
# SOLVENCY AND FINANCIAL CONDITION REPORT (SFCR)

## DECEMBER 31, 2022

# EXECUTIVE SUMMARY

This narrative report intended for public disclosure 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*). This report was validated by executive management and subsequently approved by the Board of Directors of CCR Re before being submitted to the ACPR.

In accordance with Solvency II regulatory requirements, this report summarizes information about CCR Re's reinsurance business in 2022 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, 2022 and are expressed in euros.

This report may refer to additional information available on the CCR Group's website, https://www.ccr.fr/en/.

The Solvency and Financial Condition Report (SFCR) comprises the following chapters:
- Presentation, business and performance
- Governance system
- Risk profile
- Valuation of assets and liabilities
- Capital management

The additional disclosures required by Solvency II, as presented using the quantitative reporting templates (QRTs), are provided in the Appendices.

CCR Re, a CCR Group company, is a multi-specialist reinsurer with operations worldwide. Its services cover all main classes of insurance – Life, Non-Life and Specialty lines – and over 90 countries.

CCR Re has a highly centralized business model. While rare in the reinsurance industry, this type of model is remarkably efficient. The Company's operations throughout the world are run from its headquarters in France, supported by branches in Canada and Malaysia (Labuan) and a representative office in Lebanon.

CCR Re holds the entire share capital of Caisrelux, a reinsurance captive based in Luxembourg. It also owns real estate subsidiaries Rochefort 25, Pompe 179 and Civry 22 (French joint stock companies [*sociétés par actions simplifiées*]), which each own a building.

For the purposes of regulatory reporting under Solvency II, CCR Re uses the standard formula. Its solvency coverage ratio stood at 205.1% at end-2022, based on €1,291 million in regulatory own funds and an SCR of €630 million. This ratio was in the optimal 180%-220% range defined by the undertaking's risk appetite framework. In 2020, CCR Re raised €300 million in subordinated debt on the financial markets, qualified as Tier 2 capital. Since then, there have been no significant changes in the undertaking's own funds (on a pro forma basis), which continued to increase.

CCR Re's gross written premiums came to €987 million in 2022, up by 17% on the previous year both including and excluding the currency effect. The business mix is as follows:


EBITER (Earnings Before Interest, Taxes and Equalization Reserve) was up slightly to €64 million from €62 million in 2021. CCR Re's net income was also up slightly on 2021, to €42 million.

| (in millions of euros) | 2021 | 2022 |
|---|---|---|
| Gross written premiums | 843 | 987 |
| Year-on-year change (%) | +30% | +17% |
| Cost ratio | 4.3% | 4.1% |
| Life reinsurance margin | 3.1% | 3.6% |
| Non-Life combined ratio | 96.6% | 98.7% |
| Return on invested assets | 1.9% | 2.3% |
| EBITER | 62 | 64 |
| Net income | 41 | 42 |
| SOLVENCY COVERAGE RATIO | 192.5% | 205.1% |

CCR Re ended 2022 slightly ahead of the objectives set out in its Streamline strategic plan continues to pursue its strategy to drive growth in gross written premiums.

CCR Re has a transparent governance system based around:
- an administrative body and committee (the Audit, Accounts & Risks Committee);
- an executive body comprising the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, who are the persons effectively running the undertaking (*dirigeants effectifs*).

It also has four key functions as defined by Solvency II.

In 2022, CCR Re continued to improve its operational risk management system with respect to data security and quality.

The CCR Group was the victim of a cyber attack and a new information system was built prioritizing security. The security of physical access to premises was also tightened.

With regard to data quality risk, a data governance system has been defined and is currently being implemented to monitor the quality of the data used and their audit trail. A data governance policy was defined in November 2022 and a data catalog has been created.

These efforts will also help improve data security risks and GDPR non-compliance risk.

Work continued to ensure that climate risks are managed appropriately, given their growing severity at global level. This work is an integral part of the ORSA process, as is the management of cyber risk.

These risks are managed by CCR Re using analyses, underwriting and ORSA processes, and through risk mitigation tools such as outward reinsurance. The main processes used to manage these risks are:
- adoption of an overall risk budget and a natural disaster sub-budget by the Board of Directors;
- construction of a portfolio from a strict risk/reward perspective and according to a specific decision-making process;
- verification and validation of strict underwriting rules;
- use of reports prepared by the key functions to adjust risk profiles, especially those of the Actuarial and Risk Management functions, and use of any Risks Division analyses to support decisions to increase outward reinsurance or other measures.

As CCR Re is assessed under the standard formula, an analysis of adequacy (particularly as regards reserve risk and natural disaster risk) is carried out on a regular basis.

# SIGNIFICANT EVENTS OF THE YEAR

## Cyber attack

CCR Re was the victim of a cyber attack on July 4, 2022. The Company responded immediately by placing a protective wall around the information system, cutting off all incoming and outgoing data flows, setting up a crisis unit and mobilizing teams of experts to assist with managing and investigating the attack and rebuilding the system.

However, at no time was business interrupted as a result of the cyber attack. In line with the business continuity plan, the system operated in downgraded mode and data processing rates were slower. Following the attack, the decision was made to rebuild the system.

At the end of 2022, CCR Re's IT security was significantly upgraded and its full operating capabilities were restored.

## Inflationary environment

The post-Covid economic recovery, fiscal stimulus measures and the war in Ukraine combined to drive inflation to levels not seen in Western economies for 30 years. CCR Re responded by adjusting its policies immediately, at the beginning of 2022.

## War in Ukraine

CCR Re has no direct exposure to Ukraine or Russia in its reinsurance portfolio and its indirect exposure in specialty lines is limited. The Company has no direct exposure in its asset portfolio and does not hold any assets in rubles or hryvnia.

## ICISA

CCR Re became a member of the ICISA (International Credit Insurance & Surety Association).

## 157 Re

The 157 Re sidecar was renewed with the addition of a fourth compartment (157 Re 22) offering increased capacity compared to the previous year. More than ever, the sidecar represents an agile way of using capital provided by outside investors to fund CCR Re's development.

# CONTENTS

1

# PRESENTATION, BUSINESS AND PERFORMANCE

# PRESENTATION, BUSINESS AND PERFORMANCE

In accordance with Article L.355-1 of the French Insurance Code (*Code des assurances*), reinsurance undertakings must regularly provide the ACPR with the information it needs to exercise the requisite supervision. This information is set out in two separate reports along with the quantitative reports referred to in Article L.355-1 of the French Insurance Code.

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

The Board of Directors approves this narrative report in accordance with Article R.355-1 of the French Insurance Code.

## 1 PRESENTATION



### 1.1 Name and legal form

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

Pursuant to Article L.321-1-1 of the French Insurance Code, CCR Re is a licensed reinsurer in the Non-Life and Life segments referred to in Article R.321-5-1 of the French Insurance Code, following ACPR ruling no. 2016-C-46 of September 16, 2016 published in the Official Journal of the French Republic (JORF) no. 0262 of November 10, 2016.

At December 31, 2022, CCR Re had 127 employees.

### 1.2 Business

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

It was created through the December 31, 2016 contribution of CCR's complete and autonomous open market reinsurance business, including all in-force reinsurance treaties and outstanding claims, to CCR Re.

Since January 1, 2017, CCR Re has been developing this business in France and internationally in over 90 countries, across all Property & Casualty, Life, Death/Disability & Health reinsurance segments. CCE Re's operations throughout the world are run from its headquarters in France.

### 1.3 Branches and representative office

CCR Re operates as a branch in Canada and Malaysia (Labuan) and has a representative office in Lebanon.

### 1.4 Subsidiaries and affiliates

CCR Re holds the entire share capital of Caisrelux, a reinsurance captive incorporated in Luxembourg.

CCR Re also owns real estate subsidiaries Rochefort 25, Pompe 179 and Civry 22 (French joint stock companies [*sociétés par actions simplifiées*]), which each own a building.

### 1.5 Supervisory authority and statutory auditors

The supervisory authority providing financial supervision of CCR Re is:

**Autorité de Contrôle Prudentiel et de Résolution (ACPR)**
Secteur Assurance
4 Place de Budapest
75436 Paris Cedex 09 (France)
Direction du Contrôle 1, Brigade 4

The statutory auditors responsible for auditing CCR Re's financial statements are:

**DELOITTE & ASSOCIÉS**
Statutory auditor
6 Place de la Pyramide
92800 Puteaux (France)

and

**MAZARS**
Statutory auditor
61, rue Henri Regnault
92400 Courbevoie (France)

They are joint statutory auditors responsible for auditing CCR's and CCR Re's individual financial statements as well as the consolidated financial statements. The audit work is split evenly between the two Statutory Auditors.

### 1.6 Assessment of CCR Re's solvency standing and executive summary

For the purposes of regulatory reporting under Solvency II, CCR Re uses the standard formula for all of its businesses.

In accordance with CCR Re's strategy, its risk profile did not significantly evolve in 2022 and reflects its exposure to the risks described in further on in this report arising on its traditional open market reinsurance and asset management business activities.

The solvency coverage ratio stood at 205.1% at December 31, 2022 based on €1,291 million in Solvency II own funds, all eligible for inclusion in the SCR, which amounts to €630 million. This ratio was in the optimal 180%-220% range defined by the undertaking's risk appetite framework. In 2020, CCR Re raised €300 million in subordinated debt on the financial markets, qualified as Tier 2 capital. Since then, there have been no significant changes in the Company's own funds (on a pro forma basis), which have continued to increase.

## 2 BUSINESS AND PERFORMANCE

All of the information presented in this section complies with Regulation ANC 2015-11 concerning the statutory financial statements of insurance undertakings, issued by the French accounting standards-setter (*Autorité des Normes Comptables* – ANC) on November 26, 2015.

(Extracted from the CCR Re management report for the year ended December 31, 2022.)

### 2.1 Business environment

2022 was a watershed year for the reinsurance sector.
After a series of technically weak or unprofitable years for reinsurers, the year was marked by three major events:

- the war in Ukraine, which had both direct and indirect effects on the reinsurance sector;
- the end of the low interest rate environment and a widespread surge in inflation;
- Hurricane Ian in the United States.

The year also saw a succession of moderately significant events, including hail storms in France, Typhoon Hinnamor in South Korea and flooding in South Africa.

The year's natural disasters had only a very limited impact on CCR Re.

The Company:

- has no direct exposure in Russia or Ukraine, and very few indirect exposures in the transport, aviation, and credit sectors;
- did not incur any direct losses from Hurricane Ian in North America (and indirect losses – arising from a retrocession program – were very low).

The impact of this difficult year was a significant decrease in Non-Life reinsurance capacity available for the January 2023 treaty renewal campaign. Many reinsurers scaled back their natural disaster commitments.

Strictly speaking, the market did not tighten over the course of 2022 (there was no evidence of a significant rate increase across all markets, all countries or all reinsurance classes) but the first signs of a turnaround nonetheless started to emerge.

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CCR Re successfully strengthened its presence:
- in new markets in Asia;
- in Latin America;
- in Europe.

CCR Re's 2022 earnings confirmed the relevance and justified prudence of its long-standing underwriting policy, including the policy of not reinsuring any risks in the United States. Despite a difficult year in terms of claims experience, the Company's earnings remained strong and much better than those of many of its competitors.

The underwriting policy continued to be scrupulously applied, by maintaining a diversified business base in terms of geographies and reinsurance classes, and preserving portfolio consistency. Priority was given to the profitability of each individual contract, with no contracts written on unfavorable terms.

Results in the Life sector were adversely affected by the tail end of Covid claims, particularly in the Middle East and Latin America; however, the impact for CCR Re was limited. With the market having finally demonstrated its resilience to the pandemic in many countries, reinsurance rates remained generally stable.



In this environment, CCR Re strengthened its positions in all markets, delivering growth in line with the business plan objectives thanks to its diversified product offer and geographic presence. In France, Latin America, Israel and some Middle Eastern countries, the Company benefited from growing demand for natural disaster reinsurance capacity and services. Its support in the area of natural disaster risks was welcomed by clients and, in many cases, paved the way for a broader client relationship covering other Life, Non-Life or Specialty products.

## 2.2 Financial environment

The financial environment in 2022 was particularly challenging for investors, with soaring inflation and its consequences eroding the value of all asset classes. The economic growth observed in 2021 made sense as markets re-opened post Covid; however, last year's surge in inflation took the central banks and investors by surprise. During the year, investors kept their eyes on actual and expected trends in the monetary policies of the main central banks. At the same time, the scope for fiscal support measures in the post-Covid economic environment was increasingly limited due to the large amounts of government debt to be refinanced at significantly higher interest rates. All told, 2022 saw a complete reversal of the previous year's expansionary fiscal policies and loose monetary policies.

In 2022, the developed countries' stock markets performed very well in both Europe and the United States. Growth stocks such as US technology stocks were particularly affected by the higher interest rate environment. The more resilient performance by the European stock markets reflected the positive impact of luxury goods stocks and the markets' lower exposure to growth stocks.

The bond markets were severely affected by the interest rate hikes decided by the central banks in a bid to bring inflation back under control.

In the bond market, average credit risk premiums on investment grade bonds rose sharply in the first three quarters of 2022,

In a year of rapidly falling asset prices, from the beginning of the year onwards CCR Re adopted a prudent approach to determining its stock market exposures. After a three-year period of stability in the overall asset allocation, the protection fund was deployed leading to an average net exposure over the year of 20%. Deployment of this fund ensured that asset portfolios were well protected against falling stock market prices in 2022.

The fixed income and diversified fund portfolios were adversely affected by sharply higher bond yields, increased credit risk premiums and a decline in the value of higher risk assets. However, for several years, their duration had been kept at a manageable level of around four years and their average credit quality had remained high. CCR Re did not attempt to boost portfolio returns by accepting higher interest rate or credit risks in a zero interest rate environment. Then, when interest rates started to rise, it sold bonds held in the portfolios and reinvested the proceeds in short-dated bonds in intermediate maturity bands, in order to raise the portfolios' average yield to maturity.

Concerning asset allocation, the portfolio of infrastructure assets was expanded through major investment commitments made in late 2021 and early 2022. This proved to be a good strategy, since infrastructure assets were among the only asset classes, along with real estate, to deliver positive performances in 2022. The focus on this asset class was the most significant change in asset allocation in the last three years.

## 2.3 Significant events of the year

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## 2.4 Post balance sheet events

### Partial disposal of CCR Re

On February 8, 2023, CCR announced that it had entered into exclusive negotiations with the consortium made up of SMABTP and MACSF with a view to ceding control of CCR Re and increasing its capital by €200 million.

Under the proposed transaction, CCR would initially dispose of approximately 70% of CCR Re's capital. The transaction would value CCR Re based on economic share equity, i.e., close to €1 billion before the capital increase. To support CCR Re's growth, the operation would be followed by a €200 million increase in its capital, fully financed by the consortium, which would thereby obtain a total stake of approximately 75%. CCR would remain in the capital as a minority partner with a stake of around 25% alongside the consortium, thus enabling it to assist in making CCR Re fully autonomous and implementing its ambitious project. CCR would also benefit from a put option and would grant a promise to sell its residual interest in 2026. SMABTP, as the majority shareholder, would take control of CCR Re.

### Earthquake in Turkey

The earthquake that occurred on February 6, 2023 was extreme in terms of its magnitude (7.8 on the Richter scale) and devastating in terms of its impact on the country's macroeconomic environment and the consequences of many buildings failing to comply with seismic building codes. The available impact models are incapable of capturing the losses associated with this event and the market has decided that they do not represent a suitable basis for cost estimates.

CCR Re has based its approach on (i) the information reported by ceding insurers and brokers, along with feedback from individual ceding insurers and brokers, and (ii) exposures at the administrative level of the province multiplied by exposure rates within each province, taking into account the earthquake risk, the population density and the estimated PML[1] for treaties with reported claims.

CCR Re currently estimates that its exposure amounts to between €15 million and €30 million after retrocessions and before taxes.



1 PML: acronym for probable maximum loss.

## Sale of a building

There are no particular post balance sheet events to report in terms of financial investments. The main central banks continue to tighten monetary policy as they had begun to do in 2022. Stock markets in Western countries were particularly buoyant in January 2023, but the economic slowdown could be seen more clearly. Yields trended downward in anticipation of this slowdown, with inverted yield curves in both Europe and the United States.

The sale of the residential building located at 179 rue de la Pompe, Paris 16, held by SAS Pompe 179, was completed in January 2023, resulting in the recognition of substantial capital gains in the 2023 financial statements. For Solvency II purposes, this transaction gave rise to an income tax expense, which has been taken into account.

# 2.5 Financial review

## Written premiums

Gross written premiums for the year amounted to €987 million for CCR Re, up 17% as reported and at constant exchange rates[2].

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Premium income breaks down as follows:

- Non-Life written premiums totaled €653 million, up 20% as reported, and accounted for 66% of total premiums. The €108 million increase versus 2021 corresponded for the most part to new business written in Europe and Asia and the increase in premiums written by ceding insurers.
- Life written premiums amounted to €334 million, up 12% as reported, and represented 34% of total premiums. The €36 million increase versus 2021 corresponded mainly to new business written in the Middle East, France and Asia.

## Ceded premiums

Ceded earned premiums stood at €72.1 million (2021: €52.2 million), including €17.1 million in fronted premiums (2021: €5.4 million) and €39.7 million in natural disaster premiums (2021: €34.0 million).

