take a heavy toll on human and economic life. The response to Russia's aggression was swift, resulting in widespread sanctions, divestment and cessation of business activities, with the subsequent disruptions in trade and food and fuel price shocks having a global impact and contributing to the highest levels of inflation seen for decades. The cost-of-living crisis, tightening financial conditions and the lingering effects of the COVID-19 pandemic also continued to impact economic prosperity. However, the global economy is expected to show growth of circa 3% in 2022, with further growth forecast for 2023 and beyond.

Insurance is a key factor in the development of every modern economy. It helps to drive economic growth by providing clients with the financial stability, through payment of claims and risk mitigation services, to expand their businesses. It provides innovators with the security to take the risks needed to facilitate change and support technological advancements. It also plays a role in the wider community through its standing as an employer and in its contributions to society, through the payment of taxes, charitable activities and by supporting the drive towards a more diverse, equitable and inclusive society.

Insurance demand has increased in line with a heightened awareness post-pandemic of the value of risk protection. Clients recognise CEG's qualities, brand and reputation, and our ability to deliver superior service at all times, and our business has grown as a result. We have also embraced digital technologies and analytics to better understand risks and develop innovative insurance solutions to meet our clients' ever changing needs.

Service is key to our success. We recognise the increasing demands and expectations of our brokers and clients and are continuously working to improve our service proposition across the business.

In 2021 we identified a need to streamline the renewal process for Middle Market and Small Commercial business, particularly in Continental Europe, to enable us to standardise wordings, increase the proportion of online polices written and centralise the support of these segments all while continue to excel in customer service. In Q1 2022 we launched our new, multi-lingual Underwriting Centre ("UWC") in Madrid, part of the wider 'Madrid hub' which brings together underwriting, operations and claims capabilities into a single centre of excellence. The UWC grew in scale throughout the year and now manages a variety of Middle Market and Small Commercial renewals for offline policies, supports online new business & renewals for policies for Spain, Italy, France, Netherlands and Germany. The Madrid centre processed around 45,000 Middle Market and Small Commercial policies during 2022, and its creation has also allowed in-country field underwriters to increase their focus on sales activities, new business and more complex renewals.

Consumer Lines is another growth area for CEG and provides balance to the traditionally more volatile wholesale and retail P&C business. In August 2022 we created a new Consumer Lines segment which brings together our capabilities across Specialty Personal Lines, Consumer Accident & Health and Leisure Travel to help us engage more effectively with our distribution partners. With a focus on developing strategic partnerships, this model enables us to deliver a truly customer-focused, multi-product, multi-channel proposition which draws together the collective strengths and quality of our products and our people, underpinned and supported by our direct marketing and digital capabilities.

*Financial Performance*

CEG underwrote €6,014 million of gross written premiums in the year, an increase of 10.1% from the €5,463 million recorded at year end 2021. Growth was primarily driven by the sustained improvement in market conditions and strong execution of our underwriting strategies, service capabilities and distribution initiatives. Net written premiums for the year increased by 10.3%, rising to €3,561 million from €3,229 million the previous year.

The company reported underwriting profits of €578.0 million and an associated combined ratio of 83.4% and benefited from prior period reserve releases of €218.1 million. Net catastrophe related losses amounted to €51.8 million, primarily relating to Hurricane Ian, and well within the company's risk tolerances and expectations.

Net investment returns were €267.8 million and contributed to a pre-tax profit for the company of €907.5 million.

*Looking Ahead*

We are facing increased headwinds as we enter 2023. The geopolitical landscape remains uncertain, inflation is in double digits, and the cost-of-living crisis is having widespread consequences. From an underwriting perspective there is increased risk of significant natural catastrophe losses as a result of climate change and we are seeing a tougher reinsurance purchasing environment, particularly in the wholesale market, as reinsurance carriers adjust their post-loss pricing and seek to improve their margins. There is no doubt that competitive pressures are returning to the market with increasing competition and over capacity leading to softening in some lines. For Chubb, rate adequacy and underwriting discipline have always been at the core of our business strategy and we remain confident in our ability to profitably grow our business at all stages of the underwriting cycle. We will continue to focus on distribution, driving growth through the execution of tailored distribution plans, and on the expansion of our underwriting proposition and product suite. We will grow our digital portfolio through the continued deployment of technology to improve clients' online journeys and enhance the functionality of our E-trade platforms. And we will continue to differentiate ourselves from others by our clearly articulated underwriting appetites, risk selection and portfolio management, our claims servicing standards and adherence to compliance and conduct governance practices.

*And finally…*

I would like to take the opportunity to thank everyone across the organisation for their hard work this year. Chubb has a very strong culture, part of which comes from being together, exchanging ideas and developing networks and relationships. We acknowledge that the ability to meet brokers and clients face-to-face is a key element of conducting insurance business and we believe we have successfully integrated our work from office culture with a more flexible style of working that supports the work/life balance of our employees.

I would also like to thank our broker partners for their continued support. Our strong relationships have enabled us to align growth initiatives with specific underwriting strategies to build additional revenue and I look forward to increasing our engagement with the major, national and independent broker communities even further in the year ahead.

I am excited about 2023. We have a growing, profitable business and are in an excellent position to build on the successes of 2022 and deliver on our objectives for the year ahead.

**Sara Mitchell**

Managing Director

30 March 2022

## *Significant Business Events*

### *Brexit*

CEG was initially incorporated in the UK. On 1 January 2019 CEG successfully redomiciled from the UK to France as part of its Brexit preparations. CEG has its headquarters in Paris, France, with branch offices in the UK and across Europe, and holds cross-border permissions throughout the European Economic Area ("EEA"). CEG operates under the supervision of the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"). The Company can be found in the ACPR's published register of insurers and has its registered offices at La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France, company number 450 327 374 RCS Nanterre. The UK branch of the Company was authorised by the Prudential Regulation Authority (PRA) under Part 4A of the UK Financial Services and Markets Act 2000 with effect from 16 November 2022. It is based at 100 Leadenhall Street, London EC3A 3BP.

### *Russia / Ukraine Conflict*

On 24 February 2022 Russia invaded Ukraine. The invasion has been met with Ukrainian resistance and has created significant geopolitical instability between the USA, UK, Europe and Russia. The USA, UK and Europe have implemented a significant number of economic and political sanctions on Russian individuals, corporations and the wider Russian financial system. However the company remains in a strong position to respond to the impacts of the conflict. CEG will continue to monitor the situation and provide updates to stakeholders as and when required.

## *Business Overview*

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

Chubb is defined by its extensive product and service offerings, broad distribution capabilities, direct-to-consumer platform partnerships, exceptional financial strength and local operations globally. The company serves multinational corporations, mid-size and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, homeowners, automobile and specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb assesses, assumes and manages risk with insight and discipline. It services and pays claims fairly and promptly and offers an array of services designed to help clients minimise the chances of a loss and make sure they are prepared and protected. Chubb aims to create sustainability for clients and shareholders by focusing on disciplined risk selection, pricing, and terms and conditions that appropriately reflect the transfer of risk. Chubb's core operating insurance companies maintain financial strength ratings of "AA" from Standard & Poor's and "A++" from A.M. Best.

CEG is one of Europe's leading commercial insurance and reinsurance companies and operates a successful underwriting business throughout the UK, Ireland and Continental Europe. It is a major contributor to Chubb, generating approximately 13.5% of the group's overall net written premium in 2021.

CEG is headquartered in Paris with branch offices in the UK and across Europe. . It is authorised and regulated by the French Prudential Supervision and Resolution Authority. CEG holds cross-border permissions throughout the European Economic Area and operates under the supervision of the ACPR. In the UK, CEG is authorised by the Prudential Regulation Authority, and subject to limited regulation. CEG is also a 'white listed' surplus lines insurance and reinsurance company in the United States, entitling it to write surplus lines in all US states and US territories. Business is accessed by a variety of distribution channels and the company has strong relationships with the broker community, its corporate partners and direct markets.

The company offers its clients a broad range of insurance and risk solutions encompassing property & casualty ("P&C"), accident & health ("A&H") and personal lines classes, with policies primarily written under the names "Chubb Europe", "Chubb Global Markets" and "Chubb Tempest Re", which capitalise on the distinctiveness and strength of the Chubb brand and acknowledge the company's strong insurance platforms, reputation, skill sets, financial strength ratings and consistent management philosophy.

The P&C operations provide client-focused insurance solutions and risk management and engineering services for a range of UK and European multinational, large, mid-sized and small commercial clients, with products encompassing property, primary and excess casualty, financial lines, cyber, surety, marine cargo, environmental and construction related risks.

The A&H division underwrites a range of A&H and travel related products, providing benefits and services to individuals, employee groups and affinity groups throughout Europe. In some cases these products are packaged under other brands or form part of another service provider's products. A range of personal accident and sickness insurance products including short-term disability, critical condition and hospitalisation/recovery are also offered across a number of European countries.

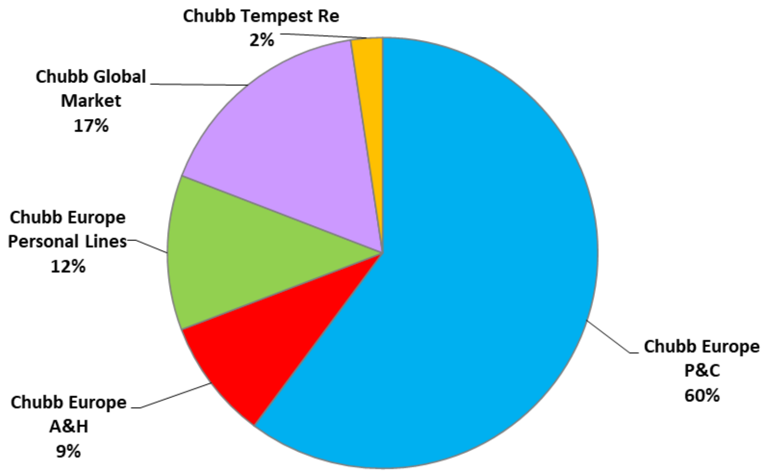
Personal Lines includes Specialty Personal Lines ("SPL") which provides innovative insurance solutions and industry- leading claims capabilities for Affinity partnerships, including Mobile Network Operators and Opticians in order to provide their customers with protection for their mobile devices, glasses and hearing aids. Chubb also offers insurance cover, primarily motor and home and contents insurance including jewellery and fine art collections, for successful individuals and families within its Personal Risk Services ("PRS") division.

Chubb Global Markets ("CGM") is the group's specialty international underwriting business. Its parallel distribution capabilities mean that underwriting products may be offered through both CEG and Lloyd's Syndicate 2488, managed by Chubb Underwriting Agencies Limited. CGM's product range includes tailored solutions for aviation, energy, financial lines, marine, property, political risks and excess & surplus lines insurance risks.

With underwriting operations located in London and Zurich, Chubb Tempest Re International ("CTRe") writes traditional and non-traditional aviation, casualty, marine and property treaty reinsurance worldwide. Products are offered through CEG and various overseas Chubb group legal entities.

