2021 FINANCIAL REPORT

CCR RE

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MANAGEMENT REPORT

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1 RESULTS AND FINANCIAL POSITION

1.1 Business environment

The global reinsurance market represented some USD 350 billion in premiums in 2021, corresponding to a cession rate of approximately 5%. The total market broke down as Life reinsurance for one third and Non-Life reinsurance for two thirds. The top five reinsurers were Munich Re, Swiss Re, Hannover Re, Berkshire Hathaway and SCOR, unchanged from 2020.

The sector continued to evolve between higher insurance rates, particularly for major risks, and higher open market reinsurance rates in a once again tightening market. After a year shaped by the Covid-19 pandemic in 2020, which had consequences for all business lines, the outlook was for a return to a more normal situation in 2021. While the Covid-19 epidemic continued, other segments of the reinsurance market were affected by the occurrence of several atypical natural and man-made disasters.

- Natural disasters:
  - Texas was brought to a standstill by severe icy conditions and snowstorms in the first quarter.
  - In July, torrential rain across a small area of Belgium and Germany caused deadly floods and record damage.
  - Hurricane Ida hit New York State in September.
  - Devastating wildfires swept through California in October.
- Man-made disasters:
  - In South Africa, fires and looting of businesses and warehouses in the wake of the riots reached a record level that the special protection pool had not foreseen.
  - On the Suez Canal, the grounding of the Ever Given tanker, which brought traffic on this vital trade route to a standstill, illustrated the global economy's vulnerability to a one-off incident.
  - Ransomware demands following cyber attacks increased dramatically in 2021, raising questions as to the insurability of this risk.

This succession of events highlighted the difficulties experienced by the reinsurance sector in keeping up with changes in the frequency and severity of claims. Climate change and the energy and digital transitions open the door to disaster scenarios that may or may not be correlated. New market capacity and public-private partnerships will be needed to address this expanding risk universe.

Faced with this environment, reinsurance companies were forced to review their risk models in 2021, and in some cases reassess their risk appetite for certain lines. Last year's environment confirmed the relevance and justified prudence of CCR Re's long-standing underwriting policy, including the policy of not reinsuring any risks in the United States. It also led to appropriate rate adjustments, as well as adjustments to contractual clauses and guarantees for certain risks (such as cyber, supplier failure, cancellation or pandemic risks) and certain types of cover (aggregate, per risk or multi-year).

In the Non-Life market, the focus was primarily on Disaster protection, with some reinsurers shifting their focus onto long-tail lines to increase their risk diversification. Ceding companies attempted to control their budgets by restructuring their programs through the application of higher deductibles or scope changes.

In the Life market, rates remained fairly stable overall, after demonstrating their resilience during the pandemic in many countries.

Lastly, instead of tightening across the board, conditions in the reinsurance market bifurcated between treaties affected by high loss ratios in 2021, which saw a steep rise in reinsurance rates (with a 10% average increase and hikes of up to 80% in property-damage reinsurance premiums in Germany, a 30% average increase in Belgium, and significant rate hikes for Life treaties hit by the pandemic in Latin America and the Middle East), and unaffected treaties for which rates remained stable.

Individual treaties continued to be judged on their own merits and were not affected by the overall market.

1.2 Financial environment

In 2021, the developed countries' stock markets performed very well in both Europe and the United States. The Eurostoxx 50 and CAC 40 indices gained 21% and 29% respectively, while the SP500 and Nasdaq indices jumped by 27% and 21% respectively. Accelerating inflation, the woes of Chinese property developers and Xi Jinping's tighter domestic policies weighed heavily on the stock markets of emerging countries.

In 2021, the economies of developed countries staged a recovery from the crisis caused by the Covid-19 restrictions imposed by governments in 2020. Economic growth on both sides of the Atlantic was driven by expansionary fiscal policies and very accommodative monetary policies.

- In the United States, domestic demand remained strong in 2021, but consumer spending ended the year down 0.6% in December. Persistent inflation (with the annual rate hitting 7.0% in December, the highest rate since 1982) and the declining savings rate in 2021 are expected to erode the purchasing power of American consumers. The American job market is very dynamic, with 444,000 private sector jobs created in January 2022 alone. The average hourly wage, which rose by 5.7% over the twelve months to January 2022, is a factor of uncertainty. The emergence of the Omicron variant of Covid-19 is likely to encourage precautionary behaviors, especially since the American vaccination rate, at 62%, is among the lowest in the developed world. The US producer price index remained high, at 12.2% in December. This was well above the consumer price index (7.0%), which could mean that company margins will be squeezed if cost increases are not passed on in selling prices. A rise in the price of manufactured goods is therefore probably on the cards. Balance was restored in the labor market in 2021, with the 4.2% unemployment rate close to the low of 3.6% reached at end-2019. Despite the uncertain economic and public health situation, the Federal Reserve decided to tighten its stance in the face of rising inflation, announcing plans to accelerate the reduction of its net asset purchases. As a result, the bond market now expects interest rates to be raised four times in 2022.
- In the euro zone, industrial production was buoyant at the end of 2021, led by the rebound in automobile production, particularly in Germany. However, surveys pointed to a slight erosion of business and consumer confidence. Retail sales grew 2% in December after rising by a very strong 8.2% in November. The slight decline reflected in the latest data is also due to rising prices, which are eroding the purchasing power of European consumers. Against this backdrop, the ECB announced that the pandemic emergency purchase program (PEEP) implemented during the crisis would be wound up in March 2022. The bank also decided, however, to increase its net purchases under the asset purchase program (APP) to €40 billion per month in the second quarter, €30 billion in the third quarter and €20 billion from October 2022 for a currently unspecified period. This means that the actual reduction in net purchases will take place very gradually over the whole of 2022. With inflation remaining high for longer than expected, ECB President Christine Lagarde now believes that a rate hike is possible at the end of 2022. However, inflation is a transitory phenomenon, as confirmed and illustrated by the ECB's latest projections, which put the inflation rate at less than 2% in 2023 and 2024.

As in 2020, the stock markets ended the year at high levels. The new Omicron variant was not a serious cause for concern among market participants, because although it is more contagious, it is also less dangerous since the vast majority of people in developed countries are fully vaccinated. Investment flows continued to be directed towards the stock markets due to the low interest rate environment in which the only way to earn a return was through the dividends paid on shares. The rise in bond yields at the end of 2021, driven by market expectations that the Federal Reserve would tighten its monetary policies in 2022, and that the ECB would probably follow suit in 2023, failed to dent market confidence in the stock markets.

Interest rates were erratic. After falling by 66 bps, French 10-year rates recovered to 0.30% in mid-May. They then fell by 46 bps to -0.16% at the beginning of August, before rising again as the leading central banks factored inflationary pressures into their monetary policies. The French 10-year OATi bond rate ended 2021 at 0.20%, up 56 bps on the start of the year.

In the bond market, average credit risk premiums on European investment grade bonds remained relatively stable, with the iTraxx Europe index standing at 48 bps.

In an environment that was generally favorable for higher risk assets, from the start of the year the CCR Group opted for maximum exposure to the stock markets. Based on a stable allocation compared to end-2019, the protection fund was deployed at 90% exposure over much of the year. Thanks to this strategy, the asset portfolios benefited from the stock market rebound in 2021, after being protected from the previous year's turbulence.

Concerning the fixed income portfolio, after investing heavily in money market instruments and cash in the early part of 2021, these investments were scaled back over the rest of the year, a strategy that helped to improve the return on the bond portfolio, all other things being equal.

Lastly, the CCR Group decided to significantly increase its exposure to energy transition infrastructure (categorized as physical assets, along with real estate). The investment strategy in this asset class focused on infrastructure that uses innovative techniques to produce low-carbon energy, with hydrogen naturally emerging as a promising future energy source. Green hydrogen, produced from renewable energy sources, is a hydrocarbon substitute that offers the major advantage of allowing the energy to be stored. The CCR Group has committed to investing in an energy transition infrastructure fund that qualifies as an impact investment and will represent approximately 1% of the Group's assets.

In line with our ESG and Climate policy, we give priority to investing in issuers that support the social transition, adaptation to physical risks and the prevention of transition risks. One-third of investments for the year concerned one of the three pillars of the ESG and Climate policy.

1.3 Significant events of the year

157 Re

The 157 Re sidecar was renewed with the addition of a third compartment (157 Re 21) offering increased capacity compared to the previous year. More than ever, the sidecar represents an agile way of using capital provided by outside investors to fund CCR Re's development.

Covid-19 management

The CCR Re's teams had no difficulty in managing the operational fallout from the Covid-19 pandemic in 2021. The Business Continuity Plan (BCP), deployed in 2020 to deal with the operational consequences of the pandemic, was reintroduced in 2021 when required depending on the health situation.

On the technical side, the reserves recorded at the end of 2020 for Covid-19-related claims were liquidated, generating a liquidation bonus which offset the cost of the pandemic for 2021.

Ratings

S&P affirmed CCR Re's financial strength rating of A/Stable outlook on May 6, 2021.

AM Best affirmed CCR Re's A/Excellent financial strength rating with a Stable outlook on July 28, 2021.

1.4 Post balance sheet events

The outbreak of war in Ukraine after the financial year-end is not expected to have a major impact on CCR Re. The Company has no direct exposure to Ukraine or Russia in its reinsurance portfolio and its indirect exposure in specialty lines is likely to remain limited. CCR Re has no direct exposure on its asset portfolio and does not hold any assets in rubles or hryvnia. In addition, CCR Re's asset portfolio is currently demonstrating a good level of resilience to the market turbulence caused by this event.

1.5 Financial review

Written premiums

Gross written premiums for the year amounted to €843 million for CCR Re, up 30% as reported and 25% at constant exchange rates[1]. The increase includes significant prior year adjustments; excluding these adjustments, the year-on-year increase was 21%.

The gross written premium target set out in the 2020-2022 Streamline strategic plan was achieved in 2021, one year ahead of schedule, and a new strategic plan was prepared during the year for the period to 2025.

Premium income breaks down as follows:

- Non-Life written premiums totaled €545 million, up 32% as reported (27% at constant exchange rates), and accounted for 65% of total open market premiums. The €112 million year-on-year increase in premiums at constant exchange rates primarily corresponded to new business written in Europe and Asia.

1 Changes at constant exchange rates correspond to the difference between actual 2021 premiums converted at the December 31, 2020 exchange rate and 2020 premiums converted at the December 31, 2020 exchange rate.

- Life written premiums amounted to €298 million, up 26% as reported (20% at constant exchange rates), and represented 35% of total open market premiums. The €47 million growth at constant exchange rates was mainly attributable to new reinsurance business written in the Middle East.

Ceded premiums

Earned premiums ceded by CCR Re stood at €52.2 million (versus €36.2 million in 2020), including €5.4 million in fronted premiums (€6.9 million in 2020) and €34.0 million in disaster premiums (€17.6 million in 2020).

The increase in ceded property damage premiums was due to portfolio growth, rate increases and reinstatement premiums following the events of 2021, as well as the increase in reinsurance premiums ceded to the 157 Re sidecar.

