

CCR RE

Condensed information and figures



www.ccr-re.fr

FY 2018

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COMPANY OVERVIEW

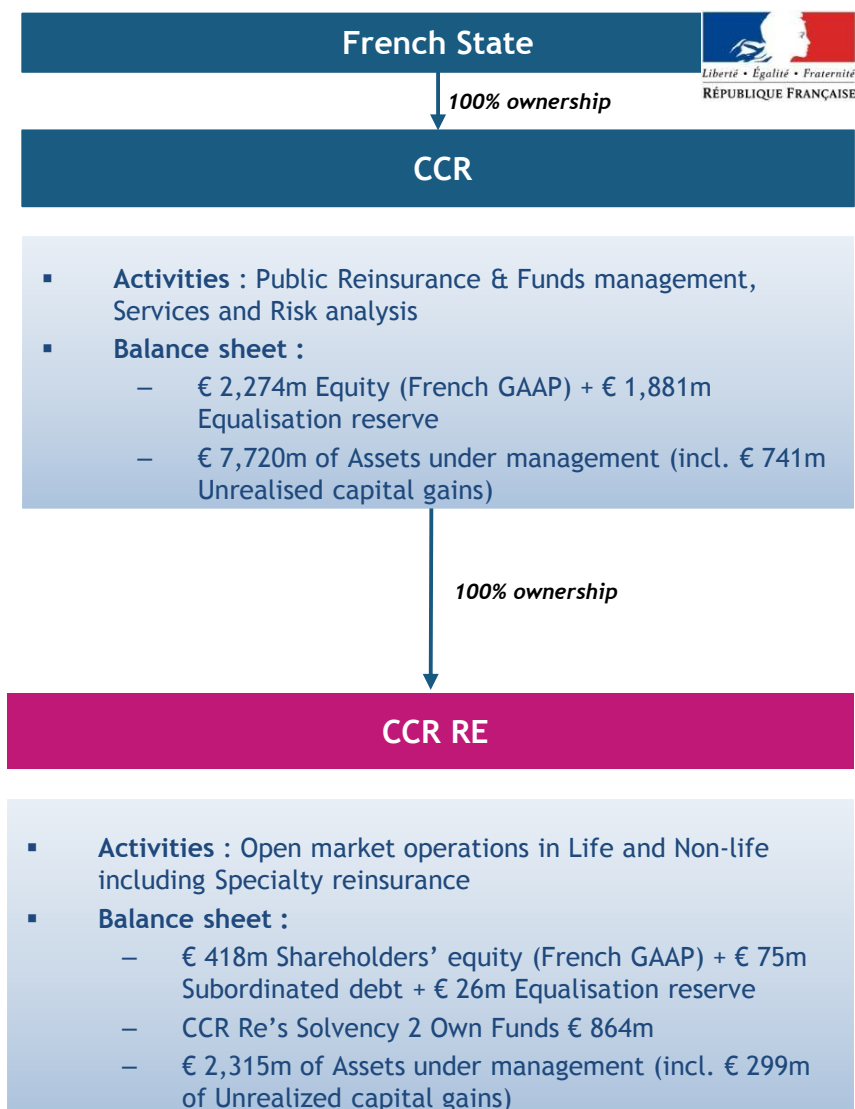
CCR RE: A SOLID AND INTERNATIONAL REINSURER



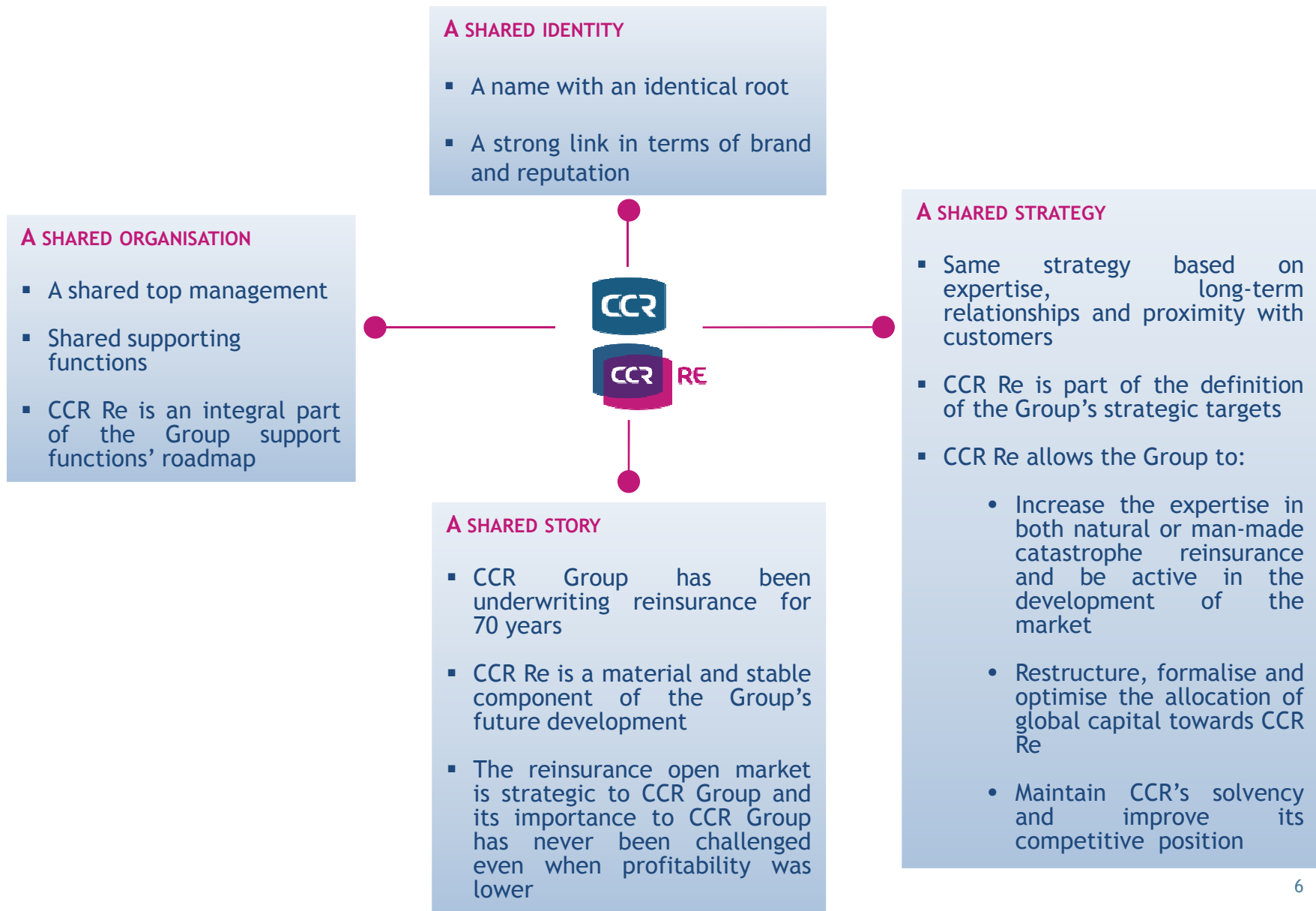
Figures as at 31/12/18

GROUP STRUCTURE OVERVIEW

- The CCR Group, wholly-owned by the French state, is backed by over 70 years experience in public and open market reinsurance
- CCR Group stands among the top 30 players in international reinsurance (all activities combined)
- CCR is a public reinsurer serving the general interest and provides state-guaranteed coverage against natural disasters and other exceptional risks to companies operating in France
- In 2016, CCR established a new subsidiary, CCR Re, dedicated to the reinsurance business which is not guaranteed by the French state
- CCR Re operates in the Life & Non-Life market, including Specialty lines, in France as well as in 70 countries worldwide
- Cross-fertilization of the expertise within CCR group e.g. developing internal models to better assess exposures, benefiting from PhD employees at CCR
- The CCR Group employs 275 professionals motivated by the satisfaction of their clients



CCR Re : AN ESSENTIAL ENTITY OF THE GROUP



CCR RE: CORPORATE PROFILE

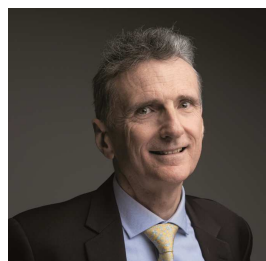
- CCR Re is a medium-size reinsurer with a longstanding franchise in traditional property & casualty and life, accident & health reinsurance, as well as in some selected specialty lines (financial lines, marine, aviation & space, terrorism), in France and abroad. CCR Re is fully owned by CCR and is a strategic component of CCR Group which is reflected in its identity, organization and business model
 - CCR Re is robust and conservative by culture, but also risk friendly and client centric with a long term commitment view
 - Very strong risk management framework: diversification of the business mix and the investment portfolio, prudent reserving policy, wide range of mitigation tools
- CCR Re benefits from a strong governance, an adapted organization with strong risk controls and processes
- Innovations and transformation are fully embedded within CCR Re:
 - Thanks to its SME status all stakeholders are fully committed with a clear vision of personal objectives and a clear rationale of individual actions
 - Artificial Intelligence is increasingly used: Automatic analysis of terms and conditions, automatic extractions of accounting reporting in .pdf, automatic recognition of inter-ministerial orders

