Financial statements of CCR Re
December 31, 2016

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Sommaire

BALANCE SHEET as at December 31, 2016

Assets

In euros	December 31, 2016		
	Gross amount	**Depreciation & amortization**	**Net amount**
INTANGIBLE ASSETS	**95,148.08**	**88,365.83**	**6,782.25**
INVESTMENTS			
Real estate investments	196,478,744.12	31,002,072.95	165,476,671.17
Investments in affiliates and participating interests	6,200,000.00		6,200,000.00
Other investments	1,305,259,692.64	66,150.01	1,305,193,542.63
Cash deposited with ceding companies	129,087,979.75		129,087,979.75
TOTAL	**1,637,026,416.51**	**31,068,222.96**	**1,605,958,193.55**
RETROCESSIONNAIRES TECHNICAL RESERVES			
Non-Life unearned premiums reserves	1,552.18		1,552.18
Loss reserves (Life)	520,087.51		520,087.51
Loss reserves (Non-Life)	15,381,112.71		15,381,112.71
Other provision - Life	2,141,000.00		2,141,000.00
TOTAL	**18,043,752.40**		**18,043,752.40**
RECEIVABLES			
Accounts receivable from reinsurance transactions	54,147,571.43	4,433,014.00	49,714,557.43
Accounts receivable from State, social organizations and local authorities	1,841,085.57		1,841,085.57
Accounts receivable from employees			
Other receivables	2,668,946.33	58,380.45	2,610,565.88
TOTAL	**58,657,603.33**	**4,491,394.45**	**54,166,208.88**
OTHER ASSETS			
Operating assets	537,624.75	353,001.26	184,623.49
Cash and cash equivalents	316,964,091.73		316,964,091.73
TOTAL	**317,501,716.48**	**353,001.26**	**317,148,715.22**
ACCRUED INCOME AND OTHER ASSETS			
Accrued interest and rental income	3,103,799.35		3,103,799.35
Deferred acquisition costs	32,782,054.46		32,782,054.46
Other	180,691,624.48		180,691,624.48
TOTAL	**216,577,478.29**		**216,577,478.29**
TOTAL ASSETS	**2,247,902,115.09**	**36,000,984.50**	**2,211,901,130.59**

BALANCE SHEET as at December 31, 2016

Liabilities

In euros	At December 31, 2016 Before appropriation of results
SHAREHOLDER'S EQUITY	
Share capital	90,082,100.00
Additional paid-in-capital	270,847,129.00
Revaluation reserves	
Other reserves	
Net income for the year	6,014,205.25
TOTAL	**366,943,434.25**
SUBORDINATED DEBT	**75,000,000.00**
GROSS TECHNICAL RESERVES	
Non-Life unearned premiums reserves	113,995,748.50
Life reinsurance reserves	126,341,413.23
Loss reserves (Life)	135,807,339.93
Loss reserves (Non-Life)	1,318,692,370.28
Equalization reserves	9,377,891.52
TOTAL	**1,704,214,763.46**
NON-TECHNICAL PROVISION	**8,559,753.42**
OTHER LIABILITIES	
Reinsurance payables	1,220,056.89
Other loans, deposits and guarantees held	927,231.46
Liabilities due to employees	494,251.07
Liabilities due to State, social organizations and local authorities	15,535,450.92
Other payables	34,153,036.45
TOTAL	**52,330,026.79**
ACCRUED EXPENSES	**4,853,152.67**
TOTAL LIABILITIES	**2,211,901,130.59**

INCOME STATEMENT as at December 31, 2016

In euros	December 31, 2016 ASSUMED	RETROCEDED	NET
NON-LIFE UNDERWRITING OPERATIONS			
Earned premiums:			
Written Premiums	318,412,881.90	13,086,400.93	305,326,480.97
Change in unearned premium reserves	3,620,735.48	239,913.46	3,380,822.02
	322,033,617.38	**13,326,314.39**	**308,707,302.99**
Allocated investment income from non-underwriting operation	**24,322,505.47**		**24,322,505.47**
Other underwriting income	**3,568,862.32**		**3,568,862.32**
Claims incurred			
Claims and adjustment expenses paid	-210,500,548.15	-7,076,548.91	-203,423,999.24
Change in claims reserves	-31,105,791.41	-2,543,977.28	-28,561,814.13
	-241,606,339.56	**-9,620,526.19**	**-231,985,813.37**
Profit commission	**-2,040,796.52**	**-214,678.15**	**-1,826,118.37**
Acquisition and administrative expenses			
Acquisition expenses	-86,126,365.55		-86,126,365.55
Administrative expenses	-8,918,993.50		-8,918,993.50
Commissions received from reinsurers		-15,499.20	15,499.20
	-95,045,359.05	**-15,499.20**	**-95,029,859.85**
Other operating expenses	**-3,962,786.96**	**24,301.00**	**-3,987,087.96**
Changes in equalization reserves	**0.00**		**0.00**
Non-Life underwriting result	**7,269,703.08**	**3,499,911.85**	**3,769,791.23**
LIFE UNDERWRITING OPERATIONS			
Earned Premiums	**118,527,123.15**	**4,350,809.60**	**114,176,313.55**
Investment income			
Investment income	4,187,788.86		4,187,788.86
Other investment income	991,487.49		991,487.49
Realized gains on investments	2,889,283.30		2,889,283.30
	8,068,559.65	**0.00**	**8,068,559.65**
Other underwriting income	**51.88**		**51.88**
Claims incurred			
Claims and adjustment expenses paid	-65,144,457.83	-318,265.26	-64,826,192.57
Change in claims reserves	-6,561,071.67	-507,733.84	-6,053,337.83
	-71,705,529.50	**-825,999.10**	**-70,879,530.40**
Charges to Life reserves and other technical reserves			
Life reinsurance reserves	-8,842,431.05	0.00	-8,842,431.05
	-8,842,431.05	**0.00**	**-8,842,431.05**
Profit commission	**-7,240,483.69**	**-97,648.12**	**-7,142,835.57**
Acquisition and administrative expenses			
Acquisition expenses	-17,548,348.05		-17,548,348.05
Administrative expenses	-1,303,398.76		-1,303,398.76
Commissions received from reinsurers		-720.75	720.75
	-18,851,746.81	**-720.75**	**-18,851,026.06**
Investment expenses			
Internal and external investment management expenses and interest charges	-993,817.53		-993,817.53
Other investment expenses	-842,536.16		-842,536.16
Realized losses on investments	-1,808,386.05		-1,808,386.05
	-3,644,739.74	**0.00**	**-3,644,739.74**
Other operating expenses	**-1,566,031.16**	**41,563.00**	**-1,607,594.16**
Life underwriting result	**14,744,772.73**	**3,468,004.63**	**11,276,768.10**