Non-Life combined ratio and Life technical margin

Non-Life reinsurance business

The Non-Life combined ratio was 96.6% in 2021 versus 103.2% the previous year, breaking down as:

- a loss ratio[2] of 66.5% (2020: 73.7%);
- an expense ratio[3] of 30.1% (2020: 29.4%);
- Natural disaster losses after reinsurance represented €43 million (versus €3.5 million in 2020). These losses contributed 9.2 points to the loss ratio (2020: 1.0 point). The sharp increase was due to last July's Bernd, Volker and Wolfgang storms which represented losses of €55 million before reinsurance (€22 million after reinsurance).
- Major man-made disaster claims represented losses of €15 million before and after reinsurance (2020: €20 million after reinsurance) and contributed 3.3 points to the loss ratio (2020: 5.5 points). The two major losses reinsured by CCR Re were the riots in South Africa (July) and a warehouse fire in South Korea (June).
- Covid-19-related losses were €5 million before and after reinsurance (2020: €44 million) and contributed 1.1 point to the loss ratio (2020: 12.4 points).
- Attritional losses represented 52.9 points of the loss ratio versus 54.9 points in 2020. The 2-point decrease primarily reflected the steadily improving profitability of the long-tail portfolio.

Life reinsurance business

The Life reinsurance business's technical margin[4] declined to 3.1% in 2021 from 2.2% the previous year.

The margin continued to be eroded by fallout from the Covid-19 pandemic, which cost €8 million in 2021. Excluding Covid-19 losses, the profitability of the Life business was stable.

Management expenses

Management expenses (not including investment management expenses which are reported under investment expenses) amounted to €38 million, representing a cost ratio[5] of 4.3% in 2021, versus 4.9% in 2020 and 5.5% in 2019.

Net investment income

Net investment income amounted to €36 million, including investment revenue of €28.1 million, finance costs of €12.5 million on subordinated debt and net realized capital gains of €20.7 million.

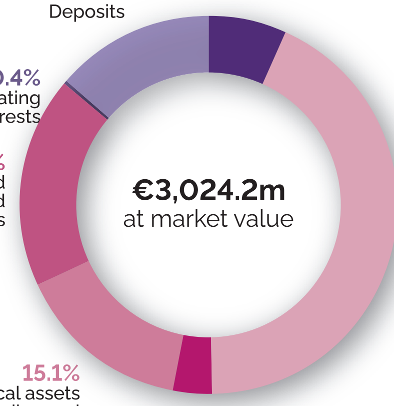
In 2021, CCR Re's return on invested assets[6] was 1.9%, compared to 2.5% in 2020. The decline in the rate of return reflected a combination of lower bond yields and lower realized capital gains.

2 The loss ratio corresponds to incurred present and past losses (paid or covered by outstanding claims reserves, net of reinsurance) plus claims management expenses divided by earned premiums net of reinsurance.
3 The expense ratio corresponds to commissions and internal management expenses, excluding claims management expenses, divided by earned premiums net of reinsurance.
4 The Life technical margin corresponds to the ratio between (a) the sum of the technical result and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business. These items are determined before taking into account expenses analyzed by function and investment income allocated to the Life technical account.
5 Management expenses net of CVAE and C3S taxes as a percentage of written premiums before reinsurance.
6 Ratio of net investment income to reinsurance investments, excluding the investment in the Luxembourg subsidiary, interest on subordinated debt, ceding insurer deposits and owner-occupied property.

Management of financial and real estate investments

Reinsurance investments[7] had a net book value of €2,593.3 million at December 31, 2021 (versus €2,514.9 million at the previous year-end), including €224 million in assets deposited with ceding insurers.

Net unrealized gains totaled €430.9 million at December 31, 2021 compared with €409.4 million at end-2020, reflecting conditions in the financial and real estate markets and asset sales carried out during the year. The market value of financial and real estate investments was €3,024.2 million at December 31, 2021, an increase of 3.4% compared with end-2020.



The following table shows the breakdown of the reinsurance investment portfolio at net book value (NBV) and at market value (MV):

	December 31, 2021			December 31, 2020			Change			
(in millions of euros)	NBV	MV	% (at MV)	NBV	MV	% (at MV)	NBV	%	MV	%
Money market instruments and cash	207.9	207.9	6.9%	381.3	381.2	13.0%	-173.4	-45.5%	-173.4	-45.5%
Interest rate instruments	1,260.0	1,298.2	42.9%	1,029.4	1,090.4	37.3%	+230.6	+22.4%	+207.9	+19.1%
Loans	96.7	101.5	3.4%	86.9	87.3	3.0%	+9.8	+11.3%	+14.2	+16.3%
Physical assets (including real estate funds and infrastructure funds)	168.3	458.0	15.1%	165.4	421.7	14.4%	+2.9	+1.7%	+36.2	+8.6%
Equities and diversified funds	449.7	542.5	17.9%	429.6	513.5	17.6%	+20.1	+4.7%	+29.0	+5.6%
Participating interests	6.2	11.6	0.4%	6.2	14.1	0.5%	0.0	0.0%	-2.5	-17.7%
Deposits	404.5	404.5	13.4%	416.1	416.1	14.2%	-11.6	-2.8%	-11.6	-2.8%
TOTAL	2,593.3	3,024.2	100%	2,514.9	2,924.3	100%	+78.5	+3.1%	+99.9	+3.4%

The presentation of assets by class has changed from that in the 2020 management report, with the creation of a "physical assets" class comprising real estate assets as well as infrastructure funds previously classified as "equities and diversified funds".

As shown in the above table, changes in the structure of the reinsurance investment portfolio in 2021 were as follows:

- Investments in **money market instruments** amounted to €207.9 million at December 31, 2021, down 45.5% compared with end-2020. This asset class was primarily used to finance the acquisition of interest rate instruments. The balance increased in 2020 as a result of CCR Re's subordinated debt issue.

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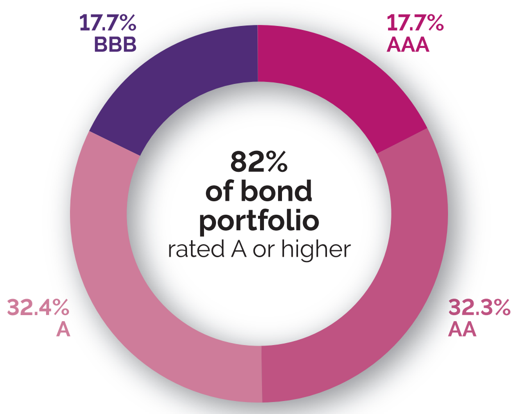
7 CCR RE's financial and real estate investments, including cash. In this section, the investment portfolio at December 31, 2020 has been remeasured at December 31, 2021 prices.

- The market value of investments in **interest rate instruments** (42.9% of total reinsurance investments) increased by 19.1% over the year. The portfolio comprises bonds for 54.8% and bond funds for 45.2%. CCR Re took advantage of the increase in 5-year rates to reinvest at positive rates in high quality bonds, leading to a reduction in money market instruments. At December 31, 2021, 82% of the **bonds** in the portfolio were rated A or higher.

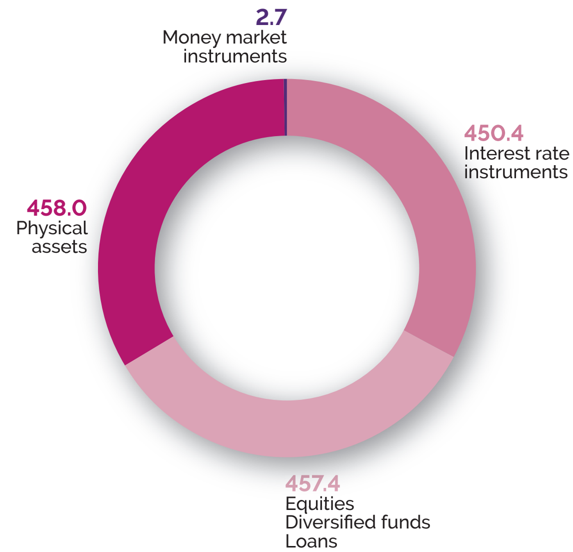


- The market value of investments in **equities and diversified funds** (18% of total reinsurance investments) rose by 5.6% over the year to €542.5 million at December 31, 2021. The main investments are equity funds (39.3%), diversified funds (26.4%) and hybrid securities (21.1%).

- **Investments in physical assets** stood at €458 million at market value, an increase of 8.6% compared with end-2020. They represented 15.1% of total reinsurance investments versus 14.4% at December 31, 2020. The portfolio comprises office and residential properties in Paris. Market values continued to rise at a healthy rate during the year. Residential properties were resilient and the office properties were all fully let as of December 31, 2021.

At December 31, 2021, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €1,368.4 million at market value, an increase of 61.3% from end-2020. The portfolio represented 45.3% of total reinsurance investments versus 29.3% at December 31, 2020.

The portfolio breaks down as follows by asset class (in millions of euros):



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EBITER[8]

The items discussed above drove an increase in EBITER to €62 million from €39 million in 2020.

Net income for the year

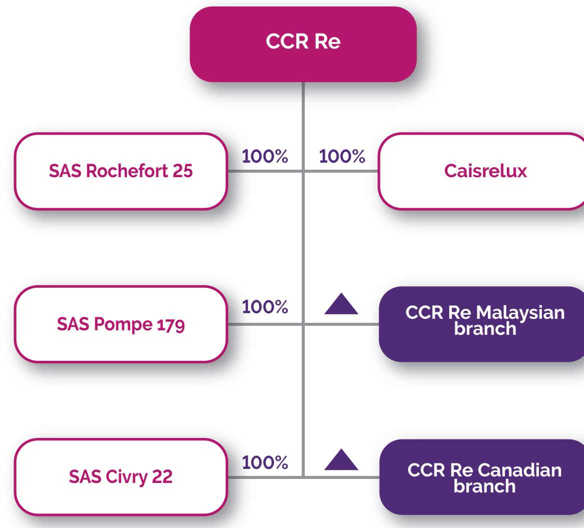
Net income for the year amounted to €41 million versus €18 million in 2020. This earnings performance was on a par with the objective set for 2022 in the Streamline strategic plan (€42 million).

8 Earnings before interest, taxes and the equalization reserve. EBITER also excludes non-recurring items.

Subsidiaries and affiliates

As shown in the chart below, part of the real estate investment portfolio is managed through three simplified joint stock corporations with combined equity of €41 million at December 31, 2021. The three companies contributed €1.3 million to CCR Re's investment revenue for the year.

CCR Re also has a reinsurance subsidiary in Luxembourg, Caisrelux. This company had share capital of €6.2 million at December 31, 2021, unchanged from the previous year-end. Caisrelux operates exclusively as a captive reinsurance company.



1.6 2022 outlook

Business development

CCR Re met its Streamline strategic plan goals one year early, in 2021.

The Company enjoyed rapid business growth in 2021 and its top line was also boosted by higher premium rates. Although the increase was somewhat lower than expected. The situation created by Covid-19 improved, although client visits may not fully resume in 2022.

The rate increases applied to treaties renewed on January 1, 2022 were both moderate and differentiated. The general hardening of reinsurance rates across all geographies and all lines became a thing of the past, despite the high frequency of natural disaster losses in 2021.

Terms improved but in a targeted manner in the geographies and insurance lines that have been particularly affected in recent years.

Financial environment

The increases in long-term interest rates fueled by more restrictive monetary policies are expected to cause volatility in the stock markets, which appear to be overheated.

The inflated prices of technology stocks represent one of the greatest risk factors in 2022; however, they are likely to come under downward pressure from improved interest rates. The CCR Group continues to believe that if the technology bubble bursts, this could drive investors towards more traditional stocks that still have room to increase in value.