CEG benefits from comprehensive and fully integrated support functions encompassing claims, finance and actuarial, risk management, legal and compliance, human resources, operations and IT. Some of the support functions are outsourced to specialist third party service providers and some of their services are performed outside of the UK.

The split of 2022 gross written premiums by business unit is illustrated below:




The split of 2022 gross written premiums and net written premiums by the main countries is illustrated below:

| Country | 2022 GWP EUR '000 | 2022 NWP EUR '000 | 2021 GWP EUR '000 | 2021 NWP EUR '000 |
|---|---|---|---|---|
| UK | 2 995 096 | 1 850 012 | 2 726 228 | 1 649 723 |
| France | 833 809 | 469 785 | 712 589 | 419 142 |
| Germany | 433 255 | 219 138 | 413 983 | 209 609 |
| Italy | 339 933 | 239 604 | 350 742 | 197 448 |
| Netherlands | 333 939 | 197 425 | 284 258 | 182 911 |
| Spain | 297 355 | 178 586 | 294 307 | 200 161 |
| Ireland | 204 381 | 89 576 | 179 326 | 82 347 |
| Turkey | 94 337 | 44 515 | 87 966 | 47 100 |
| Sweden | 79 058 | 38 218 | 66 652 | 34 999 |
| Other | 403 078 | 233 810 | 347 346 | 205 491 |
| Total | **6 014 239** | **3 560 670** | **5 463 397** | **3 228 931** |

## *Presentation of Financial Statements*

The annual accounts are prepared and presented in accordance with the following provisions:

- The Insurance Code, amended by Decree No 2015-513 of 7 May 2015 implementing Ordinance No 2015-378 of 2 April 2015 transposing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of insurance and reinsurance activities (solvency II).
- ANC Regulation No. 2015-11 of 26 November 2015 on the annual accounts of insurance undertakings and transactions of a specific nature.
- ANC Regulation No. 2014-03 of 5 June 2014 on the general chart of accounts, amended by Regulation 2015-06 of 23 November 2015 on assets and notes, in the absence of specific provisions provided for in ANC Regulation No. 2015-11 of 26 November 2015.

## *Results & Performance*

2022 produced a pre-tax operating profit of 859,0 million euro and a combined ratio of 81.2%. A summary of the reported financial results is shown in the following table.

| **€ million** | **2022** | **2021** |
|---|---|---|
| Gross premiums written | 6 014,2 | 5 463,3 |
| Net premiums written | 3 560,6 | 3 229,4 |
| Net premiums earned | 3 463,3 | 3 089,0 |
| Incurred losses | 1 636,0 | 1 415,9 |
| Operating expenses | 1 252,8 | 1 093,4 |
| **Technical profit** | **783,3** | **761,1** |
| Investment return | 124,2 | 107,8 |
| Net other income / (charges) | 0,0 | 0,0 |
| **Net pre-tax profit** | **907,5** | **868,9** |
| Combined ratio % | 83,4% | 81,2% |

The Board of Directors proposes to the general meeting of shareholders to allocate the post tax profit of 685,2 M€ for the financial year ending 31 December 2022 to the "Other reserves" account.

In accordance with the law, it is recalled that the following dividends were distributed during the three previous financial years :

| | |
|---|---|
| 2020 | Nil |
| 2021 | € 700 million |
| 2022 | € 450 million |

It is proposed to pay a dividend of €410 million from the Other Reserves to shareholders €0.457 per share.

**Financial results of the company over the last few years**

| **I - Financial position at year-end** | **2022** | **2021** | **2020** | **2019** |
|---|---|---|---|---|
| Share capital (in euros) | 896 176 662 | 896 176 662 | 896 176 662 | 896 176 662 |
| Number of existing ordinary shares | 896 176 662 | 896 176 662 | 896 176 662 | 896 176 662 |
| **II - Result of actual operations (in thousands of euros)** | | | | |
| Turnover excluding tax (net reinsurance) | 3 560 670 | 3 228 930 | 2 723 807 | 2 476 633 |
| Pre-tax technical result | 783 320 | 761 092 | 329 615 | 308 125 |
| Pre-tax income (loss) | 907 558 | 868 912 | 117 681 | 495 434 |
| Income Taxes | -222 376 | -212 093 | 54 856 | 144 120 |
| Profit after tax | 685 182 | 656 818 | 62 825 | 351 314 |
| Distributed result | 0 | 0 | 0 | 0 |
| **III - Earnings per share** | | | | |
| Profit after tax (in thousands of euros) | 685 182 | 656 818 | 62 825 | 351 314 |
| Dividend allocated to each share (in euros) | 0,457 | 0,502 | 7,811 | 0,000 |
| **IV - Staff** | | | | |
| Average number of employees | 3 805 | 3 604 | 3 586 | 1 506 |
| Payroll (in thousands of euros) | 285 391 | 270 972 | 263 902 | 147 100 |
| Employee benefits (in thousands of euros) | 122 821 | 110 962 | 101 555 | 62 868 |

### *Underwriting Strategy*

CEG has market-leading risk expertise, a disciplined approach to underwriting and is fully committed to meeting the insurance needs of its clients. The company seeks to pursue profitable growth through enhanced underwriting performance, product innovation, distribution and service, and its continuing relevance to customers and brokers. CEG is distinguished by its regional branch presence which provides brokers and customers with fast access to CEG's decision makers whilst ensuring compliance with local regulatory and tax requirements.

The company strives to offer superior service levels in all aspects of its operations, from policy processing to engineering risk management and claims handling. CEG continues to invest in technology to improve its operational efficiency, underwriter support and broker interfaces. The company is committed to protecting and preserving its capital and operates a conservative investment strategy, maintaining focus on cash flow management and liquidity to secure its long-term position in the insurance market.

### *Rating Environment*

In general, insurance pricing remained strong throughout 2022, although the magnitude of rate increases reduced as the year progressed, and pockets of softening are now beginning to be seen in some lines.

CEG's wholesale business experienced premium rate increases across a range of business classes in 2022. The average rate movement for renewal business written through CEG-CGM was circa 3%, with high single/low double digit increases in Property, Financial Lines and Marine classes partly offset by reductions in the Aviation portfolio, particularly towards the end of the year.

The retail P&C market also saw pricing improvements across the region, with an overall average rate increase on renewals of circa 9%. Price movements in Continental Europe were slightly higher than in UKI. All core lines experienced positive movements with the largest increases seen in Financial Lines and Tech Lines.

### *Growth & Profitability Drivers*

CEG underwrites UK, Continental Europe, US and international business which is principally transacted in euro, sterling and US dollars. For accounting purposes and within this report, the operating results of the business are presented in euro.

CEG's 2022 gross written premiums of €6,014.2 million were over 10% above the €5,463.3 million recorded at year end 2021, driven primarily by growth in the CGM wholesale business and the P&C retail portfolios, reflecting positive rate, strong business retention and increased volumes of new business as clients continued to acknowledge Chubb's superior distribution, product offerings and service capabilities. CEG's A&H portfolio achieved meaningful growth driven by a post-pandemic bounce-back in Travel and new business and higher exposures within the Corporate A&H line. Personal Lines premiums were relatively flat as growth in PRS was effectively offset by lower SPL production volumes due to device shortages and lower sales.

CEG purchases reinsurance to mitigate the impact of major events and an undue frequency of smaller losses. A number of the reinsurance programmes operated by CEG during 2022 were with a Chubb company, Chubb Tempest Reinsurance Ltd. CEG also has the benefit, particularly for US and worldwide catastrophe exposures, of reinsurance programmes shared with other Chubb entities, including Syndicate 2488 at Lloyd's. These arrangements result in an increase in the reinsurance purchasing power of Chubb, which ultimately benefits all subsidiaries, including CEG. There were no significant changes to the company's reinsurance purchasing strategy in 2022.

CEG's exposure to large losses is managed by adherence to clear risk management and underwriting guidelines and the use of reinsurance protection and sophisticated modelling and analysis. Profitability was adversely impacted by catastrophe losses of € 51.8 million net of reinsurance recoveries however these were more than offset by prior period reserve releases of € 218.1 million, primarily within retail P&C. The 2022 current accident year loss ratio, excluding catastrophe losses and prior period development, was 52.0% (2021: 46.3%) demonstrating the quality of CEG's underlying business.

## ***Investment Report***

### *Investment Strategy*

CEG operates a conservative investment strategy by establishing highly liquid, diversified, high quality portfolios managed by expert external managers. Detailed Chubb group investment guidelines are established for each managed portfolio including Chubb customised benchmarks against which the manager performance is measured.

CEG maintains five active investment grade fixed income portfolios, the core currencies of which are sterling, euro and US dollars. Further passive portfolios are maintained in Switzerland and Turkey to meet local solvency requirements. CEG also allocates a limited proportion of funds available for investment to alternative strategies. These alternative strategies include high-yield bonds, syndicated bank loans and private equity loans. The Global equities portfolio was liquidated in September 2022.

At year end 2022 funds allocated to alternative strategies made up 21% of CEG's investment portfolios, falling within the established limits. The majority of CEG's investments continue to be allocated to high quality, diversified, actively managed portfolios with exposure to a broad range of sectors.

The approximate currency split of CEG's investment portfolios is sterling 26%, euro 34% and US dollars 39%. Other currency investments comprise approximately 1% of the total.

*Financial Markets Review*

At the start of 2022, most assets experienced elevated volatility as Russia's invasion of Ukraine and the subsequent imposition of financial sanctions added stress to already fragile global supply chains and raised concerns over commodity supplies. During the first quarter, commodity prices soared and this amplified concerns around the existing inflationary environment. Developed market central banks reacted by signalling the potential need for increased interest rates and the Federal Reserve (Fed) raised its policy rate by 0.25% and indicated a more aggressive path for future rate increases.

Assets remained challenged throughout the second and third quarters, with both equities and bonds moving significantly lower. The recurring themes of heightened inflation, geopolitical tension and fear of recession were the main contributors to market turbulence. Additionally, weakening economic data and growing probability of recessions weighed on sentiment as investors suffered losses in the majority of asset classes. The US dollar strengthened prompting elevated global currency market volatility, which was particularly evident in the UK where plans for fiscal easing were expected to be implemented. Additionally, credit spread widening impacted riskier segments of the markets such as high yield and emerging markets. Developed market central banks continued to set their sights on combating increasing inflation and this culminated in significant increases in base rates in the developed world.

In the fourth quarter of 2022, easing developed market inflation expectations prompted optimism for less aggressive central bank activity and contributed to gains in most asset classes over the quarter. Inflation data broadly cooled, spurring equity and bond market rallies for much of the quarter. However, the global growth outlook continued to be challenging and sentiment waned in December as global central banks reaffirmed the need for further rate increases.

2022 was a historically bad year for financial markets as a result of an array of issues. The spill over of energy price shocks, supply chain disruptions and geopolitics saw the return of high inflation to most of the western world, and with it, a significant increase in Central Bank base rates. The Bank of England increased rates by 3.25% to 3.5% and the Fed increased US rates by 4.25% to 4.5%. In Europe, the ECB ended their negative interest rate policy increasing the deposit rate by 2.50% to 2%.