INCOME STATEMENT as at December 31, 2016

In euros	December 31, 2016		
	ASSUMED	RETROCEDED	NET
NON-UNDERWRITING OPERATION			
Non-Life underwriting result			**3,769,791.23**
Life underwriting result			**11,276,768.10**
Investment income			
Investment income			29,036,498.83
Other investment income			6,874,588.52
Realized gains on investments			20,033,166.41
			55,944,253.76
Investment expenses			
Internal and external investment management expenses and interest charges			-6,890,744.11
Other investment expenses			-5,841,818.01
Realized losses on investments			-12,538,645.36
			-25,271,207.48
Investment income transferred to Non-Life underwriting operation			**-24,322,505.47**
Other non-underwriting income			**0.00**
Other non-underwriting expenses			**0.00**
Non recurring income (loss)			
Non-recurring gains			3,384.67
Non-recurring losses			-66,356.74
			-62,972.07
Employee profit sharing			**0.00**
Income tax			**-15,319,922.82**
NET INCOME FOR THE YEAR			**6,014,205.25**

NOTES TO THE FINANCIAL STATEMENTS

Notes to the balance sheet and profit and loss items for the fiscal year ended December 31, 2016

The following notes and tables are an integral part of the annual financial statements prepared by the Board of Directors on April 25, 2017.

CCR RE is a French limited liability company whose main activity is to conduct reinsurance and retrocession operations of all types and in all lines of business. This activity is governed by the French Insurance Code.

NOTE 1 YEAR'S HIGHLIGHTS AND EVENTS OCCURRING SUBSEQUENTLY TO THE CLOSE OF THE FISCAL YEAR

1.1- KEY EVENTS OF THE YEAR

1.1.1- *Publication of French Accounting Standards Authority (ANC) regulation no. 2015-11 relating to the annual financial statements of insurance companies*

The financial statements of CCR RE have been established in accordance with the provisions of *ANC* regulation no. 2015-11 relating to the annual financial statements of insurance companies and with the French Insurance Code.

1.1.2- Partial contribution of assets of the Open Market Reinsurance activity to CCR RE

CCR RE was incorporated as a French simplified stock corporation and registered on December 28, 2015 then subsequently transformed into a French limited liability company in 2016, adopting the corporate name CCR RE and the corporate purpose of conducting reinsurance operations.

The Company was granted an administrative license from the French financial supervisory body (*ACPR*) enabling it to conduct Life and Non-Life reinsurance operations in accordance with article L 321-1.1 of the French Insurance Code on September 16, 2016 (published in the Official Journal of November 10, 2016).

From a legal perspective, open market reinsurance, an entire and autonomous business segment, was transferred by CCR to CCR RE by way of a partial contribution of assets, governed by the legal provisions applicable to such operations, involving the universal transfer of all asset and liability items of the open market reinsurance segment. The partial contribution of assets from CCR to CCR RE was definitively operated in conformity with the Contribution Agreement on the Closing Date, i.e. December 31, 2016. However, it took effect, from an accounting and legal standpoint, retroactively on January 1, 2016. In remuneration for the contribution and as representation of the net assets provided by CCR, the amount of which amounts to € 357.9 m, CCR RE increased its share capital by € 89.3 m and recorded an issue premium of € 268.6 m.

Consequently, CCR RE's first financial statements closed on December 31, 2016 and the duration of its first accounting period was one year and four days.

1.2- EVENTS OCCURRING SUBSEQUENTLY TO THE CLOSE OF THE FISCAL YEAR

Since March 20, 2017, the discount rate applied to Third-Party Liability claims arising in Great Britain, Gibraltar and Malta was revised downwards significantly (dropping from 2.5% to a negative 0,75%). Initial estimates performed by the Company tend to indicate that the level of provisions decided by CCR RE is sufficient enough to absorb the impact of this revaluation.

