# SOLVENCY AND FINANCIAL CONDITION REPORT

DECEMBER 31, 2020

GROUPE
CAISSE CENTRALE DE RÉASSURANCE

CCR | CCR RE

# EXECUTIVE SUMMARY

This narrative report is part of the Solvency II regulatory reporting requirements and has been submitted to the ACPR, the French insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution*). It is a Group Solvency and Financial Condition Report that addresses the operations of Caisse Centrale de Réassurance (CCR) from a Group perspective.

This report was validated by the Chief Executive Officer, reviewed by the Audit, Accounts and Risks Committee and subsequently approved by the Board of Directors of CCR, a participating undertaking, before being submitted to the ACPR.

In accordance with Solvency II regulatory requirements, this report summarizes information about the CCR Group's insurance business in 2020 relevant to calculations made in connection with Solvency II.

For the purposes of this report, readers should assume that all items referred to herein were valued at December 31, 2020 and are expressed in euros.

Following CCR's contribution of its entire standalone open market reinsurance business to its subsidiary CCR Re on December 31, 2016 (effective date for legal purposes):

- CCR operates exclusively in the State-guaranteed public reinsurance sector and as a manager of public funds;
- its subsidiary, CCR Re, is a multi-regional, multi-specialist reinsurer. Its services cover all main classes of insurance – Life, Non-Life and Specialty lines – over 80 countries.

For the purposes of regulatory reporting under Solvency II, CCR uses the standard formula for all of its businesses. CCR's risk profile reflects the undertaking's exposure to the risks arising on its public reinsurance and asset management business activities. In line with its strategy, the risk profile was modified in 2020 by the integration of the CAP program to reimburse companies for the losses caused by Covid-19.

**The Group's Solvency II ratio stood at 174.4% at end-2020 based on €5,699 million in Solvency II own funds and a Solvency Capital Requirement (SCR) of €3,268 million.**

The CCR Group had €1,866 million in consolidated premium income and €90 million in consolidated net profit in 2020.

## CCR

In 2020, around a quarter of mainland France was affected by an extended period of drought, leading to the recognition by CCR of outstanding claims reserves of €565 million, while Storm Alex caused extensive flooding, giving rise to losses of €105 million for CCR. Added to this, losses of €155 million were incurred in connection with the new credit insurance support mechanism.

CCR's premium income came to €1,216 million in 2020, up 28.7% on the previous year, with natural disaster cover accounting for 73.2% of total business.

At December 31, 2020, its combined ratio stood at 97.4%,

CCR's financial and real estate assets had a total market value of €8.6 billion at the year-end, up nearly 5.2% on December 31, 2019.

CCR's net profit came to almost €61 million.

**The undertaking's Solvency II ratio stood at 180.2% at end-2020, based on €5,428 million in Solvency II own funds and an SCR of €3,012 million.**

# EXECUTIVE SUMMARY

## CCR Re

CCR Re operates throughout the world from its headquarters in France, supported by branches in Canada and Malaysia (Labuan) and a representative office in Lebanon.

The undertaking's premium income came to €649 million in 2020, up by over 16% on the previous year including the currency effect.

Its Non-Life combined ratio stood at 103.2% and the Life technical margin[1] was 2.2%.

CCR Re's net profit came to €18 million.

**Its Solvency II ratio stood at 199.2% at end-2020 based on €1,235 million in Solvency II own funds after dividends, including €1,110 million eligible for inclusion in the SCR coverage ratio, and an SCR of €557 million.**

The CCR Group believes that it exercises its governance appropriately and in compliance with the best governance practices in force in France. The CCR Group has a transparent, structured governance system organized around:

- the administrative, management or supervisory body of the undertaking, notably comprising:
  - a Board of Directors and three Board committees: an Accounts, Audit & Risks Committee, a Compensation, Appointments & Governance Committee and a Strategy Committee,
  - an executive body comprising the Chief Executive Officer and the Deputy Chief Executive Officer (who is not a corporate officer), who are the persons effectively running the undertaking (*dirigeants effectifs*);
- four key functions as defined by Solvency II.

Except as noted above, there were no significant changes in the Group's business or results, its governance system, its risk profile, the valuations used as inputs for solvency purposes or its capital management during 2020.

1 The Life technical margin corresponds to the ratio between (a) the sum of the reinsurance underwriting 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.

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# PRESENTATION, BUSINESS AND PERFORMANCE


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# PRESENTATION, BUSINESS AND PERFORMANCE

In accordance with Article L.356-21 of the French Insurance Code (*Code des assurances*), participating undertakings must regularly provide the ACPR with the information it needs to exercise the requisite Group supervision. This information is notably set out in two separate Group reports.

One of these reports is the Solvency and Financial Condition Report (SFCR) for public disclosure, which is published each year.

In accordance with Article R.356-51 of the French Insurance Code, this Group narrative report is approved by the Board of Directors of CCR, a participating undertaking, before being submitted to the ACPR.

## 1 PRESENTATION

### 1.1 Name and legal form of the participating undertaking

The name of the participating undertaking is Caisse Centrale de Réassurance (CCR), which was incorporated as a French joint stock company (*société anonyme*).

CCR is a special insurance undertaking (*organisme particulier d'assurance*) governed by the provisions of Chapter I, Title III – Special insurance undertakings, Book IV – Special insurance regimes and organizations of the French Insurance Code.
At December 31, 2020, CCR and CCR Re had 157 and 111 employees, respectively.

### 1.2 Business

Following CCR's contribution of its entire standalone open market reinsurance business to its wholly-owned subsidiary CCR Re on December 31, 2016 (effective date for legal purposes), CCR operates exclusively in the public reinsurance sector and as a manager of public funds.

#### Public reinsurance (State-guaranteed reinsurance):

CCR is authorized by law to provide State-guaranteed reinsurance of certain exceptional risks in France, as part of its mandate to operate in the public interest entrusted to it by the French State. Public reinsurance covers:
- ***reinsurance for natural disasters*** (Article L.431-9 of the French Insurance Code);
- ***reinsurance for terrorism risks*** (Article L.431-10 of the French Insurance Code);
- ***reinsurance for transport risks of an exceptional nature*** (Article L.431-4 of the French Insurance Code);
- ***reinsurance for liability risks of ship and nuclear power station operators*** (Article L.431-5 of the French Insurance Code);
- ***reinsurance for credit insurance risks*** (Article 7 of Act 2020-289 dated March 23, 2020 [amended 2020 Finance Act], as amended by Article 34 of Act 2020-935 dated July 30, 2020 [amended 2020 Finance Act] and the related enabling legislation [Decree 2020-849 dated July 3, 2020]).

#### Management of public funds:

CCR is responsible by law for the accounting and financial management of the following public funds on behalf of the French State:
- ***Fonds National de Gestion des Risques en Agriculture*** – FNGRA (agricultural risks) pursuant to Article L.431-11 of the French Insurance Code;
- ***Fonds de Prévention des Risques Naturels Majeurs*** – FPRNM (natural risks) pursuant to Article L.561-3 of the French Environment Code (*Code de l'environnement*);
- ***Fonds de Compensation des risques de l'Assurance Construction*** – FCAC (construction risks) pursuant to Article L.431-14 of the French Insurance Code;
- ***Fonds de Garantie des Risques liés à l'Epandage agricole des boues d'épuration urbaines et industrielles*** – FGRE (farming-related pollution risks) pursuant to Article L.425-1 of the French Insurance Code;
- ***Fonds de garantie des dommages consécutifs à des Actes de Prévention, de Diagnostic ou de Soins dispensés par des professionnels de santé exerçant à titre libéral*** – FAPDS (medical liability risks), for which CCR is also responsible for administrative management pursuant to Article L.426-1 of the French Insurance Code.

The State-guaranteed reinsurance business is carried out in compliance with the enabling law and is guaranteed by the French State in a specific legal and regulatory framework. Separate financial statements are kept for each class of business in order to calculate the underwriting result generated in each case, which is recorded in a reserve account covering the corresponding transactions, in accordance with Articles L.431-7, R.431-16-3, R.431-16-4 and A.431-6 of the French Insurance Code.

Activities carried out within the scope of CCR's role as manager of public funds on behalf of the French State are not recorded in CCR's financial statements. Separate financial statements are prepared for each Fund.

CCR Re is an open market reinsurer whose business is separate from the State-guaranteed public reinsurance business conducted by CCR.

Its business covers over 80 countries and all main classes of insurance (Property & Casualty, Life and Death/Disability & Health). The business is conducted from its headquarters in France, supported by branches in Canada and Malaysia (Labuan) and a representative office in Lebanon.

## 1.3 Subsidiaries, material related undertakings and significant branches

| Name | Legal form | Country | % interest |
|---|---|---|---|
| CCR | French joint stock company (*société anonyme*) | FRANCE | |
| CCR Lebanon Branch<br>Inactive since end-2017<br>(pending closure) | Branch | LEBANON | |
| CCR Re | French joint stock company (*société anonyme*) | FRANCE | 100% |
| CCR Re Canadian Branch | Branch | CANADA | |
| CCR Re Labuan Branch | Branch | MALAYSIA | |

These entities belong to the CCR Group as defined for Solvency II purposes.

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## 1.4 Supervisory authority and statutory auditors

The supervisory authority providing financial supervision of CCR is:

**Autorité de Contrôle Prudentiel et de Résolution** (ACPR)
Insurance Sector
4 Place de Budapest
75436 Paris Cedex 09 (France)

Since CCR has sole control of its subsidiary CCR Re, it is required to prepare consolidated financial statements (Article L.233-16 of the French Commercial Code [*Code de commerce*]) at December 31, 2020. Due to this obligation to prepare consolidated financial statements, CCR is required to appoint a second principal statutory auditor (Article L.832-2 of the French Commercial Code).

The statutory auditor responsible for auditing CCR's statutory and consolidated financial statements along with the financial statements of the two French real estate subsidiaries and the five public funds managed by CCR on behalf of the French State is:

**Deloitte & Associés**
Statutory Auditor
6 Place de la Pyramide
92908 Paris La Défense Cedex (France)

This firm was appointed in 2016, upon expiry of the previous statutory auditor's term of office.

The other principal statutory auditor appointed in 2016 and responsible for auditing CCR's statutory and consolidated financial statements jointly (based on an even split of the workload) with Deloitte & Associés is:

**PricewaterhouseCoopers Audit**
Statutory Auditor
63, rue de Villiers,
92200 Neuilly-sur-Seine Cedex (France)

The six-year term of the joint statutory auditors is set to expire at the end of the Ordinary Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2021.

## 1.5 Assessment of the CCR Group's solvency standing and executive summary

For the purposes of regulatory reporting under Solvency II, the CCR Group uses the standard formula for all of its businesses. In accordance with CCR's strategy, its risk profile did not significantly evolve in 2020 and reflects risk exposure arising on its public reinsurance, open market reinsurance and asset management business activities.

The Solvency II ratio stood at 174.4% at end-2020 based on €5,699 million in Solvency II own funds and a Solvency Capital Requirement (SCR) of €3,268 million.

# 2 BUSINESS AND PERFORMANCE

All of the information presented in this section complies with Regulation ANC 2016-11 concerning the basis of consolidation for undertakings falling within the scope of the French Insurance Code, issued by the French accounting standards-setter (*Autorité des Normes Comptables* – ANC) on December 12, 2016.

## 2.1 Significant events of the year

### Covid-19 management

In March 2020, a new Business Continuity Plan (BCP) was introduced in response to the Covid-19 crisis. In line with this plan, similar to during the December 2019 strikes in France, all of our teams successfully transitioned to home-working with no business disruption.

Working full time from home required a major commitment from employees. The additional workload caused by Covid-19-related claims was absorbed by organizing activities around employees' availability and ensuring a high level of cohesion between departments.

The IT Department lost no time in adapting the home-working system deployed and strengthened in 2019, so that operations could continue without disruptions. The crisis confirmed the organization's ability to move seamlessly to home-working when the need arose. It also brought to the fore the CCR Group's robustness and the quality of its organizational risk management. No major incidents were identified.

### Supplier credit support mechanism

Measures were introduced by the government to support supplier credit, in order to help French businesses survive in the severely depressed economic environment triggered by the Covid-19 pandemic.

Credit insurance plays a key role in the economy by protecting businesses against the risk of bad debts; it is an essential means of shielding corporate cash flow and supplier credit.

To implement the new measures, the French State turned to CCR in its role as public reinsurance company.

In April, several mechanisms were deployed by the French government, based in large part on those set up in 2009 following the 2008 financial crisis:

- CAP and CAP+ contracts for domestic supplier credit, managed by CCR;
- CAP Export contracts managed by BPI France.

These mechanisms enabled participating credit insurers to issue additional cover to offset the reduction in policyholders' (French suppliers) receivables from some customers whose credit quality had deteriorated significantly due to the crisis, or to arrange substitute cover in cases where the credit insurer categorically refused to insure the risk.

### Public reinsurance of credit insurance portfolios from June 2020

To take into account the gradual ramp-up of these line-by-line mechanisms, a public reinsurance solution for credit insurance portfolios named CAP Relais was launched by CCR in June. In exchange for this cover, credit insurers were required to maintain their credit insurance portfolio at the same overall level throughout 2020, thereby preserving one of the main sources of financing for the economy. Initially restricted to credit insurance for SMEs and mid-caps, CAP Relais was subsequently made available for all businesses, leaving time for the CAP and CAP+ mechanisms to be improved in preparation for their renewal in 2021.

This work provided further confirmation of how the public reinsurance system can be used effectively by the State to support the French economy and make it more resilient. CCR's operating platform was put to good use to deploy the related reinsurance treaties at pace and set up reporting systems to monitor the mechanisms.

### Natural disaster reinsurance commission agreement

Under the reinsurance arrangements negotiated in 2019, a new commission structure came into effect in 2020, comprising fixed, semi-fixed and variable components.

### CCR Re insurer financial strength rating

On May 4, 2020, S&P upgraded CCR Re's insurer financial strength rating by a notch, from A-/Positive outlook to A/ Stable outlook.

On July 23, 2020, AM Best reaffirmed CCR Re's insurer financial strength rating of A/Excellent.

### €300 million subordinated notes issue by CCR Re

On July 8, 2020, CCR Re carried out its inaugural Tier 2 subordinated notes issue, raising €300 million.

With the orderbook totaling over €1.5 billion, the notes were quickly placed with over 150 investors, based mainly in France, Europe and Asia. The notes pay interest at 2.875%. The issue's outstanding success is testament to CCR Re's financial strength and promising outlook. The proceeds will be used to finance the company's ongoing development in line with the 2020-2022 Streamline business plan. In addition, its enhanced capital ratios will enable it to partner clients even more closely.

## 2.2 Post balance sheet events

No events likely to have a material impact on the CCR Group's consolidated financial statements occurred between December 31, 2020 and April 7, 2021 when the financial statements were approved for publication by the Board of Directors.

## 2.3 Financial review

*(extract from the 2020 Management Report)*

### Written premiums

Consolidated gross written premiums for the year (all lines combined, before reinsurance), amounted to €1,866 million, up 24% from €1,507 million in 2019.

Of the total, 65.2% was generated by the State-guaranteed reinsurance business and 34.8% by open market reinsurance.

**The public reinsurance business in 2020** (all lines combined and before reinsurance) represented written premiums of €1,216 million, an increase of 28.7% compared with €945 million in 2019:

- Of this amount, 73.2% (€891 million) concerned reinsurance of **natural disaster risks** in France. The 1.1% increase compared with 2019 reflected last year's changes in portfolio and pricing mix and reinsurance adjustments concerning treaties written in prior years.
- Written reinsurance premiums for credit insurance totaled €260 million, representing 21.4% of the State-guaranteed reinsurance business.
- **Terrorism risk** reinsurance premiums were stable compared with 2019 at €67 million, representing 5.5% of the total State-guaranteed reinsurance business.
- The business of reinsuring so-called exceptional risks was discontinued with effect from January 1, 2019 and gross written premiums from this business therefore correspond exclusively to prior-year adjustments.

**Open market reinsurance premiums written** in 2020 totaled €649 million, up 16% as reported and 21% at constant exchange rates. This strong growth, which was in line with 2020-2022 Streamline strategic plan projections, was mainly driven by new business.

Premium income breaks down as follows:

- Non-Life written premiums totaled €412 million, up 19% as reported and 25% at constant exchange rates. The Non-Life reinsurance business accounted for 64% of total open market premiums in 2020. The €87 million year-on-year increase in premiums at constant exchange rates primarily corresponded to new business written in Europe and Asia.
- Life written premiums amounted to €237 million, up 10% as reported and 15% at constant exchange rates, and represented 36% of total open market premiums. The €33 million growth at constant exchange rates was mainly attributable to new reinsurance business written in the Middle East.

## Ceded premiums

The fee paid by CCR to the French State in exchange for the latter's guarantee for reinsurance cover, provided on its behalf by CCR, amounted to €114 million in 2020 (2019: €100 million). Premiums ceded by CCR Re stood at €36.2 million (versus €31.1 million in 2019), including €6.9 million in fronted premiums (€4.8 million in 2019) and €17.6 million in disaster premiums (€15.0 million in 2019).

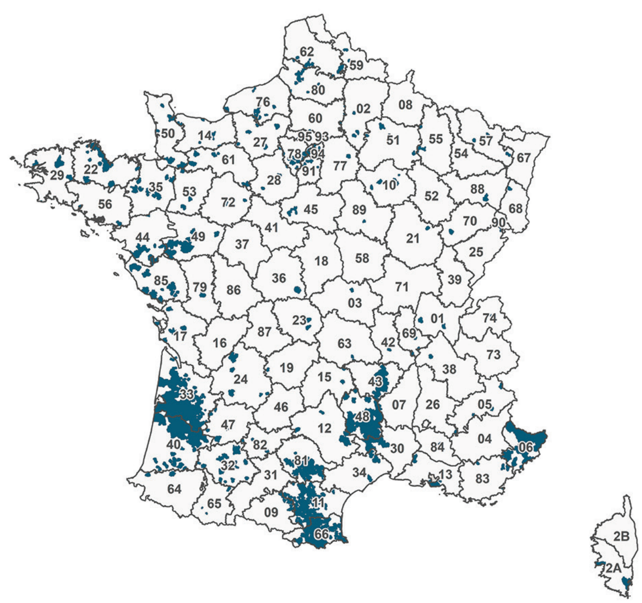
## Loss ratios

### Public reinsurance

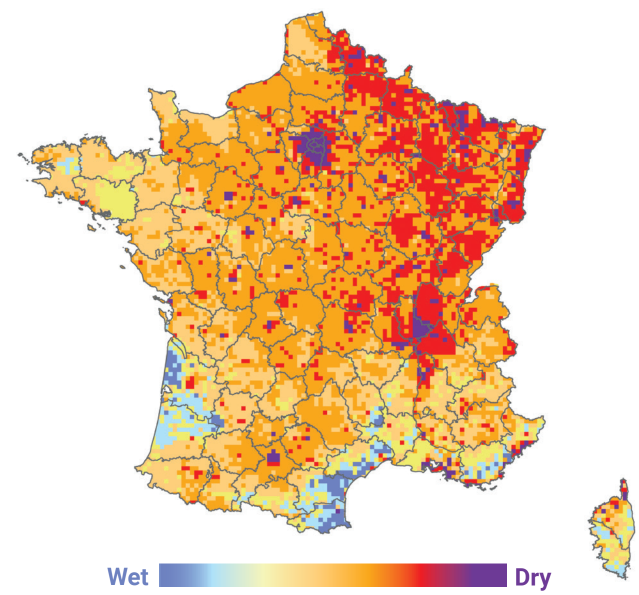
The underwriting result[1] from the public reinsurance business amounted to €28 million (2019: €30 million).

In **natural disaster** reinsurance, around a quarter of mainland France was affected by an extended period of drought, leading to the recognition of outstanding claims reserves of €565 million, and Storm Alex caused extensive flooding (losses of €105 million for CCR), while attritional losses were near average (€105 million for CCR). Together, these events represented losses of €775 million.

