SOLVENCY AND FINANCIAL CONDITION REPORT

DECEMBER 31, 2022

GROUPE
CAISSE CENTRALE DE RÉASSURANCE

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*). It is a Group Solvency and Financial Condition Report that addresses the operations of Caisse Centrale de Réassurance (CCR) from a Group perspective.

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

In accordance with Solvency II regulatory requirements, this report summarizes information about the CCR Group'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 Regular Supervisory Report (RSR) 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.

Following CCR's contribution of its entire standalone open market reinsurance business to its subsidiary CCR Re on December 31, 2016 (effective date for legal purposes):
- CCR operates in the State-guaranteed public reinsurance sector and as a manager of public funds. It also conducts research on behalf of the State, on the origins, prevention and coverage of natural risks, agricultural risks and other risks. It is managing the run-off of the open market reinsurance contracts not transferred to CCR Re, which are reinsured with CCR Re on a mirrored basis. CCR owns 100% of CCR Re.
- 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.

The new public reinsurance agreement between the French State and CCR has been effective since January 1, 2017 and replaces the previous 1993 agreement. The new agreement sets out the role of CCR together with the conditions under which the State guarantees backing its different reinsurance lines are invoked and the fee payable for those guarantees. This agreement was modified in December 2017 by a supplemental agreement with an effective date of January 1, 2018 concerning the reinsurance of the risks of terrorism and terrorist attacks. The main purpose of the supplemental agreement was to increase the fee for the State guarantee from 0.5% to 7% of the earned premiums for the previous year. In 2021, CCR's State-guaranteed public reinsurance mission was expanded to include the third-party liability of nuclear operators (*Responsabilité Civile des Exploitants Nucléaires*, or RCEN), ahead of the entry into force of the revised 2004 Protocol to the Paris Convention on Third Party Liability in the Field of Nuclear Energy.

France has approved this protocol, which significantly increases the heads of damages covered by nuclear installation operators' third-party liability insurance, and extends the statute of limitations for personal injury claims from 10 to 30 years. CCR will provide State-guaranteed reinsurance cover for these increased liability risks, to try and make up for the lack of open market reinsurance solutions. In particular, CCR covers personal injury claims reported between 10 and 30 years after the occurrence of a proven nuclear accident and claims resulting from authorized radioactive discharges. The cover is provided to the French co-reinsurance pool, Assuratome, and to other insurers concerned by this risk.

For the purposes of regulatory reporting under Solvency II, the CCR Group uses the standard formula for all of its businesses. CCR's modified risk profile in 2022 results from it having discontinued its credit reinsurance business (CAP-Relais, CAP and CAP+) and having underwritten third-party liability reinsurance for nuclear operators (RCEN). The modified risk profile reflects the risk exposure arising on CCR's public reinsurance business and its asset management activities.

The Group's solvency coverage ratio stood at 159.4% at December 31, 2022, based on €5,143 million in Solvency II own funds after dividends and an SCR of €3,226 million.

Consolidated gross written premiums for the year totaled €2,066 million and consolidated net income came in at €164 million, comprising contributions of €42 million from CCR Re and €67 million from CCR, and consolidation adjustments of €55 million.

CCR

After the previous year's fairly limited natural disaster losses, 2022 saw a repeat of the high losses observed in 2016-2020, due mainly to drought claims.

At December 31, 2022, floods in approximately 1,000 communes were declared natural disasters, which is below the average for recent years. As a result, flood claims remained limited in 2022, estimated at €179 million for CCR.

Exceptional periods of drought were again seen in 2022. According to Météo France, the summer of 2022 was the second hottest in France since at least 1900, beaten only by 2003, with the temperature peaking 2.3°C above the 1991-2020 average high. Most of France was hit by a severe meteorological drought which in August affected a larger area than the droughts of 1976 and 2003. Dry conditions and the summer heat exacerbated the drought that had already set in at the beginning of the year.

For France as a whole, the soil moisture index slumped to unprecedented levels as from May and remained at record lows continuously from mid-July to mid-August.

Although there is still much uncertainty as to the ultimate cost of these conditions, CCR estimates at end-2022 indicate that it will have to pay out more than €1.4 billion. Given this very high loss experience, certain non-proportional coverage is expected to be collected in respect of 2022.