NOTE 2 SUMMARY OF THE ACCOUNTING PRINCIPLES AND THE VALUATION METHODS USED

The principles and valuation methods used are those specified by French Accounting Standards Authority (*ANC*) regulation no. 2015-11 and by the French Insurance Code and, in the absence of special provision, by the Code of Commerce and the General Chart of Accounts.

The income statement is divided up into the life and non-life operating accounts and the non-operating account.

The operating accounts include, in addition to the operating items of respectively the Life Reinsurance and Non-Life Reinsurance activities, general expenses and investment income from the reinsurance activities.

Investment income from investing on own account is included in the non-operating account.

The method used to value the operating result consists of recognizing as premiums written, in the underwriting year, an estimate of the ultimate expected written premiums on the basis of the inflow of business accepted. This information is also used to determine the unearned premium reserves and commissions payable. The difference between the estimated final premium income, net of commissions plus the premiums included already in the ceding companies' accounts, is shown in the adjustment accounts on the assets side of the balance sheet.

Ultimate loss experience, net of claims communicated by the ceding companies, is shown as a provision for claims payable on the liabilities side of the balance sheet.

By eliminating the timing difference in recording underwriting transactions, this method enables all underwriting-related items to be recognized in the same accounting period as the cedant.

As regards operations relating to open market reinsurance activities, the retrocession program, underwritten by CCR RE, is aimed at protecting the Company against an excessive loss experience and therefore avoid exposure to sharp fluctuations in its annual results. This program is also aimed at managing the cost of the protection offered by the retrocession market by controlling the financial strength of the retrocessionaires.

The research and analyses performed applying the criteria set out in recommendation 2009-12 of October 1, 2009 released by the French Accounting Standards Board (*Autorité des Normes Comptables*) on accounting for so-called finite reinsurance treaties and for financial reinsurance treaties, did not identify any contracts of this type in the portfolio managed by the Company.

2.1- CHANGES IN ACCOUNTING METHOD

2016, the first financial year of CCR RE, had a duration of one year and four days. As a result, there is no change in methodology.

2.2- INTANGIBLE ASSETS

The acquisition cost of software is reported as an asset and depreciated over a three-year period.

The production cost of a software package for processing underwriting operations is reported as an asset and straight-line depreciated over five years from the time it is brought into operation.

2.3- INVESTMENTS

Investment assets are valued at their historical cost of acquisition. The valuation at the close of the fiscal year depends in particular on the nature of the asset and the length of time it has been held.

a) Real Estate assets

- Buildings, land and unquoted shares in real estate companies are valued at the cost of acquisition or construction (except those reappraised by law) net of purchase expenses and tax, and including the cost of improvements.
- The original values of construction materials were broken down into four component parts, as follows:
  - a structure's basic shell, depreciated according to the residual value of the building at the date of purchase, taking into account the estimated life expectancy of the building at the time of construction, namely:
    - 120 years for residential buildings;
    - 150 years for residential buildings completed prior to 1900;
    - 80 years for office buildings;
  - buildings' envelopes depreciated over 30 to 35 years,
  - technical installations depreciated over 25 years,
  - fixtures and fittings depreciated over 15 to 25 years.

  For these last three components, the date of purchase constitutes the point from which depreciation commences on the understanding that any repairs or replacements made since the building's original construction were made with materials of similar type or value at the end of each depreciation period.

  Any works undertaken to improve the structures are subject to the depreciation factors for the buildings in question.
- Special provisions for substantial and/or major repairs have been set up for extraordinary maintenance works that go beyond the normal context of upkeep, such as cleaning or restoration expenses for exterior walls. These expenses are pro-rated over the projected payout dates within the framework of a long-term program.
- Provisions for long-term depreciation are determined according to the following classification:
  - Buildings used for operations, intended to be kept by the Company, and for which the reference value used for valuation at the close of the fiscal year is the utility value, which is generally equivalent to the net book value.

    In principle, these buildings are not reported as depreciation.
  - Rental buildings, also intended to be kept by the Company, and for which the reference value is a function of the return value determined on the basis of future rental flows.

  Provisions for depreciation are established by comparing this reference value with the book value, taking into account a long-term asset retention strategy. It is considered that a provision for depreciation is required when the reference value represents less than 15% of book value.

  In cases where buildings are to be sold within a short time, the reference value is equal to the realization value.
  - The realization value shown on the investment statement is obtained from five-year appraisals or, between two appraisals, from an annual estimate made by an appraiser approved by the French prudential supervision authority (*Autorité de Contrôle Prudentiel*).
  - Shares in real estate companies are estimated by applying these same principles.

b) Variable-income securities

Stock is recorded on the balance sheet on the basis of its acquisition price.

The following two categories are used:

- *investments in affiliates*, for which the reference value is the value in use, which is a function of the utility that the holdings represent for the Company.

  A provision for depreciation is established line by line when these amounts are below the acquisition value.

- *investment securities* at their probable market value. When the probable market value is significantly below the acquisition cost, a provision for long-term depreciation is established line by line, in accordance with the provisions of articles 123-6 to 123-19 of Regulation 2015-11 dated November 26, 2015 of the French National Accounting Council.