***Communes recognized as eligible for natural disaster payments in 2020 (excluding drought)***




***Intensity of the summer 2020 drought in France***




The liquidation deficits related to prior years corresponding primarily to the recent years' droughts, were recognized in 2020 for €167 million.

On the above basis, the natural disaster underwriting result was a loss, before the transfer from the equalization reserve. An amount of €207 million was released from the equalization reserve in 2020 in accordance with the applicable regulations (2019: €0.2 million transferred to the reserve). After this transfer, at December 31, 2020, the equalization reserve stood at €1,158 million.

In all, claims expenses net of changes in the equalization reserve amounted to €738 million in 2020.

Concerning the **credit insurance support mechanism**, after taking into account the amount received under the State guarantee, the net loss for CCR was €155 million. The underwriting result was at break-even.

The underwriting result from **Other State-guaranteed reinsurance business** was a profit of €28 million in 2020 (2019: €30 million profit). The year-on-year decline was due to adjustments to the equalization reserve in respect of terrorism reinsurance in 2019 and 2020.

1 Underwriting result: sum of insurance service result, net of reinsurance, and internal management expenses (excluding claims management expenses included in the insurance service result).

## Open market reinsurance

The estimated cost of the Covid-19 pandemic was €44 million for the Non-Life business, comprising business interruption claims (€21 million), credit/guarantee claims (€14 million), event cancellation claims (€6 million) and civil liability claims (€3 million).

The Beirut explosion in August 2020 represented losses of USD 29 million before reinsurance and €15 million net of reinsurance at December 31, 2020.

Natural disaster losses accounted for 1.0% of the combined ratio (7.8% in 2019). The main natural disaster losses reinsured by CCR Re were in Canada (Calgary hail storm and flooding in Fort McMurray).

The Life reinsurance business's technical margin[2] declined to 2.2% in 2020 from 5.2% the previous year.

The estimated cost of the Covid-19 pandemic for the Life business was €5 million.

## Combined ratio

At December 31, 2020, the CCR Group's combined ratio stood at 99.0%, breaking down as:

- a loss ratio[3] of 82.3%;
- an expense ratio[4] of 16.7%.

## Management expenses

Management expenses (not including investment management fees which are reported under net investment result) amounted to €57 million in 2020, representing an expense ratio[5] of 3.2% (3.3% in 2019).

## Net investment income

Net investment income amounted to €137 million, consisting for the most part of investment revenue for €87.1 million and net realized gains from investments for €50.0 million. The yield on the investment portfolio[6] was 1.6% in 2020 (1.7% in 2019).

## Management of financial and real estate investments

### Investment strategy in volatile markets

At the beginning of 2020, stock prices were fairly high but there were already fears of a Covid-19 pandemic and a loss of economic momentum in the United States. In light of this environment, CCR Group decided to carry out the entire profit-taking program immediately. Around €100 million worth of investments in **equity funds** were sold in early Februaryand the equity funds retained in the portfolio were protected by overlay funds.

When stock prices plummeted in late February and early March, the **overlay fund** fulfilled its purpose by shielding the portfolio from the effects of this fall. Equity exposures were also able to be managed both tactically and dynamically. The fall in stock prices bottomed out in March and the Group returned to the stock market by investing in exchange-traded equity funds. The overlay fund was calibrated in mid-March to reduce the hedging rate and allow the equity portfolios' exposure to increase more rapidly in order to benefit from the expected market rebound.

The Group held a fairly significant portfolio of money market securities and cash up until the start of the financial crisis. Significant amounts were invested in corporate **bonds** during March and April, to take advantage of the higher risk premiums.

CCR Group also remained very active in the **real estate** market despite the unprecedented complexity caused by the Covid-19 crisis. Occupancy rates remained high in the Group's properties and office leases were rolled over at higher rents. The CCR Group actively supported tenants of retail units that were obliged to close temporarily as a result of Covid-19 measures, by deferring their rent. The refurbishment program was carried out to improve the real estate portfolio's energy performance.

In line with our **ESG and Climate policy**, the CCR Group gives priority to investing in issuers that support the social transition, adaptation to physical risks and the prevention of transition

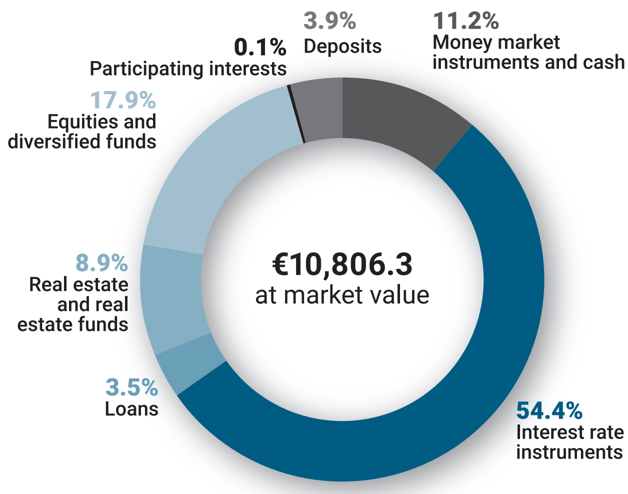


2 The Life technical margin corresponds to the ratio between (a) the sum of the reinsurance underwriting result and interest on cash deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business. These items are determined before taking into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

risks. One-third of investments for the year concerned one of the three pillars of the ESG and Climate policy.

### Investment portfolio breakdown

Consolidated **reinsurance investments**[7] had a net book value of €9,631.8 million at December 31, 2020 versus €8,992.9 million at the previous year-end.




Changes in the structure of the CCR Group's reinsurance investment portfolio in 2020 were as follows:

- Investments in money market instruments represented 11.2% of the total portfolio at market value. They included money market funds for €299.2 million and cash and cash equivalents for €916.5 million.
- Investments in interest rate instruments increased by 3.4% over the year to €5,874.5 million, representing 54.4% of the total portfolio at market value. The portfolio of directly held bonds rose 2.4% to €4,622.3 million (78.7% of the total) and investments in bond funds were up 7.4% at €1,252.2 million (21.3% of the total).
- Investments in equities and diversified funds grew 9.8% over the year and represented 17.9% of the total portfolio. The main investments are equity funds (38.9%), diversified funds (26.3%) and hybrid securities and alternative investment funds (25.5%). Net unrealized gains on this asset class were up 5.2% at €409.4 million (€389.0 million at December 31, 2019).
- Investments in real estate amounted to €965.8 million at December 31, 2020 and represented 8.9% of the total portfolio. Unrealized gains on directly-owned investment properties increased by 8.8% over the year.

At December 31, 2020, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €2,475.5 million at market value, an increase of 35.8% from end-2019. The portfolio represented 22.9% of total reinsurance investments versus 18.1% at December 31, 2019. At December 31, 2020, ESG investments included money market instruments (2.1%), interest rate instruments (7.1%), equities, diversified investments and debt funds (5.9%) and real estate investments (7.8%).

## Net profit for the year

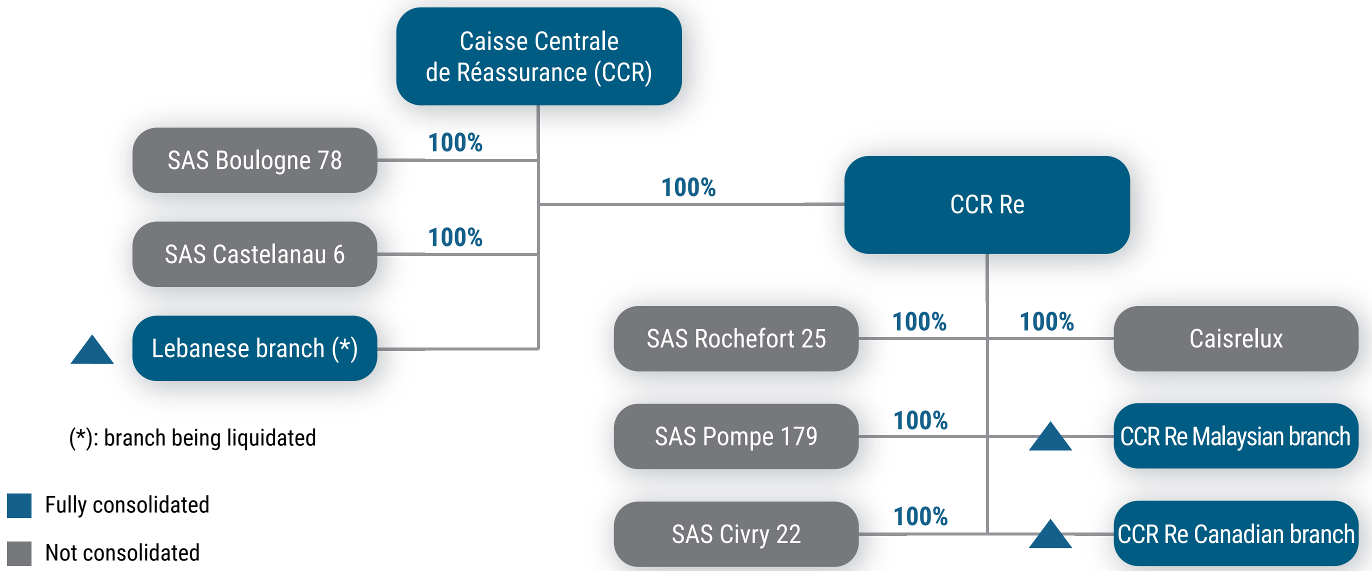
Consolidated net income for the year amounted to €90 million (2019: €104 million), breaking down as follows:

- The reinsurance underwriting result was a profit of €9 million (2019: profit of €39 million). As explained earlier, it reflects the Group's natural disaster loss experience in 2020, adjustments to equalization reserves in respect of terrorism risk reinsurance, as well as losses related to Covid-19 and the Beirut explosion;
- Net investment income amounted to €137 million;
- Income tax expense for the year was €54 million. The effective tax rate of 37.5% (excluding tax on non-recurring items) was the direct consequence of the tax rules applicable to movements on equalization reserves and changes in unrealized gains on UCITS.

7 CCR Group financial and real estate investments, including cash. In this section, the investment portfolio at December 31, 2019 has been remeasured at December 31, 2020 prices.

## Subsidiaries and affiliates

The CCR Group's legal structure is presented below:




CCR holds the entire share capital of CCR Re, an undertaking providing open market Non-Life, Life and Death/Disability & Health reinsurance, since December 31, 2016.

In addition to owning CCR Re, which is fully consolidated, the Group manages part of the real estate investment portfolio through **five simplified joint stock corporations (SAS)** with combined equity of €55 million at December 31, 2020. The five companies reported net income of €2.5 million in 2020 and contributed €2.2 million to the Group's investment revenue for the year.

CCR Re also has a reinsurance subsidiary in Luxembourg, Caisrelux. This company had a share capital of €6.2 million at December 31, 2020, unchanged from the previous year-end. Caisrelux operates exclusively as a captive reinsurance company. The company ended the year in profit, as shown in its financial statements approved for publication on March 30, 2021.

## 2.4 2021 Outlook

### Financial environment

The CCR Group will remain present in the investment market, carefully selecting assets based on their liquidity and the balance between risk and return. It will be important to take on board the impact of the Covid-19 crisis, which will accelerate and amplify financial market trends affecting all investors. Home-working will affect demand for office space and lead to a qualitative shift towards properties that offer more services, greater flexibility and more technology. Demand for residential properties will also evolve in favor of houses and apartments that have space for home working. Value creation will be the watchword for our new investments and also for the management of existing assets, with particular emphasis on ESG performance.

Political uncertainties will ease compared to 2019, after the US elections delivered a victory for Joe Biden along with a Democratic majority in both houses of Congress, and a no-deal Brexit was averted at the last minute. With the vaccination campaigns progressing at pace and developed countries launching massive recovery plans, most investors believe that 2021 will see a forceful return to economic growth. Asset prices are back at fairly high levels, now that investor confidence has

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been boosted by encouraging corporate earnings forecasts – in the United States, for example, earnings are expected to be more than 6% higher than in 2019.

With monetary policies set to remain extremely loose in all developed countries, meaning that interest rates will stay low for the foreseeable future, investors will be encouraged to turn to more risky or less liquid assets to improve their returns.

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

## Business outlook

2021 will probably see the adoption of the bill reforming the natural disaster insurance system that was presented to the French parliament by Stéphane Baudu in late 2020. The bill's objective is to simplify the procedure to have an event declared a natural disaster, improve compensation levels for property damage and make buildings more resilient, particularly in relation to subsidence and flooding risks, while also making the procedures more transparent. Concerning the compensation payable to victims of natural disasters, the bill proposes to eliminate the modulated deductible payable by the policyholder (except where the policyholder is a local authority) and to modify the deductible calculation based on the policyholder's profile (with a different calculation method applicable to private individuals, small businesses and large corporates respectively). In addition, the cost of emergency accommodation would be covered.

CCR was consulted by the French Treasury concerning all of these points, in order to measure the financial impact of the proposed measures.

The bill was adopted unanimously by the lower house of the French parliament on January 28, 2021. It must now be examined by the Senate (in principle during the first quarter of 2021, if sufficient time is available), before being voted into law.

At the same time, CCR is conducting studies on the impact of climate change over the period to 2050. These studies show that the finances of the natural disaster insurance system will come under increasing pressure, even without the impact of the proposed reform of the system. In response to these projections, for several years now CCR has been working to upgrade the risk prevention efforts of all stakeholders. This has included pursuing four operational objectives:
- improve stakeholder knowledge of natural risks,
- promote stakeholder awareness of the benefits of risk prevention,
- improve the relevance and effectiveness of public programs,
- support ceding insurers in putting in place prevention initiatives.

Lastly, we are contributing our technical expertise to work by the public authorities to improve the management of agricultural risks.

CCR Re will continue to grow its business. The Streamline strategic plan approved by CCR Re's Board of Directors in December 2019 will steer the undertaking's development over the 2020-2022 period. In 2021, CCR intends to hold firm to its growth trajectory despite the pandemic, in line with its development plans. To support this objective, the 157 Re sidecar has been rolled over with the launch of a third compartment, 157 Re 21.

Continued implementation of Streamline in 2021 will further strengthen CCR Re's role in a difficult and uncertain environment.

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# GOVERNANCE SYSTEM

The CCR Group has a transparent, structured governance system based around its administrative, management and supervisory bodies, including:
- a Board of Directors and three Board committees: an Accounts, Audit & Risks Committee, a Compensation, Appointments & Governance Committee and a Strategy Committee,
- an executive body comprising the Chief Executive Officer and the Deputy Chief Executive Officer (who is not a corporate officer), who are the persons effectively running the undertaking (*dirigeants effectifs*),
- The governance system also includes four key Group functions ensuring optimal conduct of its business.

## 1 STRUCTURE OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODY OF THE UNDERTAKING

### 1.1 Board of Directors

#### Separation of the roles of Board Chairman and Chief Executive Officer

Further to the entry into force on July 1, 2015 of French government order 2014-948 of August 20, 2014 notably concerning corporate governance in publicly traded companies, the Board of Directors' meeting of July 2, 2015 reviewed the executive management structure and decided to maintain the separation between the roles of Chairman of the Board of Directors and Chief Executive Officer.

#### Chairman of the Board of Directors

In accordance with the aforementioned French government order 2014-948 of August 20, 2014 and with the bylaws (brought into line with said order by the Shareholders' Meeting of June 25, 2015), the Chairman of the Board of Directors is appointed by the Board of Directors from among its members for his or her term of office as director.

Pierre Blayau has been Chairman of the Board since January 14, 2015. Following the entry into force of the aforementioned French government order on July 1, 2015, the Board of Directors appointed Pierre Blayau as Chairman of the Board on July 2, 2015 for a five-year term expiring at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2019. At the Annual Shareholders' Meeting of June 30, 2020, shareholders noted that Pierre Blayau's 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, the Board of Directors appointed Pierre Blayau as Chairman of the Board for a one-year term expiring at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2020.

The Board of Directors has not imposed any restrictions on the Chairman's powers.

#### Composition of the Board of Directors

In accordance with French company law governing joint stock companies and with the aforementioned French government order 2014-948 of August 20, 2014, the Board of Directors may have up to 15 members, including one director representing the French State (appointed by French ministerial decree). The other directors are appointed by the Shareholders' Meeting, with some recommended by the French State and one third representing employees.

The term of office of directors is five years.

#### Role and responsibilities of the Board of Directors

In accordance with its internal rules, the Board of Directors sets CCR's strategic, economic and financial priorities.

Besides matters that must be referred to it pursuant to applicable laws and regulations, the Board reviews and discusses the following matters, after review by the competent committee where appropriate:

- the undertaking's overall underwriting and financial strategy at least once a year;
- CCR's multi-year strategic plan;
- CCR's provisional annual budget;
- planned mergers and acquisitions;
- the outlines of the retrocession program;
- any illiquid or relatively illiquid financial or real estate investment of at least €50 million, in order to validate both the nature and the amount of the investment;
- planned leases of owner-occupied property.

The Board exercises the responsibilities as described in the Solvency II Directive and the associated regulations. In this respect, it approves the reports and policies submitted for its approval pursuant to the Directive.

### Internal rules

The Board of Directors' internal rules set out its practices and procedures.

The appendix to the internal rules includes the internal rules applicable to the Board committees: the Accounts, Audit & Risks Committee, the Compensation, Appointments & Governance Committee and the Strategy Committee.



The Board of Directors also has a "Director's Charter" which defines the guiding principles to which the directors adhere and which they undertake to respect in exercising their duties as directors. The Director's Charter is appended to the Board of Directors' internal rules.

### Board meetings

Meetings of the Board and its committees for the coming year are scheduled at the one-from-last Board meeting for the current year. The schedule may subsequently be adjusted and special meetings may be organized as needed.

Board meetings are convened in writing and take place at CCR's registered office. Approximately one week before a Board meeting, each director receives comprehensive documentation setting out the agenda and key information for most of the items on that agenda. Since 2015, the documentation for meetings of the Board and its committees has been available exclusively in electronic form on a secure dedicated website.

Once online, the documentation for a given meeting may be amended, with additional information or updates.

The Chairman of the Board organizes and chairs all Board meetings. Board meetings are attended by the directors, the representative of the employee representative body (*Comité Social et Économique* – CSE) in an advisory capacity only, and the Board secretary. The Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Actuary & Risk Officer also attend Board meetings, as well as the department heads, depending on the agenda items. The persons performing key functions attend Board meetings in order to present their work.

Vincent Gros (General Secretary) served as Board secretary in 2020, following his appointment by the Board on April 9, 2019 and June 30, 2020.

## 1.2 Accounts Committee

On June 30, 2020, the Board of Directors decided to streamline the Group's governance by merging the Accounts Committee with the Audit & Risks Committee.

The Accounts Committee was created by the Board on July 2, 2015 further to its decision to replace the Audit, Accounts and Risk Management Committee with two separate committees: an Accounts Committee and an Audit & Risks Committee.

The Accounts Committee was made up of four directors, including one director representing employees. One member of the Accounts Committee was also required to sit on the Audit & Risks Committee.

The Accounts Committee was chaired by Patrice Forget and included at least one member with specific financial or accounting expertise who qualified as independent based on the criteria adopted by the Board. This member was Pauline Leclerc-Glorieux.

The Accounts Committee was chiefly responsible for reviewing the interim financial statements subject to a limited review by the statutory auditors and the annual financial statements, analyzing changes in and adjustments to accounting policies, monitoring the effectiveness of internal control and risk management systems, and monitoring the statutory auditors' work. It also expressed an opinion on the auditor selection process and issues a recommendation concerning the accounting firm to be proposed for appointment as statutory auditor at the Shareholders' Meeting. It reviewed the reports and policies falling within its remit, and was also responsible for hearing the report of the Actuarial function.

## 1.3 Audit & Risks Committee

The Audit & Risks Committee was created on July 2, 2015 further to a decision of the Board of Directors to replace the Audit, Accounts and Risk Management Committee with an Accounts Committee and an Audit & Risks Committee.

Four directors sat on the committee, including one director representing employees. One member of the Audit & Risks Committee was also required to sit on the Accounts Committee.