AN EXPERIENCED MANAGEMENT TEAM

Bertrand Labilloy
Chairman & CEO



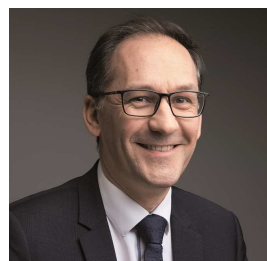
Laurent Montador
Deputy CEO



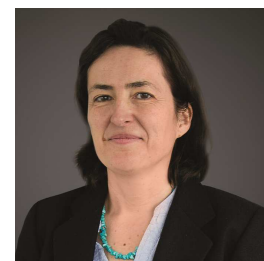
Patrick Delalleau
CBDO



Isabelle Bion
COO



Hervé Nessi
CUO



Chrystelle Busque
CFO



Jérôme Isenbart
Chief Risk &
actuarial officer

Executive Committee as of July 1st, 2019



KEY STRENGTH OF CCR RE

- 1 High solvency ratio (189%)**
with high quality and flexible capital base allows CCR Re a very strong resilience to severe technical and financial shocks
- 2 Strong and stable shareholder**
Willingness to keep the synergies benefiting to CCR (cost, expertise)
- 3 Profitable life & health portfolio and improved P/C combined ratio since 2017**
Target 2020 : Gross Written Premiums 600M€ , P&C combined ratio \approx 97% , Life technical margin \approx 7%
- 4 Profound risk management culture**
Comprehensive retrocession program to protect the balance sheet against disasters and adverse deviations
- 5 Robust and prudent investment policy**
Adequate ALM completed with an equity overlay cover

RATING AGENCIES HIGHLIGHTS CCR RE'S SOLVENCY STRENGTH

Standard & Poor's **A-** positive outlook

A.M. Best **A** stable outlook

Rating Approach

- Based on group methodology with CCR's assessment as a starting point, adjusted with CCR Re's strategic role within the group

- Based on CCR Re's own merits (balance sheet, business plan, ERM etc.) and uplift given its group membership

Credit highlights

- « The positive outlook on CCR Re indicates we could raise the ratings in the next 18-24 months if CCR Re maintains its improved operating performance while CCR group's stand-alone credit profile does not deteriorate.»
- « In our own risk-based capital model, CCR Re's capital adequacy is commensurate with the overall CCR group rating of 'AA'. »
- « We view CCR Re as a highly strategic subsidiary of CCR group, a view supported by CCR Re's importance to the group's overall strategy »

- « CCR RE's balance sheet strength assessment considers its very strong risk-adjusted capitalisation, as measured by BCAR, which benefits from significant unrealised gains on assets. »
- « The ratings also factor in CCR RE's strategic importance to the CCR group. »

https://www.standardandpoors.com/en_US/web/guest/article/-/view/type/HTML/id/2239023