These factors, combined with the high levels of public and private debt worldwide, encourage a cautious approach.

1.7 Forward financial instruments policy

Currency risk results from differences between assets and liabilities in each currency.

It is impossible to exactly match assets and liabilities in each currency on a continuous basis. CCR Re endeavors to limit the balance sheet's exposure to currency risks and uses hedging instruments to reduce the impact of exchange rate fluctuations.

Currency risk is managed using a certain number of indicators to assess the risk from different angles, currency by currency.

Hedging instruments include forward foreign exchange contracts and derivative instruments (non-deliverable forwards) for non-convertible currencies. Realized and unrealized gains and losses on forward financial instruments used in yield strategies are recorded directly in the income statement, as allowed under paragraph 3012-3 of Regulation CRC 2002-09 for forward contracts.

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1.8 Dividends paid in the last three years

French law requires the disclosure of dividend payments for the last three years.

- No dividends were paid for 2018 and 2019.
- A dividend of €5,513,024.52 was paid for 2020, representing a net dividend per share of €6.12.

1.9 Other information

Research and development activity

Over 2021, CCR Re continued to roll out the prototype that automates the entry of accounts sent by brokers, covering nearly 20% of the accounts received during the year.

The added value represented by this innovative solution impelled wider use of new technologies, including robotics, **text mining** and artificial intelligence.

In 2021, these technologies were used by the internal control teams to automate the controls and expand their scope, in order to achieve greater efficiency gains and make more time available for analyses. Three innovative solutions have been launched to guarantee that the reinsurance portfolio is aligned with the Company's strategic decisions. This work was pursued in 2021, with the development of solutions to consistently perform certain key controls in real time.

The following tools have already been deployed:

- ARS, which guarantees compliance with underwriting rules. ARS was migrated to the Dataiku automated platform in 2021 and is being used to scan check some 90% of underwriting rules. Checking the entire portfolio rather than just a sample provides a better guarantee that the portfolio is fully compliant with the Company's strategy.
- The "Contractual" proof of concept (POC) has been enhanced, using text mining technology to obtain assurance concerning the quality of contractual data, contract by contract. An upgrade has been developed to compare each contract with CCR Re's clause book, in order to ensure that the correct wording is used in all new contracts.
- The POC developed to sweep all types of documents in order to retrieve information on a specific topic is now being used by the Company's teams.
- Finally, to further improve its knowledge of its clients, CCR Re uses bots that analyze web publications from various selected perspectives and has deployed new commercial relations software.

In 2021, CCR Re strengthened its view of risk by developing a business model that covers all the risks in its business portfolio. The model also allows for comparisons of different business development or corporate protection strategies.

With these innovative investments, CCR Re is enhancing the analysis and knowledge capabilities deployed in support of its development and operational excellence within an efficient risk management framework.

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Supplier and client payment terms

The following information is disclosed in application of Article L.441-14 of the French Commercial Code (*Code de Commerce*)

	ARTICLE D441 L.1 Invoices received and due but not settled at year-end						ARTICLE D441 L.2 Invoices issued and due but not settled at year-end					
(in thousands of euros)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
(A) Days late												
Number of invoices	2		2	1	2	5						
Total amount of invoices (excl. VAT)	303.3		20.2	1.5	1	22.7						
As a % of total purchases for the period (excl. VAT)	2.8%		0.2%	0.0%	0.0%	0.2%						
As a % of premium income (excl. VAT) for the period												
(B) Invoices excluded from (A) relating to contested or unrecorded receivables and payables												
Number of excluded invoices												
Total amount of excluded invoices												
(C) Reference payment terms (contractual or statutory per Article L.441-6 or L.443-1 of the French Commercial Code)												
Payment terms used to calculate late payments												
Contractual terms		30 days from month-end										
Statutory terms								30 days from receipt of invoice				

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In application of the circular issued by the French Insurance Federation (*Fédération Française de l'Assurance*) on May 22, 2017, the information in the above table does not include reinsurance receivables and payables.

Calculation of financial indicators

Accounting presentation and presentation by Life and Non-Life business unit

2021 (in millions of euros)	PRESENTATION BY BUSINESS UNIT			ACCOUNTING PRESENTATION	
	Non-Life BU (1)	Life: Disability/ Health BU (2)	Life: Death BU (3)	Non-Life (1) + (2)	Life (3)
Net earned premiums	466	152	130	619	130
Paid claims and expenses, change in outstanding claims reserves	(310)	(119)	(113)	(429)	(113)
Commissions, fees, other underwriting income and expenses	(140)	(26)	(27)	(166)	(27)
Change in equalization reserves	7	0	0	7	0
Investment income allocated to the technical result	22	5	2	27	2
TECHNICAL RESULT	**45**	**12**	**(9)**	**57**	**(9)**

Non-Life combined ratio

The loss ratio corresponds to losses and loss adjustment expenses, net of reinsurance, divided by earned premiums net of reinsurance.

The expense ratio corresponds to the sum of profit and other commissions paid to ceding insurers, the change in deferred acquisition costs, reinsurance commissions received and management expenses excluding investment expenses and claims management expenses, divided by earned premiums net of reinsurance.

(in millions of euros)	2020	2021
Gross written premiums	412	545
Net earned premiums (A)	**355**	**466**
Claims expenses and charges to other technical reserves (B)	(262)	(310)
Loss ratio - (B) / (A)	**73.7%**	**66.5%**
Commissions, fees, other underwriting income and expenses (C)	(105)	(140)
Non-Life expense ratio - (C) / (A)	29.4%	30.1%
NON-LIFE COMBINED RATIO - [(B) + (C)] / (A)	**103.2%**	**96.6%**

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Life reinsurance margin

The Life reinsurance margin corresponds to the ratio between (a) the sum of the reinsurance net underwriting result[9] and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business.

(in millions of euros)	2020	2021
Gross written premiums	237	298
Net earned premiums (A)	218	282
Net underwriting result	2.6	5.8
Interest on cash deposits	2.2	3.1
Technical balance used for the calculation of the Life reinsurance margin (B)	4.8	8.8
LIFE REINSURANCE MARGIN (B) / (A)	2.2%	3.1%

Cost ratio

The cost ratio corresponds to management expenses net of investment expenses and taxes divided by written premiums before reinsurance.

(in millions of euros)	2020	2021
Total expenses recorded in the income statement	(37.2)	(42.0)
Of which investment expenses	3.8	4.0
Of which taxes	1.5	1.8
TOTAL EXPENSES (for the calculation of the cost ratio) (A)	(31.9)	(36.2)
Gross written premiums (B)	649	843
COST RATIO (A) / (B)	4.9%	4.3%

Return on invested assets

The return on invested assets corresponds to net investment income divided by reinsurance investments, excluding interest on subordinated debt, excluding miscellaneous adjustments (ceding insurer deposits and owner-occupied property) and excluding the subsidiary Caisrelux.

(in millions of euros)	2020	2021
Net investment income	47.1	36.4
Miscellaneous adjustments (ceding insurer deposits and owner-occupied property)	(3.4)	(4.3)
Cost of debt	8.0	12.7
Net investment income (for the calculation of the return on invested assets)	51.7	44.7
Average reinsurance investments	2,038	2,298
RATE OF RETURN ON INVESTED ASSETS	2.5%	1.9%

9 Sum of premiums, claims and related management expenses, and commissions and brokerage fees, including changes in related technical reserves, net of reinsurance.

EBITER is earnings before interest, taxes and the equalization reserve. It also excludes non-recurring items.

2020	Life	Non-Life	Total
Gross written premiums	237	412	649
Gross earned premiums	223	387	609
Net earned premiums	**218**	**355**	**573**
P&C net loss ratio		73.7%	
P&C net commission ratio		22.9%	
Life technical margin	2.2%		
- Interest on Life cash deposits	(2.2)		
Claims expenses (including claims management expenses) and commissions, net	(215)	(343)	(558)
Internal management expenses	(8)	(25)	(33)
- Claims management expenses	0.6	2.2	2.8
+ Other technical result	0	0	(1)
+ Investment income allocated to the technical result	9	29	38
TECHNICAL RESULT EXCLUDING CHANGE IN EQUALIZATION RESERVE	**4**	**18**	**21**
Investment income, net of expenses			47
- Investment income allocated to the technical result			(38)
- Finance costs			8
EBITER			**39**
+ Finance costs			(8)
+ Change in equalization reserve			(2)
+ Non-recurring income and expenses, net			(1)
+ Employee profit-sharing			0
+ Income tax			(9)
NET INCOME FOR THE YEAR			**18**

2021	Life	Non-Life	Total
Gross written premiums	298	545	843
Gross earned premiums	287	514	801
Net earned premiums	**282**	**466**	**748**
P&C net loss ratio		66.5%	
P&C net commission ratio		24.4%	
Life technical margin	3.1%		
- Interest on Life cash deposits	(3.1)		
Claims expenses (including claims management expenses) and commissions, net	(276)	(424)	(700)
Internal management expenses	(10)	(28)	(38)
- Claims management expenses	0.6	2.5	3.1
+ Other technical result	0	(1)	(1)
+ Investment income allocated to the technical result	7	22	29
TECHNICAL RESULT EXCLUDING CHANGE IN EQUALIZATION RESERVE	**4**	**38**	**42**
Investment income, net of expenses			36
- Investment income allocated to the technical result			(29)
- Finance costs			13
EBITER			**62**
+ Finance costs			(13)
+ Change in equalization reserve			7
+ Non-recurring income and expenses, net			(3)
+ Employee profit-sharing			(0.1)
+ Income tax			(11)
NET INCOME FOR THE YEAR			**41**

2 CORPORATE GOVERNANCE

This section of the management report corresponds to the Board of Directors' corporate governance report presented to the Annual Shareholders' Meeting in accordance with Article L.225-37 of the French Commercial Code.

2.1 Board of Directors, Chairman, Chief Executive Officer

CCR Re was initially registered as a simplified joint stock corporation (*société par actions simplifiée*) on December 28, 2015. It was transformed into a joint stock corporation (*société anonyme*) in 2016 with the corporate purpose of writing reinsurance under the name CCR Re.

In accordance with French company law governing joint stock corporations, the Board of Directors has at least three members and no more than 15 members, including one director designated by the French State pursuant to Government order 2014-948 dated August 20, 2014 on the governance and corporate actions of partly State-owned companies and one director representing employees elected pursuant to Article L.225-27 of the French Commercial Code.

In accordance with Article L.225-51-1 of the French Commercial Code and Article 16 of the Company's bylaws, at its meeting on June 29, 2016 the Board of Directors decided to combine the positions of Chairman of the Board and Chief Executive Officer.

Bertrand Labilloy has been Chairman and Chief Executive Officer since June 29, 2016. At the Annual Shareholders' Meeting of May 10, 2021, shareholders noted that his term ended at the close of the meeting and decided to re-elect him for a further five years. At its meeting held immediately after the Annual Shareholders' Meeting on May 10, 2021, the Board of Directors decided to appoint Bertrand Labilloy as Chairman and Chief Executive Officer for the duration of his term of office as Director, i.e., until the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025.

On the recommendation of the Chairman and Chief Executive Officer, at the Board meeting held on June 29, 2016, Laurent Montador was appointed as Deputy Chief Executive Officer for a period of six years expiring at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2021.