The increase in ceded property damage premiums reflected growth in the inward reinsurance book, the €20 million worth of additional storm risk cover written in Europe, expansion of the sidecar, and higher ceding rates.

## Non-Life combined ratio and Life technical margin

### Non-Life reinsurance business

The Non-Life combined ratio was 98.7% in 2022 versus 96.6% the previous year, breaking down as:

- a loss ratio[3] of 69.1% (2021: 66.5%);
  - Attritional losses represented 51.1 points of the loss ratio versus 52.9 points in 2021.
  - Natural disaster losses after reinsurance represented €35 million (versus €43 million in 2021). These losses contributed 6.3 points to the loss ratio (2021: 9.2 points). Losses from the hail storms in France and from storm Eunice in England, France and Germany, represented a total of €39.6 million before reinsurance (€21.8 million after reinsurance).
  - Major man-made disaster claims represented losses of €34 million before and after reinsurance (2021: €15 million after reinsurance, including Covid-19) and contributed 6.0 points to the loss ratio (2021: 4.4 points). For CCR Re, the two major sources of claims were the war in Ukraine and the bankruptcy of Maisons Phénix (Geoxia group).
  - The higher cost of claims (claims incurred in 2022 and prior years) contributed 5.6 points to the loss ratio.
- an expense ratio[4] of 29.6% (2021: 30.1%).

### Life reinsurance business

The Life reinsurance business's technical margin[5] declined to 3.6% in 2022 from 3.1% the previous year.

The Life technical margin was eroded by inflation, with the reserve of close to €4 million set aside at December 31, 2022 shaving 1.2 points from the margin rate. The rate was nevertheless higher than in 2021, due to the reduced excess losses generated by the Covid-19 pandemic, at €3 million in 2022 (1.2-point reduction in the Life margin rate), versus €8 million in 2021 (3.2-point reduction).

2 Changes at constant exchange rates correspond to the difference between 2021 premiums converted at the December 31, 2021 exchange rate and 2022 premiums converted at the December 31, 2021 exchange rate.

3 The loss ratio corresponds to incurred present and past losses (paid or covered by outstanding claims reserves, net of reinsurance) plus claims management expenses divided by earned premiums net of reinsurance.

4 The expense ratio corresponds to commissions and internal management expenses, excluding claims management expenses, divided by earned premiums net of reinsurance.

5 The Life technical margin corresponds to the ratio between (a) the sum of the technical result and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business. These items are determined before taking into account expenses analyzed by function and investment income allocated to the Life technical account.

## Management expenses

Management expenses (not including investment management expenses which are reported under investment expenses) amounted to €42 million (versus €38 million in 2021), representing a cost ratio[6] of 4.1% in 2022, versus 4.3% in 2021 and 4.9% in 2020.

## Net investment income

Net investment income amounted to €47 million (versus €36 million in 2021), comprising:

- investment revenue of €38 million, up €10 million compared to 2021, reflecting the positive impact of higher interest rates on interest from fixed income assets (bonds, debt funds);
- interest expense on subordinated debt for €13 million, stable versus 2021; and
- net realized capital gains of €13 million and non-recurring income of €9 million. The €8 million decrease in net realized capital gains compared to 2021 was offset by non-recurring investment income.

In 2022, it was not necessary to set aside a provision for the risk of default or a provision for other-than-temporary impairment (OTTI) due to changes in financial market conditions.

CCR Re's return on invested assets[7] was 2.3% in 2022, compared to 1.9% in 2021. The improved return was attributable to the growth in investment revenue.

## Management of financial and real estate investments

### Investment strategy in the context of spiraling inflation

We maintained a cautious approach to our stock market exposure in this rather uncertain environment. Our net exposure to equities averaged 20% in 2022, which helped protect our portfolios amid the downturn in the equity markets during the year.

Interest rates rose sharply in 2022. France's ten-year OAT rate soared, from 0.23% to 3.11% at the end of the year. Interest rate pressure against a backdrop of spiraling inflation led to a sharp decline in the value of bond portfolios. All asset classes fell sharply in 2022, with the exception of physical assets.

In this regard, we were active in the bond markets, trading off portfolios to capture value on the curve before it reversed at the beginning of 2023. We also took advantage of the political crisis in the UK to increase the portfolio's exposure to the British pound. And we benefited from premiums on corporate bonds with intermediate maturities (five to seven years on average) in the primary market, by selling equivalent securities with short maturities.

In **real estate**, the unprecedented, challenging market conditions caused by the interest rate hike stalled transactions. Although purchases and sales slowed sharply in the second half of the year, with a 54% drop in transaction volumes in the fourth quarter compared with the same period in 2021, the rental market continued to perform well for prime properties, allowing CCR to benefit from an inflation-linked rise in rents. CCR Re continued to be very active in the real estate market. Occupancy rates remained high in our residential properties and office leases were rolled over at higher rents. A refurbishment program was carried out to improve the real estate portfolio's energy performance.

### Investment portfolio breakdown

**Reinsurance investments**[8] had a net book value of €2,832.0 million at December 31, 2022, an increase of €238.7 million (up 9.2%) from €2,593.3 million at the previous year-end. The portfolio's market value was €3,038.7 million, an increase of €14.5 million (up 0.5%) from €3,024.2 million at December 31, 2021.

- The market value of investments in **money market instruments** increased by 4.4% over the year to €217 million, representing 7.1% of the total portfolio at market value.

- **Fixed income instruments** declined by 6.9% to €1,208 million, representing 39.8% of the total portfolio at market value. The portfolio comprises bonds for 55% and bond funds for 45%. The increase in interest rates in 2022 had the effect of reducing the portfolio's market value by approximately €150 million. At December 31, 2022, 85% of the **bonds in the portfolio** were rated A or higher.

- Investments in **debt funds** amounted to €92 million at market value, representing 3.0% of the total portfolio (unchanged from 2021).

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6 Management expenses net of CVAE and C3S taxes as a percentage of written premiums before reinsurance.
7 Ratio of net investment income to reinsurance investments, excluding the investment in the Luxembourg subsidiary, interest on subordinated debt, ceding insurer deposits and owner-occupied property.
8 CCR Re's financial and real estate investments, including cash. In this section, the investment portfolio at December 31, 2021 has been remeasured at December 31, 2022 prices.

- Investments in **physical assets** stood at €462 million at market value, an increase of 0.9% compared with end-2022. They represented 15.2% of total reinsurance investments versus 15.1% at December 31, 2021. The portfolio comprises office and residential properties in central Paris. Residential properties were resilient and the office properties were all fully let as of December 31, 2022.

- The market value of investments in **equities and diversified funds** (16.3% of total reinsurance investments) fell by 8.8% over the year to €495 million at December 31, 2022. This asset class held up well in last year's declining stock markets, thanks to its dedicated protection. The main investments are equity funds (38%), diversified funds (27%) and hybrid securities (18%).

- Investments in **participating interests** were €3.8 million higher in market value compared to December 31, 2021. This relates to subsidiary Caisrelux, the value of which was revised downwards by €4.7 million as a result of claims recorded in 2022. In addition, CCR Re granted an €8.5 million loan to the subsidiary during the year.

- **Deposits** with ceding companies represented €549 million (18.1% of the portfolio) at December 31, 2022. The €145 million increase compared to the previous year-end was consistent with business growth over the year.

At December 31, 2022, **financial investments meeting environmental, social and governance (ESG)** criteria stood at €859.2 million at market value (28.2% of total reinsurance investments).

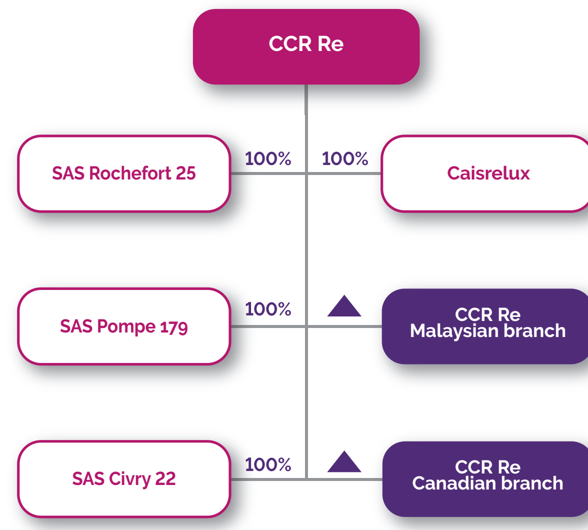
## EBITER[9]

The items discussed above drove an increase in EBITER to €64 million from €62 million in 2021.

## Net income for the year

CCR Re's net income for the year amounted to €42.0 million (2021: €41.0 million), breaking down as follows:
- EBITER for €64 million (2021: €62 million);
- less the €5 million charge to the equalization reserve (2021: plus the net reversal of €7 million). The tax-deductible transfer to the reserve will help to offset exceptional future costs on certain classes of reinsurance business, strengthening CCR Re's financial position by limiting earnings volatility;
- less cost of debt for €13 million (unchanged from 2021);
- plus net non-recurring income of €0.1 million (2021: less net non-recurring expense of €3 million);
- less income tax expense of €5 million (2021: €11 million), representing an effective tax rate of 10% that reflects the decline in unrealized gains on UCITS which have a direct impact on taxable income.

## Subsidiaries and affiliates




As shown in the chart below, part of the real estate investment portfolio is managed through three simplified joint stock corporations with combined equity of €46.7 million at December 31, 2022. The three companies contributed €6.7 million to CCR Re's investment revenue for the year.

CCR Re also has a reinsurance subsidiary in Luxembourg, Caisrelux. This company had share capital of €6.2 million at December 31, 2022, unchanged from the previous year-end. Caisrelux operates exclusively as a captive reinsurance company.

# 2.6 2023 outlook

## Business development

In 2022, conditions in the reinsurance market tightened for the first time since 2001. The effect of this change was very favorable for CCR Re:
- Premium bases rose significantly, more or less across the board and for all classes of business.

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

- Reinsurance rates increased considerably in all markets except for the Middle East region and the Life market:
  - for non-proportional treaties, increases averaged +10% to 15% across all geographic regions, with additional rate hikes applied based on the individual characteristics of each ceding insurer;
  - for proportional treaties, commission rates decreased by 1 or 2 points depending on the region and the historical client relationship.
- In response to the tighter market conditions, ceding insurers tried to react by making almost systematic changes to the structure of their programs to keep their budgets in check.
- Some programs have not been placed (XS Aggregate), while others have probably not been placed in full.
- In addition, the contractual de-risking process continued, with the adjustment of certain clauses (natural disaster cover under named perils insurance, exclusion of hail damage, recalibrated stability clauses, higher surrender clause rates in auto insurance, etc.).

For everyone across the market, the treaty renewal exercise was difficult from a commercial standpoint. CCR Re emerged as a company providing increased natural disaster reinsurance capacity (in nominal terms) and offering increased shares, with popular cross-business offers (Life, Non-Life and Specialty) covering the full range of clients' needs under their programs.

Therefore, for CCR Re, the January renewal exercise was a great success:

- A number of opportunities were taken up.
- The underwriting strategy was scrupulously applied (diversified natural disaster exposures in 98 countries, balanced growth in risks, better-than-expected portfolio optimization, particularly for auto quota-share treaties in Israel, and termination of some large loss-making accounts).
- CCR Re's image was preserved and even improved by its demonstration of loyalty towards clients.

In 2023, CCR Re is pursuing its strategy to drive growth in gross written premiums.

## Financial outlook

Energy-related issues are unlikely to be a major drag on growth in 2023. European gas prices rose to a historic high in the summer but the trend then reversed completely, to everyone's surprise, and the price ended the year lower than at the start of the war in Ukraine. Several factors explain the current price, including the warm winter, the economic slowdown and reduced consumption. While it may not be possible to completely avoid a recession in Europe, it will probably be less severe than was expected last summer.

In China, the economy is expected to rebound in the coming months following radical moves to lift almost all Covid-19 restrictions and the political decision to actively support the economy. In the United States, the situation is more uncertain, with the Federal Reserve still willing to introduce further interest rate hikes in the coming months and with economic activity staging a soft landing. However, the easing of inflationary pressures in Europe and the United States means it is more likely that the major central banks will consider relaxing their efforts to control the money supply.

A new confrontation is taking shape between the pessimism triggered by the global economic slowdown and the recent optimism reinforced by falling inflation and the reopening of the Chinese economy. The latest macroeconomic data suggest that the American and European economies will slip into recession in 2023, but at the same time, analysts expect 2023 to be another year of strong corporate earnings, even if the rates of growth are lower.

Higher risk assets have flourished since the start of 2023, a trend that seems to prove the analysts right. In the space of a few days, all the stock markets have moved into comfortably positive territory, contrasting with a pretty gloomy 2022. The fairly sharp decline in inflation on both sides of the Atlantic led to a roughly 50-basis point fall in European and American interest rates in the first half of January. The lower interest rates have driven up the present value of future corporate earnings, fueling an increase in share prices. However, the rate cuts are based on the expectation that inflation will decline due to an economic slowdown which, paradoxically, would lead to a fall in corporate earnings.

CCR Re has maintained a fairly cautious stance with regard to higher risk assets since the beginning of 2023 and believes that inflation will be more resilient than markets are anticipating at this stage. It also believes that the central banks will need to keep interest rates high throughout most of 2023 as core inflation, linked to wage pressures, will decline more slowly than overall inflation including energy prices. The lower interest rates provide a better reflection of the economic slowdown, through a flattening of the yield curve. With the French ten-year OAT rate standing at between 2.5% and 3.0%, CCR Re considers that the best strategy consists of investing in high quality bonds.

2

# GOVERNANCE SYSTEM

2

# GOVERNANCE SYSTEM

# GOVERNANCE SYSTEM

CCR Re has a transparent, structured governance system based around its administrative, management and supervisory bodies, including:

- a Board of Directors and a Board committee (the Audit, Accounts & Risks Committee);
- an executive body comprising the Chief Executive Officer and the Deputy Chief Executive Officer, who are the persons effectively running the undertaking (*dirigeants effectifs*);
- four key functions ensuring optimal conduct of its business.

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

### 1.1 Board of Directors

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

In accordance with Article L.225-51-1 of the French Commercial Code (*Code de commerce*) and Article 16 of the bylaws, at its meeting on June 29, 2016, the Board of Directors decided to combine the positions of Chairman of the Board of Directors and Chief Executive Officer. This arrangement was maintained when the Board was renewed on May 10, 2021.



#### Board Chairman and Chief Executive Officer

During the Board meeting on June 29, 2016, Bertrand Labilloy was appointed as Chairman and Chief Executive Officer for a period of five years expiring at the Ordinary Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2020, corresponding to his term as director. At the Annual Shareholders' Meeting on May 10, 2021, Bertrand Labilloy was re-elected as a director for a five-year term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025. At the meeting held immediately after the Shareholders' Meeting, the Board of Directors renewed Bertrand Labilloy's appointment as Chairman and Chief Executive Officer for the duration of his term as director.

On the recommendation of the Chairman and Chief Executive Officer, Laurent Montador was appointed Deputy Chief Executive Officer by the Board of Directors on June 29, 2016 for a period of six years. On the recommendation of the Chairman and Chief Executive Officer, on June 2, 2022, the Board of Directors renewed his appointment for a period of four years commencing at the Annual Shareholders' Meeting of June 23, 2022 called to approve the financial statements for the year ending December 31, 2025, and expiring at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025.

#### Composition of the Board of Directors

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

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

- Bertrand Labilloy, Chairman and Chief Executive Officer;
- Jacques Le Pape, Permanent Representative of CCR;
- Patrick Cerceau;
- Charles Lévi;
- Antoine Mantel;
- John Conan, director representing employees elected by employees pursuant to Article L.225-27 of the French Commercial Code.

The term of office of directors is five years.

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

The Board of Directors notably sets CCR Re's strategic, economic, financial and technological priorities.

In addition to 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 underwriting and investment strategy at least once a year;
- CCR Re's multi-year business plan;
- CCR Re's provisional annual budget and risk appetite;
- planned mergers, acquisitions and strategic partnerships;
- the outlines of the retrocession program;
- any illiquid or relatively illiquid financial or real estate investment of at least €40 million, in order to validate both the nature and the amount of the investment.

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.

### Solvency II policies adopted by the Board of Directors

The Board of Directors has adopted the following 16 policies:
- General risk management policy
- Public reinsurance underwriting policy
- Reserving policy
- Operational risk policy
- Outward reinsurance and risk mitigation policy
- Investment risk management policy
- Asset-liability management (ALM) policy
- Liquidity risk policy
- Outsourcing policy
- Internal control policy
- Internal audit policy
- Compliance policy
- Compensation policy
- Fit and proper policy
- Actuarial policy
- Policy concerning communications with the insurance supervisor

### Board of Directors' practices and procedures

#### Internal rules

The Board of Directors' internal rules set out its practices and procedures. The internal rules were updated in 2021 to include detailed provisions concerning the identification and management of conflicts of interest involving directors and corporate officers.

The appendix to the internal rules includes the internal rules applicable to the Board's Audit, Accounts & Risks 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

Board meetings are convened in writing and take place at CCR Re'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. The documentation for meetings of the Board and its committees is available exclusively in electronic form on a secure dedicated website.

## 1.2 Audit, Accounts & Risks Committee

An Audit, Accounts & Risks Committee was set up by the Board of Directors on January 23, 2017.

Four directors sit on the committee, including one employee representative director.