This high loss experience owing to events in 2022 was compounded by a deterioration in prior-year performance due to the inflationary shock observed in 2022 which is expected to continue in 2023.

CCR's gross written premiums were up slightly year on year, at €1,080 million in 2022 versus €1,051 million in 2021, with natural disaster cover accounting for 93.2% of total business.

At December 31, 2022, its combined ratio stood at 101.6%.

The market value of CCR's financial and real estate assets stood at €8.7 billion. The annual return on invested assets was stable at 1.1%, generating investment revenue of €97.4 million.

CCR's net income came to almost €67 million.

(in millions of euros)	2021	2022
Gross written premiums	1,051	1,080
Cost ratio	13.2%	4%
Net combined ratio[1]	86.5%	101.6%
Return on invested assets	1.1%	1.1%
Net income	134	67
Solvency coverage ratio	182.5%	165.8%

CCR's solvency coverage ratio stood at 165.8% at December 31, 2022 based on €4,877 million in Solvency II own funds and a Solvency Capital Requirement (SCR) of €2,941 million.

CCR Re

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, as well as – like CCR – real estate subsidiaries.

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 Non-Life combined ratio stood at 98.7% in 2022 versus 96.6% in 2021.

The Life technical margin[2] increased to 3.6% in 2022 from 3.1% the previous year.

The annualized return on CCR Re's invested assets was 2.3% in 2022. The improved return on invested assets was attributable to the growth in investment revenue.

The cost ratio[3] stood at 4.1%, down versus the previous two years.

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.

1 Net combined ratio: ratio between the net claims expense including changes in the equalization reserve and expenses incurred net of investment expenses (including commissions) on the one hand, and net earned premiums on the other.

2 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.

3 Management expenses net of CVAE and C3S taxes as a percentage of written premiums before reinsurance.

(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%

For the purposes of regulatory reporting under Solvency II, CCR Re uses the standard formula. Its Solvency II ratio stood at 205.1% at December 31, 2022 based on €1,291 million in Solvency II own funds after dividends, all of which are eligible for inclusion in the SCR coverage ratio, 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. There were no other significant changes in the undertaking's own funds (on a pro forma basis), which continued to increase.

CCR Re ended 2022 slightly ahead of the goals it set for itself in its Streamline strategic plan.

During the January 2023 treaty renewal campaign, CCR Re benefited considerably from the toughest market conditions since 2001. Premium bases rose significantly across all regions and classes of business. Reinsurance rates increased considerably in all markets except for the Middle East region and the Life market:
- for non-proportional treaties, increases averaged around 10% to 15% across all geographic regions;
- 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 often revised the structure of their programs to keep their budgets in check, by increasing the retention rate.

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.

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.

CCR Re is therefore pursuing its strategy to drive growth in gross written premiums.

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

- the administrative, management or supervisory body of the undertaking, notably comprising:
  - a Board of Directors and four Board committees: an Accounts Committee, an Audit & Risks Committee, a Compensation, Appointment & Governance Committee and a Strategy Committee,
  - an executive body comprising the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Operating Officer, who are the persons effectively running the undertaking (*dirigeants effectifs*);
- four key functions as defined by Solvency II.

In 2022, the CCR Group 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 at the level of CCR 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. Developed upstream by CCR Re, this project will subsequently be shared with CCR.

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 was an integral part of the ORSA process.

The CCR Group reviews its risks at regular intervals. Its main exposure is to Non-Life natural disaster risk, followed by Non-Life reserving risk and market risk.

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

The main processes used to manage these risks are:

- adoption of an overall risk budget by the Board of Directors;
- adoption of a sub-budget for natural disaster risk by the Board of Directors;
- construction of a portfolio from a strict risk/reward perspective and according to a clearly defined decision-making process;
- verification and validation of strict underwriting rules;
- use of reports prepared by the Actuarial function in order to adjust the risk profile and increase outward reinsurance where necessary.

Like CCR and CCR Re, the CCR Group is assessed under the standard formula, consolidating CCR's Solvency II balance sheet within CCR Re's Solvency II balance sheet. 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

The CCR Group was the victim of a cyber attack on July 4, 2022. CCR 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.