*Investment Performance*

Investment grade fixed income returns were negative in 2022 as both sovereign and corporate yields rose. Returns for alternative assets including private loans and bank loans produced good returns in the year. However, other alternatives including high yield bonds and equities (CEG's Global equities portfolio was liquidated in September 2022) produced negative returns for the year.

Overall CEG generated a negative total return of -10.3% in 2022 on balances available for investment. For investment grade portfolios, performance varied by individual manager, ranging from -13.9% to -13.6% for Euros, -11.8% to -9.1% for sterling and -10.3 for the US dollar investment grade portfolio in the year.

CEG's alternative investment assets which constitute around 21% of the total portfolio produced mixed results. The allocation to private loans and private equity holdings generated positive total returns of EUR 8.5% and GBP 7.7% and the bank loans portfolio produced a total return of 0.6%. CEG established a new US dollar upper tier high yield bond portfolio in May 2022 which generated a return of -2.5% in the remainder of 2022. The existing high yield portfolio generated a return of -9.2% for the full year. CEG's global equity portfolio was liquidated in September 2022 and generated a return of -8.9% to September 2022.

*Financial Position*

*Capital*

CEG maintains an efficient capital structure consistent with the company's risk profile that duly considers the regulatory and market environment relevant to its business operations.

The company assesses its own capital needs on a detailed risk measurement basis, for the purpose of maintaining financial strength and capital adequacy, sufficient to support business objectives and meet the requirements of policyholders, regulators and rating agencies whilst retaining financial flexibility by ensuring liquidity.

CEG assesses its risk profile and own capital requirements using an internal model which has been developed to meet Solvency II requirements. The internal model is supported by a robust validation and governance framework which ensures its ongoing appropriateness and is refined to reflect CEG's experience, changes in the risk profile and advances in modelling methodologies. From 2021 onwards, CEG has approval from the regulator to use its internal model to set its regulatory Solvency Capital Requirement.

As at 31 December 2022, the company had an internal model Solvency Capital Requirement of € 1,587 million and eligible own funds capital resources measured by Solvency II of € 2.801 million. The company's regulatory solvency ratio was therefore 177%.

*Ratings*

CEG holds financial strength ratings of "A++" from A.M. Best and "AA" from Standard & Poor's ("S&P"). Both ratings have a stable outlook.

*Compliance*

Compliance with regulation, legal and ethical standards is a high priority for Chubb and CEG, and the compliance function has an important oversight role in this regard. Annual affirmation of the Chubb Code of Conduct is required of all employees and directors.

As a material subsidiary of Chubb Limited, a US listed company, the financial control environment in which the US GAAP financial statements are derived is subject to the requirements of US Sarbanes-Oxley legislation. CEG has formalised documentation and tested controls to enable Chubb Limited to fulfil the requirements of the legislation.

CEG is also committed to fulfilling its other compliance-related duties, including its observance of customer-focused policies, in line with regulatory principles, and it uses various metrics to assess its performance.

The company utilises a skilled and specialist workforce to manage its regulatory and compliance responsibilities and aims to operate to a high standard. CEG recognises and values its relationships with regulators in each of its jurisdictions and engages in open dialogue and communication to address and resolve any issues.

*Post Closing Events*

There has been no material post closure event that require adjustment or disclosure in the Financial Statement. This includes consideration of recent events in the banking sector.

**Invoices received and issued not settled at the closing date of the financial year whose term has expired**

(Table provided for in I of article D. 441-4)

In accordance with the FFA circular of 22 May 2017, the supplier deadlines presented below do not include transactions related to insurance and reinsurance contracts.

| | **Invoices received but not paid at the balance sheet closure date of the financial year for which the term is overdue** | | | | | |
|---|---|---|---|---|---|---|
| **(A) Late payment instalments** | | | | | | |
| | 0 Day | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 day and more) |
| Number of invoices concerned | None | | | | | None |
| Total amount of the invoices concerned inclusive of tax | | | | | | |
| Percentage of total purchases for the year | | | | | | |
| **(B) Invoices excluded from(A) relating to disputed or unrecorded payables and receivables** | | | | | | |
| Number of excluded invoices | 0 | | | | | |
| Total amount of excluded invoices incl. VAT | 0 | | | | | |
| **(C ) Reference payment periods used (contractual or statutory)** | | | | | | |
| Payment periods used for the calculation of late payments | No late calculation, Invoices paid in cash | | | | | |

| | **Invoices issued and outstanding at the balance sheet date of the financial year for which the term is overdue** | | | | | |
|---|---|---|---|---|---|---|
| **(A) Late payment instalments** | | | | | | |
| | 0 Day | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 day and more) |
| Number of invoices concerned | None | | | | | None |
| Total amount of the invoices concerned inclusive of tax | | | | | | |
| Percentage of turnover for the financial year (including tax) | | | | | | |
| **(B) Invoices excluded from(A) relating to disputed or unrecorded payables and receivables** | | | | | | |
| Number of excluded invoices | 0 | | | | | |
| Total amount of excluded invoices incl. VAT | 0 | | | | | |
| **(C ) Reference payment periods used (contractual or statutory)** | | | | | | |
| Payment periods used for the calculation of late payments | Legal deadlines under the conditions of Article L 441-6 | | | | | |

Pursuant to the provisions of Article L 225-37 of the French Commercial Code, the Board of Directors presents its report on corporate governance in this section.

*Governance*

Chubb European Group SE (CEG) has a documented corporate governance framework, the purpose of which is to exercise oversight and control over the management of the business.

CEG operates under the supervision of the ACPR and in accordance with French Law.

The Board meets on a quarterly basis and additionally for specific purposes to discharge its responsibilities. In 2022 the Board met eight times. The matters reserved for the Board are to determine the strategy for the business and oversee its implementation, keep the interests of key stakeholders under review, and maintain sound governance via oversight of robust management structures, including strategic, risk and controls monitoring.

Membership of the Board is kept under review to ensure that the composition and available expertise remains relevant to the current needs of the company. As at 31 December 2022 the Board comprised of six non-executive directors including Lord Turner as the independent Chair and three executive directors. There were no changes to the Board in 2022. The day-to-day operations of the company are under the management of the Managing Director and any Deputy Managing Directors that may be appointed; these are authorised by the Board, in accordance with the French Commercial Code to represent the company in all its dealings with third parties. Under the French requirements there must be at least one Deputy Managing Director, however it is not necessary for them to also be a member of the Board. Sara Mitchell was Managing Director throughout 2022 and there are currently two Deputy Managing Directors, Veronique Brionne and Mark Roberts, and both are members of the Board.

Key non-routine Board activity during the year included, i) the development and impact of the Russian/Ukraine conflict, ii) recommendation of dividend payments to the shareholders and convening of general meetings in May 2022, iii) the process leading up to approval of the Company's UK Branch application by the UK regulators and the actions required to comply with the requirements as a Third Country Branch, iv)the delegation of authority to the Managing Director to grant Deferred Consideration Guarantees pursuant to Article L.224-35 paragraph 4 of the French Commercial Code in relation to the Surety business undertaken by the company and v) the actions to address the findings from the ACPR's Cyber Insurance Portfolio and mobile phone reviews. It also agreed changes to the company's internal model documentation, board policies and frameworks, risk appetite statements and to agreements relating to customer service outsourcing, changes to the London registered office and to legacy pension schemes. The Company's Turkey Branch made a distribution of profit during 2022 to the Company. The Board completed its annual governance review, confirming that the arrangements remained appropriate.

The Board received regular reports on the status of business results, business and function plans, resourcing, developments in the risk and regulatory environments, on consumer conduct, regulatory compliance, underwriting controls, actuarial and solvency matters. One meeting each year is dedicated to the company's business strategy. In addition the Board conducted deep dives on Environmental, Social and Governance ("ESG") matters, cyber and technology practices and Operational Resilience.

As an SE the company is required to hold general meetings for its shareholders and during 2022 an ordinary general meeting was held on 30 May 2022. The shareholders resolved to approve the 2021 annual accounts and regulated agreements and distribution of a dividend. Elected representatives of the French Works Council were invited to attend all board and shareholder meetings during 2022.The Board received regular reports on the status of business results, business and function plans, resourcing, developments in the risk and regulatory environments, on consumer conduct, regulatory compliance, underwriting controls, actuarial and solvency matters. One meeting each year is dedicated to the company's business strategy. In addition the Board conducted deep dives into the Company's ceded reinsurance and Chubb's cyber product offering and its cyber and technology practices.

The Board has delegated a number of matters to committees.

The **Audit & Risk Committee** (the "Committee") is composed of Non-Executive Directors and its responsibilities are included in the Internal Regulations of the company. The Committee met six times during 2022.

The Committee, considered and made recommendations to the Board on areas including validation of solvency calculations, internal controls, financial reporting, whistleblowing, actuarial matters and the external audit. In addition it oversaw and advised the Board on emerging risk exposures, including inflation and interest rate risk, resourcing pressures and the implementation plan to meet the Financial Services Authority's new Consumer Duty requirements. It reviewed updates to the risk management framework and on solvency and capital matters. It also ensured that business risks and controls were recorded and monitored.

The Committee received reports from the compliance, conduct, risk management, actuarial and finance functions and internal audit on a quarterly basis. Other regular reporting included updates on the company's Own Risk & Solvency Assessment metrics, which helps to provide an independent overview of management's assessment of risk.

In relation to the external audit process, the Committee monitored the nature and scope of work in the audit of the statutory financial statements and other external reporting requirements. The Committee received regular reports from the external auditor and the Chair of the Committee and Chair of the Board met regularly with the external auditor without management being present.

In the case of the internal audit function, the Committee's role involved agreeing and monitoring, in conjunction with the group audit function, the nature and scope of work to be carried out by the internal audit team and the availability of sufficient resources. The Committee received regular reports from internal audit and the Chair of the Committee and Chair of the Board met regularly with the Head of Internal Audit without management being present.

In addition the independent non-executive directors met with the Chief Risk Officer without management being present.

The Committee's role is aimed at providing assurance to the Board and Chubb group management that the internal control systems, agreed by management as being appropriate for the prudent management of the business, were operating as designed. At all times the Committee is expected to challenge any aspect of these processes which it considers weak or poor practice.

During 2022 the Committee in particular reviewed (i) the impact on reserving of the Russia/Ukraine conflict and of rising inflation and interest rates, (ii) the UK branch regulatory application and Company's contingency plan to mitigate the size of the UK Branch and the proximity of its liabilities to the UK's Financial Services Compensation Scheme limit, (iii) the impact of climate change and the new Taxonomy disclosure requirements, and (iv) adherence with the new Appointed Representative, Operational Resilience and Consumer Duty requirements. The underwriting risk committee ("URC") was established during 2022 to replace the underwriting controls & product oversight committee, providing a greater focus on underwriting strategy. The URC reports on a quarterly basis to the Audit & Risk Committee. The data governance steering committee also reports to the Audit & Risk Committee.

The company's **Management Committee** oversees the day-to-day management of business operations and performance and assists the Managing Director and Deputy Managing Director in overseeing operational strategies and decisions determined by the Board. The purpose of this committee is to assist the Managing Director in the performance of her/his duties in respect of the monitoring of delegated authorities. During 2022 it met quarterly on a formal basis, in additional to regular informal meetings. The Management Committee is also responsible for the oversight of support function activities, branch networks, key steering groups and sub-committees including finance, capital & credit; reserve; investment; internal model steering and IT steering. During 2022 the third party conduct committee and delegated authority review committee also reported into the Management Committee. It received reporting from the business lines and function and from the sub-committees.