The members of CCR Re's Board of Directors are as follows:

- Bertrand Labilloy, Chairman and Chief Executive Officer
- Jacques Le Pape, permanent representative of Caisse Centrale de Réassurance (CCR)
- Patrick Cerceau
- Charles Lévi
- Antoine Mantel
- John Conan, director representing employees elected by employees pursuant to Article L.225-27 of the French Commercial Code

2.2 Audit, Accounts & Risks Committee

The Audit, Accounts & Risks Committee was set up by the Board of Directors on January 23, 2017. The Committee has a maximum of four members appointed by the Board of Directors from among the directors other than the Chairman of the Board, including the director representing employees. It is chaired by Charles Lévi.

The Committee is tasked with assisting the Board of Directors in fulfilling its role concerning the annual financial statements, by monitoring (a) the effectiveness of the internal control and risk management systems, and the Internal Audit function if applicable, with regard to the procedures for the preparation and processing of accounting and financial information, and (b) the work of the statutory auditors. It also expresses an opinion on the auditor selection process and issues a recommendation concerning the accounting firm to be proposed for appointment as auditor at the Annual Shareholders' Meeting. It considers the Actuarial function's report and monitors implementation of legal and regulatory compliance procedures, especially Solvency II compliance, notably by examining the Compliance function's report.

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It meets with the head of the Internal Audit function, reviews the internal audit program and makes a recommendation to the Board as to whether the program should be approved, analyzes the internal auditors' main recommendations and their implementation.

It reviews the Regular Supervisory Report (RSR), the Solvency and Financial Condition Report (SFCR) and the written policies falling within the Committee's terms of reference. It is also tasked with tracking risk control indicators and the ORSA, based on the ORSA report and discussions with the head of the Risk Management function.

2.3 Compensation paid to directors and corporate officers

In 2021, CCR Re paid total compensation of €60,000 to members of the Board of Directors, as follows:
- Charles Lévi €30,000
- Patrick Cerceau €30,000

In accordance with the law, the Chairman and Chief Executive Officer's compensation is decided by the Board of Directors.

Bertrand Labilloy, Chief Executive Officer, was paid total gross compensation of €131,258 in 2021, including fixed compensation of €85,008 for 2021 and variable compensation of €46,250 in respect of 2020. He does not receive any benefits in kind.

Laurent Montador, Deputy Chief Executive Officer, is not paid any compensation by CCR Re. He does not receive any benefits in kind.

No fees or compensation were paid by CCR Re's subsidiaries to any of the Company's directors or officers in 2021.

2.4 Current shareholder authorizations to issue shares

The Board of Directors has not been given any shareholder authorizations to issue shares in application of Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

2.5 Agreements between a director, a corporate officer or a shareholder owning more than 10% of the voting rights and a subsidiary

A service agreement between CCR Re and SAS Cerceau Consulting was authorized by CCR Re's Board of Directors on December 8, 2020 before being entered into for a period of one year. Patrick Cerceau is SAS Cerceau Consulting's sole shareholder. Under the terms of the agreement, SAS Cerceau Consulting provides consulting services and client prospection assistance in certain specified markets. The purpose of these services is to enable CCR Re to write new reinsurance business in these markets, in accordance with its underwriting criteria, or to enter into partnerships with local reinsurance companies. The agreement was disclosed to the statutory auditors in accordance with the regulations governing related party agreements.

2.6 ESG Climate Report

Article 173 VI of the French Energy Transition for Green Growth Act of August 17, 2015 (incorporated in the Monetary and Financial Code as Article L.533-22-1) requires companies to prepare a separate ESG-Climate Report. CCR Re is included in the consolidated financial statements prepared by CCR and CCR's ESG-Climate Report therefore includes the required information for both companies.

2.7 List of directorships and other positions held by CCR's corporate officers in 2021

BERTRAND LABILLOY

Chairman and Chief Executive Officer

Directorships and positions held in CCR Re and its subsidiaries

- Chairman and Chief Executive Officer of CCR Re

Other directorships and positions in other companies

- Chief Executive Officer of Caisse Centrale de Réassurance (CCR)
- Vice President of APREF (*Association Professionnelle des Réassureurs de France*)
- Permanent representative of CCR on the Supervisory Board of Gageo Asset Finance Services
- Permanent representative of CCR Re on the Board of Directors of GIE LRA
- Chairman of the Board of Directors of Seyna

LAURENT MONTADOR
Deputy Chief Executive Officer

Directorships and positions held in CCR Re and its subsidiaries

- Deputy Chief Executive Officer of CCR Re
- Chairman and Director of Caisrelux

Other directorships and positions in other companies

- Deputy Chief Executive Officer of Caisse Centrale de Réassurance (CCR)
- Director of Garex
- Director of Gareat

JACQUES LE PAPE
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent representative of Caisse Centrale de Réassurance (CCR), director of CCR Re (since August 1, 2021)

Other directorships and positions in other companies

- Chairman of the Board of Directors of Caisse Centrale de Réassurance (CCR) (since May 4, 2021)
- Member of the Strategy Committee of CCR (since May 4, 2021)
- Partner of Barber Hauler Capital Advisers
- Chairman of the Supervisory Board of the Hellenic Corporation of Assets and Participations (HCAP) (Greece)
- Member and Vice Chair and Treasurer of the Board of Directors of the French Committee of the International Chamber of Commerce (ICC France)
- Member of the Board of Directors of Institut d'Etudes Avancées de Paris (IEA)

PIERRE BLAYAU
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent representative of Caisse Centrale de Réassurance (CCR), director of CCR Re (until May 10, 2021)

Other directorships and positions in other companies

- Chairman of the Board of Directors of Caisse Centrale de Réassurance (CCR) (until May 4, 2021)
- Member of the Strategy Committee of CCR (until May 4, 2021)
- Chairman of Harbour Conseils (SAS)
- Non-voting director of Fimalac
- Member of the Audit Committee of Fimalac
- Director of Cellnex Telecom SA (Spain)
- Member of the Appointments and Compensation Committee of Cellnex Telecom SA (Spain)
- Director of Newrest Group Holding SA (Spain)

VINCENT GROS
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent representative of Caisse Centrale de Réassurance (CCR), director of CCR Re (from May 4 to July 31, 2021)

Other directorships and positions in other companies

- General Counsel of CCR

PATRICK CERCEAU
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Member of the Audit, Accounts & Risks Committee of CCR Re

Other directorships and positions in other companies

- Chairman of SAS Patrick Cerceau Consulting

JOHN CONAN
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Member of the Audit, Accounts & Risks Committee of CCR Re
- Asia-Africa Non-Life Treaties Director, CCR Re
- Principal Officer of CCR Re Labuan Branch

Other directorships and positions in other companies

- Caudebec les Elbeuf town councilor
- Member of the Board of Directors of Caudebec les Elbeuf CCAS (social activities fund)
- Lecturer in insurance, ENASS/IFPASS

CHARLES LÉVI
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Chairman of the Audit, Accounts & Risks Committee of CCR Re

Other directorships and positions in other companies

- Member of the Board of Directors of Axa Vie (Poland) (until April 22, 2021)
- Member of the Board of Directors of Axa Non-Vie (Poland) (until April 22, 2021)
- Member of the Board of Directors of Axa Fonds d'Investissement (Poland) (until April 22, 2021)

ANTOINE MANTEL
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Member of the Audit, Accounts & Risks Committee of CCR Re

Other directorships and positions in other companies

- Director of Caisse Centrale de Réassurance (CCR)
- Member of the Audit, Accounts & Risks Committee of CCR
- Member of the CCR Strategy Committee
- State Inspector in the General Economic and Financial Inspection Division (CGEFI)
- Director and member of the Audit Committee of Fonds de Garantie des Assurances Obligatoires (FGAO)

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BALANCE SHEET AT DECEMBER 31, 2021
ASSETS

(in thousands of euros)	DECEMBER 31, 2021			DECEMBER 31, 2020
	Gross amount	Amortization, depreciation & provisions	Net amount	Net amount
INTANGIBLE ASSETS	**546**	**94**	452	
INVESTMENTS				
Real estate investments	177,261	39,336	137,925	140,183
Investments in affiliates and participating interests	6,200		6,200	6,200
Other investments	2,082,575		2,082,575	1,820,880
Cash deposits with ceding insurers	224,420		224,420	253,914
TOTAL	**2,490,456**	**39,336**	**2,451,120**	**2,221,177**
REINSURERS' SHARE OF TECHNICAL RESERVES				
Non-Life unearned premium reserves	443		443	997
Life reinsurance reserves				527
Life outstanding claims reserves	2,536		2,536	611
Non-Life outstanding claims reserves	81,800		81,800	29,192
TOTAL	**84,779**		**84,779**	**31,327**
RECEIVABLES				
Reinsurance receivables	104,882	457	104,425	81,417
Prepaid payroll costs				5
Prepaid and recoverable taxes	8,936		8,936	8,214
Other receivables	4,428	38	4,390	5,291
TOTAL	**118,246**	**495**	**117,751**	**94,927**
OTHER ASSETS				
Property and equipment	600	504	96	66
Current accounts and cash	143,288		143,288	271,296
TOTAL	**143,888**	**504**	**143,384**	**271,362**
ACCRUED INCOME AND PREPAID EXPENSES				
Accrued interest and rental income	4,187		4,187	3,813
Life and Non-Life deferred acquisition costs	61,739		61,739	48,865
Other accrued income and prepaid expenses	364,261		364,261	272,985
TOTAL	**430,187**		**430,187**	**325,663**
TOTAL ASSETS	**3,268,102**	**40,429**	**3,227,673**	**2,944,456**

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BALANCE SHEET AT DECEMBER 31, 2021
EQUITY AND LIABILITIES

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020
	Before appropriation of net income	Before appropriation of net income
SHAREHOLDERS' EQUITY		
Share capital	90,082	90,082
Additional paid-in capital		
Revaluation reserves		
Other reserves and retained earnings	376,161	363,288
Net income for the year	41,005	18,386
TOTAL	**507,248**	**471,756**
SUBORDINATED DEBT	**375,000**	**375,000**
GROSS TECHNICAL RESERVES		
Non-Life unearned premium reserves	222,420	192,654
Life reinsurance reserves	132,840	104,154
Life outstanding claims reserves	118,275	92,587
Non-Life outstanding claims reserves	1,686,887	1,567,188
Life policyholders' surplus reserves	1,857	2,013
Equalization reserves	20,178	26,869
Other Non-Life technical reserves	54,603	47,126
TOTAL	**2,237,060**	**2,032,591**
PROVISIONS	**5,620**	**4,078**
CASH DEPOSITS RECEIVED FROM REINSURERS	**2,741**	**463**
OTHER LIABILITIES		
Reinsurance payables	40,118	22,257
Other borrowings, deposits and guarantees received	913	932
Accrued payroll costs	5,595	5,775
Accrued taxes	3,629	2,191
Other payables	29,591	22,289
TOTAL	**79,846**	**53,444**
DEFERRED REVENUE AND ACCRUED EXPENSES	**20,158**	**7,124**
TOTAL EQUITY AND LIABILITIES	**3,227,673**	**2,944,456**