The Audit, Accounts & Risks Committee is chaired by Charles Levi. At least one member must have specific financial, accounting or statutory audit expertise and qualify as independent based on the criteria adopted by the Board. This member is Charles Levi.

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

It considers the Actuarial function's report and monitors implementation of legal and regulatory compliance procedures, especially Solvency II compliance, notably by examining the Compliance function's report.

It meets with the head of the Internal Audit function, reviews and approves the internal audit program, analyzes the internal auditors' main recommendations and their implementation.

It reviews the Regular Supervisory Report (RSR), the Solvency and Financial Condition Report (SFCR) and the written policies falling within the Committee's terms of reference.

It is also tasked with 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.

## 1.3 Executive body

### Executive management

The members of CCR Re's executive management are:

- Bertrand Labilloy, Chairman and Chief Executive Officer;
- Laurent Montador, Deputy Chief Executive Officer.

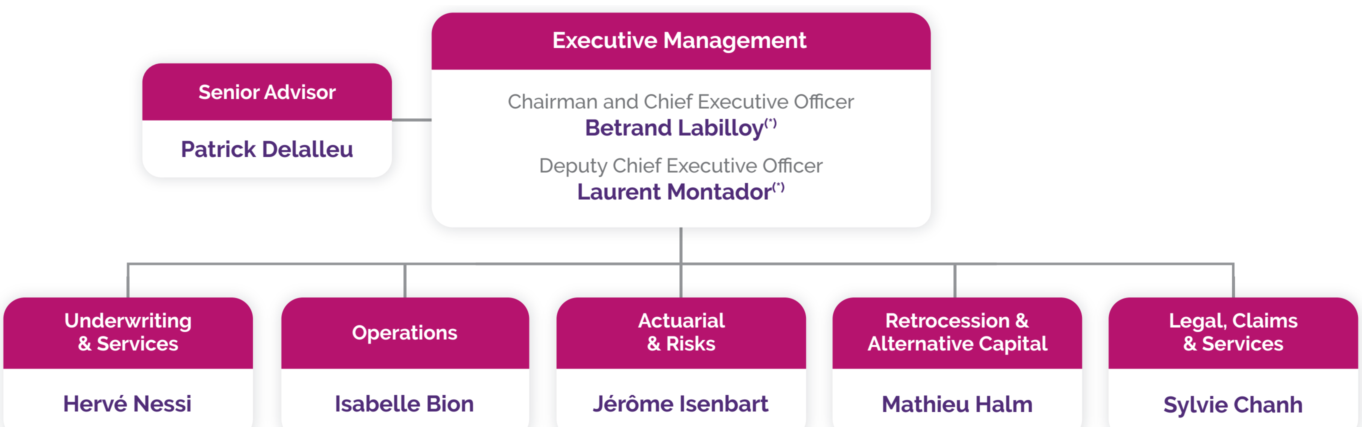
### Persons who effectively run CCR Re

Following their respective appointment by the Board of Directors as Chairman and Chief Executive Officer and Deputy Chief Executive Officer on May 10, 2021 and June 2, 2022, Bertrand Labilloy and Laurent Montador automatically qualify as the persons effectively running the undertaking (*dirigeants effectifs*), with the same scope of responsibility.

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

### Role of CCR Re's key internal divisions

*2022 organization*




**(*) Persons effectively running the undertaking**



In 2022, CCR Re was composed of five divisions. Their main responsibilities are specified below.

### Underwriting & Services Division

The Underwriting & Services Division is tasked with building a profitable portfolio of reinsurance treaties, focusing on insurers:

- that are committed to developing long-term partnerships with their reinsurers, and
- that view reinsurance as a service and therefore as a cost center,
- such that CCR Re can negotiate the terms and conditions of reinsurance cover from a position of strength.

The Division comprises eight Underwriting Departments.

It is also responsible for developing and leveraging its technical expertise with regard to a broad spectrum of risks.

The Division's main remit therefore includes analysis, the underwriting decision and the client relationship as a whole.

## Operations Division

This Division is responsible for CCR Re's operating activities. It is organized around two departments:

- The Reinsurance Accounting Department is responsible for checking the reinsurance accounts and receivables/payables accounts.
- The Management Department is responsible for the administrative management of reinsurance treaties and for assisting the Underwriting Division in performing technical and commercial analyses of the treaties.

## Actuarial & Risks Division

The role of the Actuarial & Risks Division is to coordinate the CCR Group's risk management system according to a pragmatic and continuous improvement principle, in line with the scale of the undertaking.

The Risks Division defines the risk management approach, ensures the undertaking's solvency (particularly the adequacy of its technical reserves), conducts actuarial research, identifies key risks and ensures that the CCR Group complies with the principles of Solvency II.

It promotes a risk culture across the organization and evaluates the internal control system to ensure that risks are managed appropriately.

Generally speaking, the Risks Division coordinates and helps manage the three pillars of Solvency II.

It is composed of four departments:

- The Risk Pricing & Natural Disaster Department is responsible for determining premium rates for new reinsurance treaties, performing technical analyses of in-force reinsurance business and modeling natural disaster exposures.
- The Risk Management & Internal Control Department is tasked with managing the risk management system, preparing internal control reports, overseeing the risk identification and measurement system, coordinating the regulatory reporting process and guaranteeing the quality of information systems security processes.
- The ALM & Reserving Department is responsible for Asset/Liability Management (ALM), as well as for calculating the undertaking's technical reserves and performing the analyses required for regulatory compliance purposes, such as for the application of pillar 1 of the Solvency II directive.
- The Actuarial Advisory Department is responsible for conducting cross-disciplinary actuarial studies and developing CCR Re's internal model.

The Division provides day-to-day oversight of risk management and value creation through risk management.

## Retrocession & Alternative Capital Division

This Division is responsible for:

- finding and placing appropriate reinsurance cover;
- structuring and placing of securitization solutions;
- assisting executive management with corporate actions;
- monitoring developments in the reinsurance market.

It consists of two departments: the Retrocession Department and the Alternative Capital Department.

## Legal, Claims & Services Department

This department is responsible for CCR Re's legal operations, claims management, technical studies and medical underwriting for increased Life insurance risks.

It is organized around five service departments:

- Claims Management;
- Medical Underwriting;
- Medical Advisory;
- Services and Studies;
- Contractual Legal Services.

# 1.4 Activities outsourced to CCR

To support its operations, in 2022, CCR Re outsourced to CCR certain support activities and the management of its financial and real estate assets.

The outsourced scope includes the following critical or key activities:

- financial and real estate asset management;
- information systems management;
- financial management activities (general ledger accounting, cash management and budget control);
- compliance activities;
- actuarial activities;
- internal audit activities.

## Outsourced financial and real estate asset management

Management of CCR Re's securities and real estate portfolios is outsourced to CCR's Investment Division. Management of the securities portfolio is part of an investment process comprising several different phases, as described below.

**Economic and financial analyses updated on a regular basis and designed to describe the overall environment in which investment decisions are approved.**

Key priorities in terms of economic growth, inflation, economic policy and debt are summarized. A multi-pronged analysis incorporating an assessment of the various asset classes and of the market environment, and technical factors such as inflows/outflows and investor behavior, helps to determine the potential profitability and risk associated with each asset category.

**A strategic asset allocation serves as the basic framework for managing assets.**

The strategic asset allocation is supervised by ALM teams and is part of the risk budget adopted by CCR Re's Board of Directors. It subsequently rolls down into a tactical asset allocation with a 12-24-month investment horizon and a much more detailed level of analysis for the assets concerned (asset classes and sub-classes). A decision is made whether to fully or partly hedge the portfolio risk at this stage. This asset allocation is regularly reviewed in light of liability-related constraints, risk tolerance and compliance with own fund requirements, taking into account the desired profitability and the risk associated with the different asset classes. In the bond and money market portfolios, the gap between the term of assets and that of liabilities is regularly tested to ensure that interest rate risk is managed appropriately. Similarly, currency risk resulting from a mismatch between assets and liabilities in a given foreign currency is actively managed. CCR Re seeks to have a sufficient level of liquidity at all times, in step with the characteristics and volatility of its technical liabilities.

**Financial and real estate investments are selected by the management teams in the Investment and Real Estate Departments.**

For directly-held bonds and money market instruments, investments must be on a list of approved investment grade issuers compiled by one of the main rating agencies (S&P, Moody's). Broad diversification of signature risk is sought in the portfolios.

For directly held real estate assets, each proposed acquisition or disposal is presented to the Investment Committee for approval. Proposed acquisitions concern real estate assets in prime locations that are of a high architectural quality.

Investments in equity, bond and real estate investment funds are made following a selection process that starts with an analysis of the strengths and weakness of the management companies concerned. The main criteria taken into account are the relevance of the strategy, the match between resources and objectives, the quality of risk management and procedures, and the ability to serve corporate customers. A specific analysis is then performed on the funds that may be chosen as an investment vehicle. Decisive factors when selecting funds include the volume of assets under management, the experience of the management team, the consistency of the management style, whether a clear definition of roles and responsibilities exists, the stability of the management team, the transparency of the management strategy and the alignment with investors' interests. Meetings are regularly organized with the managers of the funds held in the portfolio, and frequent telephone contact is maintained. A quantitative performance analysis (analysis of a fund's actual versus expected behavior in light of its profile, comparison of the fund against benchmark indices and against groups of similar funds set up internally) enables results to be verified and warnings to be issued where necessary.

**Various tools are used to send management reports and progress updates to CCR Re.**

A monthly asset allocation schedule shows the risk exposure of the portfolios under management based on a detailed asset typology. As appropriate, weekly or monthly performance calculations enable the results of management to be determined for the different investment horizons and asset scopes, in line with the desired level of detail. Reports are drawn up on the main financial risks (interest rate, currency, credit and real estate risks). A model is run simulating financial shocks on the portfolios, helping to calibrate the risk budgets. Lastly, one-off analyses focused on particular areas (particularly bond issuers, investment funds and exchange rates) are used to determine changes in risks and expected profitability. Investment committees discuss changes in the management of financial and real estate asset portfolios, the risk situation, the results obtained and the main economic and financial priorities. Specific briefings may be held at CCR Re's request on all aspects concerning financial asset management.

In addition to this investment process, CCR also provides services relating to energy and climate regulations, which consist of drafting the ESG-Climate report.

## Outsourced information systems management

CCR Re's information systems are outsourced to CCR's Information Systems Division.

**Presentation of CCR's Information Systems Division and the services performed for CCR Re**

CCR's Information Systems Division is responsible, within the scope of its budget and resources, for:

- providing all CCR Group information systems users, whether employee or third-party users, with the IT and communications tools (hardware, software and associated services) needed to carry out their duties on a daily basis under good availability, reliability and security conditions;
- maintaining these intangible assets, comprising the applications and the knowledge of those applications held by the undertaking and/or its partners in order to ensure continuity;
- supporting the growth of the undertaking and its businesses by upgrading existing information systems or developing new systems in line with the undertaking's strategic objectives and the needs of its businesses as defined in the relevant business plans;
- promoting the information and communications technologies likely to bring CCR Group competitive advantages and innovative leadership among executive management and the heads of the businesses.

The Information Systems Division is organized around four units:

- A PMO unit in charge of monitoring the Division's project portfolio as well as its processes and budgets.
- A Research unit tasked with managing the Company's applications, with teams dedicated to the reinsurance, open market reinsurance and support function information systems.
- A Digital Factory unit responsible for data life cycle management, developing AI-based applications and exploring innovative uses for our businesses.
- A Production unit responsible for infrastructure management, security and user support.

**Services provided by the Information Systems Division to CCR Re**

Making available all human and technical resources covering each component of CCR Re's information system:

- management of the server infrastructure and information systems (hardware, software) made available to CCR Re;
- management of network and telecoms infrastructure made available to CCR Re;
- management of software and software packages under development made available to CCR Re;
- research, implementation and production of IT solutions (ERP, Extranet sites, decision-making tools, etc.);
- maintenance and development of the applications used;
- project management support;
- definition of the IT security policy, implementation and risk supervision;
- CCR Re data back-up and archiving;
- preparation and maintenance of the IT back-up plan;
- management of IT purchases (hardware, software and intellectual services);
- CCR Re user support.

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## Outsourced financial activities

CCR's Finance Division carries out financial activities on behalf of CCR Re.

The services provided by CCR are:

### Accounts closing and analyses

- Preparing the Company's financial statements;
- Conducting quarterly and annual accounting reconciliations and verifications and producing the relevant schedules;
- Liaising with the statutory auditors;
- Preparing the Company's tax and social security returns;
- Preparing invoices for costs to be rebilled.

### Preparation of CCR Re's business plan

- Preparing the business plan in accordance with the strategic guidelines;
- Determining profitability and other performance indicators;
- Identifying cost items that can be reduced.

### Management control
- Monitoring and analyzing performance indicators;
- Defining general expense allocation keys and monitoring said expenses.

### Financial communications
- Preparing financial information.

### Regulatory reporting
- Coordinating the submission of the quarterly reports required under Solvency II;
- Coordinating the production and submission of reports to the ACPR, the European Central Bank, the Banque de France and all other supervisory authorities responsible for collecting financial data.

### Accounting and administrative management of CCR Re's financial assets
- Managing the accounting, tax and administrative aspects of investment portfolios;
- Carrying out back-office operations for all transactions carried out by the Investment division, including submitting and accounting for settlement-delivery orders;
- Managing securities;
- Confirming that technical liabilities are duly hedged;
- Preparing regulatory reports relating to financial assets.



### Cash management
- Managing the various payment methods;
- Recording any cash transactions in the accounting books;
- Ensuring that the cash at bank is sufficient to meet obligations (debt repayments and maintenance of a cash balance);
- Processing payouts and receipts on bank accounts in euros and foreign currencies; and performing bank reconciliations;
- Managing surplus cash and investments in short-term money market funds;
- Producing daily reports on bank account and short-term money market fund movements and other regulatory reports.

### Real estate subsidiary accounting management
- Managing the accounting for invoices related to general expenses, fixed assets (including depreciation and amortization) and general operations relating to the real estate subsidiaries' operating and investment activity;
- Carrying out accounting reconciliations and verifications and preparing tax and social security returns for the real estate subsidiaries.

### Taxation
- Processing pro rata VAT accounting adjustments, and preparing tax returns and tax credit applications;
- Calculating taxes and levies;
- Managing tax inspections.

## Outsourced Solvency II compliance activities

Since September 2019, Solvency II compliance activities have been outsourced to CCR.

**Aim:** to guarantee effective management of Solvency II compliance risks.

**Areas covered:**
- Anti-money laundering and terrorist financing (AML-TF) standards applicable to reinsurance companies;
- International financial and economic sanctions (restrictive measures);
- Standards applicable to CCR and the other Group entities concerning their licenses to write reinsurance and the conduct of their businesses;
- Standards concerning the governance of reinsurance undertakings, as laid down in the French Insurance Code (Book III, Title V, Chapter IV), including obligations concerning the outsourcing of operating functions or critical or important tasks;
- Standards concerning the protection of personal data and confidential health data.

**Responsibilities:**
- Identify CCR's obligations and assess compliance impacts;
- Inform the entities of legislative, regulatory and administrative changes, and the impact of these changes on their businesses;
- Identify and assess CCR's compliance risks and monitor changes in exposure levels, based notably on the compliance risk map;
- Prepare a compliance plan and the compliance report;
- Define compliance measures and monitor their implementation;
- Communicate the results of these activities in a relevant and diligent manner;
- Advise executive management and the Board of Directors on all legislative, regulatory and administrative compliance matters related to the undertakings' licenses to write reinsurance and the conduct of their businesses.

## Outsourced actuarial activities

Since September 2019, the activities of the Actuarial function defined in Solvency II have been outsourced to CCR.

**Aim:** to coordinate and define methodologies, oversee their proper application, check the results and, whenever necessary, recommend improvements in the areas defined in Solvency II.

**Outsourcing mainly relates to the following areas:**
- reserving;
- underwriting;
- outward reinsurance.

**Responsibilities:**
- coordinate the calculation of Solvency II technical reserves, ensure that appropriate methodologies, models and assumptions are used for the calculation of Solvency II technical reserves, assess the adequacy and quality of the data used to calculate the reserves, oversee the calculations in the cases referred to in Article R.351-13 of the French Insurance Code;
- compare best estimates to empirical observations;
- advise on the overall underwriting policy and the adequacy of reinsurance arrangements;
- contribute to implementing the risk management system, particularly the use of risk models for required capital calculations and internal risk and solvency assessments;
- inform the Board of Directors or the Supervisory Board of the reliability and adequacy of Solvency II technical reserve calculations.

## Outsourced internal audit activities

The activities of the Internal Audit function defined in Solvency II are outsourced to CCR.

**Aim:** to perform internal audits at CCR Re in order to provide the undertaking with an objective assessment of the effectiveness and efficiency of its risk management, internal control and governance processes.

**Responsibilities:**
- prepare, implement and maintain an internal audit plan describing the areas to be audited in the coming years, taking into account all of the undertaking's insurance or reinsurance activities and governance system;
- adopt a risk-based approach to setting priorities;
- inform the Board of Directors of the multi-year internal audit plan;
- issue recommendations based on the results of the audits and submit a written report to the Board of Directors at least once a year setting out the internal auditors' findings and recommendations;
- obtain assurances that the Board of Directors' decisions are implemented.

# 2 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 Re. In 2008, a head of ERM was appointed with responsibility for the overall coordination and management of risks. Today, a given person is in charge of each key function.