<http://news.ambest.com/presscontent.aspx?altsrc=9&refnum=26816>



FINANCIAL HIGHLIGHTS



Gross Written Premium 464 M€

+17% compared to 2017

Current income 46 M€

vs 32 M€ in 2017

Net income 35 M€

x2 compared to 2017

Cost ratio 5.9%

-124bps compared to 2017

Solvency ratio

189%



Non-life / property and casualty reinsurance incl. Specialty lines

Premium growth

+17%

+16% at constant FX

Combined ratio

99.4%

-550bps compared to 2017



Life, accident & health reinsurance

Premium growth

+18%

+18% at constant FX

Technical margin

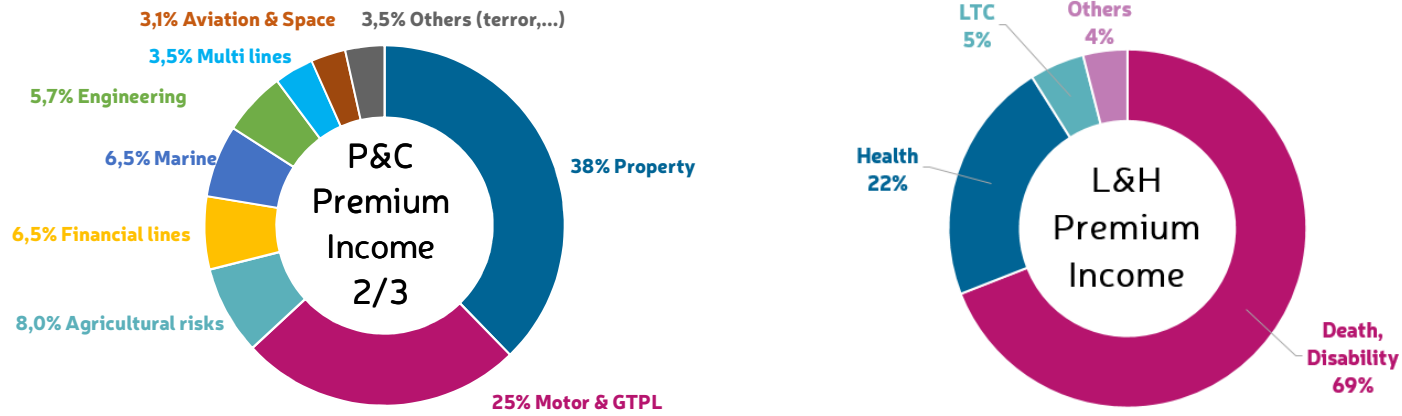
6.9%

+12bps compared to 2017

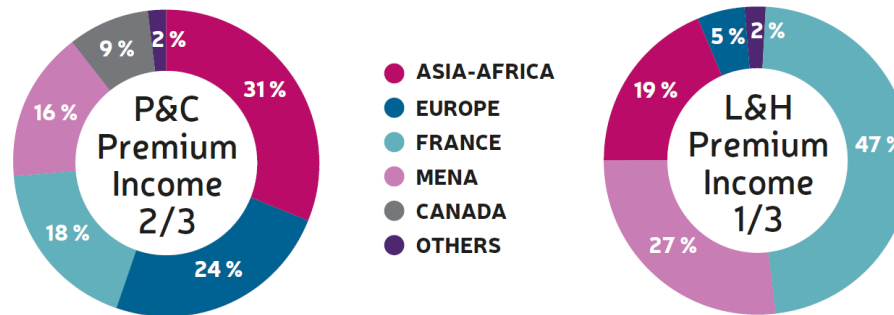


CCR RE: A DIVERSIFIED AND PRUDENT BUSINESS PROFILE

Business mix



Geographical spread

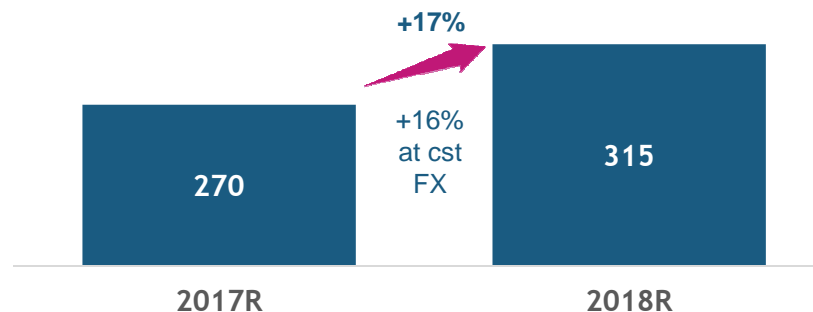


CCR RE: P&C & SPECIALTY

GWP 2018 stands at 315 M€, +45 M€ / +17% compared to 2017

GWP increases by 45 M€ compared to 2017 (+17% / +16% at constant foreign exchange)

- New business : +52 M€ (mainly on Property and Agricultural Risks) ; Renewal conditions : +4 M€
- Cancellations : -23 M€
- Others effects : +12 M€ (prior year adjustment, FX effect)



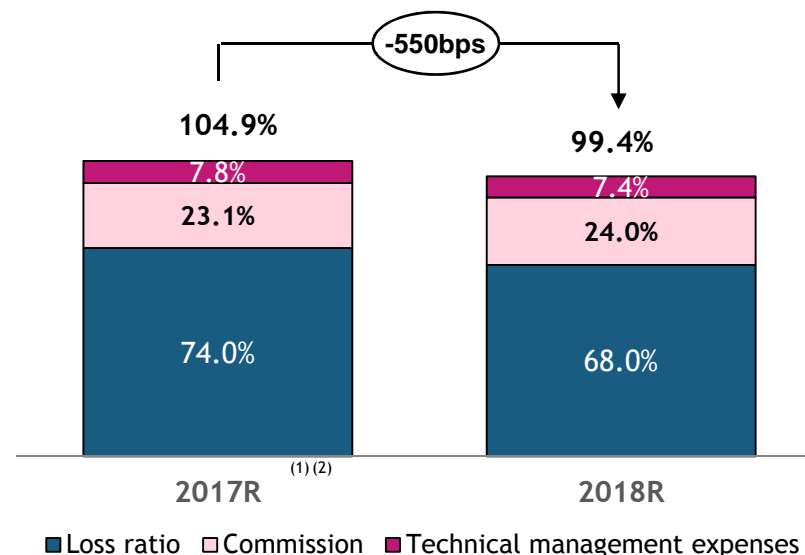
Combined Ratio decreases by 550bps to 99.4%

2018 net combined ratio stands at 99.4% :

- Net Loss ratio 68.0%
 - ✓ Natural catastrophes leading to a loss ratio of 7.9% : net loss of 22 M€ including events in Japan (-15 M€) and Typhoon Mangkhut (-5 M€)
- Expense ratio 31.4%

Compared to 2017, net combined ratio is down by -550 bps :

- Net Loss ratio : -605bps
 - ✓ Natural catastrophes : +241 bps
 - ✓ Long term development LoBs (Engineering, Motor and Liability) -821bps
 - Current year : -264bps due to profitable new business and cancellation of less profitable business
 - Reserve development : -557bps (no adverse development in 2018 vs Ogden effect in 2017)
 - ✓ Other effects : -25bps
- Expense ratio : +55bps



Note: (1) Loss ratio 2017R pro forma : ULAE included; (2) Technical management expenses 2017 pro forma : ULAE excluded