  Permanent declines in value are assessed on a multi-criterial basis taking into account notably the situation concerning not only any significant unrealized capital losses in book value over the six-month period immediately preceding the decree but also the intrinsic problems or those stemming from the current economic situation faced by the companies concerned, thus rendering quite unlikely the chances of any mid-term recovery; for mutual funds by comparing their respective performances against pre-established benchmarks.

  In the absence of long-term holdings, more often than not, this method has resulted in an inventory valuation based on the last quoted market price at the time of the decree.

  In the financial statements for the year ended 12/31/2016, a provision for long-term depreciation was recognized applying a 20% threshold, in accordance with the aforementioned recommendation.

  The amount of provisions for the long-term impairment recorded at December 31, 2016 was € 0.066 m.

c) Fixed-income securities

Bonds are recorded at their purchase cost less interest accrued.

The difference between the acquisition cost and the redemption value is shown in the profit and loss account over the residual life of the bonds according to an actuarial computation. With regard to inflation-indexed bonds issued or guaranteed by a Member State of the European Union or by a public entity operating under the authority of one of these States, the profit or loss resulting from changes in inflation indices is recognized at each balance sheet date.

A provision for long-term depreciation is made only if the issuer defaults. The realization value is the last price quoted or, in the absence thereof, the market value.

Article 121-9 of regulation 2015-11 dated November 26, 2015 of the French National Accounting Council relating to the accounting classification of bonds convertible into shares, requires these instruments to be accounted for in accordance with article R 343-9 of the French Insurance Code. However, when these instruments present a negative actuarial yield at the date of purchase, they may be accounted for in accordance with article R 343-10. This regulation does not apply to CCR RE since its portfolio of direct holdings does not include any such instruments.

d) Other assets

Impairment provisions are booked on loans and other receivables only where there is a risk of counter-party default.

e) Foreign exchange transactions

Open foreign exchange positions result from differences between asset and liabilities denominated in each foreign currency. Certain positions are hedged, either through forward exchange transactions, or through transactions in foreign exchange derivatives (non-deliverable forwards) in the case of non-convertible currencies.

At 12/31/2016, the main open positions were as follows (in millions for each local currency):

CURRENCY		Asset in original currency at 12/31/2016	Liability in original currency at 12/31/2016	Surplus or deficit at 12/31/2016	Hedge
Canadian dollar	CAD	274.16	205.65	68.51	73.06
Taiwan dollar	TWD	89.81	593.61	-503.80	498.00
US dollar	USD	108.57	161.12	19.44	6.50
Malaysian ringgit	MYR	23.47	103.82	-80.35	73.10
Chinese renminbi	CNY	140.72	289.77	-149.05	141.15
South Korean won	KRW	2,722.69	11,611.78	-8,889.08	8,850.00
Indian rupee	INR	277.46	1,068.60	-791.15	719.00

Each leg of the foreign exchange transaction is recorded as an off balance sheet commitment under commitments given or commitments received.

2.4- OTHER OPERATING ASSETS

Entries in this category appear on the balance sheet under assets according to their historical cost.

Equipment, furniture and fixtures are depreciated by the straight-line or accelerated method, based on their expected useful life:

- Office furniture and equipment........................... 3, 5 or 10 years
- Fittings and fixtures.. 10 years
- Transportation equipment... 5 years

2.5- ACCRUAL ACCOUNTS

a) Acquisition costs related to reinsurance contracts are expensed over the period of coverage, under the same conditions as the unearned premiums for the related contracts to which these costs pertain.

b) Valuation of reinsurance underwriting items

Additional premiums, commissions and brokerage fees are recorded in the appropriate income statement accounts, with a corresponding entry made in the appropriate adjustment account.

2.6- MULTICURRENCY ACCOUNTING

All Company operations are recorded in the foreign currencies in which they are transacted and, pursuant to the provisions of the Insurance Code, are converted into euros on the basis of the exchange rate in effect at the end of the fiscal year since January 1, 1999.

Fluctuations in the exchange rates for transactions in foreign currencies, including unrealized losses or gains at 12/31/2016, are reported in the profit and loss account; the difference resulting from currency translations of assets and liabilities as of 1/1/2016, on the basis of the exchange rates as of 12/31/2016 represents a loss of € 0.716 m.

2.7- NON TECHNICAL PROVISIONS

CCR RE does not directly employ personnel. At December 31, 2016, all persons assigned to the open market reinsurance segment remained employees of the Caisse Centrale de Réassurance. However, provisions directly relating to personnel assigned to this segment were recorded directly by CCR RE.

For information purposes, the transfer of personnel to the open market reinsurance segment took effect on January 1, 2017.

a) Reserves for pension benefits

These are set up to provide retirement benefits to salaried employees assigned to open market reinsurance operations at the end of their careers.

The method by which the benefits are paid is based on the number of years of employment by the Company (or the projected units of credit to be accumulated). It takes into consideration a gradual acquisition of rights over the years as the employee continues to work for the Company.