The Audit & Risks Committee was chaired by Gérard Lancner until June 2019. Following his death, the Board of Directors decided to combine the Audit & Risks Committee and the Accounts Committee under the chairmanship of Patrice Forget until the end of the directors' terms (June 2020).

The Audit & Risks Committee was chiefly responsible for monitoring the effectiveness of internal control and risk management systems, as well as risk management and internal control policies and procedures. In this respect, it (i) monitors major risks together with the means used to mitigate and manage those risks, strategy risks, risks related to the undertaking's main technical and financial liabilities, and risks arising in relation to financial management, including off-balance sheet commitments and major litigation; (ii) provides follow-up on the identification of risks by executive management; (iii) ensures that there is an appropriate internal control and risk management and oversight system; (iv) monitors compliance with laws and regulations, particularly those relating to Solvency II and, in this regard, reviews the reports and policies falling within its remit; (v) meets with the holder of the Internal Audit function; (vi) reviews and approves the audit program; (vii) analyzes the main recommendations set out in the reports and any follow-up measures; and (viii) reviews the investment strategy. It was also tasked with monitoring risk management indicators, overseeing the Own Risk and Solvency Assessment (ORSA) based on the ORSA report, and meeting with the holder of the Risk Management function.

## 1.4 Accounts, Audit & Risks Committee

The Accounts, Audit & Risks Committee was created by the Board of Directors on June 30, 2020, pursuant to the decision to merge the Accounts Committee with the Audit & Risks Committee.

Six directors sit on the Accounts, Audit & Risks Committee, including one director representing employees.

At least one member must have specific financial or accounting expertise and qualify as independent based on the criteria adopted by the Board. This member is Laurence Barry.

The Accounts, Audit & Risks Committee is chaired by Patrice Forget.

The Committee is chiefly responsible for examining the interim and annual financial statements, reviewing changes and adjustments to accounting principles and policies, monitoring the effectiveness of internal control and risk management systems, and monitoring the statutory auditors' work. It also expresses an opinion on the auditor selection process and issues a recommendation concerning the accounting firm to be proposed for appointment as statutory auditor at the Shareholders' Meeting. It reviews the reports and policies falling within its remit and is also responsible for hearing the report of the Actuarial function.

The Committee is also responsible for monitoring the effectiveness of internal control and risk management systems, as well as risk management and internal control policies and procedures. These responsibilities include reviewing:

- major risks and the related risk control and management resources;
- strategic risks and the risks associated with the undertaking's main insurance and financial obligations;
- financial management risks, including off-balance sheet commitments, material claims and litigation and the investment strategy;
- executive management's risk identification procedures;
- the adequacy and effectiveness of the internal control system and the system for monitoring and managing risks.

It also monitors controls over compliance with applicable laws and regulations, including those adopted in application of Solvency II, by examining the reports and policies falling within its remit. The Committee meets with the head of the Internal Audit function, reviews the internal audit program prior to its approval by the Board of Directors, analyzes the internal auditors' main recommendations and monitors their implementation. It also meets with the heads of the other key functions. It is also tasked with monitoring risk management indicators, overseeing the Own Risk and Solvency Assessment (ORSA) based on the ORSA report, and meeting with the holder of the Risk Management function.

## 1.5 Compensation, Appointments & Governance Committee

Up to four directors sit on the Compensation, Appointments & Governance Committee, which was set up in 2004, including one employee representative director. The committee was chaired by Patrick Lucas between 2013 and June 30, 2020. It has been chaired by Nathalie Broutele since June 30, 2020.

It monitors the undertaking's individual and collective compensation policy, evaluates its coherence with the undertaking's strategy and performance targets, and analyzes key inputs for payroll trends within the undertaking. The committee also recommends the basis for compensation, defines performance criteria and the degree to which executive corporate officers have achieved those criteria, and also recommends the amount of directors' fees and how those fees should be allocated.



## 1.6 Strategy Committee

The Strategy Committee was set up by the Board of Directors on July 2, 2015. Six directors sit on the committee, including one director representing employees. The committee is chaired by the Chairman of the Board of Directors.

It is notably responsible for reviewing and providing the Board with its opinion and recommendations as regards CCR's business and financial strategy. The committee considers CCR's identified avenues for growth and any related developments, as well as any planned strategic agreements. It is responsible for monitoring the strategy implemented by executive management, especially as regards the strategic decisions made by the Board.

## 1.7 Executive body

### Executive management of CCR

The members of CCR's executive management are:

- Bertrand Labilloy, Chief Executive Officer;
- Laurent Montador, Deputy Chief Executive Officer (not a corporate officer).

Bertrand Labilloy has been Chief Executive Officer of CCR since January 16, 2015. Following the entry into force of the aforementioned French government order of August 20, 2014 on July 1, 2015, Bertrand Labilloy was appointed Chief Executive Officer by French Presidential decree of August 17, 2015 (published in the Official Journal of the French Republic on August 19, 2015) on the recommendation of the Board of Directors. Bertrand Labilloy's appointment as Chief Executive Officer expired on August 17, 2020 and he was re-appointed to this position as of that date, by French Presidential decree of August 13, 2020 (published in the Official Journal of the French Republic on August 14, 2020).

### Persons who effectively run CCR and the CCR Group

On November 2, 2015, the Board of Directors noted that, in his capacity as Chief Executive Officer, Bertrand Labilloy automatically qualified as a person effectively running the undertaking (*dirigeant effectif*) within the meaning of Article L.322-3-2 of the French Insurance Code, for the term of his office as Chief Executive Officer. Mr Labilloy also appointed Laurent Montador, Deputy Chief Executive Officer, as a person effectively running the undertaking for the term of his salaried position as Deputy Chief Executive Officer.
Laurent Montador's decision-making remit covers all of CCR's businesses.

Mr Labilloy and Mr Montador also effectively run the CCR Group within the meaning of Solvency II.

CCR notified the French insurance supervisor (ACPR) that Mr Labilloy's appointment had been renewed in August 2020. The ACPR replied to this notification on December 3, 2020, confirming that it had no objections to Mr Labilloy's re-appointment. The General Secretary informed the Board of Directors of the ACPR's reply on December 15, 2020.

## Role of CCR's key internal divisions

### Role of the Reinsurance & Public Funds Division

The Reinsurance & Public Funds Division is responsible for underwriting reinsurance for natural disaster and terrorism risks. In 2020, it was also in charge of the credit insurance support mechanism set up by the French government following the Covid-19 health crisis.

The Division is also responsible for the accounting and financial management of certain public funds on behalf of the French State, in particular the FNGRA fund for agricultural risks and the FPRNM fund for natural risks (commonly known as the Barnier Fund).

A specialist Natural Risk Prevention unit was created in 2018, with the aim of supporting the public authorities, insurers, regional authorities and other stakeholders in the implementation of their preventive measures.

The Reinsurance & Public Funds Division is supported by the work of two technical departments:

- the Data Science – Actuarial & Reserving Department, which is responsible for collecting, processing and analyzing the data provided by CCR insureds; determining the rates for reinsurance and reserving treaties; and providing reviews of the department's work to CCR's customers and partners;

- the Research & Development and Natural Disaster and Agriculture Risk Modeling Department, which is responsible for developing models that simulate natural and anthropic disasters and subsequently for implementing those models if and when such disasters occur.

In addition to these operational activities, the entire division regularly performs studies at the request of the public authorities, to provide insight as they consider how to improve existing payout or prevention mechanisms or implement new risk management solutions. In 2020, studies were performed in support of industry discussions about the possible introduction of a catastrophic health insurance scheme.

### Role of the Group Finance and Monitoring Division

The role of the Group Finance and Monitoring Division is twofold:

- provide a fair and prudent view of the undertaking's finances by:
  - ensuring that all receivables and payables are appropriately settled,
  - advising the undertaking and lending its accounting expertise to discussions on strategy,
  - providing the undertaking with the tools to monitor its performance and meet its accounting, financial and regulatory compliance requirements;
- create value and safeguard the undertaking's financial interests by:
  - determining the strategic allocation of investments,
  - advising the undertaking and lending its financial expertise to discussions on strategy.

The Finance Division is responsible for accounting, financial investments and management control.

# 2 GROUP KEY FUNCTIONS

The Solvency II Directive requires that all undertakings have four key functions – Risk Management, Compliance, Internal Audit and Actuarial – described in Articles 44, 46, 47 and 48, respectively, of the Directive.

A "function" is defined in Article 13 (29) as: *"within a system of governance [...] [:] an internal capacity to undertake practical tasks; a system of governance includes the Risk Management function, the Compliance function, the Internal Audit function and the Actuarial function."*

All of the functions are covered by CCR. In 2008, CCR appointed a head of ERM, who is responsible for the overall coordination and management of risks. A manager is now identified for each key function.

The Group managers with responsibility for the key functions are:

| | |
|---|---|
| **Risk Management function** | Isabelle Grubic |
| **Compliance function** | Vincent Gros |
| **Internal Audit function** | Sonia Angel |
| **Actuarial function** | Nicolas Freslon |

The ACPR received notification of their appointment, which it approved.

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## 2.1 Key function governance structure

The Group's key function holders report directly to the executive management team of the participating undertaking and meet with executive management whenever deemed necessary. They may also meet with the Board of Directors of the participating undertaking.

The current committee structure also allows any necessary exchanges to take place with the Board of Directors and its Accounts, Audit & Risks Committee.

The aforementioned functions are key functions for CCR, CCR Re and the CCR Group.

## 2.2 Risk Management function

Within the Actuarial & Risks Division, the head of the Risk management function is responsible for:
- identifying, assessing and monitoring material risks;
- ensuring that risk management procedures are in place;
- ensuring that complete and consistent reporting systems exist covering the audited activity.

The Risk management function also bases itself on work carried out by the Actuarial function and in particular:
- asset-liability management;
- development of the economic capital model;
- monitoring of natural disaster risk exposure;
- analyses of the retrocession program.

The holder of the Actuarial function (the Chief Actuary) reports directly to CCR's Chief Executive Officer.

The head of the Actuarial & Risks Division coordinates the Group Risks Committee ("CORI", see section 3.4) alongside the head of the Risk Management function.

## 2.3 Compliance function

The holder of the Compliance function is responsible for all compliance issues. The work of the Compliance function is based on the compliance risks identified in the CCR Group's risk map.

The Compliance function's controls over the measures used to manage compliance risks are supplemented by controls performed by the internal control teams.

## 2.4 Internal Audit function

The Internal Audit function reports directly to CCR's Chief Executive Officer and is performed objectively and independently from all of the undertaking's other activities.

The Internal Audit function provides the undertaking with an objective assessment of the effectiveness and efficiency of its risk management, internal control and governance processes.

## 2.5 Actuarial function

The holder of the Actuarial function (the Chief Actuary) reports directly to CCR's Chief Executive Officer. The function's purpose is to express an opinion on:
- the portfolio underwritten by CCR;
- outward reinsurance;
- technical reserves.

# 3 COMMITTEE STRUCTURE

## 3.1 CCR Group Executive Committee ("COMEX")

The Group Executive Committee ("COMEX") is responsible for implementing the undertaking's strategy and for making the necessary operational and organizational decisions in this regard. The Executive Committee ("COMEX") ensures that operational managers are duly informed of strategic objectives and rules.

## 3.2 CCR Operational Committee

This committee is responsible for implementing CCR's strategy and for taking operational and organizational decisions for CCR.

## 3.3 CCR Re Operational Committee

This committee is responsible for implementing CCR Re's strategy and for taking operational and organizational decisions for CCR Re.

## 3.4 CCR Group Risks Committee ("CORI")

This committee covers both CCR and CCR Re.

Its role is to manage risks as closely as possible to operational issues, with the aim of:
- identifying potential events that could affect the organization;
- defining risk management procedures, so as to:
  - limit residual risks within the risk appetite framework,
  - provide reasonable assurance as to the achievement of objectives.

## 3.5 CCR Group Investment Committee

The Group Investment Committee is responsible for monitoring the Group investment strategy, as approved by the ALM Committee.

This committee guarantees investment oversight and implementation of the investment strategy.

## 3.6 Underwriting Committees

These committees meet when policies are up for renewal in order to examine underwriting business in areas requiring a senior management-level decision.

## 3.7 Claims Committees

These committees are responsible for facilitating the flow of information between the claims departments and the underwriting departments and for developing an overall vision of outstanding claims. Meetings are held on a department-by-department basis and serve to:
- provide a technical overview of major claims;
- discuss visits to the site of reinsurance claims;
- prepare a ceding insurer watchlist;
- permit discussions of technical or commercial issues arising in relation to the claims or in the reinsurance accounts;
- identify any need to adjust management procedures;
- identify potential commutation opportunities.

## 3.8 Reserving Committees

These committees conduct in-depth analyses of current reserve levels and fine-tunes estimates of ultimate reserves.

# 4 COMPENSATION POLICY AND PRACTICES

CCR has a formal compensation policy covering all employees, management and directors.

## 4.1 Compensation policy

In line with the CCR Group's overall strategy, the aims of the compensation policy are to:

- reward in-house expertise and foster employee loyalty and motivation;
- attract talent;
- discourage excessive risk-taking and ensure that risktaking remains consistent with CCR's risk appetite.

There are three pillars of the compensation policy:

- a fixed portion which accounts for the bulk of employee compensation;
- a variable "bonus" portion linked to the individual performance of each employee. The targets set by managers must be measurable and realistic, enabling the individual performance of each employee to be assessed and discouraging risk-taking;
- a variable portion (profit-sharing, incentives and employer contribution) linked to employees' performance as a whole.

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## 4.2 Compensation paid to corporate officers

### Chairman of the Board of Directors' compensation

The Chairman of the Board of Directors receives fixed compensation. He does not receive any benefits in kind.

His compensation is submitted to the Compensation, Appointments & Governance Committee for opinion and set by the Board of Directors subject to ministerial approval as provided for in Article 3 of Decree 53-707 of August 9, 1953.

### Chief Executive Officer's compensation

The Chief Executive Officer receives fixed and variable compensation. He does not receive any benefits in kind.

Based on a recommendation of the Compensation, Appointments & Governance Committee, CCR's Board of Directors sets the total annual fixed compensation for the Chief Executive Officer of CCR in his capacity as Chief Executive Officer of CCR and Chairman and Chief Executive Officer of CCR Re. It also decides the proportion of compensation to be assigned to each of these offices, along with the percentage of variable compensation payable for each.

The Compensation, Appointments & Governance Committee makes recommendations to the Board regarding the variable portion of compensation accruing to the Chief Executive Officer for the current period. The Board has the final say in this regard. The committee also assesses to what extent targets for the past year were achieved and makes recommendations in this regard to the Board, which decides the amount of variable compensation payable to the Chief Executive Officer.

Decisions made regarding the Chief Executive Officer's compensation are subject to French ministerial approval as provided for in Article 3 of French decree 53-707 of August 9, 1953.

### Directors' compensation

Directors' compensation consists of directors' fees. The Shareholders' Meeting sets the total annual amount of directors' fees in accordance with the French Commercial Code.

The basis for awarding these fees among the directors is set by the Board of Directors based on a recommendation of the Compensation, Appointments & Governance Committee.

In accordance with French government order 2014-948 of August 20, 2014 on corporate governance and corporate actions of partly State-owned companies, the compensation due to the representative of the French State in respect of his or her duties as director are paid into the government budget. The compensation due to government officials elected as directors by the Shareholders' Meeting on the recommendation of the French State is also paid into the government budget. The same applies to the compensation due to other directors elected by the Shareholders' Meeting on the recommendation of the French State that exceeds a certain ceiling set by a decree issued by the French Minister of the Economy.

Employee representative directors are not compensated for their duties. The Chairman of the Board of Directors is not paid any compensation for his participation in Board meetings. One director waived his right to compensation for his participation in Board meetings.

The total directors' compensation budget is allocated among the directors based on whether or not they are also members of a Board committee and on their attendance rate at meetings of the Board and – where applicable – its committees. The Chairmen/Chairwomen of the Board committees receive an amount of compensation that is greater than that paid to ordinary members.

With the exception of the aforementioned compensation accruing to CCR Re's Chairman and Chief Executive Officer, none of CCR's corporate officers collected compensation from CCR subsidiaries in 2020.

# 5 MATERIAL TRANSACTIONS

No material transactions were entered into in 2020 with any shareholders, parties exercising significant influence over the undertaking, or members of the administrative, management or supervisory bodies.

# 6 FIT AND PROPER POLICY

The fit and proper policy taking into account CCR's special appointment procedures was revised in 2020.

The policy formally sets down fit and proper requirements for those effectively running the undertaking (*dirigeants effectifs*), key function holders and members of the Board of Directors.

The fit and proper requirements were assessed on the bases set down by the policy.

# 7 RISK MANAGEMENT SYSTEM (INCLUDING ORSA)

The risk management system for the CCR Group and its subsidiaries is based on the COSO II risk framework.

The system is structured around:

- an Actuarial & Risks Division at the heart of the undertaking;
- a risk appetite framework;
- risk tolerance limits aligned with the risk appetite;
- an operational risk management and control system.

## 7.1 Organization of risk management

Risk management at CCR concerns all employees and is managed from a Group perspective.

The system places the Actuarial & Risks Division and the Risk Management key function at the center of the undertaking's risk management process. The Board of Directors, management and all employees are fully integrated in the process.

The different parties involved in the risk management process are described below, along with their role and responsibilities in terms of managing risks.



### Board of Directors

The Board of Directors oversees the risk management system, supported by the work of the Accounts, Audit & Risks Committee.

The Board ensures that the risk management and internal control system is efficient and effective, and guarantees to the authorities that this is the case.

### Executive management

As risk owner, executive management is responsible for risk. It:
- defines the internal control and risk management policy;
- monitors the implementation of action plans using reports drawn up by the Actuarial & Risks Division;
- informs the Board of Directors of the results of the overall risk management system.

### Group Risks Committee ("CORI")

See section 3.4.

### Actuarial & Risks Division

The Actuarial & Risks Division reports to executive management and is in charge of the overall coordination of the risk management and internal control systems.

It defines the risk management approach, ensures the undertaking's solvency (particularly the adequacy of its technical reserves), conducts actuarial research, identifies key risks and coordinates work carried out to implement the requirements of Solvency II.

It promotes a risk culture across the organization and ensures that risks are managed appropriately.

The Actuarial & Risks Division also assists management in strategic decision-making.

### Risk Management key function

The Risk Management key function reports to executive management.

The function supports the Board of Directors, the Board committee and executive management in implementing an effective risk management system. It monitors the risk management system and the overall risk profile for CCR and the CCR Group.

It is also responsible for the Risk Management & Internal Control Department ("GRCI"), providing risk management support, defining the methodological framework for comprehensive risk mapping and monitoring, issuing alerts where applicable, and ensuring that the undertaking has sufficient capital available relative to the risks taken. As head of the Risk Management & Internal Control Department ("GRCI"), the Risk Management function is responsible for coordinating an effective internal control system.

## Compliance function

The Compliance function guarantees that compliance risks within CCR[1] are managed appropriately.

## Internal audit

Internal audit is an independent and objective activity that provides CCR with assurance concerning the control of operations, advises on opportunities for improving the level of control and contributes to the value creation process.

To provide this assurance, the Internal Audit function assesses and reports on the effectiveness of governance and risk management and control processes designed to help the organization to meet its strategic, business, financial and compliance objectives. Based on their observations, the internal auditors recommend improvements to these processes and monitor their implementation.

The Internal Audit function therefore makes a critical contribution to internal control by assessing the system's efficiency and effectiveness.

The Internal Audit function proposes the multi-year internal audit plan and performs the audits.

## Permanent control managers

The permanent control managers act as the Risk Management & Internal Control Department's correspondents in each CCR entity. This organization around permanent control managers ensures that controls are performed as close as possible to operational risks, thereby optimizing the management of these risks.

The permanent control managers:
- represent the undertaking in matters of internal control and risk management;
- ensure that processes and controls are duly documented;
- regularly inform the ERM and the Risk Management & Internal Control Department of any process changes and emerging risks;
- help improve controls;
- follow up on action plans;
- monitor incidents;
- assist the entity manager in improving processes and controls.