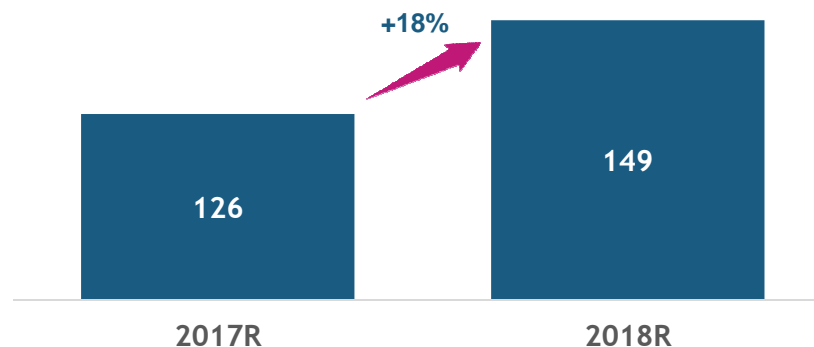


CCR RE: LIFE, ACCIDENT & HEALTH REINSURANCE

GWP 2018 stands at 149 M€, increase by 23 M€ / +18% compared to 2017

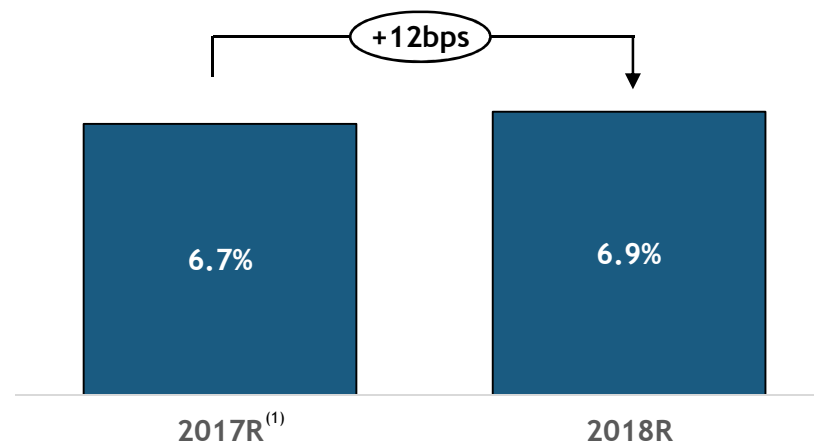
GWP increases by 23 M€ compared to 2017 (+18% / same at current foreign exchange)

- New business : +37 M€ (mainly on MENA and Asia) ; Renewal conditions (+9 M€), partly offset by cancellations (-23 M€)
- Cancellations : -20 M€ in accordance with restrictive subscription policy
- Others effects : +6 M€ (prior year adjustment, FX effect)



Sound Life profit margin : 6.9%, +12bps compared to 2017

- Strong net technical results standing at 7 M€ in 2018 (+35%)
- Excellent technical margin of 6.9% in 2018, in line with CCR Re target



Note: (1) 2017 pro forma : ULAE included

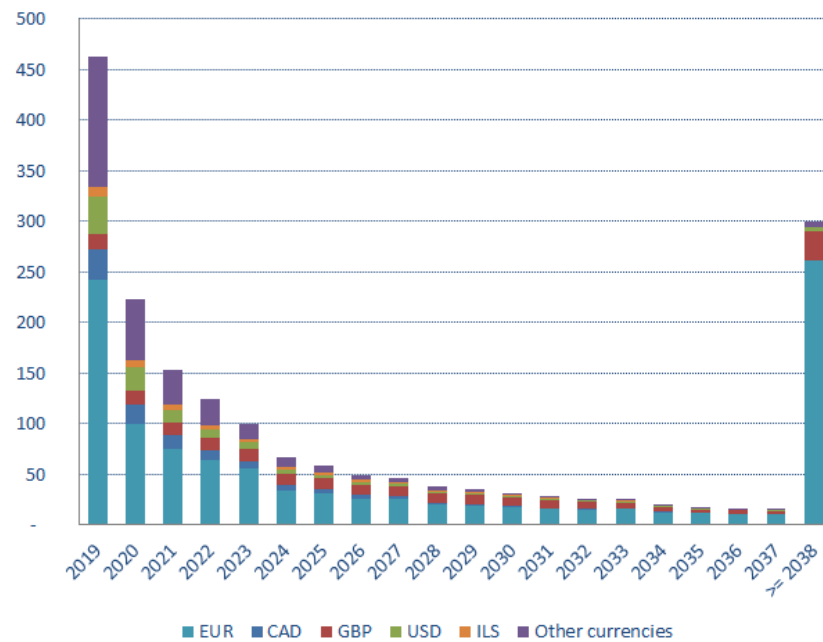
FY 2018 condensed information and figures