The Company's UK Branch Management Group is a committee dedicated to oversight of the UK Branch and has two sub-committees that report into it, UKI product oversight and operational resilience steering. Formal UK Branch meetings are held quarterly and information meetings are held regularly. There is also a Turkish Branch forum, a Turkish Branch audit & risk committee and the Italian Management Oversight Committee. The membership and responsibilities of each are detailed in their terms of reference.

CEG has a **Routine Board Committee** which met on an ad hoc basis between formal Board meetings to consider authorisation of business issues of an administrative or routine nature where documentation of approval is required in between quarterly Board and Committee meetings. Its activities are reported at the subsequent quarterly Board meeting.

*List of management, executive, administrative or supervisory functions performed by the corporate officers during the financial year 2021*

| Name of Director | Name of other Organisation | Role | Country of Incorporation |
|---|---|---|---|
| **Jonathan Adair Turner** | ChubbLife Europe SE | Chairman & Director | France |
| | Chubb Underwriting Agencies Limited | Chairman & Director | United Kingdom |
| | Energy Transition Commission | Chair of Energy Transitions Commission | United Kingdom |
| | House of Lords | Crossbench Member | United Kingdom |
| | Institute for New Economic Thinking | Senior Fellow | USA |
| | OakNorth Bank Limited | Adviser to the CEO | United Kingdom |
| | Envision | Board Advisor | United Kingdom |
| | Envision AESC | Board Member for Japan subsidiary | United Kingdom |
| **Veronique Brionne** | ChubbLife Europe SE | Director | France |
| | AGIPI | Board Member | France |
| **Miriam Connole** | ChubbLife Europe SE | Board Member | France |
| | Chubb International Investments Limited | Director | United Kingdom |
| | Chubb Underwriting Agencies Limited | Board Member | United Kingdom |
| **David Furby** | ChubbLife Europe SE | Director | France |
| | Chubb European Holdings Limited | Director | United Kingdom |
| | Chubb Services UK Limited | Director | United Kingdom |
| | Chubb Underwriting Agencies Limited | Director | United Kingdom |
| | London Market Group | Director | United Kingdom |
| **Ken Koreyva** | ChubbLife Europe SE | Director | France |
| | Chubb Insurance (Switzerland) Limited | Director | Switzerland |
| | Chubb Reinsurance (Switzerland) Limited | Director | Switzerland |
| | Shore Memorial medical center, Somers Point, NJ | Director | USA – New Jersey |
| **Mark McCausland** | N/A | N/A | N/A |
| **Sara Mitchell** | ChubbLife Europe SE | Board Member | France |
| **Sian (Kate) Richards** | ChubbLife Europe SE | Board Member | France |
| **David (Mark) Roberts** | N/A | N/A | N/A |

*Agreements referred to in Articles L.225-38 et seq. of the Commercial Code and R.322-7 of the Insurance Code*

In accordance with the provisions of Article L225-37-4 - 2e , of the French Commercial Code, we would like to inform you that during the past financial year, no agreements were concluded, directly or through intermediaries, between, on the one hand, the Company and its subsidiaries, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights in CEG SE, and, on the other hand, another company in which CEG SE directly or indirectly holds more than half of the capital, with the exception of agreements relating to current transactions and concluded under normal conditions.

*Summary table of currently valid delegations granted by the General Meeting to the Board of Directors (Articles L.225-129-1 and L.225-129-2 of the French Commercial Code)*

None

*Method of exercising general management*

The Board of Directors of CEG SE has decided that the functions of Managing Director/Chief Executive Officer will be separated from those of Chairman of the Board of Directors.

This choice of governance method was applied throughout the 2022 financial year.

# BALANCE SHEET
# at 31 December 2022

| ASSETS (K€) | 2022 | 2021 |
|---|---|---|
| **1. Uncalled subscribed capital or head office liaison account** | **0** | **0** |
| **2. Intangible Assets** | **133,038** | **130,818** |
| **3. Investments :** | **6,770,243** | **6,201,074** |
| 3a. Land and buildings | 0 | 0 |
| 3b. Investments in affiliated undertakings and undertakings linked by virtue of participating interests | 0 | 0 |
| 3c. Other investments | 6,770,243 | 6,201,074 |
| 3d. Receivables for cash deposited with ceding companies | 0 | 0 |
| **4. Investments representing technical provisions relating to unit-linked contracts** | **0** | **0** |
| **5. Share of assignees and retrocessionaires in technical provisions :** | **5,625,947** | **5,181,597** |
| 5a. Unearned premium reserves (non-life) | 858,411 | 810,412 |
| 5d. Reserves for claims payable (non-life) | 4,695,560 | 4,311,460 |
| 5f. Provisions for bonuses and rebates (non-life) | 0 | 0 |
| 5g. Equalization provisions | 0 | 0 |
| 5i. Other technical provisions (non-life) | 71,976 | 59,725 |
| **6. Receivables** | **2,810,763** | **2,834,307** |
| 6a. Receivables arising from direct insurance operations and substitute underwritings | 1,236,885 | 1,290,779 |
| *6aa. Premiums still to be issued* | *87,893* | *83,806* |
| *6ab. Other receivables arising from direct insurance operations and substitute underwriting* | *1,148,992* | *1,206,973* |
| 6b. Receivables arising from reinsurance operations and substutional cessions | 659,005 | 600,642 |
| 6c. Other receivables | 914,873 | 942,886 |
| *6ca. Staff* | 1,610 | 13,907 |
| *6cb. State, social organisations, public authorities* | *640* | *3,812* |
| *6cc. Miscellaneous debtors* | *912,623* | *925,167* |
| 6d. Unpaid called-up capital | 0 | 0 |
| **7. Other assets** | **465,526** | **384,825** |
| 7a. Property, plant and equipment | 22,180 | 18,682 |
| 7b. Current accounts and cash | 443,346 | 366,143 |
| 7c. Own shares or certificates | 0 | 0 |
| **8. Accruals and deferred income Assets** | **364,249** | **330,745** |
| 8a. Accrued interest and rentals | 69,760 | 58,143 |
| 8b. Deferred sales charges (Life and non-life) | 229,171 | 219,592 |
| 8c. Other prepayments and accrued income | 65,318 | 53,010 |
| **TOTAL ASSETS** | **16,169,766** | **15,063,366** |

## BALANCE SHEET
## at 31 December 2022

| LIABILITIES (K€) | 2022 | 2021 |
|---|---|---|
| **1. Shareholders' equity** | **2,850,218** | **2,615,037** |
| 1a. Share capital or fund of establishment and supplementary share capital or head office liaison account | 896,177 | 896,177 |
| 1b. Premiums related to share capital | 0 | 0 |
| 1c. Revaluation reserves | 0 | 0 |
| 1d. Other reserves | 1,268,860 | 1,062,041 |
| 1e. Carry forward | 0 | 0 |
| 1f. Profit for the year | 685,181 | 656,819 |
| **2. Overbordered liabilities** | **0** | **0** |
| **3. Gross technical provisions** | **11,281,390** | **10,298,379** |
| 3a. Unearned premium reserves (non-life) | 2,297,935 | 2,125,764 |
| 3d. Reserves for claims payable (non-life) | 8,831,930 | 8,059,330 |
| 3f. Provisions for profit sharing and rebates (non-life) | 0 | 0 |
| 3g. Equalisation reserve | 64,249 | 38,421 |
| 3i. Other technical provisions (non-life) | 87,276 | 74,863 |
| **5. Provisions (other than technical)** | **29,274** | **3,312** |
| **6. Liabilities for cash deposits received from assignees** | **10,467** | **9,556** |
| **7. Other liabilities :** | **1,959,476** | **2,085,154** |
| 7a. Debts arising from direct insurance operations and substitute investments | 50,833 | 53,969 |
| 7b. Debts arising from reinsurance operations and substitution assignments | 623,839 | 581,770 |
| 7c. Bonds (including convertible bonds) | 0 | 0 |
| 7d. Amounts owed to credit institutions | 86,229 | 32,493 |
| 7e. Other liabilities : | 1,198,575 | 1,416,922 |
| *7ea. Debt securities* | 0 | 0 |
| *7eb. Other loans, deposits and guarantees received* | *0* | *0* |
| *7ec. Staff* | *74,159* | *63,716* |
| *7ed. State, social organisations and public authorities* | *199,686* | *117,640* |
| *7ee. Miscellaneous creditors or creditors* | *924,730* | *1,235,566* |
| **8. Accruals and deferred income Liabilities** | **38,941** | **51,928** |
| **TOTAL LIABILITIES** | **16,169,766** | **15,063,366** |

# PROFIT AND LOSS ACCOUNT
## for the year ended 31 December 2022

| | 2022 | | | 2021 |
|---|---|---|---|---|
| **Non-life insurance technical account (K€)** | **Gross** | **Cessions and retrocessions** | **Net** | **Net** |
| **1. Earned premiums :** | **5,872,480** | **2,409,173** | **3,463,307** | **3,089,089** |
| 1a. Premiums | 6,014,239 | 2,453,569 | 3,560,670 | 3,229,480 |
| 1b. Change in provisions for unearned premiums | -141,759 | -44,396 | -97,363 | -140,391 |
| **2. Allocated investment income from non-technical accounts** | **241,169** | | **241,169** | **200,228** |
| **3. Other technical products** | **0** | | **0** | **3,683** |
| **4. Cost of claims :** | **-2,987,850** | **-1,351,937** | **-1,635,913** | **-1,420,858** |
| 4a. Benefits and expenses paid | -2,284,115 | -1,002,562 | -1,281,553 | -1,120,445 |
| 4b. Expenses of claims reserves payable | -703,735 | -349,375 | -354,360 | -300,413 |
| **5. Charges to other technical provisions** | **-12,413** | **-12,251** | **-162** | **4,910** |
| **6. Share of profit-sharing** | **0** | **0** | **0** | **0** |
| **7. Acquisition and administrative expenses** | **-1,544,030** | **-291,171** | **-1,252,859** | **-1,093,454** |
| 7a. Acquisition costs | -1,056,343 | | -1,056,343 | -960,341 |
| 7b. Administration fees | -487,687 | | -487,687 | -414,804 |
| 7c. Commissions received from reinsurers and substitute guarantors | | -291,171 | 291,171 | 281,692 |
| **8. Other technical expenses** | **-6,309** | | **-6,309** | **0** |
| **9. Change in the equalisation reserve** | **-25,913** | | **-25,913** | **-22,506** |
| **NON-LIFE INSURANCE UNDERWRITING RESULT** | **1,537,134** | **753,814** | **783,320** | **761,092** |

## PROFIT AND LOSS ACCOUNT
## for the year ended 31 December 2022

| Non-technical account (K€) | 2022 | 2021 |
|---|---|---|
| **1. Non-life insurance underwriting result** | **783,320** | **761,092** |
| | | |
| **3. Proceeds from investments :** | **602,630** | **407,500** |
| 3a. Income from investments | 229,583 | 210,375 |
| 3b. Other investment income | 8,151 | 4,996 |
| 3c. Gains from the realization of investments | 364,896 | 192,128 |
| | | |
| **5. Investment expenses :** | **-237,223** | **-99,457** |
| 5a. Internal and external investment management and financial expenses | -22,237 | -20,920 |
| 5b. Other investment expenses | -1,298 | -3,344 |
| 5c. Losses from the realization of investments | -213,688 | -75,193 |
| | | |
| **6. Investment return transferred to the non-life technical account** | **-241,169** | **-200,228** |
| | | |
| **7. Other non-technical products** | **0** | **5** |
| | | |
| **8. Other non-technical expenses** | **0** | **0** |
| 8a. Social charges | 0 | 0 |
| 8b. Other non-technical expenses | 0 | 0 |
| | | |
| **9. Exceptional result** | **0** | **0** |
| 9a. Extraordinary income | 0 | 0 |
| 9b. Extraordinary expenses | 0 | 0 |
| 9c. Error correction | 0 | 0 |
| | | |
| **10. Employee profit-sharing** | **0** | **0** |
| | | |
| **11. Income Taxes** | **-222,377** | **-212,093** |
| | | |
| **PROFIT FOR THE YEAR** | **685,181** | **656,819** |

## *1- Accounting principles and methods*

### *1.1 - Accounting principles*

The annual accounts are prepared and presented in accordance with the following provisions:

– Articles L.123-12 to L.123-22 of the Commercial Code, applicable to insurance companies pursuant to Article L.341.2 of the Insurance Code, to the provisions of the Insurance Code.