Various assumptions must be weighed carefully:

- an undifferentiated revaluation rate for remuneration between managerial and non-managerial employees is established to take into account the latest total payroll forecasts,
- a survival coefficient determined on the basis of *INSEE* mortality table TD-TV 11-13. The coefficient is equal to the following ratio: "number of living persons having reached retirement age" / "number of living persons with the same age as employee".
- the expectancy of how many employees will reach retirement age based on annual turnover rates for the Company, by employee age groups.
- a discount rate based on the iBoxx Corporate Overall AA 10+ index of 1.31% for 2016. Furthermore, these calculations take the employer’s expenses into account at a rate of 55%.

b) Provision for additional paid vacation for early retirees

The protocol relevant to CCR's "employee benefits" stipulates that the number of annual paid vacation days is increased for employees leaving for retirement.

The hypotheses for calculating reserves for the pension benefits of employees assigned to open market reinsurance operations are used to calculate the provision for additional paid vacation for early retirees.

c) Provision for long-service medals

These are special bonuses granted to salaried employees assigned to open market reinsurance operations having earned one or more Medals of Merit for services rendered according to pre-established rules as required by law.

The same methodology applies as described for establishing pension benefits, except that a discount rate based on the iBoxx Corporate Overall AA 7-10+ index of 0.86% is used for 2016.

When measuring its obligations in respect of employee benefits, CCR RE took into account changes introduced by the Law reforming the French pension system (decree no. 2011-2034 of December 29, 2011 relating to the eligible retirement age).

2.8- TECHNICAL RESERVES AND UNDERWRITING RESULT

Statements from the ceding companies are recorded immediately upon receipt.

On the inventory date, recording estimates relating to statements yet to be received from cedants enables an entry to be made for the foreseeable settlement amount of each file until it is closed.

In the case of open market reinsurance activities, these estimates are produced by the underwriters for the treaties underwritten during the year and by the actuary for treaties underwritten in previous years. The following are exceptions to this rule:

- non-proportional treaties for the motor and liability lines (not to include treaties covering risks underwritten in Malaysia that follow the general rule without exception) and individual business, for which the estimates are produced by the actuary for all years;
- for Life business, *AGPM* (Military Provident Insurance Association) and *TVG* (Generation Life) treaties, for which the estimates are produced by the underwriters for all years.

a) Premium reserves

The premiums recognized in the financial year correspond to the estimated amount of inflow at the time the policy is underwritten. Premium inflow is reviewed regularly, based on changes in premiums paid under the treaty.

Provisions for unearned premiums are calculated on the basis of the remaining period of a policy or of a group of policies subsequent to the close of the financial year in question and until the termination date of coverage.

Calculations are made in accordance with the nature of the premiums and on the basis of a rate linked to the frequency of issuance of written premiums and/or on the basis of a pro-rata rate linked to the due date of the policies.

b) Loss reserves

Provisions for outstanding claims as reported by the cedents are increased by the amount of estimates made on the basis of the expected outcomes and by a charge for claims administration.

Should the overall value of investments sold, as set out in Article R 343-10 of the Insurance Code, prove to be less than the net overall value of these investments as carried on the balance sheet, then a reserve for current liabilities should be set up for the difference between these two amounts, in accordance with article R 343-8 10 of the Insurance Code.

At 12/31/2016, no such reserve for current liabilities was accounted for.

2.9- OTHER ELEMENTS

a) General expenses and expenses by category

For each function in the Company, a complete cost is determined and then allocated to the appropriate administrative expense category on the basis of the principal activity inherent in that function.

For cost centers which by their nature require a multiple allocation, the distribution is made on the basis of an individual measure of working time. The theoretical rent for a building used for operations is broken down in proportion to the different types of charge by destination.

Commissions paid to cedants are recognized as acquisition costs.

b) Tax credit for competitiveness and employment

The tax credit for competitiveness and employment, which was instituted by the third Additional Budget Act for 2012, took effect from January 1, 2013. Its main characteristics are summarized below:

- This tax credit is available on all wages not exceeding 2.5 times the minimum wage paid in any given calendar year, with effect from January 1, 2013. The rate of the tax credit was then increased from 4% for wages paid in 2013 to 6% from January 1, 2014;
- The tax credit is offset against corporation tax, failing which the tax credit will be refunded after three years.

There was no Additional Budget Act tax credit recorded against corporation tax for the 2016 financial year.

NOTE 3 NOTES ON BALANCE SHEET ITEMS

3.1- CHANGES AFFECTING CERTAIN ASSET ITEMS

GROSS BALANCES (In EUR thousand)	12/31/2015	CHANGES			12/31/2016
		ACQUISITIONS	Data from partial contribution of assets	DISPOSALS	
Software		6	89		95
Intangible Assets		**6**	**89**		**95**
Buildings		10,311	139,782		150,093
Building - own used			6,309		6,309
Building in process		9,526	1,943	9,452	2,017
Shares in real estate companies (unquoted)			38,059		38,059
Total Real estate investments		**19,837**	**186,093**	**9,452**	**196,478**
Investments in related and associated companies					**6,200**
Cash deposited with other ceding compagnies		**12,870**	**128,452**	**12,234**	**129,088**