## Entity managers

The entity managers are responsible for managing their entity's risks. They help to invigorate the risk management system and define the undertaking's first line of defense. They ensure that controls are duly implemented.

They are responsible for establishing the rules, procedures, organization and information system needed to manage risks within their area of responsibility, in compliance with the risk tolerance limits assigned to them in the policies, guidelines and other internal documents governing their activities.

## Control managers

Control managers are operations staff who perform first-tier controls. They are appointed by the manager.

During each control assessment exercise, they self-assess the controls that they are responsible for performing.

The self-assessment enables the control managers to report the extent to which the control objectives are met, as well as to identify opportunities to improve the internal control system, and encourages them to propose improvements in their capacity as operations staff.

## Employees

Risks may arise from the performance of their day-to-day tasks. Thanks to their business expertise, they can manage the risks incurred, giving them a central role in the overall system.

Employees are responsible for:
- producing and communicating any information relating to the internal control system in real time (processes, risks, controls, incidents, action plans);
- helping to perform and formally document controls;
- assisting in the drafting of control procedures.

They are the main source of information about any operational dysfunctions and help to drive continuous improvement of operating processes.

Employees are responsible for complying with all rules and procedures and performing their tasks in a professional manner.



1 For more information on the role and responsibilities of the Compliance function, see the compliance policy.

## 7.2 Presentation of the risk management system

The risk management system is based on:
- a predefined risk appetite;
- an allocation of risk tolerance limits to the various levels of the CCR Group;
- identification of all risks to which the CCR Group is exposed;
- risk assessment, follow-up and information.

### Risk appetite

The risk appetite is the combined level of risk which the CCR Group accepts to take on in order to pursue its business operations and meet its strategic objectives. It is an aggregate limit.

CCR and CCR Re are responsible for building a profitable portfolio with controlled risk.

Consistent with the reversed "production cycle" specific to insurance and reinsurance undertakings, CCR and CCR Re are also asset managers and allocate a risk budget with a view to managing their asset portfolio in a prudent but informed manner.

Risk-taking within this strategy is primarily related to meeting solvency requirements and thereby protecting the French State's interest.

For 2020, the Board of Directors set a risk appetite that enables the CCR Group to allocate an appropriate level of capital to conduct its business successfully, while maintaining an SCR ratio of above 115% over the year and a post-shock capacity to absorb the costs relating to a natural disaster with a 15-year recurrence interval without recourse to the State guarantee, even if the following three shock scenarios were to occur:
- natural disasters reinsured by CCR with a 15-year recurrence interval;
- natural disasters reinsured by CCR Re with a 15-year recurrence interval;
- financial crisis.

### CCR Group risk framework

The risk framework covers all of the risks that could impact the undertaking. It includes the risk classes referred to in Solvency II and has been adapted to suit the CCR Group's risk profile.

The risk map is reviewed each year as part of the Group Risks Committee's review of major risks, and every three years for all risks charted on the risk map. In 2020, the different professions launched their own review. This exercise will be repeated each year to ensure that the risk map and the risk assessments are updated.

The framework has three levels of granularity and is built in the same way as the risk appetite:
- the first level of risk is a macro structure of large risk families relating to the CCR Group's business;
- the second provides an additional level of detail for these large risk families;
- where appropriate, the third level rolls down risks classified in the second level to provide a more in-depth analysis of certain risk families such as human risk. Human risk notably includes the risk of error, internal fraud risk, or the risk of failure to comply with procedures.

The Level 1 risk categories are:

| LEVEL 1 RISKS | DEFINITION |
|---|---|
| Market risk | Market risk is the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices for assets, liabilities and financial instruments. |
| CCR underwriting risk | CCR underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities, due to the occurrence of one-off events or inadequate pricing and provisioning assumptions. |
| CCR Re underwriting risk | CCR Re underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities, due to the occurrence of one-off events or inadequate pricing and provisioning assumptions. |
| Operational risk | Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. |
| Management risk | Management risk is the risk relating to the management of the undertaking. |
| Compliance and ethical risk | Compliance and ethical risk is the risk resulting from a failure to comply with applicable laws and regulations or with the ethical rules defined by the CCR Group or by the insurance industry. |

## Own Risk and Solvency Assessment (ORSA)

To have better visibility over its risk profile and ensure risk management is best adapted to the specificities of its profile, the CCR Group has opted for a more in-depth analysis and closer management of certain risks covered by the standard formula, i.e., risks to which it is particularly exposed and which may prove challenging to manage. This primarily concerns natural disaster and financial risks.

The CCR Group has also developed various approaches that can be used to analyze certain risks not explicitly covered by the standard formula (see below).

In addition to preliminary work carried out in connection with the standard formula, and in order to better understand its risk profile, in 2008 the CCR Group began to develop sustainable processes to map the risks to which it was exposed and to analyze and assess those risks (both qualitatively and quantitatively) and therefore limit them. Mitigation solutions are adopted whenever the risk is deemed material. Since 2008, these processes have been continuously expanded and improved.

### Internal ORSA policy

In 2015, the CCR Group set up a formal ORSA umbrella risk management policy with processes based on the system described above. This policy incorporates all of the Group's strategic management processes.

The five processes in the ORSA policy are:

- **calculation of own solvency**, including nonquantifiable risks or risks outside the standard formula;
- **calculation of overall solvency needs** (prospective solvency);
- **definition of a quantitative supervisory framework** with comfort zones;
- **ongoing supervision** through risk reporting;
- **exceptional ORSA** procedure.

### ORSA report

A yearly report is drawn up when performing a recurring or one-off Own Risk and Solvency Assessment (ORSA), and is addressed to senior management as well as the ACPR. The report is validated by the Board of Directors before being sent to the ACPR within a period of 15 days.

The report contains an executive summary of all deliverables described in the policy.

All of the deliverables are documented.

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# 8 INTERNAL CONTROL SYSTEM

## 8.1 Objectives

The CCR Group has adopted the internal control objectives defined by the French financial markets authority (*Autorité des marchés financiers* - AMF). The objectives of the internal control system set up by the CCR Group are therefore to ensure:

- compliance with applicable laws and regulations;
- due application of instructions and priorities set by executive management;
- proper functioning of internal corporate processes, particularly those relating to the safeguarding of assets;
- reliability of financial reporting;
- information systems security.

Generally speaking, internal control helps exercise due control over the undertaking's business, helping to ensure its operations are effective and its resources are used efficiently.

## 8.2 Internal control approach and organization

The internal control approach reflects the CCR Group's goal of closely managing risk and meeting its regulatory requirements.

The EU's Solvency II Directive states that insurance and reinsurance undertakings must have an effective internal control system in place. That system must at least include administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the undertaking and a compliance function.

The CCR Group's internal control and risk management approach is primarily based on the following components:

**AWARENESS:**
All employees have a role to play in the internal control system and should also be able to make suggestions.

**STRUCTURE:**
The internal control approach is built on recognized frameworks applied across the organization and on resources that are adapted to the objectives set.

**SUPPORT:**
All those involved in applying new methodologies should be adequately prepared, monitored and supported.

**COMMUNICATION:**
The progress made in terms of internal control should be communicated both internally and externally.

**DOCUMENTATION:**
All inputs of the formal internal control system (manuals of standards and procedures, operating reports, formalized process charts, descriptions of tests and control assessment analyses, risk maps, etc.) should be created and made available to all.

The ongoing internal control improvement drive helps optimize operations and enables business to be managed more efficiently.

## 8.3 Charters

Several charters are in place within the CCR Group:

- the CCR Group **internal control charter** that is applicable within both CCR and CCR Re. The charter sets out to describe and inform staff about the system put in place within the undertaking;
- an **IT charter** specifies the conditions needed to meet IT security goals while respecting the rights and freedoms of the undertaking's employees. According to the terms of the charter, the CCR Group undertakes to respect transparency in defining and executing its IT security procedures, while Group employees agree to comply with applicable legislation when using the IT tools at their disposal. It was revised in December 2020 to supplement systems security rules concerning data transfer risks (data exfiltration, use of secure media, etc.);
- a **code of ethics** summarizes the purpose and values of the undertaking and defines the principles to which employees should refer when exercising their duties;
- an **archiving charter** formally sets down the rules for archiving documents that are required to be kept over the long term, specifies roles and responsibilities and helps achieve compliance with applicable legal and industry regulations.

### 8.4 Independence and internal control effectiveness

The Internal Audit Department, Actuarial & Risks Division and the statutory auditors draft recommendations when they identify a weakness in the internal control system. These recommendations are put to the Audit & Risks Committee.

Implementation of the recommendations is followed up in the internal GeRiCo application, by the Internal Audit Department when the recommendations result from internal audits and by the Actuarial & Risks Division's Risk Management & Internal Control Department in all other cases. They periodically report to executive management and to the Audit & Risks Committee.

The commitment of the executive management team and senior managers helps ensure that action plans are put in place to act on these recommendations.

### 8.5 Business continuity plan

The business continuity plan aims to ensure that the CCR Group's critical business operations can continue after a serious accident or major disaster affecting the CCR Group. The risks covered by this plan include the risk that the CCR Group's premises will be destroyed or will no longer be accessible, that certain files will be destroyed, or that all IT (underwriting, accounting and finance) or communication systems will become unavailable for a sustained period of time.

The business continuity plan sets out:
- the crisis management system (crisis structure, escalation procedures, decision-making processes, HR management, crisis communication, etc.);
- the IT back-up plan;
- user contingency measures (relocation, transport, telephony, etc.); and
- the business recovery and safe-mode operating plans.

The business continuity plan identifies three priorities designed to ensure that the undertaking can continue to pursue its business operations and that the unacceptable impacts of these major risks for the CCR Group are reduced:
- contact with customers and with the French State (the CCR Group's shareholder) must be maintained;
- sensitive documents must be protected;
- IT tools must continue to be available.

In line with this plan, and in a repeat of the experience during the December 2019 strikes in France, all of the Group's teams successfully transitioned to home-working as soon as the lockdown was announced.

### 8.6 CCR Group rules and procedures

The CCR Group also has internal rules and procedures that enable it to successfully pursue its business operations while managing its risk. These rules and/or procedures notably concern:
- compliance of the undertaking's business operations with the policies and strategies defined by the management bodies and compliance of its reinsurance operations with applicable laws and regulations;
- valuation and supervision of investments;
- identification, assessment, management and control of the risks to which the CCR Group is exposed;
- compliance of inward reinsurance and pricing, outward reinsurance and reserving for regulated liabilities with the undertaking's policy in these areas;
- supervision of claims management;
- supervision of subsidiaries;
- management of outsourced operations and the marketing approach used for the undertaking's products;
- preparation and verification of accounting and financial information.

## 9 OUTSOURCING

The CCR Group does not outsource any business operations within the meaning of its outsourcing policy.

## 10 ADDITIONAL INFORMATION

None.

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# RISK PROFILE


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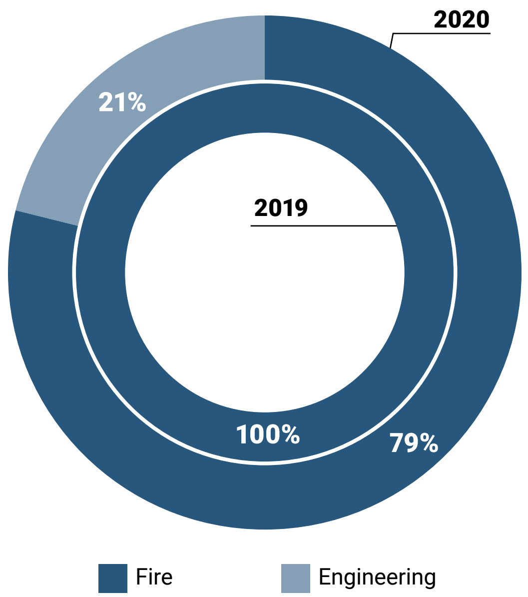
# RISK PROFILE

## 1 UNDERWRITING RISK

### 1.1 Background

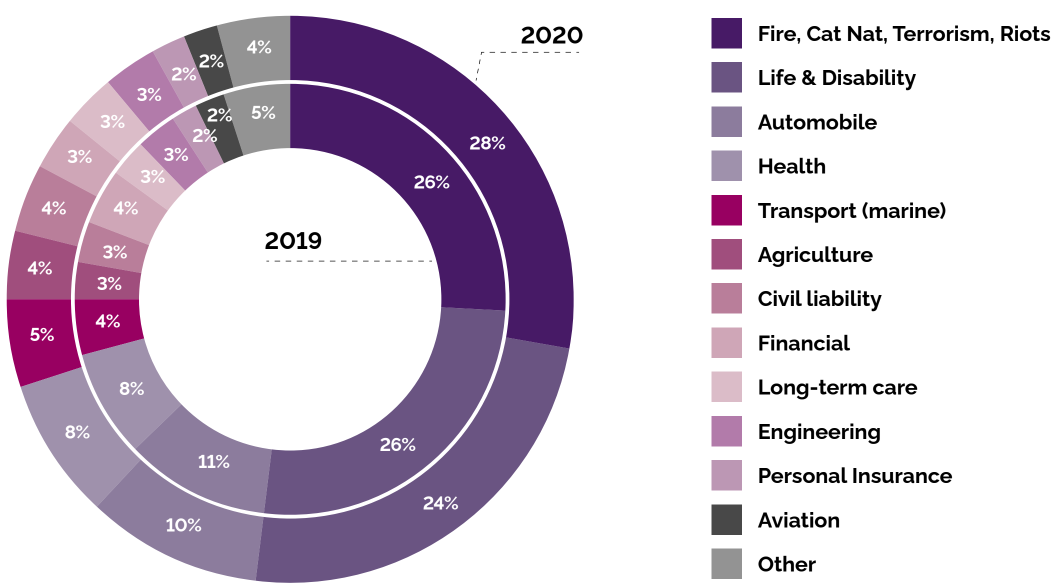
#### CCR

With the exception of Life and Non-Life business not transferred to CCR Re (managed by CCR on a run-off basis), CCR is engaged solely in the Non-Life reinsurance business in France. In 2020, CCR's public reinsurance business generated gross written premiums of €1,216 million, 73.2% of which derived from natural disaster reinsurance premiums. The following chart illustrates the breakdown of gross written premiums for the last two underwriting years:




#### CCR Re

CCR Re is a multi-regional, multi-specialist reinsurer. In 2020, CCR Re generated gross written premiums of €649 million, deriving from over 80 countries and most main classes of insurance (Life, Non-Life, Specialty lines). The following chart illustrates the breakdown of gross written premiums for the last two underwriting years:

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## 1.2 Risks identified for SCR purposes

As illustrated below, the CCR Group's risk profile under the standard formula is dominated by Non-Life natural disaster SCR. This is followed in order of significance by the Non-Life Premium & Reserving risk SCR, Market risk SCR, Operational risk SCR, Counterparty risk SCR, and Health and Life risk SCR.

The Non-Life underwriting SCR results, for the most part, from natural disaster risk, followed by premium and reserving risk, which represents two times less.

Both of these risks are managed by CCR on an aggregate basis using highly sophisticated analyses and models, underwriting strategies and ORSA processes, and through risk mitigation tools such as outward reinsurance. The State guarantee for CCR's businesses is itself a critical mitigating factor. CCR Re's retrocession program also helps to reduce risks.

The main processes used to manage these risks are:
- adoption of an overall risk budget by the Board of Directors;
- adoption of a sub-budget for natural disaster risk by the Board of Directors;
- construction of a portfolio from a strict underwriting and pricing perspective and according to a specific decision-making process;
- verification and validation of strict underwriting rules;
- use of reports prepared by the Actuarial function in order to adjust the risk profile and risk models and increase outward reinsurance where necessary.

Like CCR Re and CCR, the CCR Group is assessed under the standard formula, consolidating CCR Re's Solvency II balance sheet within CCR's own Solvency II balance sheet. An analysis of adequacy (particularly as regards reserve risk and natural disaster risk) is carried out on a regular basis.

All risks, sensitivities and systems in place are described in detail in CCR and CCR Re's ORSA reports.

# 2 ASSET MANAGEMENT



## 2.1 General principles

The general guidelines of the investment strategy are approved by the Board of Directors in December each year for the following financial period.

They cover (i) the maximum investment risk that can be taken by the CCR Group and its entities and (ii) the objectives and upper and lower investment limits in the different asset classes.

The results of financial management practices and the consequences of market developments are regularly discussed within Board of Directors' meetings.

The Board notably receives:
- details, at the time of year-end closing procedures, of overall changes in financial investments (i.e., by type of investment and over several financial periods) in terms of historical cost and market value;
- periodical information regarding changes in financial assets, by type of investment;
- periodical information regarding developments in the real estate market, together with any prior approval requests for real estate transactions;
- details of specific investments (such as derivatives contracted to directly manage risk), together with any authorization requests regarding these products.

## 2.2 Analytical framework for the asset allocation strategy

Asset allocation is underpinned by analyses in the three areas described below.

### Risk

The CCR Group and its entities strive to identify three levels of risk at any one time:
- **capital risk**, which is the risk that an asset will suffer a significant and other-than-temporary loss in value;
- **risk of fluctuations in the value of an asset**, which primarily has an accounting (provisions and reserves affecting profit) and regulatory (changes in Solvency II own funds) impact for as long as the asset in question is not sold;
- **the risk that two correlated assets will suffer a simultaneous loss in value**. Assets may be closely correlated in extreme or atypical scenarios, even though they appear to be decorrelated and help build a diversified portfolio under normal conditions.

These three levels of risk are not generally deemed of equal importance, as the first (capital risk) is seen as the most significant.

### Liquidity

Liquidity is the ability to sell an asset quickly without significantly affecting its market price, or its estimated value in the case of an unlisted asset. Assets can span the full range of liquidity, from highly liquid to illiquid.

### Estimated returns

Returns can be identified in one of two categories:
- **yield**: payment of income in the form of coupons, interest, dividends or rent;
- **profitability**: includes yield as well as unrealized and realized capital gains and losses.

In practice, all of the above three areas are interlinked.

## 2.3 Relationship between risk, liquidity and returns for asset allocation purposes

The CCR Group and its entities have drawn up a hierarchical framework in which they prioritize the analysis of investment risk, then liquidity risk and lastly estimated returns.

### Relatively low risk

From a business and financial point of view, the investment portfolio as a whole presents a relatively low risk: its ordinary volatility is between 3% and 5%, which means that the probability of the portfolio losing over 5% in value in the event of a financial shock is low. From an accounting point of view, fluctuations in value under French GAAP can be evened out to some extent thanks to measurement of fixed-income securities at acquisition cost (using the premium-discount method) and thresholds for recognizing provisions for other-than-temporary impairment.

The existence of substantial capital gains on real estate transactions also provides CCR with a significant degree of protection against market downturns.

### Preference for assets offering good liquidity

This largely results from the nature of reinsurance, where natural disaster liabilities in France account for the bulk of the business. From an asset-liability management perspective, the possibility of facing large claims and having to make large payouts in a fairly short timeframe is a critical consideration which has a significant bearing on the investment strategy. Investing in assets offering good liquidity is a priority for the Group and has been a particular focus since the gradual decline in market liquidity since 2008.

### Fairly consistent, fixed-income returns

Choosing highly liquid assets with a low level of risk obviously affects returns, which can be likened to the yield on a bond investment of between three and five years.

Investment decisions are based on a management process focused on fundamentals, i.e., an analysis of the overall environment from a business and financial perspective, followed by a systematic analysis of financial assets and investment funds. This process helps to ensure that allocation decisions are made bearing in mind financial and regulatory constraints. Given the term of liabilities, the Group adopts a medium-term investment horizon (between five and ten years), in which assets are held over a fairly long period (a "buy and maintain" rather than trading philosophy), except when information comes to light that calls this initial investment philosophy into question.

## 2.4 Structure of Group assets

The asset structure is identified based on an analysis of directly held assets. A look-through analysis rounds out the risk assessment.