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.

As of end-2022, IT security had been significantly upgraded, most information systems had been reconnected, and reporting capabilities had been recovered.

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. The CCR Group responded by adjusting its policies immediately, at the beginning of 2022.

War in Ukraine

The war in Ukraine has not had a direct impact on the CCR Group. The Group has no direct exposure to Ukraine or Russia, in either its reinsurance portfolio or its asset portfolios, and does not hold any assets in rubles or hryvnia.

Drought claims

After the previous year's fairly limited natural disaster losses, 2022 saw a repeat of the very high losses observed in 2016-2020, due mainly to drought claims.

The summer of 2022 was the second hottest in France since at least 1900, beaten only by 2003, with the temperature peaking 2.3°C above the 1991-2020 average high. In addition to heat waves, most of France was hit by a severe meteorological drought which in August affected a larger area than during the historic droughts of 1976 and 2003.

CCR estimates the cost to the market of the 2022 drought at €2.9 billion, making it the most expensive event for CCR in real terms since the natural disaster reinsurance system was set up, costing more than Hurricane Irma in 2017.

Since 2016, to deal with the succession of climate events, CCR has released a total of €2.5 billion from its natural disaster equalization reserve, which stood at its lowest level since 2001 at the end of 2022. This historically low level is evidence of the need to make a series of adjustments to ensure the sustainability of the natural disaster reinsurance system.

The two main avenues explored to stabilize the system's financing and guarantee its sustainability, consist of strengthening natural disaster prevention efforts and increasing the system's resources.

3DS law and drought treatment

The 3DS law on differentiation, decentralization and deconcentration adopted by the French Parliament in September 2022 has introduced various measures to simplify public initiatives. In particular, it offers the government the opportunity to issue an official order modifying the treatment of clay soil shrinkage and swelling.

The work on the government order carried out by CCR in 2022 at the request of the various French institutional stakeholders (*Direction Générale du Trésor* [DGT], *Direction du Budget* [DB], *Direction Générale de la Sécurité Civile et de la Gestion des Crises* [DGSCGC], *Direction Générale de la Prévention des Risques* [DGPR], *Direction de l'Habitat, de l'Urbanisme et des Paysages* [DHUP]) led to the identification of solutions that will improve treatment of the consequences of drought while preserving the financial stability of the natural disaster reinsurance system. Some components of this reform will be described in more detail in decrees to be issued by the French Council of State in 2023.

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PRESENTATION, BUSINESS AND PERFORMANCE

PRESENTATION, BUSINESS AND PERFORMANCE

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

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

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

1 PRESENTATION

1.1 Name and legal form of the participating undertaking

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

CCR is a special insurance undertaking (*organisme particulier d'assurance*) governed by the provisions of Chapter I, Title III – Special insurance undertakings, Book IV – Special insurance regimes and organizations of the French Insurance Code.

At December 31, 2022, CCR and CCR Re had 166 and 127 employees, respectively.

1.2 Business

Following CCR's contribution of its entire stand-alone open market reinsurance business to its subsidiary CCR Re on December 31, 2016 (effective date for legal purposes), CCR operates in the State-guaranteed public reinsurance sector and as a manager of public funds. It also conducts research on behalf of the State, on the origins, prevention and coverage of natural risks, agricultural risks and other risks.

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

The latter two businesses are currently being managed on a run-off basis.

- **Management of public funds:** CCR is responsible by law for the accounting and financial management of the following public funds on behalf of the French State:
  - ***Fonds National de Gestion des Risques en Agriculture*** – FNGRA (agricultural risks) pursuant to Article L.431-11 of the French Insurance Code,
  - ***Fonds de Compensation des risques de l'Assurance Construction*** – FCAC (construction risks) pursuant to Article L.431-14 of the French Insurance Code,
  - ***Fonds de Garantie des Risques liés à l'Epandage agricole des boues d'épuration urbaines et industrielles*** – FGRE (farming-related pollution risks) pursuant to Article L.425-1 of the French Insurance Code;

- CCR is also responsible for the accounting, financial and administrative management of the following public funds:
  - ***Fonds de garantie des dommages consécutifs à des Actes de Prévention, de Diagnostic ou de Soins dispensés par des professionnels de santé exerçant à titre libéral*** – FAPDS (medical liability risks), pursuant to Article L.426-1 of the French Insurance Code;

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- ***Fonds de Garantie des Opérateurs de Voyages et de Séjours*** – FGOVS (travel operator liability risks), pursuant to Article 163 of the 2022 Finance Act (dated December 30, 2021) and decree 2021-1912 dated December 30, 2021. At December 31, 2022, the European Commission's authorization to set up this fund by way of derogation from European competition law is in progress.