RISK MANAGEMENT

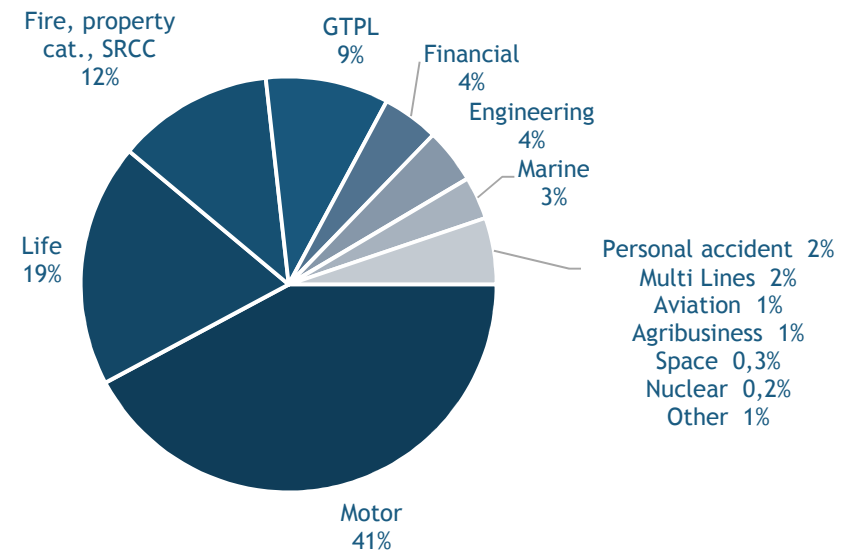
CCR RE: A CONSERVATIVE RESERVING POLICY & STABLE CASH FLOWS

- Strict monitoring of the reserving policy (external auditors on a bi-annual basis and audit every 3 years)
- Processes including level of reserving under French GAAP and S2 reviewed by the Actuarial function on an annual basis
- Over 40 years of a proven track records
- State of the art process on reserving technics
- A policy based on a 70% percentile on each and every reserving segment and every exercise

Flow of CCR Re reserving winding up (M€, Dec. 2018)



Reserves by line of business



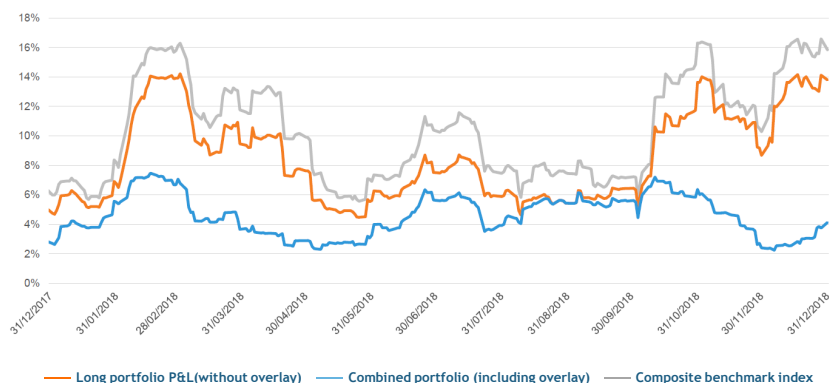
SRCC: Strikes, Riots and Civil Commotion Clause
 GTPL: General Third Party Liability



FINANCIAL HEDGING & RETROCESSION

Equity portfolio overlay

- Downside protection (-15% max drawdown) tailor-made solution for CCR and CCR RE implemented since March 2017
- Protecting the equity portfolio in case of significant market decline while preserving the ability to capture a significant proportion of positive performance
- Lowering of portfolio volatility



Retrocession

- CCR Re’s portfolio is put under continuous review (ERM, Retrocession department) to identify any needs in terms of retrocession
- It benefits from a comprehensive protection program designed to support underwriting growth
- Since 2017, CCR Re has been working on improving the use of alternative capacity through non-traditional solutions

Motor & GTPL

- A program designed for large events (e.g. a Mont Blanc tunnel scenario)

Property Cat

- A program designed based on modeling and our risk appetite
- Fine-tuned to match with CCR Re’s peak exposure i.e. European Wind
- Covering CCR Re both against large events (per event program) as well as a multitude of small and medium sized events (XL aggregate cover)
- Attachment point of the retro cover is € 15m per natural catastrophe event

Specialty lines

- Credit, Bond & Political Risks benefit from a pure retro program since 2016 in order to support the growth of this line of business
- A new retro program has been designed in cooperation with a top 3 broking agency for Agri business in order to assist the development of this LOB, identified as profitable but volatile

Life, Accident & Health reinsurance

- First program is a per head cover plus a catastrophe cover
- Second program is dedicated to War risk activities



SOLVENCY & CAPITAL MANAGEMENT

CCR RE: A DIVERSIFIED INVESTMENT PORTFOLIO

Investment strategy main principles

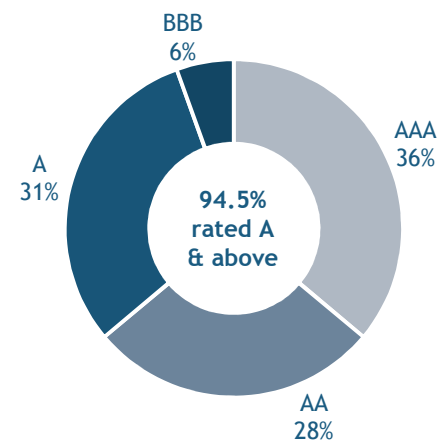
- Provide financial revenues in the range [2% ; 2.5%] (French GAAP) with a high confidence level
- Increase, in the medium run, of the unrealized capital gains on equity and real asset portfolio
- Delegate the asset management to first class asset managers (except cash, investment grade bond portfolio & real estate)