### Money market investments

Money market instruments represent 11.2% of total investments. These instruments are primarily denominated in euros. Cash investments increased as a proportion of total investments due to the high volume of natural disaster claims received since 2017 combined with the need to take into account Covid-19 claims, which required CCR to have liquid assets to meet its potentially large payout obligations. Cash is invested in different types of instruments:
- money market funds: the return on money market funds was slightly negative in 2020;

- demand accounts with banks: cash held in demand accounts does not earn interest but is not exposed to negative interest rates within the limits defined by each bank; these limits have been gradually lowered, leading the Group to give preference to investing in money market funds in 2020;
- term deposits: term deposits made almost zero returns in 2020 and mitigated the adverse impact of negative interest rates. Term deposits may be held for several years. An early exit is possible provided that the notice period is respected, subject to payment of early termination penalties.

### Fixed-income and credit investments

Fixed-income investments account for 54.3% of the Group's total investments. The directly managed fixed-income portfolio represents close to 79% of the total fixed-income portfolio, with the remainder managed under discretionary mandates and held in open-ended funds or in special purpose funds, depending on the management approach.

Fixed-income investments are of a high quality relative to credit risk: the directly managed fixed-income portfolio is invested only in investment grade bonds with an average rating of AA-, while diversification on "highyield" bonds is achieved through funds.



Fixed-income and credit investments managed under discretionary mandates represent a source of diversification relative to the directly managed portfolio.

### Diversified investments

Diversified investments fall into one of three categories: hybrid securities, alternative investments and other diversified funds. They concern only investment funds managed under discretionary mandates, representing 8.3% of total investments.

### Real estate investments

Real estate investments represent 8.9% of total investments and comprise residential and office buildings located in prime locations in Paris and the Paris region, which are either held directly or through affiliates (French simplified joint stock companies). Real estate investments relate to investments in mainly pan-European real estate funds in the form of collective investment schemes for professional investors (*organisme de placement professionnel collectif immobilier* – OPPCI), which ensures that the real estate portfolio is duly diversified in terms of both asset classes (hotels, shops, warehouses) and geography.

### Equity investments

Equity investments account for 7.3% of the Group's total investments and break down as investments in listed and in nonlisted equities (respectively 5.7% and 1.6% of the Group's total investments).

### Protection

An overlay fund is used to manage the overall risk on the equities portfolio. A downturn protection program has been in place since 2017. A 15% risk budget protects the portfolio against a sharp decline in the equities market, while maintaining its capacity to capitalize on upturns.

### Loans

Loan funds account for 3.5% of total investments.

### Equity investments

This asset class corresponds to the investment in Caisrelux, which represents 0.1% of the Group's total investments.

## 2.5 Exposure to key financial risks

This section outlines the main risks analyzed in the overall portfolio. Some indicators result from the directly managed portfolio. The look-through approach will enable the Group to present more comprehensive indicators.

### Currency risk

Exposure to currency risk mainly concerns CCR Re. CCR's exposure to currency risk is not material and is not hedged by any forward contracts.

The Group's overall exposure to currency risk is fairly limited.

### Interest rate risk

The sensitivity of the fixed-income portfolio to interest rate risk, including investments in interest rate and credit funds, is 3.2%. Including money market investments, the overall sensitivity of interest rate assets is 2.8%.

### Credit risk

The directly managed fixed-income portfolio is invested exclusively in investment grade securities. Directly managed fixed-income portfolios have an average AA- rating. AAA/AA-rated bonds account for 64.6% of the fixed-income portfolio. A-rated bonds for 20.9% and BBB-rated bonds for 14.4%. The portfolio is mainly invested in covered bonds (16.9%), corporate bonds (28.6%) and sovereign and quasi-sovereign bonds (23.6%, including sovereign issuers, OECD government-backed issuers and supranational issuers).

### Liquidity risk

Asset liquidity is determined based on the characteristics of the overall investment portfolio:

- liquid assets represent 11.2% of the Group's total investments;
- limited partially or totally illiquid financial assets represent 12.6% of total investments and include real estate funds, loan funds and private equity funds;
- the fixed-income portfolio comprises investment grade bonds representing 42.8% of total investments; a significant percentage of these bonds have a short residual term, with the portfolio's average duration standing at just over 3 years;
- a series of funds can be redeemed on a daily or weekly basis in most cases.

Besides partially or totally illiquid financial assets, the least liquid assets are real estate investments. These account for 8.9% of the Group's total investments. An orderly disposal of most of these real estate assets requires a period of between 9 to 18 months. Maximum investment limits are set every six months for partially or totally illiquid assets.

# 3 OPERATIONAL RISK

After the necessary adjustments have been made following specific controls, the CCR Group is not exposed to any major operational risks.



## 3.1 Operational rollout

Operational risk for CCR Group entities is governed by the internal control system within the overall risk management process.

The CCR Group has adopted the internal control objectives defined by the AMF. The objectives of the internal control system set up by CCR are therefore to ensure:

- compliance with applicable laws and regulations;
- due application of instructions and priorities set by executive management;
- proper functioning of internal corporate processes, particularly those relating to the safeguarding of assets;
- reliability of financial reporting.

Generally speaking, internal control helps exercise due control over the undertaking's business, helping to ensure its operations are effective and its resources are used efficiently.

The CCR Group uses the COSO II framework to analyze its overall risk management system.

## 3.2 Assessment

Operational risks and the quantification of those risks are updated based on periodic reviews of the various risk maps. The undertaking's stochastic model includes an operational risk module. This is interfaced with the operational risk assessments shown in the risk map (frequency and cost).

For further information, see the internal control and operational risk management policy.

# 4 OTHER RISKS

At the date of this report, the CCR Group has not identified any other risks that may impact or enhance the risk view presented above.

# 5 RISK EXPOSURE

## 5.1 Risk measurement

Risks are assessed using the standard process outlined above for operational risk, which is rolled down to all of the risks to which the undertaking is exposed. It should be recalled that this process is based on periodic risk maps, the emerging risks process, the critical risks process and all actuarial research and analyses carried out by the CCR Group.

## 5.2 Material risks

Material risks are described above (underwriting, investment). The Members of the Group's Executive ("COMEX") and Risks ("CORI") committees and the Risk Management & Internal Control Department all have input in the critical risks process.

A top-down approach to monitoring critical risks on a yearly basis has been in place since 2013. The approach has evolved to factor in a continuous vision of critical risks and to set up flexible, responsive and effective measures to mitigate and/or manage those risks.

## 5.3 Investment strategy

Assets were invested in accordance with:
- the "prudent person" principle set out in Article 132 of Directive 2009/138/EC;
- the investment risk management strategy adopted by CCR's Board of Directors.

## 5.4 Risk concentration

The CCR Group and its entities are not exposed to any significant concentration risk. Concentration risk is monitored within the undertaking's different businesses, based on a look-through approach for investment activities, natural disaster exposure monitoring for underwriting activities and portfolio diversification goals.



# 6 RISK MITIGATION

The CCR Group uses two main risk mitigation techniques: retrocession and hedging of the equities portfolio.

## 6.1 Outward reinsurance

The policy applied is described in the outward reinsurance policy approved by CCR's Board of Directors.

## 6.2 Hedging of the equities portfolio

The Group has chosen for its two entities to adopt a hedging strategy for the equities portfolio, with specific governance and risk monitoring arrangements. It is:
- based on futures contracts;
- aimed at protecting against a fall of up to **15%** in the price of the equities in the portfolio at December 31, 2020 compared to their opening value.

# 7 RISK SENSITIVITY

The ORSA reports prepared by CCR and CCR Re disclose the sensitivity of their risk profiles to various adverse scenarios.

The reports include a detailed description of the scenarios envisaged and the impacts of those scenarios. They show extremely low sensitivity for both the CCR Group and its entities, in line with their risk profiles and the risk mitigation measures in place.

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# VALUATION OF ASSETS AND LIABILITIES


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# VALUATION OF ASSETS AND LIABILITIES

This section discusses the valuation of assets and liabilities for Solvency II purposes. It also provides an explanation of differences between French GAAP, Solvency I and the new Solvency II Directive.

## 1 VALUE OF ASSETS AT DECEMBER 31, 2020

Assets are generally valued at market value and accordingly, no internal or external valuation model exists.

### 1.1 Source, control and use of data

The Financial Accounting & Treasury Department regularly produces reports used to monitor changes in financial investments.

To guarantee the reliability and completeness of financial reporting, data is automatically extracted from the Chorus Institutionnels accounting software.

The valuations are provided by the Chorus Institutionnels database, which gathers data from the main pricing services and from investment fund depositaries. These data are then combined with information from insurance and reinsurance firms on the Paris market.

Given the financial instruments typically held by CCR Group entities in the portfolio, this database is reliable and thereby helps to significantly reduce incidences of erroneous or missing prices.

The entire consolidated portfolio is valued at the end of each month, although a valuation may be performed at any time at the request of the financial managers or executive management.

An automated control of the CCR Group's asset valuations compared to external valuations (based on data received from depositaries) is systematically performed at the end of each quarter.

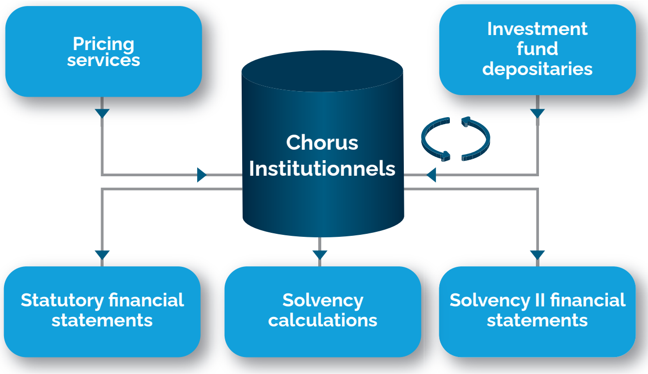
In compliance with regulations, real estate appraisers estimate the fair value of each real estate asset every five years. This value is then discounted to present value on a yearly basis and sent to the ACPR. Since the CCR Group has held prime real estate assets for many years, they represent substantial unrealized capital gains.

Currency transactions (forward sales and non-deliverable forwards) are included in CCR's off-balance sheet commitments. The value of these commitments is systematically compared with the valuations received from financial intermediaries. Under the European Market Infrastructure Regulation (EMIR), intermediaries are asked to supply supporting documentation if there are any valuation discrepancies. These currency transactions are included in the Solvency II balance sheet.

More generally, as part of their interim audit, the statutory auditors perform materiality tests on the value of the various investments held by the undertaking.

Data extracted from Chorus are used to calculate solvency for the statutory financial statements and the Solvency II financial reports. The data/valuations are treated in the same way for each of these reports, in terms of both the assumptions used and the methods applied to make use of the information.

**Accordingly, there are no quantitative or qualitative differences between the bases, methods and key assumptions used by the CCR Group and its entities to value their assets for solvency purposes and those used to prepare the financial statements. Valuation differences between Solvency I and Solvency II are also tracked.**

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## 1.2 Value of investments

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| **ASSETS** | | C0010 | C0020 |
| **Property, plant & equipment held for own use** | **R0060** | **80,770,000** | **55,790,105** |
| **Investments (other than assets held for index-linked and unit-linked contracts)** | **R0070** | **9,775,756,655** | **8,618,534,490** |
| Property (other than for own use) | R0080 | 524,765,349 | 198,321,563 |
| Holdings in related undertakings, including participations | R0090 | 14,134,911 | 6,200,000 |
| Equities | R0100 | 231,912,963 | 59,709,781 |
| Equities - listed | R0110 | 4,736,526 | 4,754,214 |
| Equities - unlisted | R0120 | 227,176,437 | 54,955,567 |
| Bonds | R0130 | 4,820,091,738 | 4,677,360,408 |
| Government Bonds | R0140 | 1,241,969,037 | 1,212,824,256 |
| Corporate Bonds | R0150 | 3,578,122,701 | 3,464,536,152 |
| Structured notes | R0160 | | |
| Collateralised securities | R0170 | | |
| Collective Investments Undertakings | R0180 | 3,984,627,699 | 3,478,903,702 |
| Deposits other than cash equivalents | R0200 | 198,161,197 | 198,039,036 |
| **Loans and mortgages** | **R0230** | **7,251,278** | **7,261,552** |
| Loans on policies | R0240 | | |
| Loans and mortgages to individuals | R0250 | 894,253 | 894,253 |
| Other loans and mortgages | R0260 | 6,357,025 | 6,367,299 |
| **Deposits to cedants** | **R0350** | **264,698,350** | **261,842,977** |
| **Cash and cash equivalents** | **R0410** | **719,102,511** | **719,102,511** |

## 1.3 Value of other assets

The value of other assets in the Solvency II balance sheet is as follows at the date of this report:

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| **ASSETS** | | C0010 | C0020 |
| **Goodwill** | **R0010** | | |
| **Deferred acquisition costs** | **R0020** | | **48,913,358** |
| **Intangible assets** | **R0030** | | **2,812,533** |
| **Deferred tax assets** | **R0040** | **40,139,697** | **144,252,000** |
| **Pension benefit surplus** | **R0050** | | |
| Derivatives | R0190 | 2,062,799 | |
| Other investments | R0210 | | |
| **Assets held for index-linked and unit-linked contracts** | **R0220** | | |
| **Reinsurance recoverables from:** | **R0270** | **60,205,217** | **96,689,939** |
| Non-Life and health similar to Non-Life | R0280 | 59,583,589 | 80,035,414 |
| Non-Life excluding health | R0290 | 59,583,589 | 80,035,414 |
| Health similar to Non-Life | R0300 | | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 621,627 | 16,654,525 |
| Health similar to Life | R0320 | 246,901 | 4,617,002 |
| Life excluding health and index-linked and unit-linked | R0330 | 374,726 | 12,037,524 |
| Life index-linked and unit-linked | R0340 | | |
| **Insurance and intermediaries receivables** | **R0360** | **186,703,817** | **186,703,817** |
| **Reinsurance receivables** | **R0370** | **431,586** | **431,586** |
| **Receivables (trade, not insurance)** | **R0380** | **16,754,054** | **16,754,055** |
| **Own shares (held directly)** | **R0390** | | |
| **Amounts due in respect of own fund items or initial fund called up but not yet paid in** | **R0400** | | |
| **Any other assets, not elsewhere shown** | **R0420** | | **3,081,120** |
| **Total assets** | **R0500** | **11,151,813,165** | **10,162,170,043** |

## Outward reinsurance

The reserving process for the Non-Life and Life outward reinsurance business is managed directly by the Reinsurance Department as assisted by the Technical Accounting team. Ultimate premiums and claims for each policy are estimated each quarter by the Reinsurance Department. Based on this, the Technical Accounting team estimates outstanding claims reserves ceded and premiums to be ceded.

Outward reinsurance may be managed on a policy-by-policy basis, insofar as it is far less significant (less than 20 policies per new retrocession program) and losses are extremely rare.

In outward reinsurance, since there is less uncertainty surrounding ceded insurance liabilities and CCR has little historical data, the 50-50 outstanding claims reserves ceded are the same as the 70-30 outstanding claims reserves ceded.

## Allocation of lines of business

At December 31, 2020, the Group's portfolio covered the following lines of business (LoB):

- Lines of business
- Motor vehicle liability insurance
- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Credit and suretyship insurance
- Miscellaneous financial loss
- Non-proportional casualty reinsurance
- Non-proportional marine, aviation and transport reinsurance
- Non-proportional property reinsurance
- Health reinsurance SLT
- Life reinsurance

This list may evolve in the future in line with CCR's business strategy.

## Inward reinsurance

The criteria for defining actuarial tranches are sufficiently precise to allow an appropriate allocation of each actuarial tranche to a given line of business. A reconciliation table has been drawn up and audited by independent experts.

An extract from this table is provided below:

| ACTUARIAL TRANCHE | | LINES OF BUSINESS | |
|---|---|---|---|
| Identifier | Description | Identifier | Description |
| LCINV04 | Auto_TPL_France_X | I000026 | Reins TPL |
| LCINV05 | Auto_TPL_UK_X | I000026 | Reins TPL |
| LCINV06 | Auto_TPL_X | I000026 | Reins TPL |
| LCINV07 | Auto_TPL_P | I000016 | Motor |
| LCINV08 | Non_Life_Natural_ Disaster | I000028 | Reins Property |

Since any inward reinsurance business is allocated to a given actuarial tranche, it is necessarily allocated to a single line of business.

## Outward reinsurance

As retrocession treaties can simultaneously cover several lines of business, outstanding claims reserves ceded and premiums ceded are broken down pro rata by line of business, based on the LoB allocation of inward reinsurance covered by the retrocession treaty.

## Best estimate and risk margin valuation approach

CCR Re's Actuarial & Risks Division is responsible for calculating the best estimate of the CCR Group's risk margin.

## Best estimate

### Inward reinsurance

Inward reinsurance resulting from actuarial tranches is broken down by line of business (LoB). The criteria for defining actuarial tranches are sufficiently precise to allow an appropriate allocation of each actuarial tranche to a given line of business. A reconciliation table was drawn up and audited by PwC in late 2015. Since any inward business is allocated to a given actuarial tranche, it is necessarily allocated to a single line of business.

Future flows used as inputs for the best estimate calculation are based on settlements of the 50-50 outstanding claims reserves for each actuarial tranche and the associated premiums not yet written (also on a 50-50 basis), plus settlements of provisions for claims management expenses, administrative costs, investment fees and overheads. Settlements are made at the "currency x actuarial tranche" level.

### Reinsurance reserves

Reinsurance reserves in the statutory financial statements are determined in accordance with Solvency II, with the calculation of a best estimate including an adjustment factor for reinsurance default risk.

### Reinsurance receivables and other receivables

These captions include all outstanding receivables.

### Any other assets, not elsewhere shown

At the date of this report, no assets were recorded on this line.

Valuation differences between the Solvency II and French GAAP accounts concern issuance costs for CCR Re's subordinated debt issue, which are deferred over the life of the debt under French GAAP, but are not recognized under Solvency II.

# 2 VALUE OF LIABILITIES AT DECEMBER 31, 2020

## 2.1 Value of technical reserves

### Reserving process used for the statutory financial statements

#### Inward reinsurance

Reserving procedures are formally documented in the annual guidelines validated by the Group Risks Committee ("CORI").

Reserves for the open market reinsurance business are calculated every quarter. The ALM & Reserving Department has been responsible for reinsurance reserving since July 2019 and its work is reviewed each year by CCR Re's Actuarial function. Public reinsurance reserving is audited by an independent auditor every three years.

Reserves for the public reinsurance business are calculated every quarter. The Data Science – Actuarial & Reserving Department is responsible for public reinsurance reserving and its work is reviewed each year by CCR's Actuarial function. Reinsurance reserving is audited by an independent auditor every three years.

The auditors work closely with Technical Accounting and Underwriting teams.

Reinsurance agreements are categorized by actuarial tranche. An actuarial tranche is defined as a group of obligations with similar risk and settlement characteristics. Each tranche is characterized by:
- the risk covered: motor vehicle liability insurance, fire risk, etc.;
- the type of obligation: (management) x (NonLife/Life) x (proportional/nonproportional).

For each actuarial tranche, the reserving process is the same:
- collection of "underwriting year/fiscal year" triangles on premiums, paid claims and outstanding claims reserves for the actuarial tranche. The triangles are generated from accounting data for the obligation underlying the actuarial tranche;
- collection of any expert data regarding the actuarial tranche in question (contractual/incident information, etc.);
- use of the ResQ software;
- calculation, for each underwriting year, of:
  - ultimate premiums and the resulting premiums not yet written,
  - an ultimate 50-50 claims expense, corresponding to actuarial expectations,
  - an ultimate 70-30 claims expense and the resulting 50-50 and 70-30 outstanding claims reserves,
  - settlement trajectories for these outstanding claims reserves and for premiums not yet written;
- breakdown by algorithm of the 50-50 and 70-30 outstanding claims reserves for each relevant obligation of the actuarial tranche.