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

Activities carried out within the scope of CCR's role as manager of public funds on behalf of the French State are not recorded in CCR's financial statements. A separate off-book account is used for each fund, insofar as CCR is tasked with the administrative and accounting management of each fund under powers delegated by the French State.

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

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, supported by branches in Canada and Malaysia (Labuan) and a representative office in Lebanon.

1.3 Subsidiaries, material related undertakings and significant branches

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

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

1.4 Supervisory authority and statutory auditors

The supervisory authority providing financial supervision of CCR is:

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

Since CCR has sole control of its subsidiary CCR Re, it is required to prepare consolidated financial statements (Article L.233-16 of the French Commercial Code [*Code de commerce*]) at December 31, 2022. Due to this obligation to prepare consolidated financial statements, CCR is required to appoint a second principal statutory auditor (Article L.832-2 of the French Commercial Code).

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

Deloitte & Associés
Statutory Auditor
6 Place de la Pyramide
92800 Puteaux (France)

Deloitte & Associés were appointed in 2016 and re-appointed in 2022.

The other principal statutory auditor appointed in 2022 and responsible for auditing CCR's statutory and consolidated financial statements jointly (based on an even split of the workload) with Deloitte & Associés is:

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

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

For the purposes of regulatory reporting under Solvency II, the CCR Group uses the standard formula for all of its businesses. In accordance with CCR's strategy, its risk profile did not significantly evolve in 2022 and reflects risk exposure arising on its public reinsurance, open market reinsurance and asset management business activities.

The solvency coverage ratio stood at 159.4% at December 31, 2022 based on €5,143 million in Solvency II own funds and an SCR of €3,226 million.

2 BUSINESS AND PERFORMANCE

All of the information presented in this section complies with Regulation ANC 2016-11 concerning the consolidated financial statements of insurance undertakings, issued by the French accounting standards-setter (*Autorité des Normes Comptables* – ANC) on December 12, 2016.

(extracted from the CCR management report for the year ended December 31, 2022)

2.1 Business environment

2022 was a watershed year for the reinsurance sector:

- it followed several loss-making years for the sector, and
- it was characterized by three major events:
  - war in Ukraine;
  - 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 significant events, including hail storms in France, Typhoon Hinnamor in South Korea and flooding in South Africa.

The impact of this difficult year was a significant decrease in Non-Life reinsurance capacity available for the January 2023 treaty renewal campaign, estimated at 17% by a Paris-based broker. In particular, 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.

CCR Re successfully strengthened its presence in Asia, Latin America and Europe.

The year's natural disasters had only a very limited impact on the CCR Group, which:

- 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).

However, CCR incurred significant natural disaster losses, with last year's drought representing the most serious event for the natural disaster reinsurance system.

In France, the property-damage market continued to grow, with premiums up by an estimated 4.5% in 2022. The increase was greater for commercial lines (up 6.2%) than for personal lines (up 3.8%) and auto insurance (up 2.8%).

The French market is being reshaped by the emergence of "insurtechs", resulting from mergers between leading players such as Generali and La Médicale, new partnerships such as that between Allianz and Crédit Mutuel, and the arrival of new capacity. Mutual insurers still dominate the market but are facing competition from bancassurers and traditional insurance companies.

Lastly, work on the various reforms of the natural disaster reinsurance system and the crop insurance reform is continuing and should be completed rapidly. The Baudu law's enabling legislation was published in France's Official Journal (*Journal Officiel*) on December 31, 2022. Concerning crop insurance reform, the law of March 2, 2022 has established a new system based on the principles of national solidarity and risk-sharing between the state, farmers and insurers.