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

OPEN MARKET REINSURANCE

(in thousands of euros)	2021			2020
	Gross	Reinsurance	Net	Net
NON-LIFE TECHNICAL ACCOUNT				
Earned premiums:				
Written premiums	686,889	47,581	639,308	505,515
Change in unearned premium reserves	(20,121)	559	(20,680)	(27,523)
	666,768	48,140	618,628	477,992
Investment income allocated from non-technical account	27,479		27,479	35,533
Other underwriting income	1,284	0	1,284	1,320
Claims expenses:				
Paid claims and expenses	(420,443)	(16,117)	(404,326)	(303,000)
Change in outstanding claims reserves	(69,650)	(52,451)	(17,199)	(68,337)
	(490,093)	(68,568)	(421,525)	(371,337)
Change in other technical reserves	(7,477)	0	(7,477)	(2,971)
Profit commission	(12,407)	(547)	(11,860)	(6,610)
Acquisition and management expenses:				
Acquisition costs	(139,639)	0	(139,639)	(102,477)
Management expenses	(13,449)	0	(13,449)	(11,795)
Reinsurance commissions received	0	(3,585)	3,585	1,976
	(153,088)	(3,585)	(149,503)	(112,296)
Other underwriting expenses	(5,755)	630	(6,385)	(5,258)
Change in equalization reserves	6,690		6,690	(2,230)
NON-LIFE REINSURANCE TECHNICAL RESULT	33,401	(23,930)	57,331	14,143

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of euros)	2021			2020
	Gross	Reinsurance	Net	Net
LIFE TECHNICAL ACCOUNT				
Premiums	**133,926**	**4,060**	**129,866**	**94,974**
Investment income:				
Investment revenue	2,421		2,421	2,600
Other investment income	29		29	19
Realized gains from investments	4,936		4,936	4,833
	7,386	**0**	**7,386**	**7,452**
Other underwriting income	**4**	**(9)**	**13**	**0**
Claims expenses:				
Paid claims and expenses	(91,174)	(276)	(90,898)	(56,039)
Change in outstanding claims reserves	(20,934)	(1,924)	(19,010)	(12,822)
	(112,108)	**(2,200)**	**(109,908)**	**(68,862)**
Change in Life reinsurance reserves and other technical reserves:				
Life reinsurance reserves	(3,325)	0	(3,325)	(5,351)
Other technical reserves	0	0	0	0
	(3,325)	**0**	**(3,325)**	**(5,351)**
Profit commission	**(10,980)**	**(99)**	**(10,881)**	**(2,219)**
Acquisition and management expenses:				
Acquisition costs	(11,612)		(11,612)	(12,687)
Management expenses	(3,473)		(3,473)	(2,340)
Reinsurance commissions received		0	0	0
	(15,085)	**0**	**(15,085)**	**(15,027)**
Investment expenses:				
Internal and external investment management expenses and interest	(1,207)		(1,207)	(934)
Other investment expenses	(258)		(258)	(228)
Realized losses from investments	(3,595)		(3,595)	(3,171)
	(5,060)	**0**	**(5,060)**	**(4,334)**
Other underwriting expenses	**(1,208)**	**0**	**(1,208)**	**(917)**
Investment income transferred to the non-technical account	**(448)**		**(448)**	**(599)**
LIFE REINSURANCE TECHNICAL RESULT	**(6,897)**	**1,752**	**(8,649)**	**5,117**

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of euros)	2021	2020
	Net	Net
NON-TECHNICAL ACCOUNT		
Non-Life reinsurance technical result	57,331	14,143
Life reinsurance technical result	(8,649)	5,117
Investment income:		
Investment revenue	35,409	36,679
Other investment income	423	268
Realized gains from investments	72,195	68,167
	108,027	105,114
Investment income allocated from the Life technical account	448	599
Investment expenses:		
Internal and external investment management expenses and interest	(17,656)	(13,181)
Other investment expenses	(3,771)	(3,218)
Realized losses from investments	(52,573)	(44,734)
	(74,000)	(61,133)
Investment income transferred to the Non-Life technical account	(27,479)	(35,533)
Other income	3	3
Other expenses	0	0
Non-recurring items:		
Non-recurring income	108	151
Non-recurring expenses	(3,264)	(1,529)
	(3,156)	(1,378)
Employee profit-sharing	(66)	0
Income tax	(11,454)	(8,546)
NET INCOME FOR THE YEAR	41,005	18,386

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NOTES TO THE FINANCIAL STATEMENTS

The following notes and tables are an integral part of the financial statements approved for publication by the Board of Directors on March 16, 2022.

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CCR Re is a French joint stock corporation (*société anonyme*) whose corporate purpose is the writing of all types of reinsurance treaties covering all classes of risks. Its business is governed by the French Insurance Code (*Code des Assurances*).

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting principles set out in the French Insurance Code, Regulation ANC 2015-11 as amended by regulation ANC 2016-12 dated December 12, 2016 and the general accounting provisions of the French Commercial Code (*Code de Commerce*) and French General Chart of Accounts (*Plan Comptable Général*).

The income statement is analyzed between the Life and Non-Life technical accounts and the non-technical account.

The technical accounts include the respective income and expenses of the Life and Non-Life reinsurance businesses, general management expenses and the allocation of investment income generated by reinsurance assets.

The method used to determine the technical result consists of recording in written premiums for the underwriting year the estimated amount of ultimate inward reinsurance premiums, which are also used to determine unearned premium reserves and commissions payable. The difference between estimated ultimate premiums, net of commissions, and premiums communicated by the ceding insurers, is recorded in the balance sheet under "Accrued income and prepaid expenses".

Estimated ultimate losses corresponding to ultimate premiums are recorded in the balance sheet under "Outstanding claims reserves", net of claims reported by ceding insurers.

This method ensures that premium income and claims expenses are recorded by the Company in the same fiscal year as the ceding insurer.

The studies and analyses performed based on the criteria set out in Articles 210-2 and 210-3 of Regulation ANC 2015-11 concerning the accounting treatment of finite risk reinsurance treaties (also referred to as financial reinsurance treaties) did not lead to any such treaties being identified in the portfolio of managed contracts.

1.1 Change in accounting methods

The 2021 financial statements have been prepared using the same methods as those for 2020.

1.2 Investments

Reinsurance investments are initially recognized at cost. Their measurement at each period end depends on the type of asset and the intended holding period.

Real estate investments

Real estate and shares in unlisted real estate companies are initially recognized at acquisition or construction cost (except for properties concerned by legal revaluations), net of transaction costs and tax and including the cost of any improvements.

The initial cost of buildings is allocated to the following four components:

- the shell, which is depreciated based on the building's acquisition-date residual value over its estimated useful life as from the construction completion date, as follows:
  - 120 years for residential property,
  - 150 years for residential property completed before 1900,
  - 80 years for office property;
- the core, depreciated over 30 to 35 years;
- technical installations, depreciated over 25 years;
- fixtures and fittings, depreciated over 15 to 25 years.

For the latter three components, the depreciation period commences on the acquisition date. They are considered as having been replaced by components of the same value at the end of each depreciation period since the building's completion date.

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Improvements are depreciated over the same period(s) as the component(s) to which they relate.

Provisions for major repairs/refits are recorded for other-than-routine maintenance costs such as restoration costs. They are prorated over the period to the execution date of the work, as scheduled in the multi-year renovation and refurbishment program.

Provisions for other-than-temporary impairment are determined based on the following classification:

- **Owner-occupied property** that is not held for sale, for which the reference value is the property's period-end net carrying amount. In principle, no impairment provisions are recorded for these buildings.
- **Rental property** that is also not held for sale, for which the reference value is the property's fair value as determined by the discounted cash flows method.

An impairment provision is recognized for any negative difference between the reference value and the property's net carrying amount, taking into account the Company's long-term holding strategy. An impairment provision is considered necessary when the reference value is at least 15% below the net carrying amount. The reference value of properties held for sale corresponds to their estimated realizable value.

- The fair values shown in the reinsurance investments table correspond to the amounts determined during five-yearly independent valuations and annual estimates made between two valuations by a valuer licensed by the French insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution*).

- The same principles are applied for the measurement of shares in real estate companies.

Equities and UCITS

Equities and units in UCITS are initially recognized at their acquisition cost.

They are classified in two categories:

- Participating interests, whose reference value corresponds to their value-in-use, i.e., their fair value to the Company. Value-in-use is determined using a multi-criteria approach including, for reinsurance companies, the investee's adjusted net asset value taking into account earnings multiples and 10-year earnings projections and, for real estate companies, the Company's share in the investee's net assets plus unrealized capital gains. Impairment provisions are recorded line-by-line for assets whose value-in-use is below cost.
- Marketable securities, which are measured at probable realizable value. When probable realizable value is significantly below cost, a provision for other-than-temporary impairment is recorded line by line in accordance with Articles 123-6 to 123-19 of Regulation ANC 2015-11 dated November 26, 2015.

Other-than-temporary impairment is assessed based on a multi-criteria analysis that takes into account (a) the existence of a material unrealized loss compared to the asset's net carrying amount over an uninterrupted period of six months ending on the reporting date, and (b) any problems that are specific to the investee's business or result from economic factors and severely limit the probability of the impairment reversing in the medium term. In the case of UCITS, the assessment takes into account their performance in relation to their benchmark index.

For assets that are not intended to be held over the long term, this method generally leads to the use of the closing price quoted for the asset on the reporting date.

For the preparation of the financial statements at December 31, 2021, the Company considered that any equities and UCITS for which the reference value was at least 20% below cost were subject to other-than-temporary impairment, in line with Article 123-10 of Regulation ANC 2015-11.

Based on changes in the market price of securities held in the portfolio, no provisions were recorded for other-than-temporary impairment in the balance sheet at December 31, 2021.

Fixed income securities

Bonds are initially recognized at cost excluding accrued interest.

The difference between their cost and redemption price is recognized in the income statement over their remaining life by the yield-to-maturity method. For inflation-indexed bonds issued or guaranteed by a European Union member state or a public institution in a European Union member state (such as the French OATi bonds), the gain or loss generated by changes in the inflation index is recognized in the income statement at the end of each reporting period.

A provision for other-than-temporary impairment is recorded only in the case of issuer default. Realizable value corresponds to the closing market price or, if no price is quoted, fair value. Application of this criterion did not lead to any provisions for other-than-temporary impairment being recorded in 2021.

Article 121-9 of Regulation ANC 2015-11 dated November 26, 2015 concerning the accounting classification of convertible bonds stipulates that these assets should be accounted for in accordance with Article R.343-9 of the French Insurance Code. However, when the acquisition-date yield-to-maturity is negative, they may be accounted for in accordance with Article R.343-10. CCR Re is not concerned by this regulation because no convertible bonds are held in its direct portfolio.

Other assets

Loans and receivables are written down only in the event of a counterparty default risk.

Investment income

Gains and losses realized on disposal of investments are calculated using the FIFO method.

Part of the net investment income generated during the year is allocated as follows at the reporting date:

- Life: to the non-technical account;
- Non-Life: to the technical account.

The allocation is calculated at each reporting date based on the following ratios:

- Life: ratio of shareholders' equity (capital, reserves and retained earnings) to the sum of technical reserves net of reinsurance and shareholders' equity;
- Non-Life: ratio of net technical reserves to the sum of technical reserves and shareholders' equity.

Forward financial instruments

Currency risks are hedged using forward foreign exchange contracts or non-deliverable forwards for non-convertible currencies.

These instruments are accounted for in accordance with Regulation CRC 2002-09 (amended). The respective legs of the transaction are initially recorded in commitments given or received for their notional amount. The related transaction costs are recorded as an expense for the period.