In 2022, they were as follows:

| | |
|---|---|
| **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

CCR Re's key function holders report directly to the Chairman and Chief Executive Officer and meet with him whenever deemed necessary. They may also meet with the Board of Directors as needed.

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

Each key function holder has formally agreed to perform this function for CCR, CCR Re and the 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 risks;
- ensuring that risk management procedures are in place;
- ensuring that complete and consistent reporting systems exist for the audited activity, primarily for material risks.

The Risk Management function also uses the work of the Actuarial function, notably in the following areas:

- asset-liability management;
- development of the economic capital model;
- monitoring of natural disaster risk exposure;
- analyses of the retrocession program.

The head of the Actuarial & Risks Division coordinates the Group Risks Committee ("CORI", see section 3.3) alongside the head of the Risk Management function.

### Function holder

In 2022, the Risk Management key function was held by the head of the Risk Management & Internal Control Department, placing the function at the center of the CCR Group. It is supported by a network of 23 Permanent Control Managers (PCMs) working in the various departments. As of December 31, 2022, CCR Re had eight PCMs.

## 2.3 Compliance function

The Compliance function holder, who reports directly to CCR Re's Chairman and Chief Executive Officer, is responsible for all compliance issues. The work of the Compliance function is based on the compliance risks identified in CCR Re's risk map.

The controls performed by the function are reviewed annually by the internal control teams to assess the level of control over compliance risks and help drive the process of continuous improvement.

### Function holder

Since September 13, 2019, the Compliance function has been held by CCR's General Counsel and Compliance Officer.

## 2.4 Internal Audit function

The holder of the Internal Audit function reports directly to CCR Re's Chairman and Chief Executive Officer and performs this function objectively and independently of all of CCR Re's other activities.

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

### Function holder

The Internal Audit function is held by the head of CCR's Internal Audit Department.

## 2.5 Actuarial function

The holder of the Actuarial function (the Chief Actuary) reports directly to CCR Re's Chief Executive Officer. The function's purpose is to express an opinion on:

- CCR Re's portfolio of reinsurance treaties;
- 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 Comex ensures that operations managers are duly informed of strategic objectives and rules.

## 3.2 CCR Re Operational Committee

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

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

This committee covers both CCR and CCR Re. Its role is to manage risks based around three main themes: Solvency II governance, risk management and compliance and procedures.

Its responsibilities include:

- 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.

The Group Risks Committee uses the work of the following operational committees in the areas of disaster, cyber and data protection (GDPR) risks. For ESG risks, it bases itself on the work of the ESG Committee described in section 3.8.

### Natural Disaster Committee

This committee is responsible for defining the methodology for assessing CCR Re's exposure to natural disaster risk. The Group Risks Committee is also tasked with monitoring cumulative natural disaster exposures.

### Security Committee

This committee is responsible for monitoring the implementation of information systems security in accordance with the workload plan validated by the Group Risks Committee.

Its responsibilities include:

- facilitating the implementation of the security strategy by monitoring the rollout of the security measures set out in the workload plan validated by the Group Risks Committee;

- proposing an information systems security policy to be approved by executive management;
- following up on major security alerts and recommending any additional measures that may be necessary;
- tracking the emerging new technologies monitored by the security manager and information systems security (RSSI) in order to continuously improve CCR's security measures.

### Data Protection Committee

This committee oversees compliance with data protection (GDPR) procedures.

Its responsibilities include:
- reviewing the Group's GDPR compliance system and recommending any measures needed to ensure operational compliance with this regulation;
- examining GDPR issues relating to all or some of the CCR Group's personal data processing operations;
- deciding the action to be taken to comply with new domestic or European data protection regulations, including France's CNIL guidance.



## 3.4 CCR Group Investment Committee

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

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

It is assisted by the following operational committees for the management of investment risks:

### ALM Committee

This committee defines asset-liability risk management policies, and approves annual strategic asset allocation targets as well as the financial hedging policy subject to compliance with the risk framework approved by the Board.

The ALM Committee bases its work on the research and results of ALM analyses provided by the Actuarial & Risks Division and relating to CCR. These analyses may be performed on a regular (operating reports, routine studies) or one-off (on request) basis.

### Tactical Asset Allocation Committee

This operational committee is responsible for implementing tactical asset allocation methods designed to achieve the target allocation decided by the ALM Committee.

### Investment Risk Committee

This operational committee monitors and approves the financial risk associated with investments, including credit risk on the portfolio of directly held bonds, concentration risk (control ratios), aggregate underlying securities positions (look-through analyses of funds), credit risk associated with underlying securities (held by investment funds) that have the lowest post-look-through ratings, counterparty risk, interest rate risk, etc.

## 3.5 CCR Re Underwriting Committee

The Underwriting Committee meets when treaties are up for renewal, to decide whether or not to accept level 3 and 4 risks, as described in the underwriting guidelines.

## 3.6 CCR Re Claims Committee

This committee is responsible for facilitating the flow of information between the Claims & Services Department 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 each department's major claims;
- discuss 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;
- draw up a ceding insurer/treaty watchlist.

## 3.7 CCR Re Reserving Committee

This committee conducts in-depth analyses of current reserve levels and fine-tunes estimates of ultimate reserves.

## 3.8 CCR Group ESG Committee

This committee is in charge of defining the ESG (environmental, social and governance) risk management strategy. It meets twice a year to discuss ESG issues and to ensure the strategy is duly implemented.

The ESG Committee is assisted by the SRI Committee (see below).

**SRI Committee**
This committee develops CCR's socially responsible investment policy, drafts regulatory ESG reports, determines the amounts to be invested in ESG assets and encourages asset managers to act as responsible shareholders.

Its responsibilities include:
- developing the socially responsible investment policy;
- designing regulatory ESG report templates and preparing the reports;
- proposing investment amounts by strategy and asset class (green bonds, climate funds, impact funds, green infrastructure assets, etc.);
- reviewing the results of portfolio risk analyses and scoring exercises, in order to manage the portfolios' transition trajectory;
- analyzing the ESG/climate questionnaires returned by the asset managers;
- actively encouraging asset management firms to act as responsible shareholders;
- providing feedback from meetings among the SRI community/ESG forums;
- monitoring changes in ESG regulations.

# 4 COMPENSATION POLICY AND PRACTICES

Since 2017, CCR Re has had a formal compensation policy covering all employees, management and directors. This policy was updated in 2020.



## 4.1 Compensation policy

In line with CCR Re'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 risk-taking remains consistent with CCR Re'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.

## 4.2 Compensation paid to corporate officers

### Chairman and Chief Executive Officer's compensation

Based on a recommendation of its Compensation, Appointments & Governance Committee, CCR's Board of Directors sets the total annual fixed compensation for Bertrand Labilloy 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 Chairman and Chief Executive Officer of CCR Re receives fixed and variable compensation.

This compensation is set by CCR Re's Board of Directors. Variable compensation is based on targets set annually by the Board, which also decides the extent to which targets for the past year have been achieved.

### Deputy Chief Executive Officer's compensation

The Deputy Chief Executive Officer does not receive any compensation in respect of his corporate office.

### 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.

## 5 MATERIAL TRANSACTIONS

No material transactions were entered into in 2022 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 adopted by CCR Re's Board of Directors on October 18, 2017 was applied in 2020 and rolled over in December 2020.

It 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 out in the policy.

# 7 RISK MANAGEMENT SYSTEM (INCLUDING ORSA)

CCR Re's risk management system 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 Re concerns all employees.

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 Audit, Accounts & 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.

To this end, the Board liaises closely with the Risk Management key function.

### Executive management

Executive management owns and has general responsibility for risks.
It:
- defines the internal control and risk management policy;
- monitors the implementation of action plans using reports presented to the Risks Committee;
- informs the Board of Directors of the results of the overall risk management system.

The Actuarial & Risks Division and the key functions assist executive management by sharing the vision provided by risk management system analyses.

### Risks Committee (“CORI”)

See section 3.3

### 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.

Actuaries from the Actuarial & Risks Division support the Risk Management key function, particularly in terms of asset-liability management, development of the economic capital model, reserving, monitoring of natural disaster risk exposure, supervision of emerging risks and analyses of the outward reinsurance program. Actuaries also coordinate construction of the risk appetite budget.

### 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 Re, CCR and the CCR Group. It conducts in-depth analyses of risk exposures and advises the Board of Directors, the Board committee and executive management on risk management matters, including those arising in connection with strategic issues such as the undertaking's strategy, mergers and acquisitions and major projects and investments.

The Risk Management function assists the Actuarial & Risks Division in defining the risk management framework. It is responsible for identifying, assessing and monitoring risk assessments together with the operational departments.

It is also responsible for the Risk Management & Internal Control Department, 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.



In the event that critical issues are detected, which could for example call CCR Re's risk profile into question, the Risk Management function has a direct and independent line to executive management and/or the Audit, Accounts & Risks Committee.

## Compliance function

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

## Internal audit

Internal audit is an independent and objective activity that provides CCR Re 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 internal 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[2].

## Permanent control managers (PCMs)

The Permanent Control Managers act as the Risk Management & Internal Control Department's correspondents in each CCR Re 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 Risk Management & Internal Control Department of any changes to processes or internal controls,and any emerging risks arising from the entity's operations;
- help improve controls;
- follow up on action plans;
- monitor incidents;
- assist the entity manager in improving processes and controls;
- process tier 2 controls for low and medium operational risks and report their findings to internal control teams.

## 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.

1 For more information on the role and responsibilities of the Compliance function, see the compliance policy.
2 For more information on the role and responsibilities of the Internal Audit function, see the internal audit policy.

### 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.

They 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 the rules and procedures governing their activities and performing their tasks in a professional manner.

## 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 CCR Re;
- identification of all risks to which CCR Re is exposed;
- risk assessment, follow-up and information.

### Risk appetite

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

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

Consistent with the reversed "production cycle" specific to insurance and reinsurance undertakings, CCR Re is also an asset manager and allocates a risk budget with a view to managing its asset portfolio in a prudent but informed manner.

For 2022, the Board of Directors set a risk appetite that enables CCR Re to allocate an appropriate level of capital to conduct its business successfully, while maintaining an SCR ratio of above 150% over the year, even if the following two shock scenarios were to occur:

- a catastrophic event;
- a financial crisis.

### CCR Re 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 CCR Re's risk profile. The risk framework is reviewed each year as part of the Group Risks Committee's ("CORI") review of major risks, and every three years for all risks charted on the risk map.

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 CCR Re's businesses;
- the second provides an additional level of detail for these large risk families, to enable certain families to be monitored more closely;
- 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 CCR Re risk framework is organized around five Level 1 risk families:


They are defined below.

### Strategic risks

Strategic risks are risks relating to the management of the undertaking, reputational risks and emerging risks. They include the risk of losses due to failed strategies or missed targets.

Strategic risks may result from:

- external factors: an unfavorable economic environment, increased competition from a similar product or business, new or revised laws or regulations with a direct or indirect impact on the undertaking;
- an inappropriate strategy or poor strategic implementation: poorly defined target markets, inappropriate communications, poor strategic deployment, inappropriate management of business lines and subsidiaries, inadequate budget;
- an organization misaligned with strategic objectives: inadequate or poorly defined committee/governance structure, inadequate or poorly defined policies and procedures, key person risk;
- a major risk scenario such as a rating downgrade;
- failure to plan for systemic and endogenous risks: political, economic, social, technological, climate and emerging risks that may also prevent the Group from meeting its objectives and cause the strategy to fail.



### Financial risks – Market risks

Market risk may be defined as the risk of losses due to an unfavorable change in financial markets, asset/liability management or financial management. Market risks correspond to the risk of losses or of an adverse change in financial position resulting, directly or indirectly, from fluctuations in market volatility or market prices for assets, liabilities and financial instruments due to changes in market values or in the macroeconomic environment.

They may be influenced by political, macroeconomic, fiscal, social, environmental or other factors. Environmental factors include sustainability risks, including the consequences of climate change, that may affect the other market risks listed above. Climate risk corresponds to the risk of asset values being adversely affected by physical risks and the risks associated with the transition to a low-carbon economy, as well as by the potential reputational damage that may be caused by the undertaking's investment choices.

### Financial risks – Credit risks

Credit risk may be defined as the risk of losses or an adverse change in the undertaking's financial position or regulatory ratios resulting from fluctuations that affect the credit quality (probability of default, loss given default, spread or rating) of securities issuers, counterparties or any debtor, to which an insurance or reinsurance undertaking may be exposed.

### CCR Re's main financial risk exposures

CCR Re's asset portfolio is managed conservatively, with a strong focus on fixed income asset classes with a fairly low sensitivity to interest rate risks and limited direct exposure to credit risk (achieved by selecting instruments with an average rating of between AAA and AA). The portfolio also has only a limited exposure to currency risk (achieved by neutralizing asset-liability mismatches by currency wherever possible). Despite this management policy, changes in financial markets may have a significant adverse effect on CCR Re's earnings and on the value of its current assets:

- persistently low interest rates adversely affect CCR Re's ability to earn adequate yields;
- an increase in interest rates could also have an adverse effect if it occurred at a time when CCR Re had significant liquidity needs;

- stock market volatility also represents a significant risk factor for CCR Re. A steep fall in share prices would reduce the undertaking's net income due to the requirement to book a provision for other-than-temporary impairment. The impact would be particularly unfavorable if the fall occurred at a time when CCR Re had significant liquidity needs;
- a possible lasting fall in real estate prices represents an additional risk factor;
- CCR Re is also exposed to the risk of failure by a banking partner.

### CCR Re underwriting risk

Public reinsurance underwriting risk is the risk of significant loss or of an adverse change in the value of insurance liabilities, due to the occurrence of one-off events or inadequate pricing and reserving assumptions relating to CCR Re reinsurance.

This mainly concerns:
- Non-Life: long-term development risks, such as liability, natural disasters, terrorism-related risks, systemic risks and cyclical impacts;
- Life: pandemic, longevity, negative deviation of mortality, and morbidity risks.

### CCR Re's main underwriting risk exposures

CCR Re primarily reinsures risks offering good visibility, mainly property and personal protection risks. As a result, initial technical reserve estimates are generally fairly reliable.

For this reason, its open market reinsurance activities expose CCR Re to the following risks: global natural disaster risks, terrorism risks affecting Life reinsurance results, the risk of higher-than-expected Liability reinsurance losses and higher attritional losses.

### Operational risks

All of the Group's activities are exposed to operational risks, that may be caused by either internal or external factors.

- Internal operational risk may be defined as the risk of losses resulting from (i) inadequate or ineffective processes, procedures, employee behaviors, systems or premises, and (ii) failure to comply with applicable laws and regulations or the standards of good conduct defined by CCR or the insurance industry.
- External operational risk may be defined as the risk of losses resulting from external events (cyber attacks, external fraud, failures by external service providers, security breaches, etc.).

They are defined in detail by entity, so that any control failures can be targeted more effectively.

### Presentation of the undertaking's exposure to operational risks

CCR's main operational risk exposures are as follows:
- underwriting of a risk that falls outside CCR Re's risk appetite, leading to potentially significant losses, notably due to:
  - errors in analyzing a proposal,
  - failure to comply with underwriting rules,
- signature of a contractual document that is different from the negotiated terms,
  - poor quality of information received from the ceding insurer,
- risk modeling error,
- financial statements that do not comply with the true and fair view principle,
- results forecasting error, leading to a significant adjustment to reserves.

These risks are monitored through a tried and tested process that involves:
- defining rules based on underwriting, pricing and management guides;
- setting up appropriate alerts to monitor operations;
- a mapping of controls;
- internal controls;
- internal audits.

CCR Re further improved its risk management system in 2022, particularly with regard to security and data quality.

**Security risks:** in July 2022, the CCR Group fell victim to a cyber attack. The security of the new system was the primary focus when the decision to rebuild the information system was taken. The security of physical access to premises was also tightened.

**Data quality risk:** many quality controls are in place, however, to improve their monitoring and traceability, CCR Re launched a project at the beginning of 2022 to define and implement shared data governance which will optimize data quality and the audit trail. A data governance policy was drafted in November 2022. It set out the governance, the stakeholders and the monitoring and control process for data. A data catalog has also been created. The policy is currently being implemented.

These efforts will also help improve data security risks and GDPR non-compliance risk.

## 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, CCR Re 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.

CCR Re 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, CCR Re develops sustainable processes to map the risks to which it is 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. These processes are continuously expanded and improved.



### Internal ORSA policy

CCR Re has a formal internal ORSA umbrella risk management policy with processes based on the system described above. This policy incorporates all strategic management processes.

The five processes in the ORSA policy are:

- **calculation of own solvency**, including non-quantifiable 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.

The ORSA policy was updated in 2022.

### ORSA report

A report is drawn up at least once a year 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.

# 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 CCR Re 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 CCR Re's goal of closely managing risk and meeting its regulatory requirements.

This is in line with the EU's Solvency II Directive, which 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.

CCR Re'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 (standards and procedures manuals, 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

CCR Re has five charters:
The **internal control charter** was revised in 2019; it concerns the CCR Group and is therefore applicable to CCR Re. The charter sets out to describe and inform staff about the system put in place within the undertaking.

The **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, CCR Re undertakes to respect transparency in defining and executing its IT security procedures, while employees agree to comply with applicable legislation when using the IT tools at their disposal. The charter was revised by the Security Committee in September 2021 to supplement systems security rules concerning the risk of professional e-mail addresses being used for the communication of personal information.