NET BALANCES (In EUR thousand)	12/31/2016 GROSS	AMORTIZATION	DEPRECIATION & IMPAIRMENT	12/31/2016 NET
Intangible Assets	**95**	**88**		**7**
Buildings	150,093	30,098		119,995
Building - own used	6,309	904		5,405
Building in process	2,017			2,017
Shares in real estate companies (unquoted)	38,059			38,059
Total Real estate investments	**196,478**	**31,002**		**165,476**
Investments in related and associated companies	**6,200**			**6,200**
Cash deposited with other ceding compagnies	**129,088**			**129,088**

3.2- INFORMATION RELATIVE TO INVESTMENTS

(In EUR thousand)	12/31/2016 GROSS BALANCES	AMORTIZATION DEPRECIATION & IMPAIRMENT	NET BALANCES
Shares and other variable-income securities	774,068	66	774,002
Bonds and other fixed-income securities	249,909		249,909
Mortgage loans	277		277
Cash deposits and security deposits	110,593		110,593
Other Investments	170,414		170,414
TOTAL	**1,305,260**	**66**	**1,305,194**

3.3- SUMMARY OF INVESTMENTS (in thousands of euros)

(In EUR thousand)	Gross Value	2016 Net book value (1)	Realization value
Real estate investments			
- Land and buildings	194,461	163,459	338,553
- Land and buildings in process	2,017	2,017	
TOTAL REAL ESTATE INVESTMENTS	**196,479**	**165,477**	**338,553**
Shares and other variable-income securities			
- Non-participating, units and other holding	774,068	774,001	923,991
- Shares, units ans other holdings in affiliates	6,200	6,200	13,141
- Participating shares, units and other holdings			
TOTAL SHARES AND OTHER VARIABLE-INCOME SECURITIES	**780,268**	**780,201**	**937,132**
Other Investment securities			
- Excluding investments in affiliates			
Bonds, negotiable debt securities and fixed income securities	249,909	247,992	254,441
Loans	277	277	277
Deposits with credit institutions	110,593	110,593	110,593
Other financial investments	170,414	170,414	170,414
Deposits held by ceding companies	129,088	129,088	129,088
Amount receivable on the deposit component of reinsurance policy			
Bonds, negotiable debt securities and fixed income securities			
- Other investment securities in affiliates			
- Other participating investment securities			
TOTAL OTHER INVESTMENT SECURITIES	**660,280**	**658,363**	**664,812**

(1) Including difference compared with redemption price of securities valued in accordance with article R 343-9 still to be amortized, amounting to € 1.917 m

3.4- SHORT-TERM RECEIVABLES AND LIABILITIES

2016 (In EUR thousand)	ACCOUNTS RECEIVABLES						
	Gross balances	Depreciation & Impairment	Net balances	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Accounts receivables from reinsurance transactions	54,148	4,433	49,715	49,715			49,715
State, social organizations and local authorities	1,841		1,841	1,841			1,841
Other Accounts receivables	2,669	58	2,611	2,611			2,611
TOTAL	**58,658**	**4,491**	**54,167**	**54,167**			**54,167**

2016 (In EUR thousand)	OTHER LIABILITIES				
	Net balances	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Reinsurance payables	1,220	1,220			1,220
Other loans, deposits and guarantee received	927	927			927
Employee and other related liabilities	494	494			494
State, social organizations and local authorities	15,535	15,535			15,535
Other liabilities	34,153	34,153			34,153
TOTAL	**52,330**	**52,330**			**52,330**

The line "Other liabilities" does not take into account the re-invoicing of general resources by CCR which amounted to € 30,806 thousand.

3.5- AFFILIATES AND PARTICIPATING INTERESTS

(in thousands of euros)

COMPANY (In EUR thousand)	SHARE CAPITAL	OTHER SHAREHOLDER EQUITY	SHARE OF CAPITAL	BOOK VALUE OF SECURITIES HELD		ANNUAL REVENUE 2017	ANNUAL PROFIT	DIVIDENDS RECEIVED
				GROSS	NET			
1) Affiliates								
. SAS ROCHEFORT 25 157, Boulevard Haussmann 75008 PARIS	14,940	739	100.00%	14,932	14,932	1,988	981	1,052
. SAS POMPE 179 157, Boulevard Haussmann 75008 PARIS	15,270	197	100.00%	15,268	15,268	1,323	294	307
. SAS CIVRY 22 157, Boulevard Haussmann 75008 PARIS	7,860	149	100.00%	7,859	7,859	977	219	115
. CAISRELUX 534, rue de Neudorf L-2220 Luxembourg	6,200	6,200	99,99%	6,200	6,200	N/A	N/A	0

3.6- TANGIBLE ASSETS USED IN OPERATIONS

GROSS VALUE (in thousands of euros)	**12/28/2015**	**CHANGES**			**12/31/2016**
		CASH FLOWS FOR THE YEAR	**PARTIAL CONTRIBUTION OF ASSETS**	**-**	
Deposits and guarantees			50		50
Computer equipment and other		17	182		199
Transportation equipment		2	68		70
Office furniture and equipment		9	150		159
Fixed assets in progress		4	55		59
TOTAL		**32**	**505**		**537**

DEPRECIATION (in thousands of euros)	**12/28/2015**	**ALLOCATIONS**			**12/31/2016**
		+	**PARTIAL CONTRIBUTION OF ASSETS**	**-**	
Computer equipment and other		47	146		193
Transportation equipment		14	1		15
Office furniture and equipment		8	121		129
Furniture, fixtures and fittings		1	15		16
TOTAL		**70**	**283**		**353**