Realized and unrealized gains and losses on forward financial instruments used in yield strategies are recorded directly in the income statement, as allowed under paragraph 3012-3 of Regulation CRC 2002-09 for forward contracts.

The hedging strategy and its results are described in Notes 2.8, 2.12 and 3.4.

1.3 Intangible assets, property and equipment

Intangible assets

Software licenses are initially recognized at cost and amortized on a straight-line basis over a period of three years.

Internal software development costs are capitalized and amortized over a period of five years from the date when the software is put into operation.

Property and equipment

Property and equipment are initially recognized at historical cost.

Equipment, furniture and fixtures and fittings are depreciated by the straight-line or reducing-balance method over their estimated useful lives, as follows:

- Office equipment and furniture 3, 5 or 10 years
- Fixtures and fittings 10 years
- Vehicles 5 years

Purchases of computer hardware with a low unit cost and a short useful life may be expensed in some cases.

1.4 Accrual accounts

Deferred acquisition costs

Business acquisition costs include commissions due under reinsurance treaties to the ceding insurers. They are recognized over the insured period in the same way as the unearned premiums on the policies concerned.

Reinsurance adjustments

Adjustments to premiums, commissions and brokerage fees are recorded in the relevant income statement accounts and in "Accrued income and prepaid expenses"/"Deferred revenue and accrued expenses" as appropriate.

1.5 Multi-currency accounts

In accordance with Article R.341-7 of the French Insurance Code and Articles 240-1 *et seq.* of Regulation ANC 2015-11 dated November 26, 2015, transactions are recorded in the transaction currency and converted into euros at the closing exchange rate on the reporting date.

The Company's operations give rise to foreign currency positions. The resulting conversion gains and losses are recognized in full in the income statement.

In 2021, differences arising from the conversion of opening foreign currency assets and liabilities at the closing exchange rate represented a net gain of €0.4 million.

1.6 Subordinated debt

Subordinated debt is recorded in liabilities at the nominal amount.

The related issuance costs are amortized over ten years.

1.7 Provisions

The following provisions are determined based on the terms of the CCR Re employee benefits agreement dated January 5, 2018 which came into effect on April 1, 2018.

Provision for length-of-service awards

These liabilities concern length-of-service awards payable to employees on retirement.

They are determined by the projected unit credit method, based on employees' vested rights per year of service.

The assumptions used concern:

- projected future salary increases, with the same rate applied for both management and non-management personnel based on the latest estimates of growth in total salary costs;
- survival rates, which are determined using the INSEE TD-TV 15-17 table and are calculated by dividing the "number of living persons who have reached retirement age" by the "number of living persons with the same age as the employee";
- average staff turnover rates, used to estimate the number of current employees in each age group who are expected to remain with the Company until retirement;
- a discount rate based on the iBoxx Corporate Overall AA 10+ (0.78% in 2021 compared with 0.33% in 2020).

The calculation also includes employer payroll taxes, at the rate of 55%.

Provision for special pre-retirement vacation costs

The agreement in force within the Company concerning employee benefits provides for an increase in the annual vacation entitlement for employees who are coming up to retirement age.

The assumptions used to calculate the related provision are the same as for length-of-service awards payable to employees on retirement.

Provision for long-service awards

This concerns the long-service awards paid to employees who earn one or several *Médailles d'Honneur du Travail* in recognition of their long service. The awards are determined in accordance with the legal rules.

The provision is determined by a similar method as that described for length-of-service awards, except that the discount rate is based on the iBoxx Corporate Overall AA 7-10 (0.28% in 2021 compared with 0% in 2020).

1.8 Technical reserves and technical result

Ceding insurers' accounts are recorded in the Company's financial statements upon receipt.

Ceding insurers' accounts not received as of the reporting date are recorded on the basis of estimates, in order to take into account the projected liquidation of outstanding claims reserves for each policy.

Unearned premium reserves

Premiums recognized during the year correspond to the projected ultimate premium as determined at the reporting date.

Unearned premium reserves correspond to the remaining life of a policy or group of policies between the reporting date and the coverage expiry date.

The calculation method depends on the type of policy and is based on the period covered by each premium and/or the period remaining until the policy renewal date.

Outstanding claims reserves and mathematical reserves

Technical reserving control and governance environment

The process for calculating technical reserves is the responsibility of the Actuarial and Risks Department.

Technical Reserves committees have been set up to examine specific risks such as liability and other long-tail risks. The committees' members include actuaries responsible for determining technical reserves, Underwriting Department actuaries responsible for setting premium rates and underwriters and loss adjusters who discuss the reserving methods to be applied and the adequacy of technical reserves.

The Actuarial function expresses an opinion on the adequacy of technical reserves to cover the Company's obligations towards ceding insurers. In addition, technical reserves are audited every three years by independent actuaries.

Reserving policy

The reserving policy defining the guiding reserving principles applied at December 31, 2021 was approved by the Company's Board of Directors on October 6, 2021.

Approach

Projections are prepared to determine ultimate premiums and losses based on French accounting principles applicable to separate financial statements.

Technical reserves are based on accounting data provided by ceding insurers, which are used to produce premium and claim development triangles. All data used to prepare actuarial estimates are based on statistical euro exchange rates for the underwriting year. In line with this method, data in foreign currencies are converted into euros at the exchange rate on December 31 of the year preceding the start of the underwriting year.

The range of possible methods for determining ultimate premiums and losses include:

- liquidation of premium and claim triangles using the Development Factor Model;
- the Bornhuetter Ferguson method;
- underwriters' loss ratios;
- quotation loss ratios;
- average historical loss ratios.

The method used is the one that is considered the most appropriate for the analyzed risk.

Equalization reserve

The equalization reserve is determined in accordance with Article R.343-8 of the French Insurance Code based on the technical result for each qualifying class of risk.

Escalating risk reserve

This reserve may be required for reinsurance treaties covering disease and disability risks. It is determined in accordance with Article R.343-8 of the French Insurance Code and corresponds to the difference between the present value of the respective obligations of the reinsurer and the insurer. It is reported in the balance sheet under "Other technical reserves".

Liquidity risk reserve

When the total net carrying amount of reinsurance assets (excluding bonds and other fixed income securities measured in accordance with Article R.343-9 of the French Insurance Code) is greater than their realizable value, a liquidity risk reserve is recorded within technical reserves to cover losses arising from the sale of assets to immediately settle a major claim. Its amount is determined in accordance with Article R.343-5 of the French Insurance Code.

No liquidity risk reserve was carried in the financial statements at December 31, 2021.

1.9 Other items

Expenses analyzed by function

The total cost of each corporate function is calculated and allocated to the relevant cost account (loss adjustment costs, business acquisition costs, investment management costs, management expenses or other underwriting expenses).

For cost centers spanning several functions, costs are allocated to the different functions on a time spent basis.

Allocation of theoretical rent on the Company's office building takes into account the surface area occupied by each function.

NOTE 2

NOTES TO THE BALANCE SHEET

2.1 Notes to assets

GROSS (in thousands of euros)	DEC. 31, 2020 Audited	Movements Additions	Movements Disposals	DEC. 31, 2021
Software licenses and development costs	86	8		94
Developments in progress		452		452
TOTAL INTANGIBLE ASSETS	**86**	**460**		**546**
Investment property	132,609	275		132,884
Owner-occupied property	6,309			6,309
Assets under construction	64	9	64	9
Shares in unlisted real estate companies	38,059			38,059
TOTAL REAL ESTATE INVESTMENTS	**177,041**	**284**	**64**	**177,261**
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**6,200**			**6,200**
CASH DEPOSITS WITH CEDING INSURERS	**253,914**	**371,280**	**400,774**	**224,420**

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NET (in thousands of euros)	DEC. 31, 2021 Gross	DEC. 31, 2021 Amortization, depreciation	DEC. 31, 2021 Provisions	DEC. 31, 2021 Net	DEC. 31, 2020 Net Audited
Software licenses and development costs	94	94			
Developments in progress	452			452	
TOTAL INTANGIBLE ASSETS	**546**	**94**		**452**	
Investment property	132,884	37,119		95,765	97,740
Owner-occupied property	6,309	2,217		4,092	4,320
Assets under construction	9			9	64
Shares in unlisted real estate companies	38,059			38,059	38,059
TOTAL REAL ESTATE INVESTMENTS	**177,261**	**39,336**		**137,925**	**140,183**
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**6,200**			**6,200**	**6,200**
CASH DEPOSITS WITH CEDING INSURERS	**224,420**			**224,420**	**253,914**

2.2 Information about investments

(in thousands of euros)	DEC. 31, 2021 Gross	Amortization & provisions	Net	DEC. 31, 2020 Net Audited
Equities and other variable income securities	1,133,535		1,133,535	1,075,203
Bonds and other fixed-income securities	706,865		706,865	515,633
Loans	159		159	186
Bank deposits	61,941		61,941	67,700
Other investments	180,075		180,075	162,158
TOTAL	2,082,575		2,082,575	1,820,880

2.3 Investment summary

(in thousands of euros)		Gross	Net [1]	Realizable value	Unrealized gains and losses
1	Real estate investments and real estate investments in progress	177,262	137,925	425,510	287,585
2	Equities and other variable income securities (other than investment funds)	92,310	92,310	109,568	17,258
3	Investment funds (other than those in 4)	1,047,424	1,047,424	1,168,092	120,668
4	Investment funds invested solely in fixed-income securities	-	-	-	-
5	Bonds and other fixed-income securities	706,865	705,805	711,142	5,337
6	Mortgage loans	-	-	-	-
7	Other loans	159	159	159	-
8	Deposits with ceding insurers	224,420	224,420	224,420	-
9	Cash deposits (other than those in 8) and guarantees	242,016	242,016	242,017	-
10	Unit-linked portfolios	-	-	-	-
SUB-TOTAL		**2,490,456**	**2,450,059**	**2,880,908**	**430,848**
11	Other forward financial instruments				
	a) Investment or divestment strategy	-	-	-	-
	b) Yield strategy	91,310	91,310	95,532	4,222
	c) Other strategies	-	-	-	-
12	**TOTAL, LINES 1 TO 11**	**2,581,766**	**2,541,369**	**2,976,440**	**435,070**
a	of which:				
	Investments measured in accordance with Article R.343-9	706,865	705,805	711,142	5,337
	Investments measured in accordance with Article R.343-10	1,559,171	1,519,835	1,945,346	425,511
	Investments measured in accordance with Article R.343-13	-	-	-	-
	Investments measured in accordance with Article R.343-11	-	-	-	-
	Forward financial instruments	91,310	91,310	95,532	4,222
b	of which:				
	OECD member country issuers	2,441,021	2,400,600	2,827,432	426,832
	Non-OECD issuers	49,435	49,459	53,476	4,016

2

1 Including the unamortized portion of redemption premiums on securities measured in accordance with Article R.343-19, for €1.06 million.

2.4 Receivables and payables

OTHER RECEIVABLES (in thousands of euros)	Gross	Provisions	Net	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Reinsurance receivables	104,882	457	104,425	104,425			104,425
Prepaid payroll costs							
Prepaid and recoverable taxes	8,936		8,936	8,936			8,936
Other receivables	4,428	38	4,390	4,390			4,390
TOTAL	**118,246**	**495**	**117,751**	**117,751**			**117,751**

Other receivables include:

- €1.3 million in receivables from property companies;
- a €2.5 million receivable from CCR.