The **SRI (Socially Responsible Investment) charter**
The CCR Group has adopted an investment charter based on three main pillars, reflecting the Group's commitment to the climate and the ESG challenges relating to the energy, ecological and social transition:
- Pillar 1: Prevention of transition risks,
- Pillar 2: Adaptation to physical risks resulting from climate change,
- Pillar 3: Supporting the social transition.

The CCR Group has chosen to adopt a two-tiered approach for each of these pillars. This approach involves (i) strengthening risk management (transition risk, physical risk and ESG risk), measuring the financial impact of these risks on the portfolio and incorporating them in its investment policy, and (ii) helping to finance issuers that are well positioned to respond to the challenges identified.

For each of the three pillars in its SRI charter, the CCR Group has chosen a number of Sustainable Development Goals (SDGs) in order to position its strategy in the energy, ecological and social transition and direct its investments towards the gradual achievement of these goals.

The **code of ethics** summarizes the purpose and values of the undertaking and defines the principles to which employees should refer when exercising their duties.

The **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 Internal control independence and effectiveness

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

Implementation of the recommendations is followed up by the Internal Audit department when the recommendations result from internal audits and by the Risk Management & Internal Control Department when they result from this department or the statutory auditors' report. The statutory auditors report periodically to executive management and to the Audit, Accounts & 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 CCR Re's critical business operations can continue after a serious accident or major disaster affecting CCR Re. The risks covered by this plan include the risk that CCR Re'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 CCR Re 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 2022, CCR Re fell victim to a ransomware cyber attack. The contingency plan was activated as soon as the incident occurred, with systems operating in downgraded mode, the restoration of messaging, and then the restoration of key Company applications in the weeks following the attack, in order of their criticality. No data loss was reported, and the Company was able to continue delivering essential services to its customers, partners and employees. This experience demonstrated the Company's resilience and subsequently, owing to the measures taken following the reconstruction of the information system, helped strengthen security.

## 8.6 CCR Re rules and procedures

CCR Re 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 CCR Re 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

CCR Re outsources certain activities to other undertakings within the CCR Group. Outsourcing arrangements are described in section 1.4.

# 10 ADDITIONAL INFORMATION

## 10.1 Research and development activity

During the year, CCR Re continued to deploy its automated solution for the input of broker accounts, *accounts e-processing*. In 2022, 29% of broker accounts were processed using this software. By enabling accountants to spend more time on analyzing and checking broker accounts, rather than on entering the data, it plays an important role in managing data quality risk.

Also in 2022,
- The **ARS application** was used to perform internal controls to ensure compliance with underwriting rules. The application was migrated to the Dataiku automated platform in 2021 and is being used to scan all the contracts in the new business portfolio and check compliance with underwriting rules in around 90% of cases. Checking the entire portfolio rather than just a sample provides a better guarantee that the portfolio is fully compliant with the Company's strategy. Processing is fast and has no impact the timing of internal control assessment campaigns.
- In 2022, the **POC** search engine was used to process one-off queries, by searching a document database for any document that meets the search criteria (words, sentences, etc.). Not only does it retrieve documents containing these words or sentences, it also searches for any document with a paragraph whose meaning may be similar to the search criterion. This is very important to ensure that full information is obtained about the underwriting profile and to monitor changes in coverage/guarantees in the international reinsurance market. The search engine will be a very useful internal control tool, for example, to search for contracts providing a specific guarantee that would not be easily identified using the contract management software.

Since 2020, the value added by these solutions has encouraged CCR Re to continue leveraging new technologies such as robotics, text mining and artificial intelligence. The digital applications team has been strengthened to pursue research into new tools in POC mode with the operational teams.

In 2022, CCR Re also continued to develop its capital model for internal risk assessment purposes. This model is used to measure the sensitivity of the Company's risk profile to a potential strategic decision, such as an increase in exposure to a given country or a change in gross written premiums derived from a specific class of reinsurance or a specific geographic area. Particular care has been taken to better capture CCR Re's natural and man-made disaster exposure in all countries and to measure the alignment of its outward reinsurance programs with its risk appetite.

For the past three years, this model has been used to determine the risk capital allocated to new Non-Life reinsurance business by measuring the return on the allocated amounts. The modeled operational risk module is interfaced with the operational risk mapping database, which includes the major risk assessments used by the model. The capital model uses the results (distribution curve for random expense variables) of the CCR Re natural disaster model. It provides an estimate of the amount of capital to be tied up (according to the chosen metric); as well as a visual simulation of the portfolio diversification effect and the portfolio's allocation between the different entities, territories and lines of business.

With all of these innovative investments, CCR Re is enhancing the analysis and knowledge capabilities deployed in support of its development and operational excellence within an efficient risk management framework. Transaction automation gives the teams representing the first two lines of defense more time to perform quality checks.

3

# RISK PROFILE

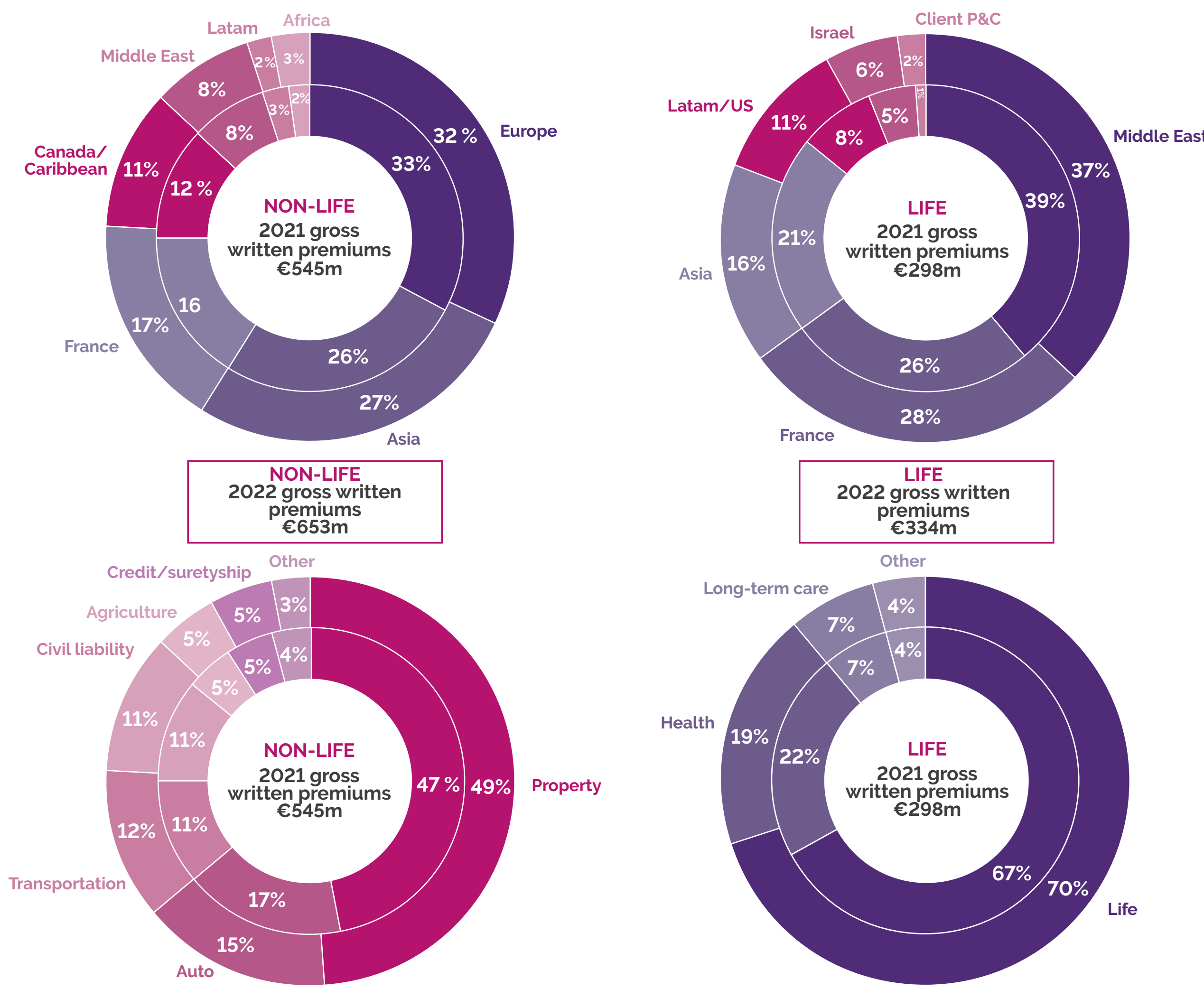
# RISK PROFILE

## 1 UNDERWRITING RISK

### 1.1 Background

CCR Re is a multi-specialist reinsurer with a worldwide presence.

In 2022, CCR Re generated gross written premiums of €987 million (of which €653 million related to the Non-Life business and €334 million to the Life business), deriving from over 90 countries and most main classes of insurance (Life, Non-Life, Specialty lines). The following charts illustrate the breakdown of gross written premiums for the last two underwriting years:



## 1.2 Risks identified for SCR purposes

Based on its risk profile under the standard formula, CCE Re's most significant exposures concern Non-Life and market risks. These are followed in order of significance by the Life SCR, Counterparty SCR, Health SCR, and Operational SCR.

Non-Life underwriting SCR results for the most part from reserving risks, followed by natural disaster SCR to a lesser extent.

Both of these risks are managed by CCR Re using analyses, underwriting strategies and ORSA processes, and through risk mitigation tools such as outward reinsurance.

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 risk/reward perspective and according to a specific decision-making process;
- verification and validation of strict underwriting rules;
- use of reports prepared by the key functions to adjust risk profiles, especially those of the Actuarial & Risk Management functions, and use of any Risks Division analyses to support decisions to increase outward reinsurance or other measures.

As CCR Re is assessed under the standard formula, 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 Re's ORSA report.

# 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 CCR Re 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

CCR Re strives 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

3

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 three of the areas listed above are interlinked.

## 2.3 Structure of CCR Re's assets

### Money market investments

Money market instruments represent a significant portion of total investments. They include instruments denominated in euros and in foreign currencies.

### Bond and credit investments

These investments account for a significant portion of total investments.

The quality of bond investments is high in relation to credit risk.



### 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.

### Real estate investments

Real estate investments 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). They also include real estate funds (such as OPPCIs) that contribute to diversifying the portfolio.

A real estate asset was sold after the year-end, resulting in a decrease in the weighting of real estate investments in the portfolio.

### Equities

The equities portfolio, which represents a significant proportion of total investments, primarily consists of listed equities but also includes private equity investments.

### Infrastructure funds

Infrastructure equity funds are an increasingly significant asset class in the allocation.

### Loan investments

Exposure to loan funds accounts for a small portion of total investments.

Investments also include ceding insurer cash deposits and funds deposited in a Canadian trust fund.

## 2.4 Exposure to key financial risks

### Currency risk

Positions were spread over 45 currencies as of December 31, 2022.

On the whole, exposure to currency risk was fairly limited at that date. Currency shocks are simulated on a regular basis.

### Interest rate risk

The sensitivity of the fixed-income portfolio to interest rate risk is fairly low.

### Credit risk

The directly managed fixed-income portfolio solely comprises investment grade securities. The portfolio has an average AA- rating. AAA/AA-rated bonds account for over half of the fixed-income portfolio.

### Liquidity risk

Asset liquidity is excellent owing to the characteristics of the overall portfolio.

The least liquid assets are real estate investments.

### Impact of financial shocks

The impacts of financial shocks are analyzed in CCR Re's ORSA report.

Inflation risk is factored into CCR Re's reserving approach. Higher-than-expected inflation is covered through a conservative approach to best estimate reserve levels. It involves adding the impacts of events not present in historical data to the best estimate calculation, which is otherwise determined on an actuarial and statistical basis.

Inflation risk does not have an impact on the solvency coverage ratio.

# 3 OPERATIONAL RISK

## 3.1 General principle

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

## 3.2 Operational rollout

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

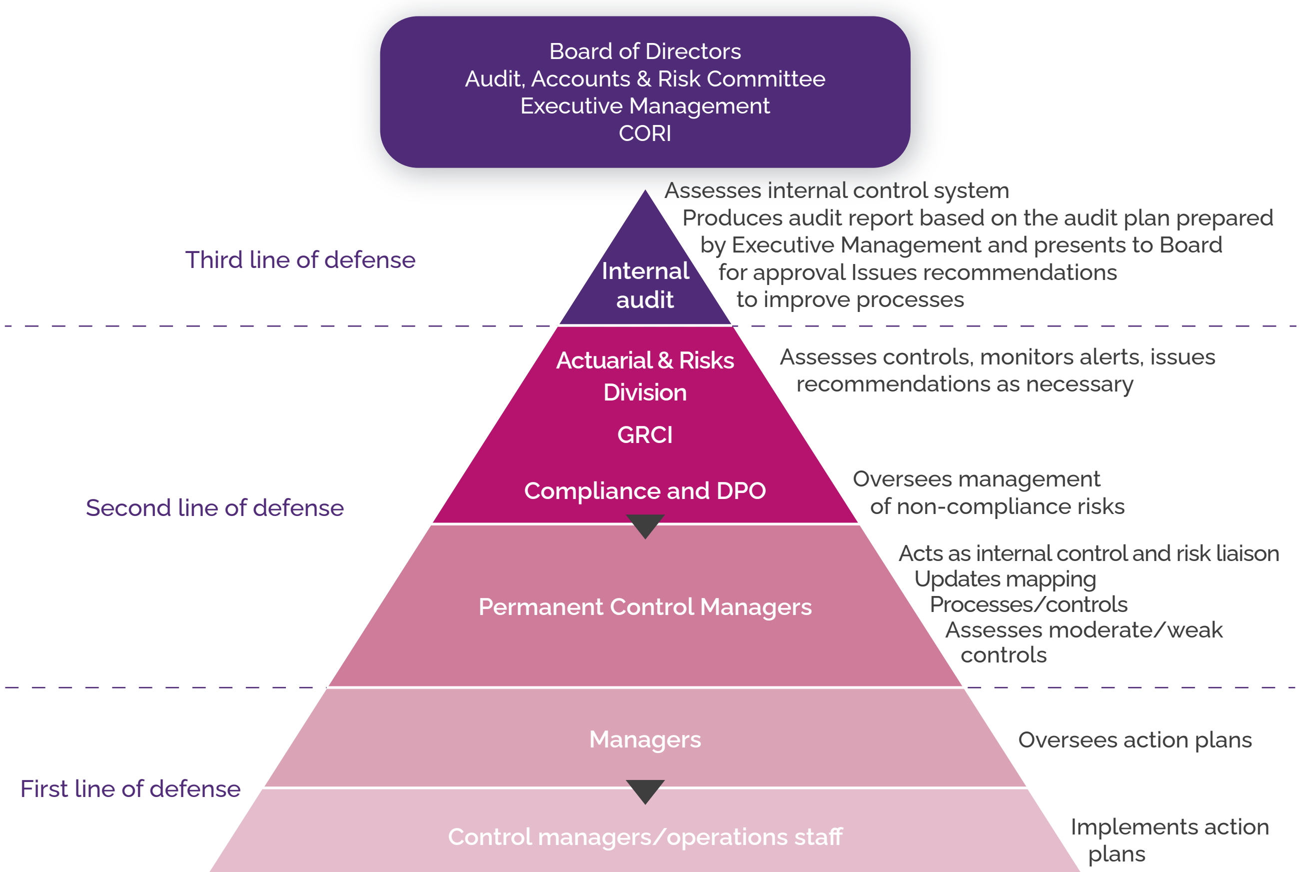
CCR Re has adopted the internal control objectives defined by the AMF. The objectives of the internal control system set up by CCR Re are therefore to ensure:

- 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.

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

The diagram below illustrates the position of internal control within the undertaking:






3

# 4 OTHER RISKS

At the date of this report, CCR Re 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 revisions of periodic risk maps, the emerging risks process, the "current perceived major risks" process and all actuarial research and analyses carried out by CCR Re.

## 5.2 Material risks

Material risks are described above (underwriting, investment). The members of the Executive Committee ("Comex") have input in the "current perceived major risks" process through the Risks Committee ("CORI") and the Risk Management function.

As a reminder, this process involves a top-down approach and is carried out once a year. 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.

This process is designed to identify, at a given date, material risks for which certain – often external – risk factors are increasing significantly and which therefore need to be monitored more closely.

The risks are severe enough to put the business in difficulty. Generally speaking, material risks concern financial, underwriting or strategy risks. However, they can also be an emerging or operational risk whose legal or reputational impact would have negative consequences on the Company's solidity.

Once identified, it is necessary to ensure that measures are in place to avoid or mitigate the risk. Closer supervision of these risks:

- may highlight the need for new remedial measures to ensure they are duly managed;
- will enable the Company to act more swiftly if they occur.

Identifying a perceived major risk does not mean that the risk is real for CCR Re. This exercise involves thinking in terms of possible risks whose probability of occurrence or impact is increasing.

## 5.3 Investment strategy

Assets were invested in accordance with the "prudent person" principle set out in Article 132 of Directive 2009/138/EC.

Assets were invested in line with the investment risk management strategy adopted by CCR Re's Board of Directors.

## 5.4 Concentration risk

CCR Re is 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

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

## 6.1 Outward reinsurance

A detailed description of this process is provided in the report on the outward reinsurance policy. This policy stipulates that reinsurance cover may only be purchased from companies that are rated at least A- by S&P and AMBest.