3.7- ACCRUAL ACCOUNTS

(In EUR thousand)	2016	
	Assets	Liabilities
Reinsurance estimates - assumed	179,695	249
Deferred acquisition costs	32,782	
Accrued Interests	3,104	
Bond redemption premiums	548	2,465
Reinsurance estimates - ceded	116	2,137
Prepayments	36	
Other	297	2
TOTAL	**216,577**	**4,853**

3.8- ASSETS AND LIABILITIES BY CURRENCY

The overall amount of exchange values in euros and the breakdown of the major foreign currencies, on the credit and debit sides of the ledger, are shown hereunder:

CURRENCY (In EUR thousand)	**ASSET**	**LIABILITY**	**EXCESS 2016**
Euro	1,413,143	1,406,297	6,846
US dollar	171,301	152,853	18,448
Canadian Dollar	193,236	144,948	48,288
Great Britain Pound	191,604	183,860	7,744
Japanese Yen	33,491	31,587	1,904
Couronne Suédoise	6,408	8,539	(2,131)
Swiss Franc	6,462	6,908	(446)
Taiwanese Dollar	2,639	17,445	(14,806)
Australian Dollar	5,504	4,996	508
Hong Kong Dollar	15,385	15,375	10
Norwegian Krone	5,592	3,314	2,278
Danish Krone	3,343	3,236	107
Other currencies	207,573	270,309	(62,736)
TOTAL	**2,255,681**	**2,249,667**	**6,014**

3.9- CURRENCY TRANSACTIONS

Hedging transactions were entered into for the purpose of mitigating or neutralizing currency risks. The instruments used were forward sales or purchases for convertible currencies and non-deliverable forwards (NDF) for non-convertible currencies.

They concerned operations renewed at each maturity, entered into over the counter.

3.10- SHAREHOLDER'S EQUITY

2016 (In EUR thousand)	2015 Shareholders' equity before allocation	CHANGES Income allocation	 Other movements	2016 Shareholders' equity before allocation
Share Capital (1)	5		90,077	90,082
Additional paid-in capital			270,847	270,847
Revaluation reserve				
Ohers reserves				
Retained earnings				
Net Income from preceeding year				
Net Income from the year			6,014	6,014
TOTAL	**5**		**366,938**	**366,943**

(1) At December 31, 2016, the capital stock of the Company comprised 900,821 fully paid up shares with a par value of € 100.00 per share.

By decision of the chairman dated June 29, 2016, the company Haussmann 157 (former corporate name used by CCR RE) increased its share capital by € 745 thousand (bringing the amount of total share capital to € 750 thousand) accompanied by an issue premium of € 2,255 thousand.

Furthermore, following the partial contribution of assets and in accordance with the decision of the Extraordinary General Meeting of October 17, 2016, CCR RE increased its share capital by € 89,332 thousand (bringing the amount of total share capital to € 90,082 thousand) accompanied by an issue premium of € 268,592 thousand. This was the Company's second capital increase.

3.11- SUBORDINATED LIABILITIES

CCR RE was granted a subordinated loan of € 75 m by CCR. Its characteristics are as follows:

- Issuance date: .... December 30, 2016
- Total (in euros)... 75,000,000 €
- Annual interest rate..5%
- Date of maturity: .... December 30, 2046

3.12- BREAKDOWN OF PROVISIONS OTHER THAN TECHNICAL RESERVES

(In EUR thousand)	2016	CHANGES			2017
		CHARGE	REVERSAL		
			for the year	o/w used	
Accelerated amortization					
Special revaluation provision		159	3	3	156
Provision for taxes					
Provision for additional days off	219	2,523			2,742
Provision for retirement costs	197	1,174			1,371
Provision for long-service medals	68	727			795
Provision for retirement paid leave	39	728			767
Provision for non recurring charges	50				50
Provision for currency fluctuation	1,064	499			1,563
Provision for major repairs	1,116	1,425	1,425	362	1,116
TOTAL	**2,753**	**7,235**	**1,428**	**365**	**8,560**

3.13- OFF-BALANCE SHEET COMMITMENTS

(In EUR thousand)	2016
COMMITMENT RECEIVED	**150,879**
Forward currency transactions	123,088
Sureties, endorsements and guarantees received	27,625
Bank Guarantee received (Lease management)	166
COMMITMENTS GIVEN	**157,022**
Sureties, endorsements and guarantees given	12,030
Investment securities and assets acquired with commitment for resale	
Other commitments on investment securities,assets or revenues	
Other commitments given	
- Commitment to invest in venture capital	17,509
- Commitment to invest in debt funds	4,064
- Commitment to invest in real estate investment schemes	
- Forward currency transactions	123,419
- Other contractual commitments	
COLLATERAL RECEIVED FROM REINSURERS	**417**

NOTE 4 NOTES ON INCOME STATEMENT

4.1- GROSS PREMIUMS

(In EUR thousand)	2016
Assumed premiums Non life	124,705
Assumed premiums Life	318,413
TOTAL	**443,118**