– The Insurance Code, amended by Decree No 2015-513 of 7 May 2015 implementing Ordinance No 2015-378 of 2 April 2015 transposing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of insurance and reinsurance activities (solvency II).

– NCA Regulation No. 2015-11 of 26 November 2015 on the annual accounts of insurance undertakings and transactions of a specific nature.

– NCA Regulation No. 2014-03 of 5 June 2014 on the general chart of accounts, amended by Regulation 2015-06 of 23 November 2015 on assets and notes, in the absence of specific provisions provided for in NCA Regulation No. 2015-11 of 26 November 2015.

– The amounts appearing in the comments on the accounts are indicated in thousands of euros..

### *1.2 - Derogation from accounting Principles and change in BalanceSheet presentation*

### *1.3 - Description of accounting policies*

### *1.3.1 Non-life insurance operations*

#### *1.3.1.1 Premium and Claims*

Premiums correspond to premiums written, net of cancellations and rebates, and premiums to be issued for the portion earned during the financial year.

Claims are accounted for in the year in which they occur, and on the basis of an estimate of claims that have occurred but not yet been declared.

#### *1.3.1.2 Provisions for unearned premiums and provisions for outstanding risks (Articles 143-4, 143-5, 143-6 and 143-7 of Regulation 2015-11 ANC, R 343-7 2° and R 343-7 3° of the Insurance Code)*

The provision for unearned premiums corresponds to the portion of premiums relating to risk coverage for the following year or years. A provision for outstanding risks is established when the estimated amount of claims (including administrative expenses and acquisition expenses attributable to the financial year) likely to occur after the end of the financial year and relating to contracts concluded before that date exceeds the provision for unearned premiums.

#### *1.3.1.3 Reserves for claims payable (Articles 143-9, 143-10, 143-11 and 143-16 of Regulation 2015-11 ANC and R 343-7 4° of the Insurance Code)*

Claims are recognised in the year in which they occur and on the basis of an estimate of claims incurred but not yet reported.

• **Claims provisions:**

These are provisions corresponding to the estimated value of capital expenditure and both internal and external costs required to settle all claims incurred and not yet paid, including annuity capital. They are estimated in a sufficiently conservative manner to cope with adverse developments.
They include case-by-case provisions, provisions for unknown claims, provisions for recoveries and provisions for management expenses.

Provisions for claims include :

– **provisions for known claims**

*Provision for claims payable file by file*
Known claims files are valued file by file by the claims handler at the actual estimated cost, including both the principal and incidental amounts. For certain categories of risks (Material Liability, Damage, etc.), files are opened on the basis of a fixed price. Evaluations are reviewed periodically, based on new information on file.

– **provisions for claims payable not known**

They are therefore supplemented by a technical adjustment estimated on the basis of statistical methods such as development triangles and additional analyses in order to obtain the final level of reserves required.

– **a provision for claims handling expenses**

It is intended to cover the costs that will be incurred in future years for the management of claims that have occurred and are not closed to the inventory in question. Claims handling expenses for each market segment are reported under the "claims" expense for the year in question, this ratio determining the management expense rate to be applied to the provisions for claims to be paid.

#### *1.3.1.4 Acquisition costs (Article 151-1 of Regulation 2015-11 ANC and L 113-15-2 of the Insurance Code)*

Deferred acquisition costs recorded on the assets side of the balance sheet correspond to the portion of acquisition costs not chargeable to the financial year that is recognised as an expense in the financial year, taking into account the remaining term of the contracts and a maximum of five financial years. They are determined by applying, to the amount of unearned premiums, the ratio between acquisition costs, recognized as expenses and written premiums net of cancellations and provisions for cancellations.

The base for unearned premiums takes into account the probability of termination referred to in Article L 113-15-2 of the Insurance Code.

#### *1.3.1.5 Equalisation provisions (Articles 143-19 and 143-20 of Regulation ANC 2015-11 and R 343-7 6° of the Insurance Code)*

This provision is intended to cover exceptional expenses relating to certain cyclical or random risks (weather events and terrorist attacks). The calculation conditions are set by Article 2 of Law 74-1114 as well as Decrees 75-768 and 86-741 and Article 39 G of the General Tax Code.

It is assigned in the order of seniority to compensate for underwriting losses.

Annual allocations that are not absorbed by subsequent net technical losses are reintegrated into taxable income in the eleventh year following the financial year in which the allocation is made.

#### *1.3.1.6 Annuity policy liabilities*

Annuity policy liabilities represent the present value of the company's liabilities for annuities and annuity accessories.

The provisions are determined by the "price of the euro annuity" set by the TD 88/90 mortality table using a technical discount rate, represented by a maximum of 60% of the average of the last 24 months of the TME + 10 bps in accordance with the methods recommended by the ANC.

Pursuant to this provision, the discount rate used in 2020 for this type of annuity is 0.38%.

For pensions paid out for accidents occurring on or after January 1, 2013 and whose amount is revalued in accordance with Law 51-695 of May 24, 1951 or Law 74-1118 of December 27, 1974, an inflation rate of 2% is also taken into account.

### *1.3.2 Reinsurance operations*

#### *1.3.2.1 Acceptances (Article R 343-8 of the Insurance Code)*

Accepted reinsurance is recognized upon receipt of the accounts sent by the ceding companies.

in accordance with the provisions of article 152-1 of ANC regulation n°2015-11 of November 26, 2015, the accounts not received from the ceding companies at the end of the financial year are subject to an estimate, in order to record in the financial statements the situation as close as possible to the reality of the reinsurance commitments made by Chubb. This method concerns the majority of contracts taken out during the financial year, or even the previous financial year.

Estimates of premiums and commissions not received from ceding companies on the closing date are recognized in the income statement with a counterpart in an asset account.

In total, the premiums recognized during the year (premium appearing in the accounts received from ceding companies and estimated premiums) correspond to the estimated amount provided for when the policy was taken out.

#### *1.3.2.2 Transfers (Articles 145-1 and 2 of the ANC 2015-11 regulations)*

Reinsurance ceded are accounted for in accordance with the terms of the various treaties.

#### *1.3.2.3 Securities pledged as collateral by reinsurers*

Securities pledged by reinsurers are recorded off-balance sheet and valued at the stock market price on the closing date.

### *1.3.3 Investments*

#### *1.3.3.1 Entry costs and rules for the valuation of realisable values at the end of the financial year*

##### *1.3.3.1.1 Fixed income securities*

Bonds and other fixed-income securities are recorded at their acquisition price, net of accrued income at the time of purchase. The difference between the latter and the redemption value is recorded in the income statement over the remaining period until the redemption date, in accordance with Articles 121-1 and 121-2 of ANC Regulation No 2015-11.

At the end of the financial year, the estimated realisable value of fixed-income securities corresponds to their quoted value on the last trading day of the financial year or their market value.

##### *1.3.3.1.2 Shares and other variable-income securities*

Shares and other variable-income securities are recorded at their purchase price, excluding accrued income.

Unlisted securities include shares of affiliated companies or companies with which there is a shareholding relationship in accordance with Articles 330-1 and 330-2 of Regulation 2015-11, which define affiliated companies and shareholding relationships. Other shares are classified with other unlisted investments.

Their realisable value at the end of the financial year is determined in accordance with the rules defined by Article R 343-11 of the French Insurance Code and corresponds to:

- for listed securities and securities of any kind, at the last quoted price on the inventory date;
- for unlisted securities, at their market value, which corresponds to the price that would be obtained under normal market conditions and according to their usefulness for the company;
- for shares of open-ended investment companies and units of mutual funds, at the last redemption price published on the day of the inventory.

#### *1.3.3.2 Impairment losses*

##### *1.3.3.2.1 Fixed income securities*

– Bond securities covered by Article R 343-9 of the French Insurance Code

These obligations may be subject to impairment for proven credit risk in accordance with Articles 123-1 to 123-3 of Regulation 2015-11.

– Bond securities covered by Article R 343-9 of the French Insurance Code

Their depreciation follows the rules of listed or unlisted investments.

With regard to R 343-10 bonds, the appropriateness of setting up a provision can be assessed by comparing it with the principles applicable to obligations in Article R 343-9, i. e. with the notion of proven credit risk in accordance with Article 123-7 of Regulation 2015-11.

##### *1.3.3.2.2 Real estate investments, variable-yield securities and other investments, other than those representing technical provisions relating to unit-linked policies*

In principle, an impairment loss is recognised on a line-by-line basis if it is of a lasting nature.

###### *1.3.3.2.2.1 Unlisted financial investments*

This includes investments in affiliated companies and companies with which there is a shareholding relationship.

They are subject to a line-by-line valuation that takes into account the company's net worth and outlook. If necessary, an impairment loss is recognised.

###### *1.3.3.2.2.2 Listed financial investments*

A provision for permanent impairment is recorded on a line-by-line basis if the value in use or the yield value shows a significant discount. The methods for calculating the provision for permanent impairment have been specified in the ANC 2015-11 regulation in Articles 123-6 et seq.

The long-term nature of the unrealised loss is assumed in the following cases:

- there was already a provision for impairment on this investment line at the previous closing date;

- in the case of a non-real estate investment, the investment has been consistently in a situation of significant unrealised loss compared to its carrying amount over the 6 consecutive months preceding the closing of the accounts;
- there are objective indications that, for the foreseeable future, the company will not be able to recover all or part of the historical value of the investment.