## 6.2 Hedging of the equities portfolio

CCR Re has adopted a hedging strategy for its 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, 2022 compared to their opening value.

# 7 RISK SENSITIVITY

The ORSA report discloses the sensitivity of the risk profile to various adverse scenarios. The report includes a detailed description of the scenarios envisaged and the impacts of those scenarios. It shows extremely low sensitivity for CCR Re, in line with its risk profile and the risk mitigation measures in place.

# 4 VALUATION OF ASSETS AND LIABILITIES

# 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 and the new Solvency II Directive.

## 1 VALUE OF ASSETS AT DECEMBER 31, 2022

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 Back Office Treasury & Financial Accounting Department regularly produces reports on 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 Re in the portfolio, this database is reliable and thereby helps to significantly reduce incidences of erroneous or missing prices.

The entire 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 CCR Re's asset valuations compared to external valuations (based on data received from depositaries) is systematically performed at the end of each quarter.

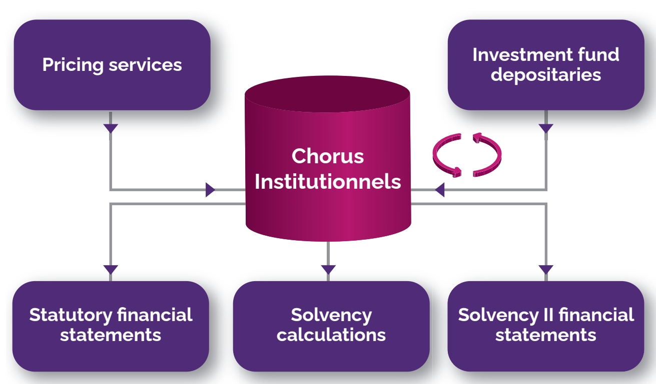
In compliance with regulations, real estate appraisers estimate the fair value of each real estate asset every five years. This value is then discounted to present value on a yearly basis and sent to the ACPR. Since CCR has held prime real estate assets for many years, they represent substantial unrealized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

Currency transactions (forward sales and non-deliverable forwards) are included in CCR Re'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 CCR Re to value its assets for solvency purposes and those used to prepare the financial statements. Valuation differences between French GAAP and Solvency II are also tracked.**



## 1.2 Value of investments

| ASSETS (in thousands of euros) | | Solvency II value |
|---|---|---|
| | | C0010 |
| Property, plant and equipment held for own use | R0060 | 10,765 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 2,532,812 |
| Property (other than for own use) | R0080 | 250,400 |
| Holdings in related undertakings, including participations | R0090 | 6,893 |
| Equities | R0100 | 163,117 |
| Equities - listed | R0110 | 1,507 |
| Equities - unlisted | R0120 | 161,609 |
| Bonds | R0130 | 850,335 |
| Government bonds | R0140 | 295,458 |
| Corporate bonds | R0150 | 554,877 |
| Structured notes | R0160 | |
| Collateralized securities | R0170 | |
| Collective investment undertakings | R0180 | 1,199,743 |
| Deposits other than cash equivalents | R0200 | 56,519 |
| Loans and mortgages | R0230 | 8,492 |
| Loans on policies | R0240 | |
| Loans and mortgages to individuals | R0250 | 44 |
| Other loans and mortgages | R0260 | 8,448 |
| Deposits to cedants | R0350 | 358,324 |
| Cash and cash equivalents | R0410 | 132,264 |

## 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:

| ASSETS (in thousands of euros) | | Solvency II value |
|---|---|---|
| | | C0010 |
| Intangible assets | R0030 | |
| Deferred tax assets | R0040 | 66,893 |
| Pension benefit surplus | R0050 | |
| Derivatives | R0190 | 5,805 |
| Other investments | R0210 | |
| Assets held for index-linked and unit-linked contracts | R0220 | |
| Loans and mortgages | R0230 | 8,492 |
| Loans on policies | R0240 | |
| Loans and mortgages to individuals | R0250 | 44 |
| Other loans and mortgages | R0260 | 8,448 |
| Reinsurance recoverables from: | R0270 | 67,163 |
| Non-Life and health similar to Non-Life | R0280 | 61,986 |
| Non-Life excluding health | R0290 | 61,986 |
| Health similar to Non-Life | R0300 | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 5,176 |
| Health similar to Life | R0320 | 728 |
| Life excluding health and index-linked and unit-linked | R0330 | 4,449 |
| Life index-linked and unit-linked | R0340 | |
| Insurance and intermediaries receivables | R0360 | 132,420 |
| Reinsurance receivables | R0370 | 9,781 |
| Receivables (trade, not insurance) | R0380 | 16,034 |
| 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 | |

### 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, 2022

## 2.1 Value of technical reserves

### Reserving process used for the statutory financial statements

#### Inward reinsurance

The reserving process is formally documented in an annual guide validated by the Group Risks Committee ("CORI").

Reserves for the 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. 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 an 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 (Non-Life/Life) x (proportional/non-proportional).

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 Re's statutory financial statements.

This process along with the actuarial tranches are reviewed by CCR Re'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.

#### 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 rare.

In outward reinsurance, since there is less uncertainty surrounding ceded insurance liabilities and CCR Re 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 the date of this report, CCR Re'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 Re'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_RC_France_X | I000026 | Reins TPL |
| LCINV05 | Auto_RC_UK_X | I000026 | Reins TPL |
| LCINV06 | Auto_RC_X | I000026 | Reins TPL |
| LCINV07 | Auto_RC_P | I000016 | Motor |
| LCINV08 | CAT_Non_Vie | 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 liability and the 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.

These flows are discounted on a currency-by-currency basis by reference to EIOPA risk-free interest rate curves with application of the 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 is determined based on all of the above items.



## Risk margin

The risk margin is calculated on an aggregate basis using the simplified method set out in Article 58 (a) of Delegated Regulation 2015/35. The various "forward" SCR components are estimated for each future year until CCR Re's liabilities have been settled.

These estimates are based on Solvency II results at the calculation date, on CCR Re's accounting data, and on processes supported and validated by PwC during its end-2015 review. Aggregate forward SCRs are calculated by combining the forward components. The overall risk margin is then determined by discounting these forward SCRs.

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

Since 2020, a volatility adjustment has been applied for the calculation of CCR Re's technical reserves. There have been no other changes to the assumptions used by CCR Re to calculate technical reserves since December 31, 2021.

## Technical reserves and special purpose vehicles at the date of this report

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

| LIABILITIES (in thousands of euros) | | Solvency II value |
|---|---|---|
| | | C0010 |
| Technical provisions - Non-Life | R0510 | 1,097,538 |
| Technical provisions - Non-Life (excluding health) | R0520 | 1,097,538 |
| Technical provisions calculated as a whole | R0530 | |
| Best estimate | R0540 | 1,007,956 |
| Risk margin | R0550 | 89,582 |
| Technical provisions - health (similar to Non-Life) | R0560 | |
| Technical provisions calculated as a whole | R0570 | |
| Best estimate | R0580 | |
| Risk margin | R0590 | |
| Technical provisions - Life (excluding index-linked and unit-linked) | R0600 | 651,098 |
| Technical provisions - health (similar to Life) | R0610 | 278,961 |
| Technical provisions calculated as a whole | R0620 | |
| Best estimate | R0630 | 256,192 |
| Risk margin | R0640 | 22,769 |
| Technical provisions - Life (excluding health and index-linked and unit-linked) | R0650 | 372,138 |
| Technical provisions calculated as a whole | R0660 | |
| Best estimate | R0670 | 341,764 |
| Risk margin | R0680 | 30,374 |
| Technical provisions - index-linked and unit-linked | R0690 | |
| Technical provisions calculated as a whole | R0700 | |
| Best estimate | R0710 | |
| Risk margin | R0720 | |

| ASSETS (in thousands of euros) | | Solvency II value |
|---|---|---|
| | | C0010 |
| Reinsurance recoverables from: | R0270 | 67,163 |
| Non-Life and health similar to Non-Life | R0280 | 61,986 |
| Non-Life excluding health | R0290 | 61,986 |
| Health similar to Non-Life | R0300 | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 5,176 |
| Health similar to Life | R0320 | 728 |
| Life excluding health and index-linked and unit-linked | R0330 | 4,449 |
| Life index-linked and unit-linked | R0340 | |

**Special purpose vehicles**

At December 31, 2022, CCR Re used a special purpose vehicle to transfer part of its natural disaster risk to financial investors. This special purpose vehicle is carried in the Solvency II balance sheet at the best estimate of the transferred risks, as determined in part based on traditional outward reinsurance treaties and in part on the special purpose vehicle's accounts.

The creation of this special purpose vehicle – named 157 Re – was approved by the French insurance supervisor (ACPR) in 2018 and a first compartment was issued on April 1, 2019.

**Matching adjustment – volatility adjustment – transitional measures**

CCR Re has applied the volatility adjustment referred to in Article 77(5) 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 CCR Re.

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

At the date of this report, CCR Re 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:

4

| ASSETS (in thousands of euros) | | Solvency II value C0010 |
|---|---|---|
| Contingent liabilities | R0740 | |
| Provisions other than technical provisions | R0750 | 250 |
| Pension benefit obligations | R0760 | 1,460 |
| Deposits from reinsurers | R0770 | 2,411 |
| Deferred tax liabilities | R0780 | 171,613 |
| Derivatives | R0790 | 4,523 |
| Debts owed to credit institutions | R0800 | |
| Financial liabilities other than debts owed to credit institutions | R0810 | |
| Insurance and intermediaries payables | R0820 | 39,692 |
| Reinsurance payables | R0830 | 13,381 |
| Payables (trade, not insurance) | R0840 | 43,969 |
| Subordinated liabilities | R0850 | 313,950 |
| Subordinated liabilities not in Basic Own Funds | R0860 | |
| Subordinated liabilities in Basic Own Funds | R0870 | 313,950 |
| Any other liabilities, not elsewhere shown | R0880 | 920 |
| Total liabilities | R0900 | 2,340,805 |
| Excess of assets over liabilities | R1000 | 994,143 |

### Other technical provisions

"Other technical reserves" solely comprise the CCR Re equalization reserve. They are reported in the French GAAP balance sheet for an amount of €25 million. In the Solvency II balance sheet, there is no corresponding caption.

In the Solvency II balance sheet, the equalization reserve is included in directly in own funds, without any need to restate technical reserves.

### Reserves other than technical reserves

This caption includes miscellaneous provisions other than technical reserves.

### Pension benefit obligations

These items are already measured in accordance with IAS 19 in the statutory balance sheet 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 taxes 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, 2022.

### Reinsurance payables

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

### Payables (trade, not insurance)

This caption corresponds to outstanding amounts payable to other CCR Re debtors, particularly the French State. Income tax will be assigned to this account if any amount remains payable. The total value of this item in the statutory financial statements is discounted over one year using a fixed rate, with the assumption that, in a runoff scenario, it will be settled within one year.

### Any other liabilities, not elsewhere shown

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

### 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.

5

# CAPITAL MANAGEMENT

# CAPITAL MANAGEMENT

## 1 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

### 1.1 Objectives

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

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

CCR Re has set profitability objectives for its:
- reinsurance activities;
- financial investments.

### 1.2 Policy

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

CCR Re has set itself the objective of a 150% solvency coverage 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:
- CCR Re to maintain a level of capital in line with the risks underwritten and limits set;
- risk budgets to be assigned to reinsurance activities and 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, CCR Re has developed a capital protection strategy. This is applied through:
- the reinsurance and financial risk mitigation policy;
- the risk management policy;
- the implementation of management initiatives where appropriate.

Details of these policies are provided in the corresponding documentation.

Canadian branch: to meet regulatory requirements in Canada, CCR Re has put in place a capital management policy specifically for its Canadian branch. This policy is described in internal documentation.

### 1.3 Procedures

CCR Re 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 – Open Market Reinsurance, 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.

# 2 SOLVENCY II OWN FUNDS AT DECEMBER 31, 2022

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

| | | |
|---|---|---|
| Basic own funds | Excess of assets over liabilities | €994 million |
| | Subordinated liabilities | €314 million |
| | Treasury shares | - |
| Ancillary own funds | | - |
| **Total Solvency II own funds at December 31, 2022, before dividend payouts** | | **€1,308 million** |
| Dividends | | €17 million |
| **Total Solvency II own funds at December 31, 2022, after dividend payouts** | | **€1,291 million** |



At December 31, 2022, CCR Re had €314 million in subordinated liabilities in the form of two €75 million subordinated loans granted by CCR to CCR Re and a €300 million subordinated notes issue placed with outside investors.

CCR Re's subordinated liabilities are classified as tier 2. All of CCR Re's other Solvency II own funds are classified as tier 1.

CCR Re does not have any treasury shares or ancillary own funds.

Solvency II own funds are much higher than equity in the statutory financial statements. This reflects the amount of unrealized capital gains on CCR Re's investment portfolio (directly resulting from the long-term risks it reinsures) at December 31, 2022. It also reflects restatements of technical liabilities made for Solvency II purposes.

The €1,291 million in total Solvency II own funds after dividends are eligible for inclusion in the calculation of the SCR coverage ratio. Details of own funds by tier and by eligibility/ineligibility for inclusion in the SCR coverage ratio are provided in the QRT S.23.01 (see Appendix).

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

CCR Re's equity at December 31, 2022 amounted to €537 million before dividends in its French GAAP financial statements, compared to €1,291 million after dividends in the Solvency II balance sheet.

## 2.3 Change in Solvency II own funds between December 31, 2021 and December 31, 2022

Solvency II own funds after dividends fell by €24 million from €1,315 million at December 31, 2021 to €1,291 million at December 31, 2022.

# 3 SCR AND MCR COVERAGE RATIOS AT DECEMBER 31, 2022

Solvency II own funds totaled €1,291 million. Due to their make-up, all Solvency II own funds are eligible for inclusion in the SCR coverage ratio. An amount of €1,023 million is eligible for inclusion in the MCR coverage ratio.

- the SCR came out at €630 million, representing an SCR coverage ratio of 205.1%.
- the MCR came out at €227 million, representing an MCR coverage ratio of 450.8%.

The SCR coverage ratio before the volatility adjustment stood at 200.5%.

| (in millions of euros) | After VA | Before VA |
|---|---|---|
| Solvency II own funds after dividend payouts | 1,291 | 1,276 |
| Solvency II own funds eligible for inclusion in SCR coverage ratio | 1,291 | 1,276 |
| SCR | 630 | 637 |
| **SCR COVERAGE RATIO (Solvency II)** | **205.1%** | **200.5%** |

Applying the volatility adjustment at December 31, 2022 increased the SCR coverage ratio by 4.6%.

The negative impact was due to the risk profile of CCR Re's reinsurance portfolio (reflecting the relatively long duration of its reinsurance liabilities) 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 Re.



# 5 DESCRIPTION OF ANCILLARY OWN FUNDS

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

# 6 AVAILABILITY AND TRANSFERABILITY OF SOLVENCY II OWN FUNDS

All of CCR Re's own funds belong to CCR Re and are deemed to be available and transferable.

The fungibility and transferability of the amounts held in the Canadian branch's trust fund was analyzed in 2018 using the method recommended in regulatory texts.

# 7 CALCULATION OF SCR, MCR AND ELIGIBLE OWN FUNDS

## 7.1 Method and options used

CCR Re 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 Re 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 Re believes, where appropriate and based on the visibility provided by its prudent business plan, that it could justify recognizing €80 million in deferred tax assets for tax credits, based on a five-year post-stress projection period.

A project was launched in 2020 to produce a documented process for analyzing this amount in accordance with regulatory requirements. This project had made significant progress at the year-end

Excluding the €80 million, CCR Re's SCR would be €710 million versus €630 million, and its SCR coverage ratio would be 182.0% versus 205.1%.

## 7.3 Look-through approach

CCR Re has adopted a line-by-line look-through approach covering 94% of the market value of its investments at the date of this report.

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

CCR Re applies the principle of singularity for its assets and does not therefore hold any ring-fenced funds.

## 7.5 Simplified approaches used

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

## 7.6 Difficulties encountered

As a reinsurer, it is fairly difficult for CCR Re to determine its ultimate Life liabilities and to conduct the relevant Solvency II assessments. Calculations are, for example, often impossible to make on a case-by-case basis. This lack of data arises primarily from the fact that ceding insurers do not provide all relevant information, or do so with a delay of several quarters.

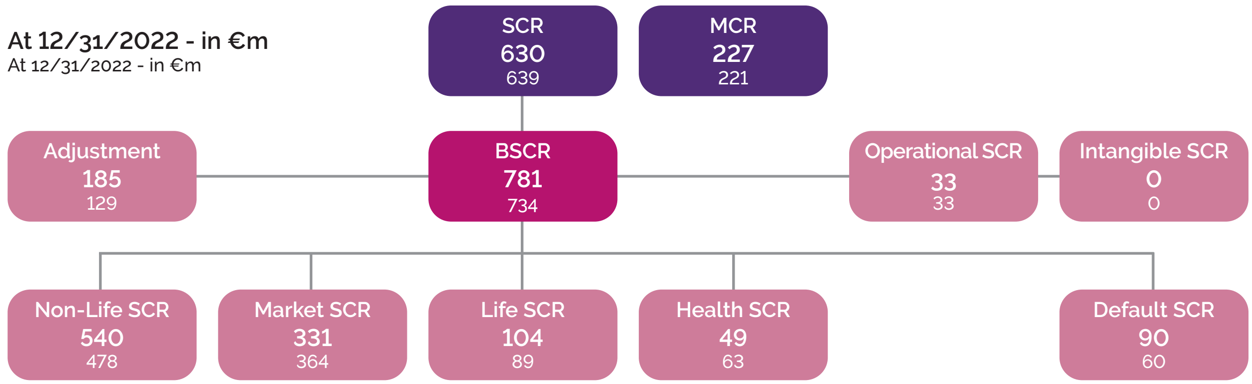
Owing to these difficulties, the principle of prudence should be applied as regards estimates used for certain "aggregate portfolio"-type scopes.