4.2- PORTFOLIO TRANSFER

2016 (In EUR thousand)	NON LIFE		LIFE	
	GROSS	NET	GROSS	NET
Portfolio Acceptance				
Premium	13,803	13,803	315	315
Benefits and costs paid	18,217	18,217	604	604
Portfolio Return				
Premium	15,631	15,201	278	278
Benefits and costs paid	20,514	19,399	2,177	2,177

4.3- COMMISSION

Commission relating to reinsurance operations

(In EUR thousand)	2016
Gross commissions and brokerage fees	84,936
Life	12,605
Non life	72,331

4.4- INVESTMENT INCOME AND EXPENSES

2016 (In EUR thousand)	FINANCIAL INCOME & EXPENSES - AFFILIATES	OTHER FINANCIAL INCOME & EXPENSES	TOTAL
Real estate investments income	1,302	8,510	9,812
Other investments income		17,772	17,772
Other income		5,640	5,640
TOTAL	**1,302**	**31,922**	**33,224**
Financial expenses		6,327	6,327
Internal administrative expenses		1,557	1,557
TOTAL		**7,884**	**7,884**

4.5- EXPENSES BY CATEGORY

GENERAL EXPENSES BY CATEGORY (In EUR thousand)	**2016**
Claims management expenses	5,319
Other acquisition expenses	17,652
Other administrative expenses	8,796
Other underwriting expenses	2,935
Invest management expenses	1,557
TOTAL	**36,260**

4.6- OTHER OPERATING INCOME AND EXPENSES

Other operating income primarily involves income from participation in professional joint ventures.

Other operating expenses include the costs of such participation, and the expenses of internal cost centers not directly related to underwriting activity as well as provisions for third-party impairment.

4.7- OTHER NON-OPERATING INCOME AND EXPENSES

Other non-operating income and expenses represent the theoretical tax credit or tax charge on transfers to and from the capitalization reserve in 2014. As the use of this mechanism was discontinued in 2016 these items show a balance of zero at December 31, 2016.

4.8- BREAKDOWN OF NON RECURRING INCOME (LOSS)

2016 (In EUR thousand)	**NON-RECCURING LOSSES**	**NON-RECCURING GAINS**
Reversal - Special revaluation provision		3
Non-recurring income		
Bad debt	16	
Other non-recurring expenses (employee litigation)	50	
TOTAL	**66**	**3**

4.9- EMPLOYEE PROFIT SHARING

The income statement does not include an expense in respect of employee profit sharing.

4.10- INCOME TAX

No deferred tax was recognized.

In accordance with the tax liability method, and following deletion of the exceptional contribution in respect of corporation tax for the financial years ended from December 31, 2016, tax calculated was at 34.37% unless stated otherwise.

NOTE 5 OTHER INFORMATION

5.1– CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of CCR RE are fully integrated into the financial statements of CCR whose headquarters are located at 157, boulevard Haussmann 75008 Paris.

5.2– AVERAGE NUMBER OF EMPLOYEES

At December 31, 2016, the Company's general resources, in particular its personnel, were managed by CCR. CCR RE did not directly employ personnel in 2016.

5.3- COMPENSATION OF BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

CCR RE paid no compensation whatsoever, made no advances or credit payments to the Company's directors and officers and has no commitments towards these directors and officers.

5.4– FEES PAID TO STATUTORY AUDITORS

As required by article R 123-198-9 of the French Commercial Code, the fees invoiced by PriceWaterhouseCoopers in respect of their statutory audit of the 2016 financial statements amounted to € 67,178.

CCR RE

Statutory auditor’s report
on the financial statements

Year ended December 31, 2016

PWC

Statutory auditor's report
On the financial statements

Year ended December 31, 2016

To the Shareholders
CCR RE
157, boulevard Haussmann
75008 Paris

In accordance with the terms of your corporate by-laws, we hereby present our report for the year ended December 31, 2016 on:

- the audit of the financial statements of the Company CCR RE, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Audit, 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex
Telephone: +33 (0)1 56 57 58 59, Fax: +33 (0)1 56 57 58 60, www.pwc.fr

II – Justification of assessments

In accordance with the requirements of article L 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

- Certain technical captions related to reinsurance shown in the assets and liabilities of the Company's balance sheet are estimated based on statistical, actuarial or underwriting forecasts. This particularly applies to technical provisions and technical reinsurance estimates. The methods used to determine the value of these items are described in Note 2.8 to the financial statements.

  Based on the information available to date, we assessed the approaches used by the Company and ensured that the assumptions used were reasonable considering in particular the Company's experience, its regulatory and economic environment, and the overall consistency of these assumptions.

  We also verified the appropriateness of the information included in the notes to the financial statements relating to these estimates.

- Provisions for the long-term impairment of asset values in the securities portfolio are measured using the methods described in note 2.3.to the financial statements.

  We verified that the impairment on assets mentioned in article R 343-10 of the French Insurance Code was consistent with the Company's intent of holding these securities as well as with the statutory and economic environment.

  We reviewed the Company's own analyses on the potential risks regarding assets falling within the scope of article R 343-9 of the French Insurance Code. These analyses support the absence of provisioning.

  We also verified the appropriateness of the information included in the notes to the financial statements relating to these financial investments.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Neuilly-sur-Seine, May 22, 2017

The Statutory Auditor
PricewaterhouseCoopers Audit

[*signature*]

Christine Billy