The significant impairment criterion can generally be defined, for French equities, according to the volatility observed, i.e. 20% of the book value when the markets are not very volatile, this criterion being increased to 30% when the markets are volatile. It also applies, with some exceptions, to European equities. For other securities, this criterion is adapted to the characteristics of the investments concerned, in particular as regards UCITS and non-European securities.

Beyond this presumption of impairment, securities with a significant unrealised loss were subject to a special review. In the event of an intrinsic depreciation in value and not linked to the general decline in the financial markets or the economic sector, a provision is recorded on the basis of the inventory value, where applicable.

The inventory value of investments is determined by taking into account the company's intention and ability to hold the investments for a specified holding period. A provision is recorded for securities:

- on the basis of the market value at the end of the financial year, if the company does not have the capacity or intention to hold the investment on a long-term basis;
- on the basis of an recoverable amount at the envisaged holding period.

The company did not use an estimate of recoverable amounts to determine the carrying amount of investments. Consequently, any securities deemed impaired are subject to a provision for impairment based on the market value at the end of the financial year.

#### *1.3.3.2.2.3 Provisions for liabilities related to technical commitments*

The provision for liability risk intended to cover commitments in the event of overall capital losses on the assets mentioned in Article R 343-10 of the Insurance Code is defined in Article R 343-7 7° of the same code. The procedures for setting up the provision for payment risk are specified in Article R 343-5 of the French Insurance Code. The terms and conditions for spreading the charge constituted by the allocation of the provision for liability risk are specified in Article R 343-6 of the French Insurance Code.

#### *1.3.3.3 Investment income (Article 337-7 of Regulation 2015-11)*

Investment income includes income from financial investments. Other investment income includes reversals of impairment losses on financial assets (unlisted securities and financial receivables in particular) and income from repayment differences.

#### *1.3.3.4 Investment expenses (Chart of accounts Article 322-1 of the 2015-11 by-law)*

Financial management fees include the costs per internal and external destination corresponding to the cost of managing the financial service.

Other investment expenses relate to charges to provisions for financial assets.

#### *1.3.3.5 Income from the sale of investment assets*

Gains or losses on sales of securities are recorded in the income statement in the year of sale.

For the determination of capital gains or losses on the sale of securities, the FIFO method is applied.

#### *1.3.3.6 Allocated investment income*

The portion of net investment income generated by assets relating to obligations towards policyholders is transferred to the technical result account according to a flat-rate calculation determined in the notes to the article 337-11-e of by-law 2015-11.

#### *1.3.3.7 Presentation of the financial result*

In general, expenses and income have been classified in financial income and expenses as follows:

- directly related to investments (class 2);
- indirectly related to investments (income related to the remuneration of subsidiaries' current accounts);
- impairment of subsidiaries.

Gains and losses related to other fixed assets are recorded in non-technical income.

### 1.3.4 Intangible assets

Intangible assets mentioned in the balance sheet mainly correspond to software and goodwill following the merger between Chubb and ACE. They are recorded at acquisition or cost price. Software is amortized over its useful life.

### 1.3.5 Tangible assets

They are valued at their acquisition price less accumulated depreciation.

They are mainly composed of the following items:

- Fixtures, fittings and installations,
- Office equipment and furniture.

Depreciation is calculated on a straight-line basis as follows:

| *Asset category* | *Depreciation period* |
|---|---|
| Fixtures, fittings and installations | 10 Years |
| Motor vehicles | 4 Years |
| Office equipment | 5 Years |
| Other equipment | up to 5 Years |

### 1.3.6 Receivables and loans

Receivables are recorded at their nominal value.

A provision for impairment is recorded in the event of a risk of default by the counterparty. The valuation of the provision is based on the age of the balances and the risk profile of the companies.

### 1.3.7 General expenses and commissions

Overheads and commissions, which are first entered in the accounts according to their nature, are then broken down according to their purpose, using the following approach:

- direct allocation, without application of any flat-rate key, for expenses that can be directly allocated by destination,
- use of allocation keys based on objective, appropriate and verifiable quantitative criteria for loads with several destinations and for those that are not directly assignable.

Overheads and commissions are thus allocated to the following destinations :

- claims settlement expenses,
- contract acquisition costs,
- contract administration fee
- costs allocated to the financial management of the contracts,
- other technical expenses.

### 1.3.8 Taxation

The tax recorded in the income statement for the year corresponds to the tax payable for the year in accordance with the tax rules in force.

### 1.3.9 Transactions in foreign currencies

These transactions are recorded in foreign currencies.

At the balance sheet date, balance sheet and income statement items denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. In accordance with Articles 241-5 and 241-6 of ANC Regulation 2015-11, foreign exchange differences are recorded :

- on the balance sheet in the case of translation differences on structural positions (mainly strategic equity securities, foreign exchange allocations to branches)
- in foreign exchange gains and losses in the case of foreign exchange differences on operational foreign exchange positions

### *1.3.10 Reserves for liabilities and charges*

*Litigation.*

Provisions are made for disputes that the company may face, based on management's assessment of the risk.

This rule has been applied in particular in respect of disputes in various European jurisdictions.

### *1.3.11 Accruals and deferred income Assets and liabilities*

Prepayments and accrued income and prepaid expenses consist mainly of the premium/discount on bonds and miscellaneous transactions.

### *1.4.1 Off-balance sheet commitments of forward financial instrument transactions*

Legislation applicable to forward financial instruments:

Articles 260-1 of Regulation 2015-11 and CRC Regulation 2002-09 on the rules for the accounting of financial instruments by companies.

Accounting principles and methods:

Currency forward financial instruments are recorded in off-balance sheet accounting by offsetting off-balance sheet foreign exchange position accounts and are then settled when the strategy is terminated or unwound.

Margin calls are recorded in a specific yield strategy account in accrual accounts and interest on these calls is recorded as investment income. Losses are recorded as realized foreign exchange differences in investment income.

### *1.4.2 Pension and similar off-balance sheet commitments*

***Definition of plans:***

The plans set up to cover pension commitments and other long-term employee benefits are either defined contribution plans or defined benefit plans.

***Defined contribution plans***: They are characterized by payments to organizations that release the employer from any further obligations. There is no actuarial liability in this respect.

***Defined benefit plan***: Defined benefit post-employment benefit schemes for CEG SE employees exist for employees in Germany, Ireland and Spain. For France, they correspond to the retirement benefit schemes as defined in the collective bargaining agreement for insurance companies.

The company manages a small number of funded defined benefit pension plans in Europe, the assets of which are held in separate funds managed in trust. The off-balance sheet pension asset or liability is the value of plan assets less the present value of plan liabilities.

The pension cost of the plans is analysed between the current service cost, the past service cost and the expected net return of the pension plans. The current service cost is the actuarially determined present value of benefits earned by active employees during each period. Past service cost, relating to service rendered by employees in prior periods and arising in the current period as a result of the introduction or improvement of pension benefits, is recognised in the income statement on a straight-line basis over the vesting period of the benefit increase.

The expected net return comprises the expected return on pension plan assets less interest on plan liabilities.

Actuarial gains and losses arising from valuations and from the updating of the latest actuarial valuations to reflect conditions at the balance sheet date are included in the statement of comprehensive income for the period.

The company also provides a guarantee to a defined benefit pension plan held by Chubb Services UK Limited. As the plan is currently in a net asset position, no liability has been recognised by CEG.

| Commitment to off-balance sheet liabilities K€uros | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Germany | (11,811) | (2,993) |
| Ireland | 2,900 | 3,454 |
| Spain | 10 | 46 |
| France | 2,320 | 3,433 |
| Total | (6,581) | 3,940 |

**Actuarial assumptions**

| Assumption | Allemagne | | Irelande | | Espagne | | France | |
|---|---|---|---|---|---|---|---|---|
| Year | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Discount rate | 4.24% | 1.52% | 3.70% | 1.10% | 3.81% | 0.92% | 0.90% | 0.90% |
| Retirement age | 65 ans | 65 ans | 65 ans | 65 ans | 65 ans | 65 ans | 64 ans | 64 ans |
| Rate of change in salaries | 2.50% | 2.00% | n/a | n/a | 2.25% | 2.25% | | 5.00% |
| Inflation rate | 2.00% | 1.75% | 2.50% | 1.90% | n/a | n/a | n/a | n/a |
| Turn Over | | | | | | | 0 | 0 |

### *1.4.3 Events after the end of the financial year*

None.

### *1.4.4 Remuneration of members of the management team*

The confidentiality of executive compensation does not make it possible to indicate the compensation allocated to members of the company's administrative and management bodies.

# BALANCE SHEET NOTES

### B1 : Movements - Intangible assets

| | Gross value 01/01/2022 | Inputs | Outputs | Transfers | Gross value 31/12/2022 |
|---|---|---|---|---|---|
| Right to lease | | | | | |
| Others | — | | | — | — |
| Software | 183,947 | 12,141 | — | 8,272 | 204,360 |
| **Total** | 183,947 | 12,141 | — | 8,272 | 204,360 |

| | Depreciation and amortization 01/01/2022 | Depreciation, amortization and impairment | Reversal of depreciation and impairment losses | Transfers | Depreciation and amortization 31/12/2022 |
|---|---|---|---|---|---|
| Right to lease | | | | | |
| Others | — | | | — | — |
| Software | 53,129 | 4,995 | — | 13,198 | 71,322 |
| **Total** | **53,129** | **4,995** | **—** | **13,198** | **71,322** |
| | | | | | |
| **Net Value** | **130,818** | **7,146** | **—** | **-4,926** | **133,038** |

### B2 : Operating tangible assets

| | Gross Value 01/01/2022 | Inputs | Outputs | Transfers | Gross Value 31/12/2022 |
|---|---|---|---|---|---|
| Arrangements | | | | | |
| Transport equipment | 52 | — | — | — | 52 |
| Office and computer equipment | 5,000 | 1,795 | — | 3,750 | 10,545 |
| Furniture | 26,128 | 1,508 | — | 1,985 | 29,621 |
| Other non-depreciable property, plant and equipment | — | | | — | — |
| Assets under construction | | | | | |
| Deposits and guarantees | | | | — | |
| **Total** | **31,180** | **3,303** | **—** | **5,735** | **40,218** |

| | Amortization 01/01/2022 | Endowment to Amortizations | Takeover depreciation | Transfers | Amortization 31/12/2022 |
|---|---|---|---|---|---|
| Arrangements | | | | | |
| Transport equipment | 52 | 0 | 0 | 0 | 52 |
| Office and computer equipment | 1,262 | 700 | 0 | 1,490 | 3,452 |
| Furniture | 11,184 | 827 | 0 | 2,523 | 14,534 |
| **Total** | **12,498** | **1,527** | **0** | **4,013** | **18,038** |
| | | | | | |
| **Net Value** | **18,682** | **1,776** | **0** | **1,722** | **22,180** |

## Balance Sheet Appendices
## 31 December 2022

### B3 : Change in investment

| | Gross value 01/01/2022 | Entries | Exit | Exchange rate variation | Gross value 31/12/2022 |
|---|---|---|---|---|---|
| Land and buildings | | | | | |
| | | | | | |
| Investments in related companies and companies linked by an equity relationship | | | | | |
| Other investments | 6,201,074 | 2,509,793 | -1,942,948 | 2,324 | 6,770,243 |
| Cash receivables deposited with ceding companies | | | | | |
| **Total** | **6,201,074** | **2,509,793** | **-1,942,948** | **2,324** | **6,770,243** |