The 70-30 outstanding claims reserves are the reserves that are included in CCR's statutory financial statements. This process along with the actuarial tranches are reviewed by CCR's statutory auditors on a yearly basis. This reserving process has been applied by the CCR Group since 2001.

The quality of reserving is also reviewed by an independent auditor every three years.

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These flows are discounted on a currency by currency basis by reference to EIOPA risk-free interest rate curves with a volatility adjustment at the calculation date.

The combination per line of business (application of the actuarial tranche/LoB reconciliation table) – and then for all LoBs combined – of the best estimate of premiums and claims for each actuarial tranche, respectively gives the best estimate before premiums and claims per LoB and the best estimate before final inward reinsurance.

Tests are performed during the process to ensure that all 50-50 outstanding claims reserves recorded for accounting purposes along with earned premiums not yet written are duly included in the best estimate calculation.

In terms of currencies, CCR Re's financial statements include some 100 different currencies due to its international reinsurance business. For at least 95% of the data, the best estimate is calculated and discounted for each currency, with different yield curves for each. The remaining data are discounted using the USD yield curve, as they give rise to financial flows essentially denominated in US dollars (e.g., HKD, MYR, etc.).



In terms of both inward and outward reinsurance, the best estimate of premiums and claims is separated upstream, on the undiscounted settlement flows included in the best estimates and at a "line of business x currency" level, by reference to quantities reported under French GAAP at this level. Reported claims reserves under French GAAP are calculated for each contract using the CCR Group's AGIR system, based on contractual information and representing the portion of claims arising after the recognition date. These reserves are combined at the "line of business x currency" level and applied to the corresponding flows in order to determine the premium portion and therefore the claims portion.

#### Outward reinsurance

As retrocession treaties can simultaneously cover several lines of business, outstanding claims reserves ceded and premiums ceded are broken down pro rata by line of business, based on the LoB allocation of inward reinsurance covered by the retrocession treaty and on claims recognized for accounting purposes.

The best estimate of outward reinsurance liabilities is calculated in the same way as for inward reinsurance liabilities, based on reserves for outstanding claims and ceded premiums not yet written and taking into account settlement trajectories supplied by experts in the Reinsurance Department. The present value of premiums to be ceded is shown within liabilities in the Solvency II balance sheet. Tests are also built into the calculation process to verify that all of the above items are included in the best estimate calculation.

#### Inward reinsurance net of outward reinsurance

The best forward estimates of inward reinsurance net of outward reinsurance used to calculate the risk margin are determined based on all of the above items.

### Risk margin

The CCR Group's risk margin represents the sum of CCR's risk margin and 100% of CCR Re's risk margin (since CCR owns the entire share capital of CCR Re).

Risk margins per line of business are inferred from the overall risk margin, in proportion to the best estimates per line of business.

## Valuation for solvency and financial reporting purposes

There are no differences between the value of technical reserves for solvency purposes and the value of those reserves for financial reporting purposes: the same data, methods and key valuation assumptions are used.

## Change in assumptions used to calculate technical reserves

There were no changes in the assumptions used by the CCR Group to calculate technical reserves at December 31, 2020 compared with the previous year-end.

## Technical reserves and special purpose vehicles at December 31, 2020

### Best estimate of inward and outward reinsurance liabilities and the risk margin

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| **LIABILITIES** | | C0010 | C0020 |
| **Technical provisions – Non-Life** | **R0510** | **3,990,835,865** | **4,434,791,945** |
| Technical provisions – Non-Life (excluding health) | R0520 | 3,990,835,865 | 4,434,791,945 |
| Technical provisions calculated as a whole | R0530 | | |
| Best estimate | R0540 | 3,516,883,520 | |
| Risk margin | R0550 | 473,952,345 | |
| Technical provisions - health (similar to Non-Life) | R0560 | 0 | |
| Technical provisions calculated as a whole | R0570 | | |
| Best estimate | R0580 | | |
| Risk margin | R0590 | | |
| **Technical provisions - Life (excluding index-linked and unit-linked)** | **R0600** | **689,687,395** | **666,952,548** |
| Technical provisions - health (similar to Life) | R0610 | 265,792,397 | 240,569,531 |
| Technical provisions calculated as a whole | R0620 | | |
| Best estimate | R0630 | 234,226,846 | |
| Risk margin | R0640 | 31,565,550 | |
| **Technical provisions – Life (excluding health and index-linked and unit-linked)** | **R0650** | **423,894,998** | **426,383,018** |
| Technical provisions calculated as a whole | R0660 | | |
| Best estimate | R0670 | 373,553,156 | |
| Risk margin | R0680 | 50,341,842 | |
| **Technical provisions – index-linked and unit-linked** | **R0690** | **0** | |
| Technical provisions calculated as a whole | R0700 | | |
| Best Estimate | R0710 | | |
| Risk margin | R0720 | | |

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| **ASSETS** | | C0010 | C0020 |
| **Reinsurance recoverables from:** | **R0270** | **60,205,217** | **96,689,939** |
| Non-Life and health similar to Non-Life | R0280 | 59,583,589 | 80,035,414 |
| Non-Life excluding health | R0290 | 59,583,589 | 80,035,414 |
| Health similar to Non-Life | R0300 | | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 621,627 | 16,654,525 |
| Health similar to Life | R0320 | 246,901 | 4,617,002 |
| Life excluding health and index-linked and unit-linked | R0330 | 374,726 | 12,037,524 |
| Life index-linked and unit-linked | R0340 | | |

## Special purpose vehicles

The CCR Group has no special purpose vehicles in its Solvency II balance sheet at December 31, 2020.

## Transitional measures, matching adjustment and volatility adjustment

The Group has applied the volatility adjustment referred to in Article 77(d) of Directive 2009/138/EC since the Solvency II quarterly valuation exercise at March 31, 2020. Best estimate and Solvency II margin variances, before and after the volatility adjustment, are analyzed regularly by the CCR Group.

The results of applying the volatility adjustment are reported in SS22.01 and S22.06. The analysis of Solvency II margin variances, has been an integral part of the CCR Group's ORSA since December 31, 2020.

At the date of this report, the CCR Group does not apply:

- the matching adjustment referred to in Article 77 (b) of Directive 2009/138/EC (it applies the principle of singularity for its assets);
- the transitional risk-free interest rate term structure referred to in Article 308 (c) of Directive 2009/138/EC;
- the transitional deduction referred to in Article 308 (d) of Directive 2009/138/EC.

## 2.2 Value of other liabilities

The value of other liabilities in the Solvency II balance sheet is as follows at the date of this report:

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| **LIABILITIES** | | C0010 | C0020 |
| Other technical provisions | R0730 | | 1,908,502,959 |
| Contingent liabilities | R0740 | | |
| Provisions other than technical provisions | R0750 | 399,080 | 4,007,850 |
| Pension benefit obligations | R0760 | 11,075,968 | 11,075,968 |
| Deposits from reinsurers | R0770 | 462,550 | 462,550 |
| Deferred tax liabilities | R0780 | 496,174,292 | |
| Derivatives | R0790 | 4,307,886 | |
| Debts owed to credit institutions | R0800 | 0 | |
| Financial liabilities other than debts owed to credit institutions | R0810 | 0 | |
| Insurance & intermediaries payables | R0820 | 23,824,163 | 23,824,163 |
| Reinsurance payables | R0830 | 117,595,988 | 117,595,988 |
| Payables (trade, not insurance) | R0840 | 52,280,425 | 52,280,425 |
| Subordinated liabilities | R0850 | 323,919,493 | 300,000,000 |
| Subordinated liabilities not in Basic Own Funds | R0860 | 45,186,623 | |
| Subordinated liabilities in Basic Own Funds | R0870 | 278,732,870 | 300,000,000 |
| Any other liabilities, not elsewhere shown | R0880 | 2,363,575 | 2,364,393 |
| Total liabilities | R0900 | 5,712,926,680 | 7,521,858,790 |
| Excess of assets over liabilities | R1000 | 5,438,886,485 | 2,640,311,253 |

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### Other technical reserves

Other technical reserves comprise equalization reserves and outstanding claims reserves as required under Article 431 of the French Insurance Code relating to CCR and CCR Re. In the Solvency II balance sheet, these reserves are paid with no restatement of own funds (equity).

### Non-technical provisions

This caption includes miscellaneous reserves other than technical reserves.

### Pension benefit obligations

These items are already valued in accordance with IAS 19 in the balance sheet of the statutory financial statements and are not therefore restated in the Solvency II balance sheet.

### Deferred tax liabilities

Deferred tax liabilities mainly consist of taxation of unrealized capital gains not yet liable for tax and of the portion of the equalization reserve not yet liable for tax. Deferred tax liabilities are measured using a tax rate of **25.83%**, corresponding to the rate expected to apply when the temporary differences reverse, based on the latest information concerning corporate income tax rates available at December 31, 2020.

### Reinsurance payables

This caption includes outstanding outward reinsurance payables, particularly outstanding premiums subject to reinsurance.

### Other payables (trade, not insurance)

This caption includes outstanding amounts payable to other CCR debtors, particularly the French State. Income tax will be assigned to this account if any amount remains payable.

### Any other liabilities, not elsewhere shown

This caption reflects premiums to be reinsured (estimated on the basis of current technical reserves). These premiums are discounted by reference to their estimated settlement trajectories (see "Value of technical reserves").

### Value for solvency and financial reporting purposes

There are no differences between the value of other liabilities for solvency purposes and the value of other liabilities for financial reporting purposes: the same data, methods and key valuation assumptions are used.



## 3 OTHER KEY INFORMATION

There is no other key information relating to the valuation of assets and liabilities for solvency purposes.

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# CAPITAL MANAGEMENT

## 1 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

### 1.1 Objectives

The CCR Group's capital management is designed to continually protect, increase and earn a return on its own funds within the adopted risk appetite framework.

In a favorable insurance year, the Group sets aside amounts to its equalization and other reserves in order to meet its target return on capital.

The CCR Group has set profitability objectives in all of its businesses:
- in terms of underwriting public reinsurance and open market reinsurance;
- in terms of its financial investments.



These objectives are the result of the guiding principle of its risk appetite framework as indicated below.

**Principle:** a CCR post-shock Solvency II ratio of > 115%.

This reflects the Group's solvency requirements and can be achieved using either reinsurance and/or debt.

### 1.2 Policy

These objectives are primarily pursued within the risk appetite framework adopted by the CCR Group.

The CCR Group has set itself the objective of a 115% Solvency II ratio over the period covered by its business plan. The risk appetite strategy is discussed in further detail in the ORSA report.

The strategy enables:
- the CCR Group to maintain a level of capital in line with the risks underwritten and limits set;
- risk budgets to be assigned to financial investments each year.

These amounts can then be factored into the work of the Underwriting and Finance teams.

#### Protection of own funds

To increase its financial strength, the CCR Group has developed a capital protection strategy. This is applied through:
- the reinsurance and financial risk mitigation policy;
- the equalization reserve management policy currently being developed;
- the risk management policy;
- the implementation of management initiatives where appropriate.

Details of these policies are provided in the corresponding documentation.

### 1.3 Procedures

The CCR Group implements the corporate strategy validated by its Board of Directors and follows the priorities set out in its three-year business plan.

The business plan is revised each year to reflect any market developments.

The following inputs are therefore recalculated each year and monitored on an ongoing basis:
- risk appetites and risk tolerance limits;
- risk budgets used – State guarantees, Finance.

The calculations are made by the Actuarial & Risks Division.

This division is also responsible for ensuring that risk budgets are respected.

Each year, the Board of Directors validates proposals for additional risk budgets put forward by the Actuarial & Risks Division, subject to the risk tolerance limits set.

After approval of the Board of Directors, any additional budgets are allocated to the Underwriting and Finance teams and used in accordance with existing policies and guidelines. They are rolled down into risk limits which are taken up in capital protection policies and underwriting guides, and in the finance rules and regulations revised on a yearly basis.

Ongoing monitoring of the various activities rounds out this process, and enables management initiatives to be set in motion where necessary, for example changing the investment strategy, deciding not to renew loss-making or unprofitable businesses, and temporarily reducing or increasing underwriting capacity. These changes are made in compliance with the ORSA policy.

### 1.4 Changes during the last reference period

No changes were observed in capital management principles in the year ended December 31, 2020.

# 2 SOLVENCY II OWN FUNDS AT DECEMBER 31, 2020

## 2.1 Structure, quality and amount of Solvency II own funds

| (in thousands of euros) | Description of basic own funds | December 31, 2020 |
|---|---|---|
| A | **Excess of assets over liabilities** | **5,439** |
| B | **Dividends** | **(19)** |
| | | |
| C | Total subordinated liabilities | 324 |
| D | Subordinated liabilities not eligible for inclusion in SCR coverage ratio | 45 |
| E=C-D | **Subordinated liabilities eligible for inclusion in SCR coverage ratio** | **279** |
| F=A+B+E | **Solvency II own funds eligible for inclusion in SCR coverage ratio** | **5,699** |



## 2.2 Reconciliation of equity in the statutory financial statements with Solvency II own funds

The CCR Group's equity amounted to €2,640 million in its statutory financial statements on an ex-dividend basis, compared to €5,699 million in the Solvency II balance sheet, after detachment of dividends. The reasons for the difference can be analyzed as follows:

Solvency II own funds are much higher than equity in the statutory financial statements. This chiefly reflects the amount of unrealized capital gains on CCR's investment portfolio at December 31, 2020, along with the inclusion of equalization reserves and outstanding claims reserves in Solvency II own funds as required under Article 431 of the French Insurance Code. It also reflects restatements of French GAAP reinsurance liabilities in accordance with Solvency II and restatement of subordinated liabilities.

## 2.3 Change in Solvency II own funds between December 31, 2019 and December 31, 2020

Solvency II own funds after dividends increased from €5,481 million at December 31, 2019 to €5,699 million at December 31, 2020.

# 3 SCR AND MCR COVERAGE RATIOS AT DECEMBER 31, 2020

Solvency II own funds after dividends eligible for inclusion in the Group's SCR coverage ratio totaled €5,699 million:
- the Group SCR was €3,268 million, representing an SCR coverage ratio of 174.4%;
- the Minimum Consolidated Group MCR came out at €953 million versus eligible own funds of €5,460 million, representing an MCR coverage ratio of 573.1%.

The SCR coverage ratio before the volatility adjustment stood at 173.7%.

| (in millions of euros) | After VA | Before VA |
|---|---|---|
| Solvency II own funds after dividends eligible for inclusion in the Group's SCR coverage ratio | 5,699 | 5,688 |
| SCR | 3,268 | 3,274 |
| **SCR COVERAGE RATIO (Solvency II)** | **174.4%** | **173.7%** |

Applying the volatility adjustment at December 31, 2020 increased the SCR coverage ratio by 0.7%.

The impact was due to the overall risk profile of the Group's reinsurance portfolio (reflecting the very high proportion of short-tail obligations that are not particularly sensitive to discounting adjustments) and the low values on the date of the volatility adjustments by currency.



# 4 OWN FUNDS AND TRANSITIONAL MEASURES

The transitional measures referred to in Article 308 (b), paragraphs 9 and 10 of Directive 2009/138/EC do not apply to CCR.

# 5 DESCRIPTION OF ANCILLARY OWN FUNDS

CCR had no ancillary own funds at the date of this report.

# 6 AVAILABILITY AND TRANSFERABILITY OF SOLVENCY II OWN FUNDS

The CCR Group's own funds belong to the CCR Group as a whole and are deemed to be available and transferable within the scope of regulations applicable to CCR.

# 7 CALCULATION OF SCR, MCR AND ELIGIBLE OWN FUNDS

## 7.1 Method and options used

CCR applies the standard formula to calculate the SCR and its sub-components, as well as the MCR.

## 7.2 Loss-absorbing capacity of deferred taxes

CCR includes deferred taxes in its loss-absorbing capacity during an "equivalent scenario"-type stress. Deferred taxes are valued based on the balance sheets drawn up for tax, accounting and Solvency II purposes.

Regarding the inclusion of future tax credits in the calculation of deferred taxes, CCR believes it can justify tax credits receivable over a two-year period, even in a strongly adverse post-stress environment. CCR Re includes tax credits receivable over a five-year period when calculating deferred taxes.

Regarding the inclusion of future tax credits in the calculation of deferred taxes:

- CCR Re considered, where appropriate and based on the visibility provided by its conservative business plan, that it could justify recognizing €65 million in deferred tax assets for tax credits, based on a 5-year post-stress projection period.
- Concerning its public reinsurance business, CCR considered, where appropriate and based on the visibility provided by its conservative business plan, that it could justify recognizing €150 million in deferred tax assets for tax credits, based on a 2-year post-stress projection period.

The combined tax credits of CCR Re and CCR's public reinsurance business represented a total of €215 million for the Group.

A project was launched in 2020 to produce a documented process for analyzing these amounts in accordance with regulatory requirements. This project was nearing completion at the year-end

Excluding the €215 million, CCR Re's SCR would be €3,483 million versus €3,268 million, and its SCR coverage ratio would be 163.6% versus 174.4%.

## 7.3 Look-through approach

The Group has adopted a line-by-line look-through approach covering nearly 70% of the market value of its investments at December 31, 2020.

In the absence of detailed information, the estimated capital for the additional percentage of investments is prudent and based on the highest risk profile within the meaning of the technical specifications, i.e., a type 2 equities profile.

## 7.4 Ring–fenced funds

There are no ring-fenced asset funds. In terms of liabilities, the CCR Group applies the rules adopted for managing public reinsurance technical liabilities, which do not in substance represent ring-fenced liabilities for CCR.

## 7.5 Simplified approaches used

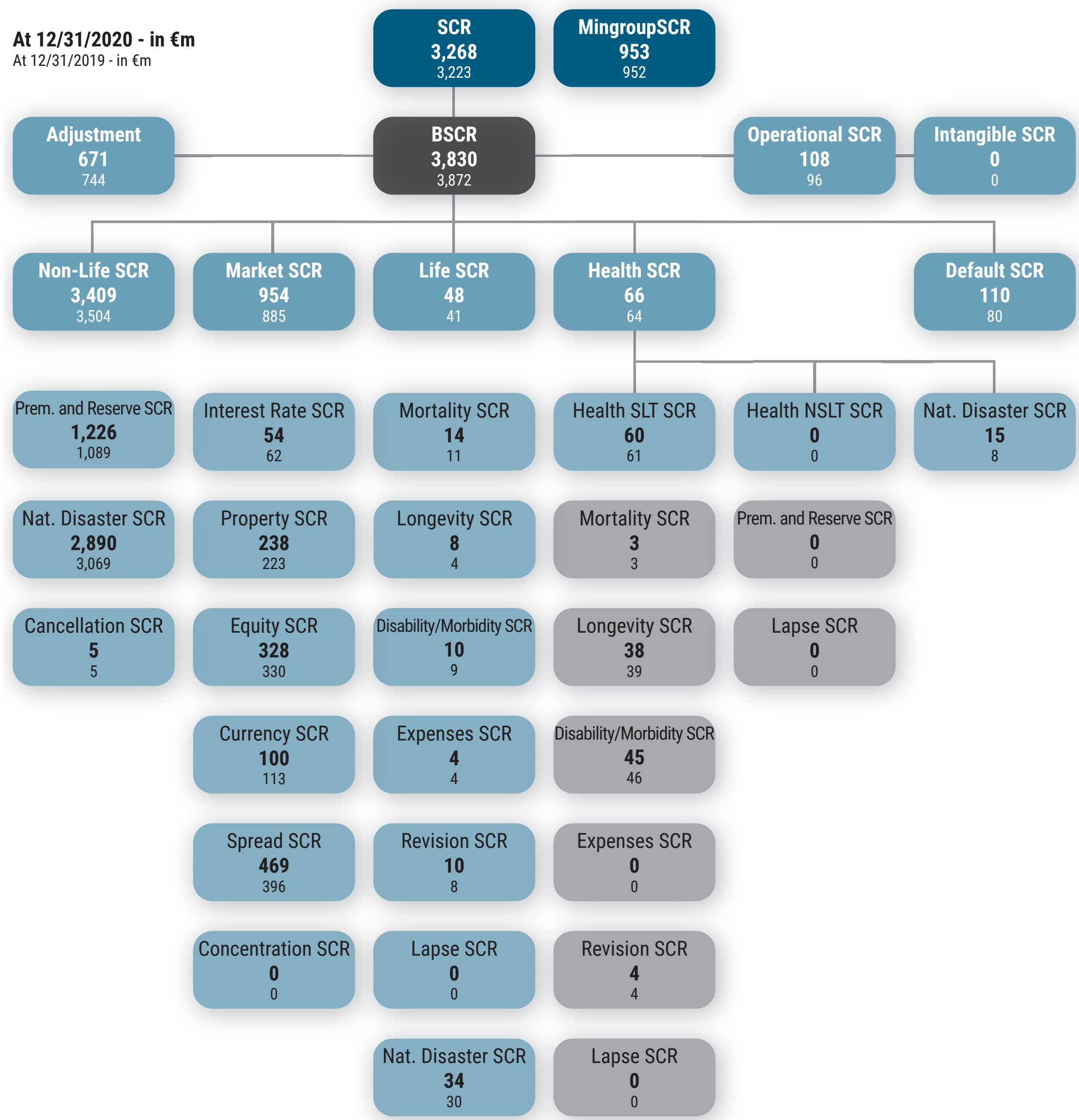
The CCR Group did not use any simplified approach in calculating its capital requirements.