Financial Asset Structure

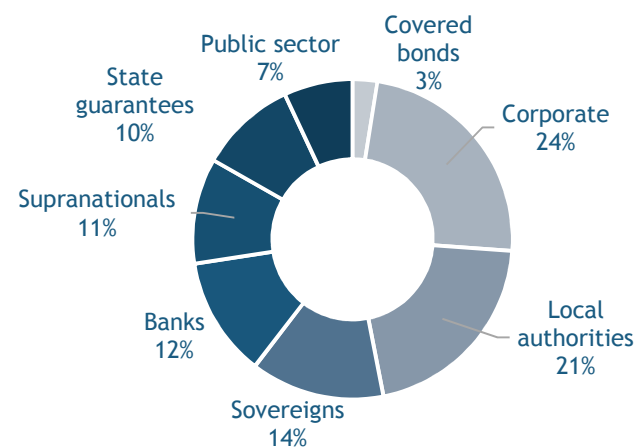
| In M€ | 31/12/2018 | | | | |
|--------------------------|--------------|-----|--------------------|-----|----------------------|
| | Market Value | | UGL ⁽¹⁾ | | UGL ⁽¹⁾ % |
| Money Market Assets | 299 | 13% | 0 | 0% | 0% |
| Rate Products | 757 | 33% | 36 | 12% | 5% |
| Shares & Diversified | 421 | 18% | 44 | 15% | 11% |
| Loans | 67 | 3% | 1 | 0% | 1% |
| Real Estate (incl. OPCI) | 349 | 15% | 204 | 68% | 58% |
| Participation | 14 | 1% | 8 | 3% | 57% |
| Protection | 36 | 2% | 6 | 2% | 17% |
| Deposits | 372 | 16% | 0 | 0% | 0% |
| TOTAL | 2 315 | | 299 | | 13% |