Similarly, vehicle reinsurance treaties underwritten by CCR Re are frequently mixed, containing both "damage" liability, "third party – capital" liability, "third party – annuity buyback" liability, and "third party – annuity follow-up" liability. In-house experts are needed to separate the different liabilities existing within each treaty.

The information provided by ceding insurers is also incomplete and/or is provided with a delay of several quarters.

# 8 SCR AND MCR

At December 31, 2022, CCR Re's SCR was estimated at €630 million versus €639 million at the previous year-end and its MCR was estimated at €227 million versus €221 million.




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

- the increase in the Non-Life SCR, due to growth in the natural disaster SCR resulting from greater cumulative natural disaster exposures;
- the increase in the Life SCR resulting directly from growth in gross written premiums from the SCR-generating business lines, and from the SCR for specific major treaties in the portfolio;
- the increase in the SCR for premiums and reserves resulting from growth in gross written premiums from the SCR-generating business lines, and from currency effects at the level of the portfolio;
- the decrease in the market SCR resulting from the currency effect.



# 9 CHANGES IN THE SOLVENCY MARGIN SINCE DECEMBER 31, 2021

| Valuation date | Solvency margin |
|---|---|
| December 31, 2021 | 192.5% |
| December 31, 2022 | 205.1% |

6

# APPENDICES: QRT

## LIST OF QRT SCHEDULES:



## The following schedules are not applicable to CCR Re:

**S25.02.21: Partial internal model**

**S25.03.21: Full internal model**

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

# 1 SE.02.01.02: Balance sheet

## Assets

| | | Solvency II value |
|---|---|---|
| | | C0010 |
| Intangible assets | R0030 | |
| Deferred tax assets | R0040 | 66,893 |
| Pension benefit surplus | R0050 | |
| Property, plant & equipment held for own use | R0060 | 10,765 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 2,532,812 |
| Property (other than for own use) | R0080 | 250,400 |
| Holdings in related undertakings, including participations | R0090 | 6,893 |
| Equities | R0100 | 163,117 |
| Equities – listed | R0110 | 1,507 |
| Equities – unlisted | R0120 | 161,609 |
| Bonds | R0130 | 850,335 |
| Government bonds | R0140 | 295,458 |
| Corporate bonds | R0150 | 554,877 |
| Structured notes | R0160 | |
| Collateralized securities | R0170 | |
| Collective investment undertakings | R0180 | 1,199,743 |
| Derivatives | R0190 | 5,805 |
| Deposits other than cash equivalents | R0200 | 56,519 |
| Other investments | R0210 | |
| Assets held for index-linked and unit-linked contracts | R0220 | |
| Loans and mortgages | R0230 | 8,492 |
| Loans on policies | R0240 | |
| Loans and mortgages to individuals | R0250 | 44 |
| Other loans and mortgages | R0260 | 8,448 |
| Reinsurance recoverables from: | R0270 | 67,163 |
| Non-Life and health similar to Non-Life | R0280 | 61,986 |
| Non-Life (excluding health) | R0290 | 61,986 |
| Health similar to Non-Life | R0300 | |
| Life and health similar to Life, excluding health and index-linked and unit-linked | R0310 | 5,176 |
| Health similar to Life | R0320 | 728 |
| Life excluding health and index-linked and unit-linked | R0330 | 4,449 |
| Life index-linked and unit-linked | R0340 | |
| Deposits to cedants | R0350 | 358,324 |
| Insurance and intermediaries receivables | R0360 | 132,420 |
| Reinsurance receivables | R0370 | 9,781 |
| Receivables (trade, not insurance) | R0380 | 16,034 |
| 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 | 132,264 |
| Any other assets, not elsewhere shown | R0420 | |
| **TOTAL ASSETS** | **R0500** | **3,334,948** |

## Liabilities

| | | Solvency II value |
|---|---|---|
| | | C0010 |
| Technical provisions – Non-Life | R0510 | 1,097,538 |
| Technical provisions – Non-Life (excluding health) | R0520 | 1,097,538 |
| Technical provisions calculated as a whole | R0530 | |
| Best estimate | R0540 | 1,007,956 |
| Risk margin | R0550 | 89,582 |
| Technical provisions – health (similar to Non-Life) | R0560 | |
| Technical provisions calculated as a whole | R0570 | |
| Best estimate | R0580 | |
| Risk margin | R0590 | |
| Technical provisions – Life (excluding index-linked and unit-linked) | R0600 | 651,098 |
| Technical provisions – health (similar to Life) | R0610 | 278,961 |
| Technical provisions calculated as a whole | R0620 | |
| Best estimate | R0630 | 256,192 |
| Risk margin | R0640 | 22,769 |
| Technical provisions – Life (excluding health and index-linked and unit-linked) | R0650 | 372,138 |
| Technical provisions calculated as a whole | R0660 | |
| Best estimate | R0670 | 341,764 |
| Risk margin | R0680 | 30,374 |
| Technical provisions – index-linked and unit-linked | R0690 | |
| Technical provisions calculated as a whole | R0700 | |
| Best estimate | R0710 | |
| Risk margin | R0720 | |
| Contingent liabilities | R0740 | |
| Provisions other than technical provisions | R0750 | 250 |
| Pension benefit obligations | R0760 | 1,460 |
| Deposits from reinsurers | R0770 | 2,411 |
| Deferred tax liabilities | R0780 | 171,613 |
| Derivatives | R0790 | 4,523 |
| Debts owed to credit institutions | R0800 | |
| Financial liabilities other than debts owed to credit institutions | R0810 | |
| Insurance & intermediaries payables | R0820 | 39,692 |
| Reinsurance payables | R0830 | 13,381 |
| Payables (trade, not insurance) | R0840 | 43,969 |
| Subordinated liabilities | R0850 | 313,950 |
| Subordinated liabilities not in Basic Own Funds | R0860 | |
| Subordinated liabilities in Basic Own Funds | R0870 | 313,950 |
| Any other liabilities, not elsewhere shown | R0880 | 920 |
| **TOTAL LIABILITIES** | **R0900** | **2,340,805** |
| **EXCESS OF ASSETS OVER LIABILITIES** | **R1000** | **994,143** |

## 2 S.05.01.02.01: Non-Life – Premiums, claims and expenses by line of business

| | | Line of business for: Non-Life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | | | | Line of business for: accepted non-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 | Miscellaneous financial loss | Casualty | Marine, aviation and transport insurance | Property | TOTAL |
| | | C0040 | C0060 | C0070 | C0080 | C0090 | C0120 | C0140 | C0150 | C0160 | C0200 |
| **PREMIUMS WRITTEN** | | | | | | | | | | | |
| Gross – direct business | R0110 | | | | | | | | | | |
| Gross – proportional reinsurance accepted | R0120 | 19,965 | 94,140 | 250,208 | 26,318 | 32,250 | 9,049 | | | | 431,929 |
| Gross – non-proportional reinsurance accepted | R0130 | | | | | | | 96,943 | 6,379 | 113,641 | 216,963 |
| Reinsurers' share | R0140 | 641 | 6,977 | 21,873 | 856 | 1,195 | 597 | 7,680 | 175 | 17,347 | 57,341 |
| **Net** | **R0200** | **19,324** | **87,163** | **228,335** | **25,461** | **31,055** | **8,452** | **89,263** | **6,204** | **96,294** | **591,552** |
| **PREMIUMS EARNED** | | | | | | | | | | | |
| Gross – direct business | R0210 | | | | | | | | | | |
| Gross – proportional reinsurance accepted | R0220 | 21,809 | 83,757 | 226,149 | 24,309 | 29,556 | 9,926 | | | | 395,506 |
| Gross – non-proportional reinsurance accepted | R0230 | | | | | | | 94,814 | 6,469 | 113,432 | 214,715 |
| Reinsurers' share | R0240 | 743 | 6,620 | 20,958 | 839 | 1,146 | 698 | 8,003 | 189 | 17,954 | 57,151 |
| **Net** | **R0300** | **21,066** | **77,137** | **205,191** | **23,470** | **28,410** | **9,228** | **86,811** | **6,280** | **95,478** | **553,071** |
| **CLAIMS INCURRED:** | | | | | | | | | | | |
| Gross – direct business | R0310 | | | | | | | | | | |
| Gross – proportional reinsurance accepted | R0320 | 14,011 | 62,252 | 139,467 | 12,916 | 5,432 | 3,488 | | | | 237,567 |
| Gross – non-proportional reinsurance accepted | R0330 | | | | | | | 57,616 | 5,641 | 125,310 | 188,567 |
| Reinsurers' share | R0340 | 313 | 6,146 | 14,704 | 295 | 130 | 327 | 5,931 | 126 | 18,483 | 46,456 |
| **Net** | **R0400** | **13,698** | **56,106** | **124,763** | **12,621** | **5,302** | **3,161** | **51,685** | **5,515** | **106,827** | **379,677** |
| **CHANGE 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** | **6,298** | **26,890** | **84,332** | **7,095** | **13,643** | **3,870** | **13,388** | **894** | **15,157** | **171,567** |
| **Other expenses** | **R1200** | | | | | | | | | | |
| **TOTAL EXPENSES** | **R1300** | | | | | | | | | | **171,567** |

## 3 S.05.01.02 - 02: Life – Premiums, claims and expenses by line of business

| | | Life reinsurance liabilities | | |
|---|---|---|---|---|
| | | Health reinsurance | Life reinsurance | TOTAL |
| | | C0270 | C0280 | C0300 |
| **PREMIUMS WRITTEN** | | | | |
| Gross | R1410 | 124,762 | 213,379 | 338,140 |
| Reinsurers' share | R1420 | 2,593 | 13,566 | 16,159 |
| **Net** | **R1500** | **122,169** | **199,812** | **321,981** |
| **PREMIUMS EARNED** | | | | |
| Gross | R1510 | 118,787 | 205,468 | 324,255 |
| Reinsurers' share | R1520 | 1,819 | 13,154 | 14,972 |
| **Net** | **R1600** | **116,969** | **192,314** | **309,283** |
| **CLAIMS INCURRED** | | | | |
| Gross | R1610 | 109,520 | 148,822 | 258,342 |
| Reinsurers' share | R1620 | 463 | 10,539 | 11,002 |
| **Net** | **R1700** | **109,056** | **138,283** | **247,339** |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | |
| Gross | R1710 | 2,671 | | 2,671 |
| Reinsurers' share | R1720 | | | |
| **Net** | **R1800** | **2,671** | | **2,671** |
| **Expenses incurred** | **R1900** | **22,659** | **37,385** | **60,044** |
| **Other expenses** | **R2500** | | | |
| **TOTAL EXPENSES** | **R2600** | | | **60,044** |

6

# 4 S.05.02.01 - 01: Non-Life – Premiums, claims and expenses by country

| | | Home country | Top 6 countries (by amount of gross premiums written) – Non-Life obligations | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | C0080 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0140 |
| | R0010 | | CA | CN | DE | IL | JO | SA | |
| **PREMIUMS WRITTEN** | | | | | | | | | |
| Gross – direct business | R0110 | | | | | | | | 0 |
| Gross – proportional reinsurance accepted | R0120 | 53,019 | 31,733 | 27,612 | | 31,531 | 1,840 | 12,076 | 157,810 |
| Gross – non-proportional reinsurance | R0130 | 47,059 | 32,996 | 5,203 | | 7,291 | 438 | 987 | 93,974 |
| Reinsurers' share | R0140 | 8,429 | 4,516 | 1,839 | | 3,113 | 85 | 647 | 18,628 |
| **Net** | **R0200** | **91,650** | **60,212** | **30,976** | **0** | **35,709** | **2,193** | **12,416** | **233,156** |
| **PREMIUMS EARNED** | | | | | | | | | |
| Gross – direct business | R0210 | | | | | | | | 0 |
| Gross – proportional reinsurance accepted | R0220 | 50,672 | 22,467 | 26,947 | | 32,099 | 1,537 | 10,579 | 144,301 |
| Gross – non-proportional reinsurance | R0230 | 47,357 | 32,286 | 5,137 | | 7,282 | 302 | 907 | 93,272 |
| Reinsurers' share | R0240 | 8,519 | 4,172 | 1,923 | | 3,377 | 73 | 609 | 18,673 |
| **Net** | **R0300** | **89,509** | **50,581** | **30,161** | **0** | **36,004** | **1,767** | **10,877** | **218,900** |
| **CLAIMS INCURRED** | | | | | | | | | |
| Gross – direct business | R0310 | | | | | | | | 0 |
| Gross – proportional reinsurance accepted | R0320 | 48,005 | 18,251 | 20,311 | | 22,232 | 470 | 2,136 | 111,405 |
| Gross – non-proportional reinsurance | R0330 | 72,378 | 20,715 | 905 | | 6,541 | 126 | 167 | 100,832 |
| Reinsurers' share | R0340 | 9,766 | 3,160 | 1,424 | | 3,229 | 23 | 152 | 17,754 |
| **Net** | **R0400** | **110,617** | **35,806** | **19,793** | **0** | **25,543** | **573** | **2,151** | **194,484** |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | | | | | | |
| Gross – direct business | R0410 | | | | | | | | 0 |
| Gross – proportional reinsurance accepted | R0420 | | | | | | | | 0 |
| Gross – non-proportional reinsurance | R0430 | | | | | | | | 0 |
| Reinsurers' share | R0440 | | | | | | | | 0 |
| **Net** | **R0500** | | **0** | **0** | **0** | **0** | **0** | | **0** |
| **Expenses incurred** | **R0550** | **22,967** | **15,150** | **10,176** | **6,333** | **9,803** | **0** | **4,959** | **69,388** |
| **Other expenses** | **R1200** | | | | | | | | |
| **TOTAL EXPENSES** | **R1300** | | | | | | | | **69,388** |

## 5 S.05.02.01 - 02: Life – Premiums, claims and expenses by country

| | | Home country | Top 6 countries (by amount of gross premiums written) – Life obligations | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | C0220 | C0160 | C0170 | C0180 | C0190 | C0200 | C0210 | C0280 |
| | R1400 | | CA | CN | DE | IL | JO | SA | |
| **PREMIUMS WRITTEN** | | | | | | | | | |
| Gross | R1410 | 75,411 | | 25,823 | | 19,018 | 38,615 | 27,712 | 186,580 |
| Reinsurers' share | R1420 | 3,634 | | 237 | | 417 | 200 | 146 | 4,634 |
| **Net** | **R1500** | **71,777** | **0** | **25,586** | **0** | **18,601** | **38,415** | **27,566** | **181,946** |
| **PREMIUMS EARNED** | | | | | | | | | |
| Gross | R1510 | 85,467 | | 25,023 | | 20,189 | 33,486 | 23,720 | 187,885 |
| Reinsurers' share | R1520 | 3,028 | | 182 | | 279 | 166 | 121 | 3,775 |
| **Net** | **R1600** | **82,438** | **0** | **24,841** | **0** | **19,911** | **33,319** | **23,600** | **184,109** |
| **CLAIMS INCURRED** | | | | | | | | | |
| Gross | R1610 | 37,775 | (29) | 15,742 | | 28,825 | 34,525 | 18,555 | 135,393 |
| Reinsurers' share | R1620 | 310 | | 40 | | 205 | 75 | 41 | 672 |
| **Net** | **R1700** | **37,465** | **(29)** | **15,701** | **0** | **28,619** | **34,450** | **18,514** | **134,720** |
| **CHANGES IN OTHER TECHNICAL PROVISIONS** | | | | | | | | | |
| Gross | R1710 | 2,671 | | | | | | | 2,671 |
| Reinsurers' share | R1720 | | | | | | | | 0 |
| **Net** | **R1800** | **2,671** | **0** | **0** | **0** | **0** | **0** | **0** | **2,671** |
| **Expenses incurred** | **R1900** | **27,199** | | **6,707** | **370** | **2,427** | | **2,939** | **39,641** |
| **Other expenses** | **R2500** | | | | | | | | |
| **TOTAL EXPENSES** | **R2600** | | | | | | | | **39,641** |

## 6 S.12.01.02: Life and health SLT technical provisions

| | | Accepted reinsurance | Total (Life other than health insurance, incl. unit-linked) | Health reinsurance (reinsurance accepted) | Total (health similar to Life) |
|---|---|---|---|---|---|
| | | C0100 | C0150 | C0200 | C0210 |
| TECHNICAL PROVISIONS CALCULATED AS A WHOLE | R0010 | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | R0020 | | | | |
| TECHNICAL PROVISIONS CALCULATED AS A SUM OF BE AND RM | | | | | |
| BEST ESTIMATE | | | | | |
| GROSS BEST ESTIMATE | R0030 | 341,764 | 341,764 | 256,192 | 256,192 |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0080 | 4,449 | 4,449 | 728 | 728 |
| Best estimate minus recoverables from reinsurance/SPV and Finite Re – total | R0090 | 337,315 | 337,315 | 255,464 | 255,464 |
| RISK MARGIN | R0100 | 30,374 | 30,374 | 22,769 | 22,769 |
| AMOUNT OF THE TRANSITIONAL ON TECHNICAL PROVISIONS | | | | | |
| Technical provisions calculated as a whole | R0110 | | | | |
| Best estimate | R0120 | | | | |
| Risk margin | R0130 | | | | |
| TECHNICAL PROVISIONS – TOTAL | R0200 | 372,138 | 372,138 | 278,961 | 278,961 |