### B4 : Summary statement of investments and forward instruments (In thousands of €uros)

| | au 31/12/2022 | | |
|---|---|---|---|
| **I -Investment and forward instruments (details of items 3 and 4 of assets and forward instruments)** | **Gross value** | **Net book value** | **Realizable value** |
| **1. Real estate investments and real estate investments in process** | | | |
| **2. Shares and variable-income securities other than UCITS units** | 5,628 | 5,628 | 14,436 |
| **3. UCITS units (other than those referred to in 4)** | 8,725 | 8,725 | 8,725 |
| **4. Units of UCITS holding exclusively fixed-income securities** | | | |
| **5. Bonds and other fixed-income securities** | 6,284,780 | 6,221,774 | 5,540,891 |
| **6. Mortgage loans** | | | |
| **7. Other loans and similar instruments** | 471,110 | 520,551 | 502,557 |
| **8. Deposits with ceding companies** | | | |
| **9. Deposits (other than those referred to in 8), cash guarantees and other investments** | | | |
| **10. Assets representing unit-linked contracts** | | | |
| **11. Other forward instruments** | | | |
| Forward instruments investment or divestment strategies | | | |
| Forward instruments investment expectations | | | |
| Forward instruments yield strategy | | | |
| Forward instruments other transactions | | | |
| **12. Total of lines 1 to 11** | 6,770,243 | 6,756,678 | 6,066,609 |
| Of which total Forward instruments | — | — | — |
| Of which total listed investments | 6,643,907 | 6,629,853 | 5,945,284 |
| Of which total unlisted investments | 126,336 | 126,825 | 121,325 |
| Of which total investments | 6,770,243 | 6,756,678 | 6,066,609 |

## Balance Sheet Appendices
## 31 December 2022

### B5 : Investments and forward instruments (details of items 3 and 4 of assets and forward financial instruments)

| | au 31/12/2022 | | |
|---|---|---|---|
| | Gross value | Net book value | Realizable value |
| **a) of which** | | | |
| Investments valued in accordance with Article R 343-9 and related forward financial instruments | 6,284,780 | 6,221,774 | 5,540,891 |
| **of which discount not yet amortized** | 8,301 | 0 | |
| non-recoverable redemption premium | 431,204 | 488,946 | 465,357 |
| Investments valued in accordance with Article R 343-10 and related forward financial instruments | 45,958 | 45,958 | 60,361 |
| of which discount not yet amortized | | | |
| non-recoverable redemption premium | | | |
| Investments valued in accordance with Article R 343-13 and related forward financial instruments | | | |
| **b) of which** | | | |
| Values attributable to the representation of technical provisions other than those referred to below | 6,770,243 | 6,756,678 | 6,066,609 |
| Assets backing liabilities to pension funds or covering managed investment funds | | | |
| Assets deposited with assignors (of which assets deposited with assignors whose company has acted as joint and several guarantor | | | |
| Values allocated to special technical provisions for other business in France | | | |
| Other assignments or unassigned | | | |
| **c) of which** | | | |
| Investments and forward instruments issued in OECD countries | 6,705,933 | 6,687,836 | 6,002,216 |
| Investments and forward instruments issued in non-OECD countries | 64,310 | 68,842 | 64,393 |

### B6 : Statement of due dates of receivables

| Receivables | Share less than one year old | Share from 1 to 5 years | Part to more 5 years old | Gross total | Impairment losses | Net values |
|---|---|---|---|---|---|---|
| Loans | 0 | | | 0 | | |
| Other financial fixed assets | 0 | | | 0 | | |
| Receivables arising from direct insurance operations | 1,216,352 | 22,623 | -2,090 | 1,236,885 | | 1,236,885 |
| Receivables arising from reinsurance transactions | 627,074 | 32,151 | -220 | 659,005 | | 659,005 |
| Staff | 1,610 | | | 1,610 | | 1,610 |
| State, social agencies | 640 | | | 640 | | 640 |
| Miscellaneous debtors | 0 | | | 0 | | |
| Subsidiaries | 0 | | | 0 | | |
| Deferred Tax Assets | 0 | | | 0 | | |
| Accrued income | 0 | | | 0 | | |
| Prepaid expenses | 0 | | | 0 | | |
| Accrued interest and rents | 0 | | | 0 | | |
| Miscellaneous | 912,623 | | | 912,623 | | 912,623 |
| **Total** | **2,758,299** | **54,774** | **-2,310** | **2,810,763** | **0** | **2,810,763** |

# Balance Sheet Appendices
# 31 December 2022

### B7 : Accrued Income and prepaid expenses

| | Gross value 01/01/2022 | Variations | Gross value 31/12/2022 |
|---|---|---|---|
| Accrued interest and rentals | 58,143 | 11,617 | 69,760 |
| Deferred acquisition costs | 219,592 | 9,579 | 229,171 |
| Deferred Tax Assets | | 0 | |
| Prepaid expenses | | 0 | |
| Differences on redemption prices to be received | 10,152 | 5,998 | 16,150 |
| Accrued income | 42,858 | 6,310 | 49,168 |
| Miscellaneous | | 0 | |
| **Total** | **330,745** | **33,504** | **364,249** |

### B8 : Shareholders' equity

| | 01/01/2022 | Appropriation of income | Profit for the year | Other | Distributed reserves | 31/12/2022 |
|---|---|---|---|---|---|---|
| Capital | 896,177 | | | | | 896,177 |
| Premiums related to share capital | 0 | | | | | 0 |
| Other reserves | 1,062,041 | 656,819 | | | -450,000 | 1,268,860 |
| Carry forward | 0 | | | | | 0 |
| Profit for the year | 656,819 | -656,819 | 685,181 | | | 685,181 |
| | | | | | | |
| **Total général I + II + III** | **2,615,037** | **0** | **685,181** | **0** | **-450,000** | **2,850,218** |

### B9 : Composition of the shareholder base

| Companies | Number of shares | Values | Right of vote |
|---|---|---|---|
| Chubb European Holdings Limited | 896,087 | 896,087 | 100 % |
| Chubb EU Holdings Limited | 0 | 0 | — % |
| **Total** | **896,087** | **896,087** | **100 %** |

Nominal value of the share : 1 euro

### B10 : Reserves

| | 01/01/22 | Variations | 31/12/22 |
|---|---|---|---|
| Provisions for disputes | 3,312 | 25,962 | 29,274 |
| Provisions for investment | | | |
| Provisions for IFC commitments | | | |
| **Total** | **3,312** | **25,962** | **29,274** |

# Balance Sheet Appendices
## 31 December 2022

### B11 : Statement of debt maturities

| Debt | Share at less than one year | Share from 1 to 5 years | Share at more than 5 years | Total |
|---|---|---|---|---|
| Liabilities arising from direct insurance operations | 50,833 | 0 | 0 | 50,833 |
| Debts arising from reinsurance transactions | 623,375 | -1,108 | 1,572 | 623,839 |
| Amounts owed to credit institutions | 86,229 | | | 86,229 |
| Borrowings, deposits and guarantees | 0 | | | |
| Cash deposits received from assignees | 0 | | | |
| Participation Fund | 0 | | | |
| Staff | 74,159 | | | 74,159 |
| State, social agencies | 199,686 | | | 199,686 |
| Sundry creditors | 924,730 | | | 924,730 |
| Subsidiaries | 0 | | | |
| Deferred revenue | 0 | | | |
| Amortization of differences on repayment prices | 0 | | | |
| **Total** | **1,959,012** | **-1,108** | **1,572** | **1,959,476** |

### B12 : Accruals and deferred income

| | 01/01/22 | Variations | 31/12/22 |
|---|---|---|---|
| Amortization of redemption price differences | 51,928 | -12,987 | 38,941 |
| Suspense accounts and accounts to be regularised | | | |
| **Total** | **51,928** | **-12,987** | **38,941** |

### B13 : Analysis of non-life technical reserves

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Brut | Cessions | Net | Brut | Cessions | Net |
| Provisions for unearned premiums written | 2,297,935 | 858,411 | 1,439,524 | 2,125,764 | 810,412 | 1,315,352 |
| Provisions for risks in progress | | | | | | |
| Provisions for claims | 8,831,930 | 4,695,560 | 4,136,370 | 8,059,330 | 4,311,460 | 3,747,870 |
| Appeal forecasts | | | | | | |
| Other technical provisions | 87,276 | 71,976 | 15,300 | 74,863 | 59,725 | 15,138 |
| Equalization reserve | 64,249 | 0 | 64,249 | 38,421 | 0 | 38,421 |
| **Grand Total** | 11,281,390 | 5,625,947 | 5,655,443 | **10,298,378** | **5,181,597** | **5,116,781** |

In accordance with Article R 343-7.4° of the Insurance Code, the provisions for claims payable correspond to the estimated value of the capital and expenses, both internal and external, necessary to settle all claims incurred and not yet paid, including the capital constituting annuities.

They are estimated in a sufficiently conservative manner to cope with adverse developments.

They include case-by-case provisions, provisions for unknown claims, provisions for recoveries and provisions for management expenses.

**Subordinated liabilities.**

There are no subordinated debt on the Company's balance sheet at the balance sheet date.

**Transactions with affiliated companies and companies in which the company has a participating interest**

Not Applicable

# Balance Sheet Appendices
# 31 December 2022

### B14 : Foreign currency assets and liabilities

| | Assets in foreign currencies | of which exchange rate difference | Liabilities in foreign currencies | of which exchange rate difference |
|---|---|---|---|---|
| Euro | 5,944,966 | | 5,946,842 | |
| US Dollar | 5,206,457 | | 5,200,004 | |
| Swiss Franc | -3,538 | | -3,539 | |
| Pound Sterling | 4,505,110 | | 4,504,477 | |
| Other currencies | 516,771 | | 521,982 | |
| **Total** | 16,169,766 | | 16,169,766 | |

### B15 : Off-balance sheet commitments

| | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| K€ | Affiliated companies | With shareholding link | Others | Affiliated companies | With shareholding link | Others |
| **Commitments received excluding reinsurance** | | | | | | |
| Endorsements, guarantees and leasing | | | | | | |
| Past service cost on IFC common status | | | | | | |
| End-of-career benefits fund | | | | | | |
| **Commitments given** | | | | | | |
| Endorsements, sureties and credit guarantees given | | | | | | |
| Termination benefits - retirement | | | 6,581 | | | 43,141 |
| Common status CETR contribution | | | | | | |
| Other liabilities on securities, assets or income | | | 103,063 | | | 46,666 |
| **Securities received as collateral from assignees and retrocessionaires** | | | 32,817 | | | 30,380 |
| **Securities delivered by reinsured organizations with joint and several guarantees or with substitution** | | | | | | |
| **Assets belonging to pension funds** | | | | | | |
| **Other securities held on behalf of third parties** | | | | | | |
| **Outstanding forward financial instruments** | | | | | | |