OTHER PAYABLES (in thousands of euros)	Net	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
CASH DEPOSITS RECEIVED FROM REINSURERS	**2,741**	**2,741**			**2,741**
Reinsurance payables	40,118	40,118			40,118
Other borrowings, deposits and guarantees received	913	913			913
Accrued payroll costs	5,595	5,595			5,595
Accrued taxes	3,629	3,629			3,629
Other payables	29,591	29,591			29,591
OTHER LIABILITIES	**79,846**	**79,846**			**79,846**
TOTAL	**82,587**	**82,587**			**82,587**

Reinsurance payables include €0.3 million payable to CCR which is due within one year.

Other payables include:

- €5.4 million payable to CCR;
- €17.6 million payable to property companies.

2.5 Subsidiaries and affiliates

COMPANY (in thousands of euros)	Share capital	Reserves	% interest	Carrying amount of shares GROSS	Carrying amount of shares NET	2021 gross written premiums	2021 net income	Dividends received in 2021
1 SUBSIDIARIES								
CAISRELUX 534, rue de Neudorf L-2220 Luxembourg	6,200	0	99.99%	6,200	6,200	8,047	0	0
2 AFFILIATES								
SAS Rochefort 25 157, Boulevard Haussmann 75008 Paris	14,940	1,011	100%	14,932	14,932	1,952	1,078	1,262
SAS Pompe 179 157, Boulevard Haussmann 75008 Paris	15,270	288	100%	15,268	15,268	1,586	221	314
SAS Civry 22 157, Boulevard Haussmann 75008 Paris	7,860	207	100%	7,859	7,859	953	79	281

2.6 Property and equipment

GROSS (in thousands of euros)	DEC. 31, 2020	Movements		DEC. 31, 2021
	Audited	+	-	
Deposits and guarantees	40			40
Computer and other equipment	211	64		275
Vehicles	60	5		65
Office furniture and equipment	148	13		161
Fixtures and fittings	54	5		59
TOTAL	**513**	**87**		**600**

DEPRECIATION (in thousands of euros)	DEC. 31, 2020	Increases	Decreases	DEC. 31, 2021
	Audited	+	-	
Computer and other equipment	195	29		224
Vehicles	60	5		65
Office furniture and equipment	147	13		160
Fixtures and fittings	45	10		55
TOTAL	**447**	**57**		**504**

2

2.7 Accrual accounts

(in thousands of euros)	DEC. 31, 2021		DEC. 31, 2020 Audited	
	Assets	Liabilities	Assets	Liabilities
Reinsurance adjustments	360,275	17,873	269,094	5,097
Deferred acquisition costs	61,739	42	48,865	39
Accrued interest	4,187		3,813	
Bond issuance costs	2,778		3,081	
Amortization of redemption premiums	1,183	2,243	719	1,988
Prepaid expenses and deferred revenue	25		91	
TOTAL	430,187	20,158	325,663	7,124

2.8 Foreign currency assets and liabilities

The following table shows the total euro-equivalent amount of assets and liabilities in the main foreign currencies:

CURRENCIES (in thousands of euros)	Assets	Liabilities	Difference 2021	Difference 2020 Audited
Euro	2,122,872	1,993,478	129,394	64,510
US dollar	237,453	201,597	35,856	44,131
Canadian dollar	203,352	123,386	79,966	70,542
Pound sterling	200,088	192,701	7,387	1,330
Japanese yen	19,396	33,847	(14,451)	(15,629)
Swedish krona	2,071	5, 735	(3,664)	(3,674)
Swiss franc	18,679	22,378	(3,699)	608
Taiwan dollar	11,216	22,252	(11,036)	(12,216)
Australian dollar	1,816	2,976	(1,160)	(1,407)
Hong Kong dollar	2,947	15,261	(12,314)	(14,187)
Norwegian krone	804	1,550	(746)	(475)
Danish krone	10,002	6,335	3,667	23,863
Yuan renminbi	45,972	68,621	(22,649)	(19,716)
UAE dirham	22,828	35,957	(13,129)	(12,099)
South Korean won	10,295	31,517	(21,222)	(12,787)
Kuwaiti dinar	21,071	34,117	(13,046)	(10,892)
Malaysian ringgit	1,216	12,212	(10,996)	(8,847)
Other currencies	311,555	398,708	(87,153)	(74,669)
TOTAL	**3,243,633**	**3,202,628**	**41,005**	**18,386**

2

Hedging instruments are used to reduce or neutralize the currency risk arising from differences between the net carrying amounts of assets and liabilities in each currency.

Hedging instruments comprise forward foreign exchange contracts for convertible currencies and non-deliverable forwards for non-convertible currencies.

Hedged positions at December 31, 2021 were as follows (in millions of currency units):

CURRENCY (in millions of currency units)		Asset in original currency at Dec. 31, 2021	Liability in original currency at Dec. 31, 2021	Gain/Loss at Dec. 31, 2021	Hedge in original currency
UAE dirham	AED	95	150	55	41
Australian dollar	AUD	3	5	2	2
Canadian dollar	CAD	293	178	(115)	(105)
Yuan renminbi	CNY	331	494	163	144
Indonesian rupiah	IDR	53,605	62,010	8,405	13,360
Indian rupee	INR	2,529	4,413	1,884	1,233
Japanese yen	JPY	1,885	3,408	1,523	2,583
South Korean won	KRW	13,861	42,434	28,572	19,400
Malaysian ringgit	MYR	6	58	52	43
Saudi riyal	SAR	136	223	87	36
Singapore dollar	SGD	30	54	24	24
New Turkish lira	TRY	10	23	13	20
Taiwan dollar	TWD	351	697	346	401
US dollar	USD	269	228	(41)	3
South African rand	ZAR	139	283	144	127

2.9 Shareholders' equity

	January 1	Movements for the year		December 31
2021 **(in thousands of euros)**	Before appropriation of net income	Appropriation of 2020 net income	Other movements	
Share capital[1]	90,082			90,082
Additional paid-in capital				-
Revaluation reserves				-
Other reserves	363,288	12,873		376,161
Retained earnings				-
2020 net income	18,386	(18,386)		-
Dividend		5,513	(5,513)	-
Net income for the year			41,005	41,005
TOTAL	471,756		35,492	507,248

1 The share capital comprises 900,821 shares with a par value of €100.

2.10 Subordinated debt

The Company has obtained a €75 million subordinated loan from CCR. The notes' main features are as follows:

- Date obtained: December 30, 2016
- Amount: €75,000,000
- Interest: 5% per year
- Maturity: December 30, 2046

During the year, CCR Re carried out a €300 million subordinated notes issue. The notes' main features are as follows:

- Issue date: July 15, 2020
- Nominal amount: €300,000,000
- Interest: 2.875% per year
- First call date: April 15, 2030
- Maturity: July 15, 2040

The debt issuance costs (issue premium and issue expenses) amounted to €3.1 million. These costs have been recorded in prepaid expenses on the assets side of the balance sheet and are being amortized over ten years. As of December 31, 2021, the unamortized balance amounted to €2.8 million.

2.11 Breakdown of provisions

(in thousands of euros)	Dec. 31, 2020 Audited	Movements for the year Increases +	 Decreases -	Dec. 31, 2021
Special revaluation reserve	118		3	115
Other provisions	83	1,583	83	1,583
Provision for length-of-service awards	1,431		76	1,355
Provision for long-service awards	297		19	278
Provision for extra paid vacation for retirees	526		52	474
Provisions for non-recurring expenses	280			280
Provisions for major repairs	1,343	192		1,535
TOTAL	4,078	1,775	233	5,620

2.12 Commitments received and given

(in thousands of euros)		DEC. 31, 2021	DEC. 31, 2020 Audited
1 - COMMITMENTS RECEIVED		9,275	15,847
2 - COMMITMENTS GIVEN		9,928	11,850
2a	Loan guarantees, other guarantees and bonds issued	9,928	11,850
2b	Securities and other assets purchased under resale agreements		
2c	Other commitments concerning securities, other assets or revenues		
2d	Guarantee fund drawdown rights		
2e	Other commitments given		
3 - RECIPROCAL COMMITMENTS		373	378
3a	Assets received as collateral from cedents and reinsurers	373	378
3b	Assets received from companies for substitution transactions		
3c	Other reciprocal commitments		
4 - OTHER ASSETS HELD ON BEHALF OF THIRD PARTIES			
5 - FORWARD FINANCIAL INSTRUMENTS*:			
5a	**Forward financial instruments by strategy:**		
	- Investment or divestment strategy		
	- Yield strategy	5,524	(2,321)
	- Other strategies		
5b	**Forward financial instruments by market:**		
	- Over-the-counter market	5,524	(2,321)
	- Regulated market		
5c	**Forward financial instruments by type of market risk and instrument:**		
	- Interest rate risk		
	- Currency risk	5,524	(2,321)
	- Equity risk		
5d	**Forward financial instruments by type of instrument:**		
	- Swaps		
	- Forward rate agreements		
	- Forward contracts	5,524	(2,321)
	- Options		
5e	**Forward financial instruments by remaining term of the strategy:**		
	- 0 to 1 year	5,524	(2,321)
	- 1 to 5 years		
	- More than 5 years		

* At December 31, 2020, the negative net position of €2,321 thousand corresponded to €252,826 thousand in commitments received and €255,147 thousand in commitments given in connection with hedging transactions.

At December 31, 2021, the positive net position of €5,524 thousand corresponded to €280,045 thousand in commitments received and €274,521 thousand in commitments given in connection with hedging transactions.

The unpaid portion of assets held by the Company that is recorded as a deduction from the carrying amount of the investment concerned can be analyzed as follows:

(in thousands of euros)	DEC. 31, 2021	DEC. 31, 2020 Audited
Venture capital investment fund commitments	59,839	42,227
Debt fund commitments	18,216	22,734
Real estate investment fund commitments	10,215	12,011

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NOTE 3

NOTES TO THE INCOME STATEMENT

3.1 Gross written premiums by operating segment

(in thousands of euros)	2021	2020 Audited
Inward Life reinsurance	155,764	111,252
Inward Non-Life reinsurance	686,889	538,070
TOTAL	**842,653**	**649,321**

In line with Article 410-1 of Regulation ANC 2015-11 dated November 26, 2015, inward Non-Life reinsurance includes reinsurance written by the Non-Life business unit and the accident and disease-related bodily injury reinsurance written by the Life business unit.

3.2 Portfolio movements

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2021 (in thousands of euros)	Non-Life		Life	
	Gross	Net	Gross	Net
NEW BUSINESS				
Premiums	14,304	14,304	(402)	(402)
Paid claims and expenses	50,749	50,749	4,499	4,499
CANCELLATIONS AND TERMINATIONS				
Premiums	(13,288)	(13,288)	402	402
Paid claims and expenses	(123,772)	(123,455)	(4,953)	(4,953)

3.3 Reinsurance commissions and brokerage fees

(in thousands of euros)	2021		2020 Audited	
	Gross	Net	Gross	Net
Life	11,857	11,857	11,146	11,146
Non-Life	137,523	133,937	99,685	97,730
TOTAL	**149,380**	**145,794**	**110,831**	**108,876**

3.4 Investment income and expenses

2021 (in thousands of euros)	Income and expenses from investments in related companies	Other investment income and expenses	Total
Revenue from real estate investments	1,345	9,904	11,249
Revenue from other investments		22,993	22,993
Interest on cash deposits and technical accounts		3,588	3,588
TOTAL INVESTMENT REVENUE	**1,345**	**36,485**	**37,830**
Other investment income		451	451
Realized gains from investments		77,132	77,132
TOTAL INVESTMENT INCOME	**1,345**	**114,068**	**115,413**
Interest on subordinated debt	(3,750)	(8,601)	(12,351)
Amortization of subordinated debt issuance costs		(303)	(303)
External investment management expenses		(2,310)	(2,310)
Internal investment management expenses		(4,024)	(4,024)
Other investment expenses		(3,904)	(3,904)
Realized losses from investments		(56,168)	(56,168)
TOTAL INVESTMENT EXPENSES AND FINANCE COSTS	**(3,750)**	**(75,309)**	**(79,059)**
TOTAL INVESTMENT INCOME, NET OF EXPENSES	**(2,405)**	**38,759**	**36,354**

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Investment income in 2021 includes a net exchange gain on forward financial instruments of €9,460 thousand compared with a €4,342 thousand net loss in 2020.