6

## 7 S.17.01.02: Non-Life technical provisions

| | | Direct business and accepted proportional reinsurance | | | | | Direct business and accepted proportional reinsurance | Accepted non-proportional reinsurance | | | Total Non-Life obligation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | |
| | | C0050 | C0070 | C0080 | C0090 | C0100 | C0130 | C0150 | C0160 | C0170 | C0180 |
| **Technical provisions calculated as a whole** | R0010 | | | | | | | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | R0050 | | | | | | | | | | |
| **Technical provisions calculated a sum of BE and RM** | | | | | | | | | | | |
| **Best estimate** | | | | | | | | | | | |
| **Premium provisions** | | | | | | | | | | | |
| Gross | R0060 | 1,829 | 10,128 | 34,049 | 2,916 | 1,516 | 478 | 1,231 | 617 | 4,692 | 57,455 |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | (1) | (130) | 197 | | 0 | | | | 102 | 168 |
| Net best estimate of claims provisions | R0150 | 1,830 | 10,259 | 33,852 | 2,916 | 1,515 | 478 | 1,231 | 617 | 4,590 | 57,287 |
| **Outstanding claims reserves** | | | | | | | | | | | |
| Gross | R0160 | 30,329 | 71,821 | 177,082 | 46,852 | 22,783 | 9,195 | 352,637 | 10,505 | 229,295 | 950,500 |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | (67) | 6,250 | 24,568 | (25) | 6 | 545 | 6,907 | (18) | 23,652 | 61,818 |
| Net best estimate of claims provisions | R0250 | 30,396 | 65,571 | 152,514 | 46,877 | 22,778 | 8,650 | 345,730 | 10,524 | 205,642 | 888,682 |
| **Total best estimate – gross** | **R0260** | **32,158** | **81,950** | **211,131** | **49,768** | **24,299** | **9,673** | **353,868** | **11,123** | **233,987** | **1,007,956** |
| **Total best estimate – net** | **R0270** | **32,226** | **75,830** | **186,366** | **49,792** | **24,293** | **9,128** | **346,961** | **11,141** | **210,233** | **945,969** |
| **Risk margin** | **R0280** | **2,858** | **7,283** | **18,764** | **4,423** | **2,160** | **860** | **31,450** | **989** | **20,796** | **89,582** |
| **Amount of the transitional on technical provisions** | | | | | | | | | | | |
| Technical provisions calculated as a whole | R0290 | | | | | | | | | | |
| Best estimate | R0300 | | | | | | | | | | |
| Risk margin | R0310 | | | | | | | | | | |
| **Technical provisions – total** | | | | | | | | | | | |
| Technical provisions – total | R0320 | 35,016 | 89,233 | 229,895 | 54,191 | 26,458 | 10,533 | 385,318 | 12,111 | 254,782 | 1,097,538 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total | R0330 | (68) | 6,120 | 24,765 | (25) | 6 | 545 | 6,907 | (18) | 23,754 | 61,986 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total | R0340 | 35,084 | 83,113 | 205,130 | 54,215 | 26,453 | 9,988 | 378,411 | 12,130 | 231,028 | 1,035,551 |

## 8 S.19.01.21 - 01 & 02: Non-Life insurance claims

| Accident year/underwriting year | Z0020 | 2 |
|---|---|---|

### Gross claims paid (non-cumulative)

Development year

| Year | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 |
| Prior | R0100 | | | | | | | | | | | 11,602 |
| Y-9 | R0160 | 8,820 | 79,836 | 37,880 | 18,126 | 9,619 | 9,596 | 5,786 | 5,064 | 3,892 | 1,987 | |
| Y-8 | R0170 | 6,372 | 63,450 | 30,156 | 13,675 | 11,860 | 7,900 | 8,200 | 4,202 | 2,993 | | |
| Y-7 | R0180 | 2,418 | 62,855 | 29,434 | 12,506 | 9,933 | 8,617 | 7,777 | 6,337 | | | |
| Y-6 | R0190 | 4,784 | (76,042) | 46,125 | 24,747 | 18,141 | 38,248 | 5,022 | | | | |
| Y-5 | R0200 | 6,187 | 65,695 | 29,383 | 17,517 | 11,504 | 5,847 | | | | | |
| Y-4 | R0210 | 4,610 | 81,477 | 44,298 | 19,343 | 11,912 | | | | | | |
| Y-3 | R0220 | 3,054 | 106,179 | 51,797 | 28,382 | | | | | | | |
| Y-2 | R0230 | 6,684 | 96,282 | 49,631 | | | | | | | | |
| Y-1 | R0240 | 28,637 | 148,486 | | | | | | | | | |
| Y | R0250 | 12,550 | | | | | | | | | | |

| | | Current year | Sum of years (cumulative) |
|---|---|---|---|
| | | C0170 | C0180 |
| | R0100 | 11,602 | 11,602 |
| | R0160 | 1,987 | 180,606 |
| | R0170 | 2,993 | 148,808 |
| | R0180 | 6,337 | 139,876 |
| | R0190 | 5,022 | 61,026 |
| | R0200 | 5,847 | 136,133 |
| | R0210 | 11,912 | 161,641 |
| | R0220 | 28,382 | 189,412 |
| | R0230 | 49,631 | 152,597 |
| | R0240 | 148,486 | 177,123 |
| | R0250 | 12,550 | 12,550 |
| Total | R0260 | **284,750** | **1,371,374** |

### Gross undiscounted best estimate claims provisions

Development year

| Year | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 |
| Prior | R0100 | | | | | | | | | | | 307,754 |
| Y-9 | R0160 | 165,485 | 160,469 | 123,233 | 100,205 | 84,685 | 71,507 | 60,918 | 49,231 | 42,651 | 39,152 | |
| Y-8 | R0170 | 161,144 | 158,924 | 127,567 | 109,212 | 93,358 | 75,025 | 61,083 | 48,385 | 45,724 | | |
| Y-7 | R0180 | 148,519 | 143,953 | 123,397 | 103,046 | 81,845 | 69,633 | 54,408 | 44,375 | | | |
| Y-6 | R0190 | 166,276 | 280,493 | 236,149 | 196,723 | 160,321 | 115,492 | 104,564 | | | | |
| Y-5 | R0200 | 149,523 | 133,261 | 98,898 | 78,441 | 67,210 | 58,037 | | | | | |
| Y-4 | R0210 | 166,432 | 150,292 | 117,495 | 87,431 | 74,642 | | | | | | |
| Y-3 | R0220 | 195,328 | 188,604 | 143,227 | 106,415 | | | | | | | |
| Y-2 | R0230 | 236,263 | 222,489 | 168,767 | | | | | | | | |
| Y-1 | R0240 | 276,476 | 288,114 | | | | | | | | | |
| Y | R0250 | 291,638 | | | | | | | | | | |

| | | Year end (discounted data) |
|---|---|---|
| | | C0360 |
| | R0100 | 167,126 |
| | R0160 | 20,740 |
| | R0170 | 27,066 |
| | R0180 | 27,032 |
| | R0190 | 29,239 |
| | R0200 | 30,769 |
| | R0210 | 41,355 |
| | R0220 | 59,680 |
| | R0230 | 98,107 |
| | R0240 | 182,812 |
| | R0250 | 266,576 |
| Total | R0260 | **950,501** |

## 9 S.22.01.21: Impact of long-term guarantee measures and transitionals

| | | Amount with long-term guarantee measures and transitionals | Impact of transitional on technical provisions | Impact of transitional on interest rate | Impact of volatility adjustment set to zero | Impact of matching adjustment set to zero |
|---|---|---|---|---|---|---|
| | | C0010 | C0030 | C0050 | C0070 | C0090 |
| Technical provisions | R0010 | 1,748,636 | 0 | 0 | 20,270 | 0 |
| Basic own funds | R0020 | 1,291,282 | 0 | 0 | (14,874) | 0 |
| Eligible own funds to meet the Solvency Capital Ratio | R0050 | 1,291,282 | 0 | 0 | (14,874) | 0 |
| Solvency Capital Requirement | R0090 | 629,641 | 0 | 0 | 7,054 | 0 |
| Eligible own funds to meet Minimum Capital Requirement | R0100 | 1,022,703 | 0 | 0 | (14,595) | 0 |
| Minimum Capital Requirement | R0110 | 226,858 | 0 | 0 | 1,397 | 0 |

## 10 S.23.01.01 - 01 & 02: Own funds

| | | 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 SECTORS, AS PROVIDED FOR IN ARTICLE 68 OF DELEGATED REGULATION 2015/35** | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 90,082 | 90,082 | | | |
| Share premium account related to ordinary share capital | R0030 | | | | | |
| Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings | R0040 | | | | | |
| Subordinated mutual member accounts | R0050 | | | | | |
| Surplus funds | R0070 | | | | | |
| Preference shares | R0090 | | | | | |
| Share premium account related to preference shares | R0110 | | | | | |
| Reconciliation reserve | R0130 | 887,250 | 887,250 | | | |
| Subordinated liabilities | R0140 | 313,950 | | | 313,950 | |
| An amount equal to the value of net deferred tax assets | R0160 | | | | | |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | | | | | |
| **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 financial and credit institutions | R0230 | | | | | |
| Total basic own funds after deductions | R0290 | 1,291,282 | 977,332 | | 313,950 | |

| | | Total | Tier 1 – unrestricted | Tier 1 – restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **ANCILLARY OWN FUNDS** | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand | R0310 | | | | | |
| Unpaid and uncalled preference shares callable on demand | R0320 | | | | | |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | | | | | |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | | | | | |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | | | | | |
| Supplementary members calls under first sub-paragraph of Article 96(3) of the Directive 2009/138/EC | R0360 | | | | | |
| Supplementary members calls – other than under first sub-paragraph of Article 96(3) of the Directive 2009/138/EC | R0370 | | | | | |
| Other ancillary own funds | R0390 | | | | | |
| Total ancillary own funds | R0400 | | | | | |
| **ELIGIBLE AND AVAILABLE OWN FUNDS** | | | | | | |
| Total available own funds to meet the SCR | R0500 | 1,291,282 | 977,332 | | 313,950 | |
| Total available own funds to meet the MCR | R0510 | 1,291,282 | 977,332 | | 313,950 | |
| Total eligible own funds to meet the SCR | R0540 | 1,291,282 | 977,332 | 0 | 313,950 | 0 |
| Total eligible own funds to meet the MCR | R0550 | 1,022,703 | 977,332 | 0 | 45,372 | |
| Solvency Capital Requirement | R0580 | 629,641 | | | | |
| Minimum Capital Requirement | R0600 | 226,858 | | | | |
| Ratio of eligible own funds to SCR | R0620 | 2,05 | | | | |
| Ratio of eligible own funds to MCR | R0640 | 4,51 | | | | |

6

| | | C0060 |
|---|---|---|
| **RECONCILIATION RESERVE** | | |
| Excess of assets over liabilities | R0700 | 994,143 |
| Own shares (held directly and indirectly) | R0710 | |
| Foreseeable dividends, distributions and charges | R0720 | 16,811 |
| Other basic own fund items | R0730 | 90,082 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds | R0740 | |
| Reconciliation reserve | R0760 | 887,250 |
| **EXPECTED PROFITS** | | |
| Expected profits included in future premiums (EPIFP) – Life business | R0770 | (9,676) |
| Expected profits included in future premiums (EPIFP) – Non-Life business | R0780 | (18,760) |
| **TOTAL EXPECTED PROFITS INCLUDED IN FUTURE PREMIUMS (EPIFP)** | **R0790** | **(28,436)** |

## 11 S.25.01.21: Solvency Capital Requirement (SCR) – for undertakings on standard formula

| | | Gross solvency capital requirement | Simplifications | USP |
|---|---|---|---|---|
| | | C0110 | C0120 | C0090 |
| Market risk | R0010 | 330,506 | | |
| Counterparty default risk | R0020 | 90,361 | | |
| Life underwriting risk | R0030 | 104,058 | | 0 |
| Health underwriting risk | R0040 | 49,051 | | 0 |
| Non-Life underwriting risk | R0050 | 540,498 | | 0 |
| Diversification | R0060 | (333,044) | | |
| Intangible asset risk | R0070 | 0 | | |
| **Basic Solvency Capital Requirement** | **R0100** | **781,431** | | |

| CALCULATION OF SOLVENCY CAPITAL REQUIREMENT | | C0100 |
|---|---|---|
| Operational risk | R0130 | 32,929 |
| Loss-absorbing capacity of technical provisions | R0140 | 0 |
| Loss-absorbing capacity of deferred taxes | R0150 | (184,719) |
| Capital requirement for business operated in accordance with Article 4 of the Directive 2003/41/EC | R0160 | |
| **Solvency Capital Requirement excluding capital add-on** | **R0200** | **629,641** |
| Capital add-on already set | R0210 | |
| **Solvency Capital Requirement** | **R0220** | **629,641** |
| **Other information on SCR** | | |
| Capital requirement for duration-based equity risk sub-module | R0400 | |
| Total amount of Notional Solvency Capital Requirements for remaining part | R0410 | |
| Total amount of Notional Solvency Capital Requirements for ring-fenced funds | R0420 | |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | R0430 | |
| Diversification effects due to RFF nSCR aggregation for Article 304 | R0440 | |

| APPROACH TO TAX RATE | | C0109 |
|---|---|---|
| Approach based on average tax rate | R0590 | 1 |

| LOSS-ABSORBING CAPACITY OF DEFERRED TAXES | | C0130 |
|---|---|---|
| LAC DT | R0640 | (184,719) |
| LAC DT justified by reversion of deferred tax liabilities | R0650 | (104,719) |
| LAC DT justified by reference to probable future taxable economic profit | R0660 | (80,000) |
| LAC DT justified by carry back, current year | R0670 | |
| LAC DT justified by carry back, future years | R0680 | |
| Maximum LAC DT | R0690 | (210,349) |

## 12 S.28.01.01 - 01: Minimum Capital Requirement (MCR) – Only Life or only Non-Life insurance or reinsurance activity

### Linear formula component for non-life insurance and reinsurance obligations

| | | C0010 |
|---|---|---|
| MCRNL Result | R0010 | 214,410 |

| | | Net (of reinsurance/ SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|---|---|
| | | C0020 | C0030 |
| Medical expense insurance and proportional reinsurance | R0020 | 0 | 0 |
| Income protection insurance and proportional reinsurance | R0030 | 0 | 0 |
| Workers' compensation insurance and proportional reinsurance | R0040 | 0 | 0 |
| Motor vehicle liability insurance and proportional reinsurance | R0050 | 32,226 | 19,324 |
| Other motor insurance and proportional reinsurance | R0060 | 0 | 0 |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | 75,830 | 87,163 |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | 186,366 | 228,335 |
| General liability insurance and proportional reinsurance | R0090 | 49,792 | 25,461 |
| Credit and suretyship insurance and proportional reinsurance | R0100 | 24,293 | 31,013 |
| Legal expenses insurance and proportional reinsurance | R0110 | 0 | 0 |
| Assistance and proportional reinsurance | R0120 | 0 | 0 |
| Miscellaneous financial loss insurance and proportional reinsurance | R0130 | 9,128 | 8,452 |
| Non-proportional health reinsurance | R0140 | 0 | 0 |
| Non-proportional casualty reinsurance | R0150 | 346,961 | 89,263 |
| Non-proportional marine, aviation and transport reinsurance | R0160 | 11,141 | 6,204 |
| Non-proportional property reinsurance | R0170 | 210,233 | 96,294 |

### Linear formula component for life insurance and reinsurance obligations

| | | C0040 |
|---|---|---|
| MCRL Result | R0200 | 12,448 |

| | | Net (of reinsurance/ SPV) best estimate and TP calculated as a whole | Net (of reinsurance/ SPV) total capital at risk (from reinsurance/ securitization vehicles) |
|---|---|---|---|
| | | C0050 | C0060 |
| Obligations with profit participation – guaranteed benefits | R0210 | 0 | |
| Obligations with profit participation – future discretionary benefits | R0220 | 0 | |
| Index-linked and unit-linked insurance obligations | R0230 | 0 | |
| Other life (re)insurance and health (re)insurance obligations | R0240 | 592,779 | |
| Total capital at risk for all Life (re)insurance obligations | R0250 | | 0 |

| OVERALL MCR CALCULATION | | C0070 |
|---|---|---|
| Linear MCR | R0300 | 226,858 |
| Solvency Capital Requirement | R0310 | 629,641 |
| MCR cap | R0320 | 283,338 |
| MCR floor | R0330 | 157,410 |
| Combined MCR | R0340 | 226,858 |
| Absolute floor of the MCR | R0350 | 3,900 |
| **Minimum Capital Requirement** | **R0400** | **226,858** |


157, boulevard Haussmann, 75008 Paris
*Société anonyme*. Share capital of €90,082,100. Registered in Paris, registration no. 817 446 511.
Phone: +33 1 44 35 31 00

**www.ccr-re.com**