## INFORMATION ON THE INCOME STATEMENT

**R1 : Claims payments made since the accident year and in the provision for outstanding claims (gross of reinsurace)**

| Year of inventory | | Year of occurrence 2020 | 2021 | 2022 |
|---|---|---|---|---|
| 2020 | Règlements | 718,217 | | |
| | Provisions | 2,181,445 | | |
| | **Total des sinistres (S)** | **2,899,662** | | |
| | **Primes acquises (P)** | 4,365,062 | | |
| | **Pourcentage (S/P)** | **66.43 %** | | |
| 2021 | Claims paid | 562,889 | 671,796 | |
| | Claims reserves | -684,628 | 2,148,295 | |
| | **Total Claims (S)** | **-121,739** | **2,820,091** | |
| | **Earned Premium (P)** | **26,653** | **5,109,953** | |
| | **Loss ratio (S/P)** | **(456.76)%** | **55.19 %** | |
| 2022 | Claims paid | 300,998 | 657,683 | 608,498 |
| | Claims reserves | -399,937 | -508,036 | 2,623,441 |
| | **Total Claims (S)** | **-98,939** | **149,647** | **3,231,939** |
| | **Earned Premium (P)** | **29,452** | **63,121** | **5,602,633** |
| | **Loss ratio (S/P)** | **(335.93)%** | **237.08 %** | **57.69 %** |

**R2 : Investment income and expenses**

| | In related companies | | | Others | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Financial income | Financial expenses | Total | Financial income | Financial expenses | Total | Financial income | Financial expenses | Total |
| Income from equity participations (Art. 20 décret du 29/11/83) | | | | | | | | | |
| Income from real estate investments | | | | | | | | | |
| Income from other investments | | | | 438,685 | 200,692 | 237,993 | 438,685 | 200,692 | 237,993 |
| Other financial income (commissions, fees) | | | | 7,697 | 142 | 7,555 | 7,697 | 142 | 7,555 |
| **Financial income : total poste III 3** | | | | **446,382** | | **446,382** | **446,382** | | **446,382** |
| | | | | | | | | | |
| **Financial expenses : total poste III 5** | | | | | **200,834** | **200,834** | | **200,834** | **200,834** |
| | | | | | | | | | |
| **Total Investment income and expenses** | | | | **446,382** | **200,834** | **245,548** | **446,382** | **200,834** | **245,548** |

**R3 : Breakdown of gross premiums by geographical area**

| | 2022 | 2021 |
|---|---|---|
| France | 732,199 | 612,906 |
| EEC (outside France) | 1,807,514 | 1,765,789 |
| Outside the EEC | 3,474,526 | 3,084,702 |
| **Total gross premiums** | **6,014,239** | **5,463,397** |

# Income Statement Appendices
# 31 December 2022

### R4 : Amount of commissions

| | 2022 | 2021 |
|---|---|---|
| Direct business commissions | 841,775 | 774,194 |
| Acceptance commissions | 181,621 | 161,693 |
| **Total** | **1,023,396** | **935,887** |

### R5 : Analysis of personnel expenses

| | 2022 | 2021 |
|---|---|---|
| Salaries | 285,392 | 270,972 |
| Pension fund contributions | 29,010 | 28,707 |
| Social security charges | 54,880 | 52,783 |
| Others | 38,933 | 29,471 |
| **Total** | **408,215** | **381,933** |

### R6 : Staff

| **Average number of employees by category** | 2022 | 2021 |
|---|---|---|
| Non-executives | 2,941 | 2,778 |
| Executives | 864 | 826 |
| **Total** | **3,805** | **3,604** |

### R7 : Fees for certification of accounts and other services

| Statutory auditor | 2022 PWC | 2021 PWC |
|---|---|---|
| Certification of accounts | 1,710 | 1,543 |
| Other Services | 58 | 35 |
| **Total** | **1,768** | **1,578** |

### R8 : Analysis of non-technical income and expenses

| **Non-technical income** | 2022 | 2021 |
|---|---|---|
| Gains on disposals of assets | | |
| Reversals of impairment of current assets | | |
| Withdrawal from IS capitalisation reserve | | |
| Reversals of provisions for disputes | | |
| Recovery on tax audit and URSSAF | | |
| Other | 0 | 5 |
| **Total** | 0 | **5** |

| **Non-technical expenses** | 2022 | 2021 |
|---|---|---|
| Losses on disposals of assets | | |
| Bank processing fees | | |
| Impairment of current assets | | |
| Allocation to the IS capitalisation reserve | | |
| Provisions for disputes | | |
| Other expenses | 0 | 0 |
| Tax audit and URSSAF | | |
| **Total** | **0** | **0** |

### R9 : Analysis of exceptional income and expenses

| **Exceptional income** | **2022** | **2021** |
|---|---|---|
| Reversal of investment provisions | | |
| Other extraordinary income | 0 | 0 |
| **Total** | **0** | **0** |

| **Exceptional expenses** | **2022** | **2021** |
|---|---|---|
| Extraordinary depreciation RSI | | |
| Other extraordinary expenses | | |
| **Total** | 0 | 0 |

### R10 : Analysis of the tax charges

| | **2022** | | | **2021** | | |
|---|---|---|---|---|---|---|
| | **Related to the financial year** | **Over previous financial years** | **Total** | **Related to the financial year** | **Over previous financial years** | **Total** |
| Related to Ordinary Transactions | 205,246 | 17,131 | 222,377 | 199,964 | 12,129 | 212,093 |
| Related to exceptional income and expenses | | | 0 | | | 0 |
| **Total** | **205,246** | **17,131** | **222,377** | **199,964** | **12,129** | **212,093** |

# Income Statement Appendices
# 31 December 2022

## R11 : Life technical result by category

| | Individual bodily injury [cat. 20] | Collective bodily injury [cat. 21] | Civil liability of land motor vehicles [cat. 22] | Damage to land motor vehicles [cat. 23] | Personal Property Damage [cat. 24] | Professional and Agricultural Property Damage [cat. 25-26] | General Liability [cat. 28] | Financials Lines [cat. 31] | Marine [cat. 34] | Construction and Erection All risks [cat. 35] | Credit [cat. 37] | Caution [cat. 38] | Inward | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premiums | 45,236 | 0 | 83,686 | 0 | 633,779 | 1,091,705 | 1,720,851 | 485,875 | 405,693 | 139 | 121,887 | 25,302 | 1,258,326 | 5,872,479 |
| Cost of services | -17,691 | -30 | -36,526 | 0 | -267,963 | -394,636 | -783,270 | -146,589 | -133,264 | -13 | -7,034 | 958 | -498,058 | -2,284,116 |
| Charges to life insurance and other technical reserves | 10,515 | 0 | -18,478 | 0 | 29,604 | -121,019 | -392,810 | 14,623 | -54,192 | -71 | -39,334 | -9,553 | -161,346 | -742,061 |
| ACAV adjustment | | | | | | | | | | | | | | |
| **A - Subscription balance** | **38,060** | **-30** | **28,682** | **0** | **395,420** | **576,050** | **544,771** | **353,909** | **218,237** | **55** | **75,519** | **16,707** | **598,922** | **2,846,302** |
| Acquisition costs | 756 | 176 | 18,290 | 0 | 309,538 | 118,884 | 170,185 | 146,622 | 70,098 | 12 | 30,385 | 2,616 | 188,782 | 1,056,344 |
| Other net management expenses | 4,758 | 825 | 9,000 | 0 | 25,666 | 118,646 | 165,927 | 61,352 | 32,039 | 2 | 6,371 | 3,094 | 66,316 | 493,996 |
| **B - Net acquisition and management expenses** | **5,514** | **1,001** | **27,290** | **0** | **335,204** | **237,530** | **336,112** | **207,974** | **102,137** | **14** | **36,756** | **5,710** | **255,098** | **1,550,340** |
| Investment income | 1,879 | 0 | 3,715 | 0 | 39,473 | 26,036 | 61,384 | 21,042 | 20,992 | 3 | 2,166 | 539 | 63,939 | 241,168 |
| Profit sharing and technical interests | | | | | | | | | | | | | | |
| **C - Financial balance** | **1,879** | **0** | **3,715** | **0** | **39,473** | **26,036** | **61,384** | **21,042** | **20,992** | **3** | **2,166** | **539** | **63,939** | **241,168** |
| Substitute Premiums | | | | | | | | | | | | | | |
| Substitute guarantors' share of service expenses | | | | | | | | | | | | | | |
| Substitute guarantors' share of life insurance and other technical provisions expenses | | | | | | | | | | | | | | |
| Substitute guarantors' share in profit sharing | | | | | | | | | | | | | | |
| Commissions received from substitute guarantors | | | | | | | | | | | | | | |
| **D - Surrogate balance** | | | | | | | | | | | | | | |
| Ceded premiums | -18,252 | 0 | -30,333 | 0 | -66,922 | -717,808 | -839,340 | -183,707 | -104,242 | -96 | -90,780 | -17,566 | -340,125 | -2,409,171 |
| Reinsurers' share of benefit expenses | 5,304 | 0 | 11,938 | 0 | 22,121 | 251,118 | 342,545 | 70,654 | 28,247 | 0 | 3,692 | -188 | 267,131 | 1,002,562 |
| Reinsurers' share of life insurance and other technical provisions charges | -4,172 | 0 | 9,246 | 0 | -9,787 | 39,100 | 275,817 | -7,277 | 42,446 | 57 | 41,497 | 5,155 | -30,457 | 361,625 |
| Reinsurers' share of profit sharing | | | | | | | | | | | | | | |
| Commissions received from reinsurers | 10,148 | 0 | 998 | 0 | 19,270 | 64,156 | 52,493 | 30,576 | 9,744 | 10 | 41,391 | 926 | 61,460 | 291,172 |
| **E - Reinsurance balance** | **-6,972** | **0** | **-8,151** | **0** | **-35,318** | **-363,434** | **-168,485** | **-89,754** | **-23,805** | **-29** | **-4,200** | **-11,673** | **-41,991** | **-753,812** |
| **Technical Result [A - B + C + D + E]** | **27,453** | **-1,031** | **-3,044** | **0** | **64,371** | **1,122** | **101,558** | **77,223** | **113,287** | **15** | **36,729** | **-137** | **365,772** | **783,318** |
| **Off Accounts** | | | | | | | | | | | | | | |
| Amount of redemptions | | | | | | | | | | | | | | |
| Gross technical interest for the year | | | | | | | | | | | | | | |
| Gross technical provisions at the end of the period | | | | | | | | | | | | | | |
| Opening gross technical provisions | | | | | | | | | | | | | | |

## OTHER INFORMATION (IN THOUSANDS OF €UROS)

The financial statements of CEG SE are included, by the full consolidation method, in the consolidated financial statements of CHUBB Limited (Bärengasse 32, CH-8001 Zurich, Switzerland).

Chubb Limited, the ultimate parent of Chubb European Group SE ("CEG"), is the Swiss-incorporated holding company of the Chubb Group of Companies. Chubb Limited and its direct and indirect subsidiaries, collectively the Chubb Group of Companies ("Chubb") are a global insurance and reinsurance organisation. At 31 December 2022, Chubb Limited held total assets of $199.1 billion and shareholders' equity of $50.5 billion. It is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. The company maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.