## 7.6 Difficulties encountered

The CCR Group did not encounter any difficulties in estimating its capital requirements by risk profile, such as estimated under the standard formula.

# 8 SCR AND MCR

The following diagram shows the SCR – and its sub-components – and the MCR of the CCR Group at December 31, 2020 in millions of euros.




During the year, the main changes in the SCR resulted from:

- the decrease in the Natural Disaster SCR sub-module within the Non-Life SCR, moderated by the rise in the SCR for Premiums and Non-Life Reserves due to the increase in the Group's technical reserves;
- the increase in the Market risk SCR, reflecting the developments in the financial markets during the year and new investments;
- the decrease in term adjustments following changes in the Group's equalization reserve and changes in discount rates.

# 9 CHANGES IN THE SOLVENCY MARGIN SINCE DECEMBER 31, 2019

| Valuation date | Solvency margin |
| --- | --- |
| December 31, 2019 | 170.1% |
| December 31, 2020 | 174.4% |

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# APPENDICES: QRT

## LIST OF QRT SCHEDULES:


| | | |
|---|---|---|
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## The following schedules are not applicable to the CCR Group:

S25.01.22: Partial internal model

S25.01.22: Full internal model

N.B.: to provide readers with a better understanding of the schedules, the columns relaing to lines of business for which the CCR Group has no commitments are not presented in certain schedules.

# 1 SE.02.01.16: Balance sheet

| Assets | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| | | C0010 | C0020 |
| **Goodwill** | R0010 | | |
| **Deferred acquisition costs** | R0020 | | 48,913,358 |
| **Intangible assets** | R0030 | | 2,812,533 |
| **Deferred tax assets** | R0040 | 40,139,697 | 144,252,000 |
| **Pension benefit surplus** | R0050 | | |
| **Property, plant & equipment held for own use** | R0060 | 80,770,000 | 55,790,105 |
| **Investments (other than assets held for index-linked and unit-linked contracts)** | **R0070** | **9,775,756,655** | **8,618,534,490** |
| Property (other than for own use) | R0080 | 524,765,349 | 198,321,563 |
| Holdings in related undertakings, including participations | R0090 | 14,134,911 | 6,200,000 |
| Equities | R0100 | 231,912,963 | 59,709,781 |
| Equities - listed | R0110 | 4,736,526 | 4,754,214 |
| Equities - unlisted | R0120 | 227,176,437 | 54,955,567 |
| Bonds | R0130 | 4,820,091,738 | 4,677,360,408 |
| Government Bonds | R0140 | 1,241,969,037 | 1,212,824,256 |
| Corporate Bonds | R0150 | 3,578,122,701 | 3,464,536,152 |
| Structured notes | R0160 | | |
| Collateralised securities | R0170 | | |
| Collective Investments Undertakings | R0180 | 3,984,627,699 | 3,478,903,702 |
| Derivatives | R0190 | 2,062,799 | |
| Deposits other than cash equivalents | R0200 | 198,161,197 | 198,039,036 |
| Other investments | R0210 | | |
| **Assets held for index-linked and unit-linked contracts** | **R0220** | | |
| **Loans and mortgages** | **R0230** | **7,251,278** | **7,261,552** |
| Loans on policies | R0240 | | |
| Loans and mortgages to individuals | R0250 | 894,253 | 894,253 |
| Other loans and mortgages | R0260 | 6,357,025 | 6,367,299 |
| **Reinsurance recoverables from:** | **R0270** | **60,205,217** | **96,689,939** |
| Non-Life and health similar to Non-Life | R0280 | 59,583,589 | 80,035,414 |
| Non-Life excluding health | R0290 | 59,583,589 | 80,035,414 |
| Health similar to Non-Life | R0300 | | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 621,627 | 16,654,525 |
| Health similar to Life | R0320 | 246,901 | 4,617,002 |
| Life excluding health and index-linked and unit-linked | R0330 | 374,726 | 12,037,524 |
| Life index-linked and unit-linked | R0340 | | |
| **Deposits to cedants** | **R0350** | **264,698,350** | **261,842,977** |
| **Insurance and intermediaries receivables** | **R0360** | **186,703,817** | **186,703,817** |
| **Reinsurance receivables** | **R0370** | **431,586** | **431,586** |
| **Receivables (trade, not insurance)** | **R0380** | **16,754,054** | **16,754,055** |
| **Own shares (held directly)** | **R0390** | | |
| **Amounts due in respect of own fund items or initial fund called up but not yet paid in** | **R0400** | | |
| **Cash and cash equivalents** | **R0410** | **719,102,511** | **719,102,511** |
| **Any other assets, not elsewhere shown** | **R0420** | | **3,081,120** |
| TOTAL ASSETS | R0500 | 11,151,813,165 | 10,162,170,043 |

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## Liabilities

| | | Solvency II value | Statutory accounts value |
|---|---|---|---|
| | | C0010 | C0020 |
| **Technical provisions – Non-Life** | **R0510** | **3,990,835,865** | **4,434,791,945** |
| Technical provisions – Non-Life (excluding health) | R0520 | 3,990,835,865 | 4,434,791,945 |
| Technical provisions calculated as a whole | R0530 | | |
| Best Estimate | R0540 | 3,516,883,520 | |
| Risk margin | R0550 | 473,952,345 | |
| Technical provisions - health (similar to Non-Life) | R0560 | 0 | |
| Technical provisions calculated as a whole | R0570 | | |
| Best Estimate | R0580 | | |
| Risk margin | R0590 | | |
| **Technical provisions - Life (excluding index-linked and unit-linked)** | **R0600** | **689,687,395** | **666,952,548** |
| Technical provisions - health (similar to Life) | R0610 | 265,792,397 | 240,569,531 |
| Technical provisions calculated as a whole | R0620 | | |
| Best Estimate | R0630 | 234,226,846 | |
| Risk margin | R0640 | 31,565,550 | |
| Technical provisions – Life (excluding health and index-linked and unit-linked) | R0650 | 423,894,998 | 426,383,018 |
| Technical provisions calculated as a whole | R0660 | | |
| Best Estimate | R0670 | 373,553,156 | |
| Risk margin | R0680 | 50,341,842 | |
| **Technical provisions – index-linked and unit-linked** | **R0690** | **0** | |
| Technical provisions calculated as a whole | R0700 | | |
| Best Estimate | R0710 | | |
| Risk margin | R0720 | | |
| **Other technical provisions** | **R0730** | | **1,908,502,959** |
| **Contingent liabilities** | **R0740** | | |
| **Provisions other than technical provisions** | **R0750** | **399,080** | **4,007,850** |
| **Pension benefit obligations** | **R0760** | **11,075,968** | **11,075,968** |
| **Deposits from reinsurers** | **R0770** | **462,550** | **462,550** |
| **Deferred tax liabilities** | **R0780** | **496,174,292** | |
| **Derivatives** | **R0790** | **4,307,886** | |
| **Debts owed to credit institutions** | **R0800** | | |
| **Financial liabilities other than debts owed to credit institutions** | **R0810** | | |
| **Insurance & intermediaries payables** | **R0820** | **23,824,163** | **23,824,163** |
| **Reinsurance payables** | **R0830** | **117,595,988** | **117,595,988** |
| **Payables (trade, not insurance)** | **R0840** | **52,280,425** | **52,280,425** |
| **Subordinated liabilities** | **R0850** | **323,919,493** | **300,000,000** |
| Subordinated liabilities not in Basic Own Funds | R0860 | 45,186,623 | |
| Subordinated liabilities in Basic Own Funds | R0870 | 278,732,870 | 300,000,000 |
| **Any other liabilities, not elsewhere shown** | **R0880** | **2,363,575** | **2,364,393** |
| **Total liabilities** | **R0900** | **5,712,926,680** | **7,521,858,790** |
| EXCESS OF ASSETS OVER LIABILITIES | R1000 | 5,438,886,485 | 2,640,311,253 |

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## 2 S.05.01.01.01: Non-Life & Accepted non proportional reinsurance

| | | Line of Business for: Non-Life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Motor vehicle liability insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | To Miscellaneous financial loss |
| | | C0040 | C0060 | C0070 | C0080 | C0090 | C0120 |
| **PREMIUMS WRITTEN** | | | | | | | |
| Gross - Direct Business | R0110 | | | | | | |
| Gross - Proportional reinsurance accepted | R0120 | 13,817,464 | 49,994,083 | 933,954,465 | 21,538,867 | 280,847,160 | 10,433,591 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | |
| Reinsurers' share | R0140 | 519,083 | 2,895,427 | 94,943,177 | 822,565 | 13,691,569 | 471,277 |
| Net | R0200 | 13,298,382 | 47,098,656 | 839,011,288 | 20,716,302 | 267,155,591 | 9,962,314 |
| **PREMIUMS EARNED** | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | |
| Gross - Proportional reinsurance accepted | R0220 | 13,180,155 | 41,242,266 | 910,136,060 | 19,597,408 | 280,254,177 | 10,035,010 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | |
| Reinsurers' share | R0240 | 528,053 | 2,554,093 | 94,514,216 | 798,004 | 13,736,919 | 484,520 |
| Net | R0300 | 12,652,102 | 38,688,173 | 815,621,844 | 18,799,404 | 266,517,258 | 9,550,490 |
| **CLAIMS INCURRED** | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | |
| Gross - Proportional reinsurance accepted | R0320 | 14,357,143 | 24,013,249 | 1,065,148,685 | 13,343,353 | 231,806,863 | 5,925,554 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | |
| Reinsurers' share | R0340 | 342,704 | 1,630,984 | 7,618,158 | 288,844 | 64,384,918 | 373,538 |
| Net | R0400 | 14,014,439 | 22,382,265 | 1,057,530,528 | 13,054,509 | 167,421,946 | 5,552,016 |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | |
| Gross - Non- proportional reinsurance accepted | R0430 | | | | | | |
| Reinsurers' share | R0440 | | | | | | |
| Net | R0500 | | | | | | |
| **EXPENSES INCURRED** | **R0550** | **3,757,463** | **13,822,270** | **94,582,461** | **6,343,122** | **104,929,499** | **4,071,814** |
| **ADMINISTRATIVE EXPENSES** | | | | | | | |
| Gross - Direct Business | R0610 | | | | | | |
| Gross - Proportional reinsurance accepted | R0620 | 324,698 | 1,232,680 | 6,856,790 | 521,199 | 1,603,119 | 272,317 |
| Gross - Non-proportional reinsurance accepted | R0630 | | | | | | |
| Reinsurers' share | R0640 | | (17) | 103 | | | |
| Net | R0700 | 324,698 | 1,232,696 | 6,856,687 | 521,199 | 1,603,119 | 272,317 |
| **INVESTMENT MANAGEMENT EXPENSES** | | | | | | | |
| Gross - Direct Business | R0710 | | | | | | |
| Gross - Proportional reinsurance accepted | R0720 | 106,487 | 389,724 | 4,162,890 | 165,994 | 1,152,452 | 80,409 |
| Gross - Non-proportional reinsurance accepted | R0730 | | | | | | |
| Reinsurers' share | R0740 | | | | | | |
| Net | R0800 | 106,487 | 389,724 | 4,162,890 | 165,994 | 1,152,452 | 80,409 |
| **CLAIMS MANAGEMENT EXPENSES** | | | | | | | |
| Gross - Direct Business | R0810 | | | | | | |
| Gross - Proportional reinsurance accepted | R0820 | 78,966 | 290,111 | 2,189,724 | 123,093 | 563,735 | 59,628 |
| Gross - Non-proportional reinsurance accepted | R0830 | | | | | | |
| Reinsurers' share | R0840 | | | | | | |
| Net | R0900 | 78,966 | 290,111 | 2,189,724 | 123,093 | 563,735 | 59,628 |
| **ACQUISITION EXPENSES** | | | | | | | |
| Gross - Direct Business | R0910 | | | | | | |
| Gross - Proportional reinsurance accepted | R0920 | 3,220,446 | 11,703,929 | 76,488,991 | 5,509,017 | 99,534,648 | 3,638,327 |
| Gross - Non-proportional reinsurance accepted | R0930 | | | | | | |
| Reinsurers' share | R0940 | 104,228 | 273,152 | 903,000 | 180,531 | (442,082) | 77,856 |
| Net | R1000 | 3,116,219 | 11,430,777 | 75,585,991 | 5,328,486 | 99,976,730 | 3,560,471 |
| **OVERHEAD EXPENSES** | | | | | | | |
| Gross - Direct Business | R1010 | | | | | | |
| Gross - Proportional reinsurance accepted | R1020 | 131,094 | 478,961 | 5,787,168 | 204,350 | 1,633,463 | 98,990 |
| Gross - Non-proportional reinsurance accepted | R1030 | | | | | | |
| Reinsurers' share | R1040 | | | | | | |
| Net | R1100 | 131,094 | 478,961 | 5,787,168 | 204,350 | 1,633,463 | 98,990 |
| **Other expenses** | **R1200** | | | | | | |
| **Total expenses** | **R1300** | | | | | | |

| | | Line of business for: accepted non-proportional reinsurance | | | |
|---|---|---|---|---|---|
| | | Casualty | Marine, aviation, transport | Property | Total |
| | | C0140 | C0150 | C0160 | C0200 |
| **PREMIUMS WRITTEN** | | | | | |
| Gross - Direct Business | R0110 | | | | |
| Gross - Proportional reinsurance accepted | R0120 | | | | 1,310,585,631 |
| Gross - Non-proportional reinsurance accepted | R0130 | 56,429,895 | 6,426,046 | 251,161,314 | 314,017,255 |
| Reinsurers' share | R0140 | 3,330,574 | 191,867 | 28,391,400 | 145,256,939 |
| Net | R0200 | 53,099,321 | 6,234,179 | 222,769,914 | 1,479,345,946 |
| **PREMIUMS EARNED** | | | | | |
| Gross - Direct Business | R0210 | | | | |
| Gross - Proportional reinsurance accepted | R0220 | | | | 1,274,445,075 |
| Gross - Non-proportional reinsurance accepted | R0230 | 54,638,946 | 6,037,710 | 251,310,432 | 311,987,088 |
| Reinsurers' share | R0240 | 3,446,336 | 192,334 | 29,011,558 | 145,266,033 |
| Net | R0300 | 51,192,609 | 5,845,375 | 222,298,875 | 1,441,166,131 |
| **CLAIMS INCURRED** | | | | | |
| Gross - Direct Business | R0310 | | | | |
| Gross - Proportional reinsurance accepted | R0320 | | | | 1,354,594,848 |
| Gross - Non-proportional reinsurance accepted | R0330 | 5,076,271 | 4,666,751 | 78,066,311 | 87,809,333 |
| Reinsurers' share | R0340 | 313,767 | 111,394 | 10,551,286 | 85,615,592 |
| Net | R0400 | 4,762,505 | 4,555,356 | 67,515,025 | 1,356,788,589 |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | | |
| Gross - Direct Business | R0410 | | | | |
| Gross - Proportional reinsurance accepted | R0420 | | | | |
| Gross - Non- proportional reinsurance accepted | R0430 | | | | |
| Reinsurers' share | R0440 | | | | |
| Net | R0500 | | | | |
| **EXPENSES INCURRED** | **R0550** | **7,958,741** | **1,029,407** | **18,280,994** | **254,775,770** |
| **ADMINISTRATIVE EXPENSES** | | | | | |
| Gross - Direct Business | R0610 | | | | |
| Gross - Proportional reinsurance accepted | R0620 | | | | 10,810,802 |
| Gross - Non-proportional reinsurance accepted | R0630 | 1,352,833 | 156,309 | 2,768,367 | 4,277,509 |
| Reinsurers' share | R0640 | 0 | | (1,514) | (1,428) |
| Net | R0700 | 1,352,833 | 156,309 | 2,769,881 | 15,089,740 |
| **INVESTMENT MANAGEMENT EXPENSES** | | | | | |
| Gross - Direct Business | R0710 | | | | |
| Gross - Proportional reinsurance accepted | R0720 | | | | 6,057,957 |
| Gross - Non-proportional reinsurance accepted | R0730 | 434,959 | 49,524 | 1,293,707 | 1,778,190 |
| Reinsurers' share | R0740 | | | | |
| Net | R0800 | 434,959 | 49,524 | 1,293,707 | 7,836,147 |
| **CLAIMS MANAGEMENT EXPENSES** | | | | | |
| Gross - Direct Business | R0810 | | | | |
| Gross - Proportional reinsurance accepted | R0820 | | | | 3,305,256 |
| Gross - Non-proportional reinsurance accepted | R0830 | 322,525 | 36,725 | 769,571 | 1,128,820 |
| Reinsurers' share | R0840 | | | | |
| Net | R0900 | 322,525 | 36,725 | 769,571 | 4,434,076 |
| **ACQUISITION EXPENSES** | | | | | |
| Gross - Direct Business | R0910 | | | | |
| Gross - Proportional reinsurance accepted | R0920 | | | | 200,095,358 |
| Gross - Non-proportional reinsurance accepted | R0930 | 5,427,845 | 745,865 | 12,996,923 | 19,170,633 |
| Reinsurers' share | R0940 | 114,902 | 19,984 | 1,281,829 | 2,513,400 |
| Net | R1000 | 5,312,943 | 725,881 | 11,715,094 | 216,752,591 |
| **OVERHEAD EXPENSES** | | | | | |
| Gross - Direct Business | R1010 | | | | |
| Gross - Proportional reinsurance accepted | R1020 | | | | 8,334,026 |
| Gross - Non-proportional reinsurance accepted | R1030 | 535,482 | 60,968 | 1,732,741 | 2,329,190 |
| Reinsurers' share | R1040 | | | | |
| Net | R1100 | 535,482 | 60,968 | 1,732,741 | 10,663,217 |
| **Other expenses** | **R1200** | | | | |
| **Total expenses** | **R1300** | | | | 254,775,770 |