Note: (1) Unrealized Gains and Losses

Fixed-income (direct portfolio, Dec. 2018) Breakdown by rating

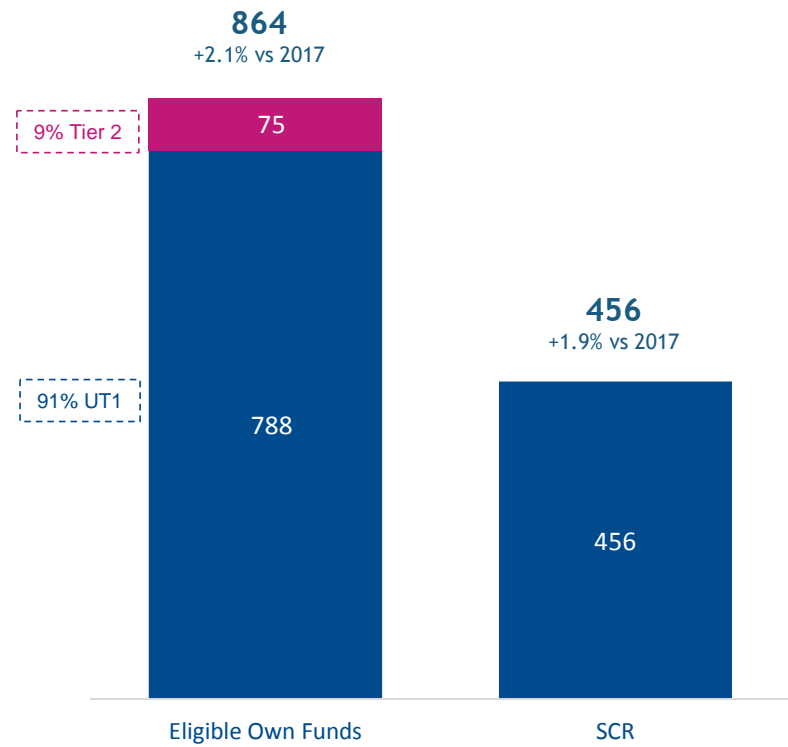


Fixed-income (direct portfolio, Dec. 2018) Breakdown by issuer type



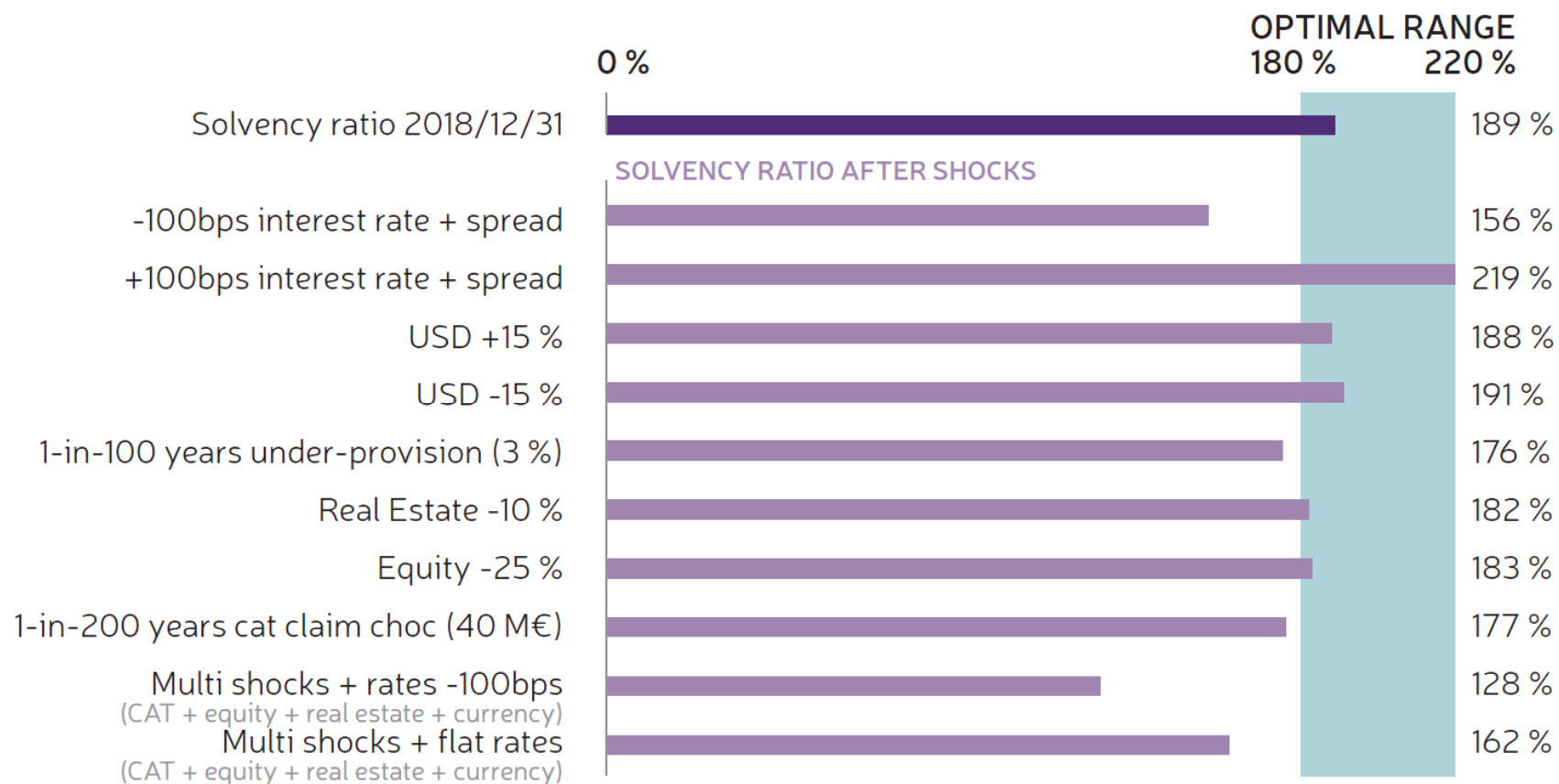
HIGH QUALITY OF ELIGIBLE OWN FUNDS AND STRONG FINANCIAL FLEXIBILITY

Eligible own funds and SCR (€ m, Dec. 2018)



189%
S2 margin

CCR RE: SENSITIVITIES TO DIFFERENT IMPORTANT SHOCKS



Notes: The 2018FY corresponded to an annual trough on the equity markets, and on 31/03/2019 we had returned more or less to the highest level of the recent years. We expect a substantial increase in CCR Re's SII margin on 31/03/2019, as a result of the rise in the equity markets, and a large part of the new subscription of 2019 in the balance sheet (and its projected net volume)

GLOSSARY

| | |
|--|--|
| Cost ratio | The ratio between management expenses(excluding financial management expenses but including claims handling expenses) net of CVAE/C3S tax on the one hand, and the written premiums gross of retrocession on the other hand. |
| Current income | Income before change of equalization reserve, exceptional items, employee profit-sharing and corporate income tax |
| Equalization reserve (ER) | The equalization reserve is set aside to cover changes in claims experience. It is used for catastrophic risks (natural disasters, attacks). The equalization reserve is not taken into account for the calculation of the loss and the combined ratio. |
| Life technical margin | The ratio of the sum of the Life, Accident & Health net technical result before technical management expenses, and interests received from ceding companies on cash deposits on the one hand, and the Life, Accident & Health earned premiums net of retrocession on the other hand. |
| P&C Commission ratio | The ratio between the sum of commissions and profit sharing with ceding companies, the change in deferred acquisition costs and commissions received from retrocessionaries on the one hand, and earned premiums net of retrocession on the other hand. |
| P&C Expense Ratio | The sum of the P&C technical management expenses ratio and the P&C commission ratio. |
| P&C Net Combined Ratio | The sum of the P&C net loss ratio and the P&C expense ratio. |
| P&C Net Loss Ratio | Ratio of the sum of claims incurred and past claims, paid or provisioned, and claims handling expenses, net of deferred claims and of retrocession on the one hand, and the earned premiums net of retrocession on the other hand. |
| P&C Technical Management expenses ratio | The ratio between technical management expenses (excluding claims handling expenses and financial management expenses) on the one hand, and the earned premiums net of retrocession on the other hand. |
| Investment result | Financial income including interest on cash deposits, net of internal financial management expenses. |
| Return on investment | Ratio between net investment income on the one hand, and outstanding investments on the other hand, excluding cash deposits and real estate for own use from return and assets |
| Net regular income return | Financial income including interest on cash deposits, net of internal financial management expenses, excluding realised capital gains, foreign exchange and durable depreciation provision. |
| ULAE | Unallocated loss adjustment expenses : claims handling expenses |

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