3.5 Underwriting expenses by type and by function

The expenses presented below for 2021 include the Company's share of common expenses incurred by CCR.

A - Expense breakdown

EXPENSES BY TYPE (in thousands of euros)	2021	2020 Audited
External expenses	8,111	6,996
Other external expenses	2,671	2,229
Taxes other than on income	4,100	3,368
Payroll costs	23,515	21,348
Other management expenses	89	78
SUB-TOTAL	38,486	34,019
Depreciation of property and equipment	1,809	1,538
Theoretical rent on the Company's registered office	1,727	1,654
TOTAL	42,022	37,211

EXPENSES BY FUNCTION (in thousands of euros)	2021	2020 Audited
Claims management expenses	3,126	2,773
Other business acquisition costs	16,329	14,302
Other administrative expenses	12,952	11,482
Other underwriting expenses	5,633	4,825
Investment management expenses	3,982	3,829
TOTAL	42,022	37,211

B - Breakdown of payroll costs and number of employees (including property managers)

(in thousands of euros)	2021	2020 Audited
Wages and salaries	16,175	14,892
Payroll taxes	6,429	5,745
Other expenses	953	859
TOTAL	**23,557**	**21,496**
Headquarters	116	113
Managers	115	111
Non-managerial staff	1	2
Canadian branch	9	9
Lebanese branch	3	3
TOTAL AVERAGE NUMBER OF EMPLOYEES	**128**	**125**

C - Compensation paid to the Company's administrative bodies

(in thousands of euros)	2021	2020 Audited
Directors' compensation [1]	60	60

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1 Excluding expenses reimbursed upon presentation of supporting documents.

3.6 Other underwriting income and expenses

2021 (in thousands of euros)	Other underwriting expenses	Other underwriting income
Profit from flow-through entities	1,146	1,118
Provisions for impairment of ceding insurers' accounts	0	172
Underwriting gains and losses	793	
General management expenses allocated to technical accounts	5,633	
Other underwriting income and expenses	21	7
TOTAL	7,593	1,297

3.7 Non-recurring items

2021 (in thousands of euros)	Non-recurring expenses	Non-recurring income
Reversals from the special revaluation reserve		3
Reversals from provisions		90
Other non-recurring income		15
IFRS project costs	1,578	
Charges to other provisions	1,583	
Other non-recurring expenses	103	
TOTAL	3,264	108

3.8 Employee profit-sharing

The income statement includes an employee profit-sharing expense of €66,000.

3.9 Income tax

No deferred taxes are recognized in the Company's financial statements.

Current income tax on 2021 taxable income is due at the rate of 27.5%.

NOTE 4

OTHER INFORMATION

4.1 Consolidated financial statements

The financial statements of CCR Re are included by the full consolidation method in the consolidated financial statements of CCR, which has its registered office at 157 boulevard Haussmann, 75008 Paris.

4.2 Fees paid to the Statutory Auditor

Fees recorded in expenses for the year comprised:
- €120.9 thousand in fees paid to PwC for the statutory audit of the accounts of CCR Re and its Canadian branch;
- €15.7 thousand in fees paid to Deloitte for the statutory audit of the Labuan branch;
- €2.8 thousand for other services provided by PwC.

4.3 Post balance sheet events

The outbreak of war in Ukraine after the financial year-end is not expected to have a major impact on CCR Re. The Company has no direct exposure to Ukraine or Russia in its reinsurance portfolio and its indirect exposure in specialty lines is likely to remain limited. CCR Re has no direct exposure on its asset portfolio and does not hold any assets in rubles or hryvnia. In addition, CCR Re's asset portfolio is currently demonstrating a good level of resilience to the market turbulence caused by this event.

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STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders,

CCR Re
157, boulevard Haussmann
75008 Paris, France

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of CCR Re for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

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The audit opinion expressed above is consistent with our report to the Audit, Accounts and Risks Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditor relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Telephone: +33 (0)1 56 57 58 59, www.pwc.fr

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Key audit matter no. 1 – Measurement of outstanding claims reserves

Description of risk

In accordance with the French Insurance Code (*Code des assurances*) and accounting regulations, companies that conduct inward reinsurance operations must estimate the outstanding claims reserves necessary to settle, in principal and in incidental amounts including management fees, all outstanding incurred claims, whether or not they have been reported at the balance sheet date.

At December 31, 2021, outstanding claims reserves relating to Life reinsurance stood at €118.3 million and outstanding claims reserves relating to Non-Life reinsurance stood at €1,686.9 million, representing one of the most material liabilities in the balance sheet. The assessment of their estimation entails a certain number of assumptions and therefore constitutes a key audit matter.

The inherent uncertainty in estimating technical reserves is greater for reinsurers, chiefly due to the longer time period between the event itself and the date on which the settlement claim is filed with the reinsurer, the dependence on ceding insurers to obtain information on claims and changes in ceding insurers' practices relating to reserves.

Reserves can be estimated using different methods. The main methods are specified in Note 1.8 to the financial statements: reserves for claims reported by ceding insurers are recorded upon receipt of the accounts from the ceding insurers and these reserves are supplemented in order to estimate the ultimate cost of reported and unreported claims.

The ultimate cost of claims is determined using multi-criteria approaches, including:
- underwriters' projections;
- average historical loss ratios;
- actuarial projections based on historical data.

The degree of judgment is more significant for long-tail Non-Life lines (Motor Vehicle Civil Liability, General Civil Liability, Construction). The estimation of claims reserves for these reinsurance lines presents an increased risk, and required particular attention regarding the audit procedures to apply.

Accordingly, we deemed the measurement of outstanding claims reserves to be a key audit matter.

How our audit addressed this risk

To assess the reasonableness of the estimation of claims reserves and their compliance with regulations, our audit approach comprised the following tasks, with particular attention on long-tail Non-Life lines, conducted in conjunction with our actuarial experts:

- assessing the relevance of the statistical methods and the appropriateness of the actuarial assumptions used by the Company;
- familiarizing ourselves with the design and testing the efficiency of the controls, that we deemed key, used to handle claims and determine reserves, with the aim of assessing the exhaustiveness and reliability of the data and models applied;
- assessing the reliability of the financial statements prepared by the Company in terms of the integrity of data presented and used to estimate claims reserves, and testing the source data;
- determining whether significant claims likely to affect the projected expense for the year had been taken into account;
- carrying out an independent estimate of the claims reserves for the main reinsurance lines and reviewing the transition to a 70-30 basis;
- analyzing the liquidation of the reserves recorded at the previous year-end compared with actual expenses, in order to verify whether it is aligned with the estimates previously made by the Company;
- including, in our audit team, members with specific knowledge of information systems in order to gain an understanding of the internal control environment of the systems used by the Company, and testing the effectiveness of certain automated processes.

Key audit matter no. 2 – Estimation of earned premiums not yet received from ceding insurers

Description of risk

At December 31, 2021, gross earned premiums (€801 million) comprise:
- premiums included in the accounts received from the ceding insurers;
- an estimate of the premiums not yet received;
- change in unearned premium reserves.

The Company records the ceding insurers' accounts upon receipt. At the reporting date, an estimate is carried out for the accounts not yet received to present the Company's reinsurance commitments as accurately as possible.

This estimate is determined using the premium income amount provided for at the date of effect of the treaty, which is revised regularly based on the premiums actually received from the ceding insurers.

Due to the specific nature of the reinsurance business, a significant portion of written premiums for the year is based on estimates. The Company reviews its assumptions and estimates periodically based on past experience and various other factors. Actual premiums may be substantially different to the estimates produced by the Company.

Accordingly, we deemed the valuation of reinsurance premiums to be a key audit matter.

How our audit addressed this risk

To assess the reasonableness of the estimation of ultimate premiums, our audit comprised the following tasks conducted in conjunction with our actuarial experts:

- assessing the relevance of the statistical methods and the appropriateness of the actuarial assumptions used by the Company;
- familiarizing ourselves with the design and testing the efficiency of the controls, that we deemed key, relating to underwriting premiums and the treatment of financial statements received from ceding insurers;
- assessing the reliability of the financial statements prepared by the Company in terms of the integrity of data presented and used to estimate premiums not yet received from ceding insurers, and testing the source data;
- conducting substantive testing on the premiums recognized based on the financial statements provided by the ceding insurers;
- carrying out an independent estimate of ultimate premiums for the main reinsurance lines;
- analyzing the liquidation of premiums not yet received that were recognized at the previous year-end compared with premiums actually received, in order to verify whether it is aligned with the estimates previously made by the Company;
- including, in our audit team, members with specific knowledge of information systems in order to gain an understanding of the internal control environment of the systems used by the Company, and testing the effectiveness of certain automated processes.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following item.

Concerning the fair presentation and the consistency with the financial statements of the information given with respect to the payment terms referred to in Article D.441-6 of the French Commercial Code, we have the following matter to report:

- As stated in the management report, this information does not include insurance and reinsurance transactions, as your Company deems them to be outside of the scope of required disclosures, in accordance with the circular issued by the French Insurance Federation (Fédération Française de l'Assurance) on May 29, 2017.

Information with respect to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Other verifications and information pursuant to legal and regulatory requirements

Appointment of the Statutory Auditor

We were appointed Statutory Auditor of CCR Re by the sole shareholder of Haussmann 157 SAS (which subsequently became CCR Re, a joint-stock corporation (*société anonyme*)) on June 28, 2016.

At December 31, 2021, PricewaterhouseCoopers Audit was in the sixth consecutive year of its engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit, Accounts and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditor relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, Accounts and Risks Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Accounts and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Accounts and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Accounts and Risks Committee.

Neuilly-sur-Seine, March 22, 2022

The Statutory Auditor
PricewaterhouseCoopers Audit

Gérard Courreges

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Name and title of person responsible

Bertrand Labilloy, Chairman of the Board of Directors and Chief Executive Officer of CCR Re

Statement by the person responsible for the Annual Financial Report

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Annual Financial Report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I confirm that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the net income or loss of the Company and that the management report accurately reflects the evolution of the business, the results and the financial position of the Company and describes the main risks and contingencies with which it is faced.

I have obtained the Statutory Auditor's report on the financial statements, in which they indicate that they have verified the information concerning the financial position and the financial statements provided in this financial report.

March 22, 2022

Chairman of the Board of Directors and Chief Executive Officer

Bertrand Labilloy

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Société anonyme. Share capital of €90,082,100. Registered in Paris, registration no. 817 446 511.
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