## 3 S.05.01.01.02: Life

| | | Life reinsurance obligations | | |
|---|---|---|---|---|
| | | Health reinsurance | Life reinsurance | TOTAL |
| | | C0270 | C0280 | C0300 |
| **PREMIUMS WRITTEN** | | | | |
| Gross | R1410 | 106,273,462 | 134,638,308 | 240,911,770 |
| Reinsurers' share | R1420 | 2,739,086 | 2,931,234 | 5,670,320 |
| Net | R1500 | 103,534,376 | 131,707,074 | 235,241,450 |
| **PREMIUMS EARNED** | | | | |
| Gross | R1510 | 104,770,323 | 122,318,702 | 227,089,025 |
| Reinsurers' share | R1520 | 2,149,922 | 2,568,352 | 4,718,273 |
| Net | R1600 | 102,620,401 | 119,750,350 | 222,370,752 |
| **CLAIMS INCURRED** | | | | |
| Gross | R1610 | 90,987,230 | 93,106,645 | 184,093,875 |
| Reinsurers' share | R1620 | (14,199) | (41,249) | (55,449) |
| Net | R1700 | 91,001,429 | 93,147,894 | 184,149,323 |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | |
| Gross | R1710 | | 2,970,643 | 2,970,643 |
| Reinsurers' share | R1720 | | | |
| Net | R1800 | | 2,970,643 | 2,970,643 |
| **EXPENSES INCURRED** | **R1900** | **15,899,668** | **19,964,221** | **35,863,889** |
| **ADMINISTRATIVE EXPENSES** | | | | |
| Gross | R1910 | 624,489 | 986,719 | 1,611,208 |
| Reinsurers' share | R1920 | 6,994 | 14,058 | 21,052 |
| Net | R2000 | 617,495 | 972,661 | 1,590,156 |
| **INVESTMENT MANAGEMENT EXPENSES** | | | | |
| Gross | R2010 | 311,572 | 369,768 | 681,340 |
| Reinsurers' share | R2020 | | | |
| Net | R2100 | 311,572 | 369,768 | 681,340 |
| **CLAIMS MANAGEMENT EXPENSES** | | | | |
| Gross | R2110 | 202,343 | 237,654 | 439,998 |
| Reinsurers' share | R2120 | | | |
| Net | R2200 | 202,343 | 237,654 | 439,998 |
| **ACQUISITION EXPENSES** | | | | |
| Gross | R2210 | 14,142,733 | 17,428,521 | 31,571,254 |
| Reinsurers' share | R2220 | (193,805) | (437,035) | (630,840) |
| Net | R2300 | 14,336,538 | 17,865,556 | 32,202,094 |
| **OVERHEAD EXPENSES** | | | | |
| Gross | R2310 | 431,719 | 518,582 | 950,300 |
| Reinsurers' share | R2320 | | | |
| Net | R2400 | 431,719 | 518,582 | 950,300 |
| **Other expenses** | **R2500** | | | |
| **Total expenses** | **R2600** | | | **35,863,889** |
| **Total amount of surrenders** | **R2700** | | **300** | **300** |

## 4 S.05.02.01.01: Non-Life obligations for home country

| | | Home country | Country (by amount of gross premiums written) | | | | | Total for 5 countries and home country (by amount of gross premiums written) |
|---|---|---|---|---|---|---|---|---|
| | | | CA | CN | DE | IL | SA | |
| | | C0080 | C0090 | C0090 | C0090 | C0090 | C0090 | C0140 |
| **PREMIUMS WRITTEN** | | | | | | | | |
| Gross - Direct business | R0110 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0120 | 1,085,727,108 | 14,804,046 | 20,109,274 | 13,573,712 | 19,143,048 | 5,866,807 | 1,159,223,994 |
| Gross - Non-proportional reinsurance accepted | R0130 | 195,530,546 | 20,416,227 | 4,148,535 | 9,599,358 | 7,674,591 | 774,835 | 238,144,092 |
| Reinsurers' share | R0140 | 120,201,112 | 2,688,599 | 1,179,356 | 2,415,585 | 1,625,658 | 267,774 | 128,378,083 |
| Net | R0200 | 1,161,056,542 | 32,531,673 | 23,078,453 | 20,757,485 | 25,191,982 | 6,373,868 | 1,268,990,003 |
| **PREMIUMS EARNED** | | | | | | | | |
| Gross - Direct business | R0210 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0220 | 1,071,011,032 | 14,941,948 | 14,793,621 | 12,457,211 | 16,899,709 | 4,793,901 | 1,134,897,421 |
| Gross - Non-proportional reinsurance accepted | R0230 | 195,099,338 | 19,810,055 | 3,964,071 | 9,524,341 | 8,100,625 | 664,165 | 237,162,594 |
| Reinsurers' share | R0240 | 120,231,673 | 2,748,899 | 969,882 | 2,462,919 | 1,643,931 | 236,011 | 128,293,315 |
| Net | R0300 | 1,145,878,696 | 32,003,105 | 17,787,810 | 19,518,632 | 23,356,402 | 5,222,055 | 1,243,766,701 |
| **CLAIMS INCURRED** | | | | | | | | |
| Gross - Direct business | R0310 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0320 | 1,202,294,485 | 7,066,454 | 11,483,659 | 9,352,800 | 13,043,863 | 3,227,678 | 1,246,468,939 |
| Gross - Non-proportional reinsurance accepted | R0330 | 26,707,673 | 7,964,934 | 2,294,092 | 7,077,299 | 7,433,063 | 114,014 | 51,591,075 |
| Reinsurers' share | R0340 | 70,279,525 | 242,774 | 744,079 | 1,389,309 | 1,336,284 | 178,041 | 74,170,014 |
| Net | R0400 | 1,158,722,632 | 14,788,614 | 13,033,671 | 15,040,790 | 19,140,642 | 3,163,652 | 1,223,890,000 |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | | | | | |
| Gross - Direct business | R0410 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | 0 |
| Gross - Non-proportional reinsurance accepted | R0430 | | | | | | | 0 |
| Reinsurers' share | R0440 | | | | | | | 0 |
| Net | R0500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses incurred | R0550 | 161,543,246 | 9,704,757 | 6,099,470 | 5,249,872 | 5,760,397 | 2,475,198 | 190,832,942 |
| Other expenses | R1200 | | | | | | | |
| Total expenses | R1300 | | | | | | | 190,832,942 |

## 5 S.05.02.01.04: Life obligations for home country

| | | Home country | Country (by amount of gross premiums written) | | | | | Total for 5 countries and home country (by amount of gross premiums written) |
|---|---|---|---|---|---|---|---|---|
| | | | CA | CN | DE | IL | SA | |
| | | C0220 | C0230 | C0230 | C0230 | C0230 | C0230 | C0280 |
| PREMIUMS WRITTEN | | | | | | | | |
| Gross | R1410 | 73,266,253 | | 22,989,287 | 935,766 | 14,504,726 | 28,535,430 | 140,231,462 |
| Reinsurers' share | R1420 | 3,104,965 | | 258,194 | 12,525 | 821,561 | 197,216 | 4,394,461 |
| Net | R1500 | 70,161,289 | 0 | 22,731,093 | 923,241 | 13,683,165 | 28,338,214 | 135,837,001 |
| PREMIUMS EARNED | | | | | | | | |
| Gross | R1510 | 72,346,469 | | 17,092,130 | 1,035,423 | 13,653,161 | 29,568,055 | 133,695,239 |
| Reinsurers' share | R1520 | 2,889,360 | | 167,281 | 14,607 | 471,550 | 202,780 | 3,745,577 |
| Net | R1600 | 69,457,110 | 0 | 16,924,850 | 1,020,817 | 13,181,611 | 29,365,275 | 129,949,662 |
| CLAIMS INCURRED | | | | | | | | |
| Gross | R1610 | 51,847,264 | 28,021 | 11,272,945 | (448,123) | 12,239,430 | 29,729,903 | 104,669,440 |
| Reinsurer's share | R1620 | (26,460) | | (11,546) | 2,468 | (5,242) | (7,734) | (48,515) |
| Net | R1700 | 51,873,724 | 28,021 | 11,284,491 | (450,590) | 12,244,672 | 29,737,637 | 104,717,955 |
| CHANGES IN OTHER TECHNICAL PROVISIONS | | | | | | | | |
| Gross | R1710 | 2,970,643 | | | | | | 2,970,643 |
| Reinsurer's share | R1720 | | | | | | | 0 |
| Net | R1800 | 2,970,643 | 0 | 0 | 0 | 0 | 0 | 2,970,643 |
| Expenses incurred | R1900 | 12,329,522 | | 4,914,588 | 254,380 | 1,772,797 | 5,702,154 | 24,973,441 |
| Other expenses | R2500 | | | | | | | |
| Total expenses | R2600 | | | | | | | 24,973,441 |

6

## 6 S.22.01.04: Impact of long term guarantees measures and transitionals

| | | Amount with Long Term Guarantee measures and transitionals | Impact of the LTG measures and transitionals (Step-by-step approach) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Without transitional on technical provisions | Impact of transitional on technical provisions | Without transitional on interest rate | Impact of transitional on interest rate | Without volatility adjustment and without other transitional measures | Impact of volatility adjustment set to zero | Without matching adjustment and without all the others | Impact of matching adjustment set to zero | Impact of all LTG measures and transitionals |
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 |
| **Technical provisions** | R0010 | 4,680,523,259 | 4,680,523,259 | 0 | 4,680,523,259 | 0 | 4,697,902,543 | 17,379,283 | 4,697,902,543 | 0 | 17,379,283 |
| Basic own funds | R0020 | 5,679,619,355 | 5,679,619,355 | 0 | 5,679,619,355 | 0 | 5,687,585,160 | 7,965,805 | 5,687,585,160 | 0 | 7,965,805 |
| Excess of assets over liabilities | R0030 | 5,438,886,485 | 5,438,886,485 | 0 | 5,438,886,485 | 0 | 5,426,029,120 | (12,857,365) | 5,426,029,120 | 0 | (12,857,365) |
| Restricted own funds due to ring-fencing and matching portfolio | R0040 | | | 0 | | 0 | | 0 | | 0 | 0 |
| **Eligible own funds to meet Solvency Capital Requirement** | R0050 | 5,679,619,355 | 5,679,619,355 | 0 | 5,679,619,355 | 0 | 5,687,585,160 | 7,965,805 | 5,687,585,160 | 0 | 7,965,805 |
| Tier 1 | R0060 | 5,400,886,485 | 5,400,886,485 | 0 | 5,400,886,485 | 0 | 5,407,029,120 | 6,142,635 | 5,407,029,120 | 0 | 6,142,635 |
| Tier 2 | R0070 | 278,732,870 | 278,732,870 | 0 | 278,732,870 | 0 | 280,556,041 | 1,823,170 | 280,556,041 | 0 | 1,823,170 |
| Tier 3 | R0080 | | | 0 | | 0 | | 0 | | 0 | 0 |
| **Solvency Capital Requirement** | R0090 | 3,267,605,903 | 3,267,605,903 | 0 | 3,267,605,903 | 0 | 3,274,039,283 | 6,433,381 | 3,274,039,283 | 0 | 6,433,381 |

## 7 S.23.01.04: OF-B1 for Group

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Basic own funds before deduction for participations in other financial sector** | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 60,000,000 | 60,000,000 | | | |
| Non-available called but not paid in ordinary share capital at group level | R0020 | 0 | | | | |
| Share premium account related to ordinary share capital | R0030 | 0 | | | | |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | | | | |
| Subordinated mutual member accounts | R0050 | 0 | | | | |
| Non-available subordinated mutual member accounts at group level | R0060 | 0 | | | | |
| Surplus funds | R0070 | 0 | | | | |
| Non-available surplus funds at group level | R0080 | 0 | | | | |
| Preference shares | R0090 | 0 | | | | |
| Non-available preference shares at group level | R0100 | 0 | | | | |
| Share premium account related to preference shares | R0110 | 0 | | | | |
| Non-available share premium account related to preference shares at group level | R0120 | 0 | | | | |
| Reconciliation reserve | R0130 | 5,359,886,485 | 5,359,886,485 | | | |
| Subordinated liabilities | R0140 | 323,919,493 | | | 323,919,493 | |
| Non-available subordinated liabilities at group level | R0150 | 45,186,623 | | | 45,186,623 | |
| An amount equal to the value of net deferred tax assets | R0160 | 0 | | | | |
| The amount equal to the value of net deferred tax assets not available at the group level | R0170 | 0 | | | | |
| Other items approved by supervisory authority as basic own funds not specified above | R0180 | 0 | | | | |
| Non available own funds related to other own funds items approved by supervisory authority | R0190 | 0 | | | | |
| Minority interests (if not reported as part of a specific own fund item) | R0200 | 0 | | | | |
| Non-available minority interests at group level | R0210 | 0 | | | | |
| **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds** | | | | | | |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds | R0220 | | | | | |
| Deductions | | | | | | |
| Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities | R0230 | 0 | | | | |
| whereof deducted according to art 228 of the Directive 2009/138/EC | R0240 | 0 | | | | |
| Deductions for participations where there is non-availability of information (Article 229) | R0250 | 0 | | | | |
| Deduction for participations included by using D&A when a combination of methods is used | R0260 | 0 | | | | |
| Total of non-available own fund items | R0270 | 45,186,623 | 0 | 0 | 45,186,623 | 0 |
| **Total deductions** | R0280 | 45,186,623 | 0 | 0 | 45,186,623 | 0 |
| **Total basic own funds after deductions** | R0290 | 5,698,619,355 | 5,419,886,485 | 0 | 278,732,870 | 0 |
| **Ancillary own funds** | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | | | | |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | | | | |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | | | | |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | 0 | | | | |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | 0 | | | | |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0360 | 0 | | | | |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0370 | 0 | | | | |
| Non available ancillary own funds at group level | R0380 | 0 | | | | |
| Other ancillary own funds | R0390 | 0 | | | | |
| **Total ancillary own funds** | R0400 | 0 | | | 0 | 0 |
| **Own funds of other financial sectors** | | | | | | |
| Credit Institutions, investment firms, financial institutions, alternative investment fund manager, financial institutions | R0410 | 0 | | | | |
| Institutions for occupational retirement provision | R0420 | 0 | | | | |
| Non regulated entities carrying out financial activities | R0430 | 0 | | | | |
| Total own funds of other financial sectors | R0440 | 0 | 0 | 0 | 0 | 0 |

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Own funds when using the D&A, exclusively or in combination of method 1** | | | | | | |
| Own funds aggregated when using the D&A and combination of method | R0450 | 0 | | | | |
| Own funds aggregated when using the D&A and combination of method net of IGT | R0460 | 0 | | | | |
| Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A ) | R0520 | 5,698,619,355 | 5,419,886,485 | 0 | 278,732,870 | 0 |
| Total available own funds to meet the minimum consolidated group SCR | R0530 | 5,698,619,355 | 5,419,886,485 | 0 | 278,732,870 | |
| Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A ) | R0560 | 5,698,619,355 | 5,419,886,485 | 0 | 278,732,870 | |
| Total eligible own funds to meet the minimum consolidated group SCR | R0570 | 5,459,827,779 | 5,419,886,485 | 0 | 39,941,294 | |
| **Consolidated Group SCR** | R0590 | 3,267,605,903 | | | | |
| **Minimum consolidated Group SCR** | R0610 | 952,659,144 | | | | |
| **Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A )** | R0630 | 2 | | | | |
| **Ratio of Eligible own funds to Minimum Consolidated Group SCR** | R0650 | 6 | | | | |
| **Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A )** | R0660 | 5,698,619,355 | 5,419,886,485 | 0 | 278,732,870 | 0 |
| **SCR for entities included with D&A method** | R0670 | | | | | |
| **Group SCR** | R0680 | 3,267,605,903 | | | | |
| **Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A** | R0690 | 2 | | | | |

| | | C0060 |
|---|---|---|
| **Reconciliation reserve** | | |
| Excess of assets over liabilities | R0700 | 5,438,886,485 |
| Own shares (held directly and indirectly) | R0710 | |
| Foreseeable dividends, distributions and charges | R0720 | 19,000,000 |
| Other basic own fund items | R0730 | 60,000,000 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Other non available own funds | R0750 | |
| **Reconciliation reserve** | R0760 | 5,359,886,485 |
| **Expected profits** | | |
| Expected profits included in future premiums (EPIFP) - Life business | R0770 | (3,662,875) |
| Expected profits included in future premiums (EPIFP) - Non-Life business | R0780 | (332,232,450) |
| **Total Expected profits included in future premiums (EPIFP)** | R0790 | (335,895,325) |

SCR

| | |
|---|---|
| Capital requirements of other financial sectors | |

BS-Annual Group

| | |
|---|---|
| Excess of assets over liabilities | 5,438,886,485 |

BS-Quarterly Group/ Day 1 Group

| | |
|---|---|
| Excess of assets over liabilities | 5,438,886,485 |

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# 8 S.25.01.04: Solvency Capital Requirement – for Group on Standard Formula

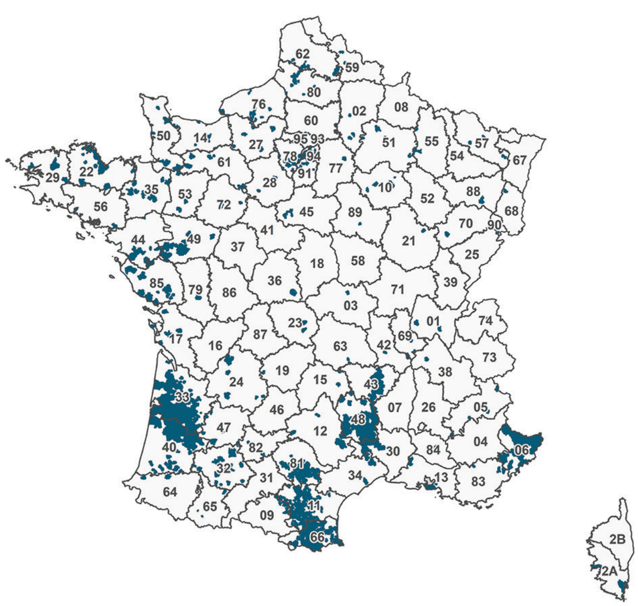
| | | |
|---|---|---|
| Article 112* | Z0010 | 2 |

*1 - Article 112 (7) reporting (output: x1)
2 - Regular reporting (output: x0)

## BASIC SOLVENCY CAPITAL REQUIREMENT

| | | Net solvency capital requirement | Gross solvency capital requirement | Allocation from adjustments due to RFF and Matching adjustments portfolios |
|---|---|---|---|---|
| | | C0030 | C0040 | C0050 |
| Market risk | R0010 | 954,225,259 | 954,225,259 | |
| Counterparty default risk | R0020 | 110,429,037 | 110,429,037 | |
| Life underwriting risk | R0030 | 47,927,575 | 47,927,575 | |
| Health underwriting risk | R0040 | 65,639,149 | 65,639,149 | |
| Non-Life underwriting risk | R0050 | 3,409,497,588 | 3,409,497,588 | |
| Diversification | R0060 | (757,319,625) | (757,319,625) | |
| Intangible asset risk | R0070 | 0 | 0 | |
| **Basic Solvency Capital Requirement** | **R0100** | **3,830,398,982** | **3,830,398,982** | |

## Recognition of Nat Cat in Mainland France (as at January 26, 2021)




6

## 9 S.32.01.04: Undertakings in the scope of the Group

| | | | | | | | Ranking criteria (in the group currency) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Identification code of the undertaking MANDATORY | Country | Legal Name of the undertaking | Type of undertaking | Legal form | Category (mutual/non mutual) | Supervisory Authority | Total Balance Sheet (for (re)insurance undertakings) | Total Balance Sheet (for other regulated undertakings) | Total Balance Sheet (non-regulated undertakings) | Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings | Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies | Underwriting performance | Investment performance | Total performance | Accounting standard |
| C0020 | C0010 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 | C0170 |
| LEI/969500OWZSKPHFETVI96 | FR | CCR RE | 3 | SA | 2 | ACPR | 3,066,444,056 | | | 612,155,096 | 649,321,128 | 15,122,314 | 47,098,921 | 18,386,111 | 2 |
| LEI/969500215GH3JAORAV11 | FR | CCR | 3 | SA | 2 | ACPR | 9,119,525,993 | | | 1,102,432,301 | 1,215,184,683 | 51,848,492 | 89,990,548 | 60,643,877 | 2 |

| | Criteria of influence | | | | | | Inclusion in the scope of Group supervision | | Group solvency calculation |
|---|---|---|---|---|---|---|---|---|---|
| Identification code of the undertaking MANDATORY | % capital share | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | Yes/No | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking |
| C0020 | C0180 | C0190 | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 |
| LEI/969500OWZSKPHFETVI96 | 1 | 1 | 1 | | 2 | 1 | 1 | | 5 |
| LEI/969500215GH3JAORAV11 | 1 | 1 | 1 | | 2 | 1 | 1 | | 5 |


GROUPE
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