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 the CCR Group 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. The CCR Group 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

Cyber attack

The CCR Group was the victim of a cyber attack on July 4, 2022.

The Group 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.

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.

As of end-2022, IT security had been significantly upgraded, most information systems had been reconnected, and back-office and Solvency II reporting capabilities had been recovered.

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. The CCR Group responded by adjusting its policies immediately, at the beginning of 2022:

- underwriting: pricing assumptions for the various business lines were updated throughout the year, taking into account long-term economic and social inflation forecasts in all of CCR Re's host countries;

- technical reserves: the effect of higher-than-expected inflation is conservatively estimated at 12% of the CCR Group's claims reserves, net of reinsurance;
- cost base: the CCR Group continued to support the rapid pace of business growth while keeping general management expenses under control.

War in Ukraine

The war in Ukraine has not had a direct impact on the CCR Group. The Group has no direct exposure to Ukraine or Russia, in either its reinsurance portfolio or its asset portfolios, and does not hold any assets in rubles or hryvnia.

Drought claims

After the previous year's fairly limited natural disaster losses, 2022 saw a repeat of the very high losses observed in 2016-2020, due mainly to drought claims.

The summer of 2022 was the second hottest in France since at least 1900, beaten only by 2003, with the temperature peaking 2.3°C above the 1991-2020 average high. In addition to heat waves, most of France was hit by a severe meteorological drought which in August affected a larger area than during the historic droughts of 1976 and 2003.

CCR estimates the cost to the market of the 2022 drought at €2.9 billion, making it the most expensive event for CCR in real terms since the natural disaster reinsurance system was set up, costing more than Hurricane Irma in 2017.

Since 2016, to deal with the succession of climate events, CCR has released a total of €2.5 billion from its natural disaster equalization reserve, which stood at its lowest level since 2001 at the end of 2022. This historically low level is evidence of the need to make a series of adjustments to ensure the sustainability of the natural disaster reinsurance system.

The two main avenues explored to stabilize the system's financing and guarantee its sustainability, consist of strengthening natural disaster prevention efforts and increasing the system's resources.

3DS law and drought treatment

The 3DS law on differentiation, decentralization and deconcentration adopted by the French Parliament in September 2022 has introduced various measures to simplify public initiatives. In particular, it offers the government the opportunity to issue an official order modifying the treatment of clay soil shrinkage and swelling.

The work on the government order carried out by CCR in 2022 at the request of the various French institutional stakeholders (*Direction Générale du Trésor* [DGT], *Direction du Budget* [DB], *Direction Générale de la Sécurité Civile et de la Gestion des Crises* [DGSCGC], *Direction Générale de la Prévention des Risques* [DGPR], *Direction de l'Habitat, de l'Urbanisme et des Paysages* [DHUP]) led to the identification of solutions that will improve treatment of the consequences of drought while preserving the financial stability of the natural disaster reinsurance system. Some components of this reform will be described in more detail in decrees to be issued by the French Council of State in 2023.

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.

Fonds de Garantie

In response to a sharp rise in energy costs, CCR worked with the French Treasury to set up a new public fund aimed at supporting companies that consume large quantities of gas and electricity. The *Fonds de Garantie des contrats d'électricité et de gaz* (FCGEG) was introduced in the French Finance Act of December 2022 and approved by the European Commission in the first quarter of 2023. CCR has been entrusted with the accounting and financial management of this new fund.

The creation of this fund comes one year after the *Fonds de Garantie des opérateurs de voyage et de séjour* was introduced to protect travel operator liability risks following the Covid-19 crisis at the end of 2021 pursuant to the 2022 Finance Act, approved by the European Commission in February 2023. CCR is also responsible for the accounting and financial management of this fund.

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 macro-economic 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) 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.

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2.5 Financial review

Written premiums

Consolidated gross written premiums for the year (all lines combined, before reinsurance), amounted to €2,066 million, up 9.1% from €1,893 million in 2021. Of the total, 52.2% was generated by the State-guaranteed reinsurance business (55.5% in 2021) and 47.8% by open market reinsurance (44.5% in 2021).

The public reinsurance business (all lines combined and before reinsurance) represented written premiums of €1,080 million, up 2.7% from €1,051 million in 2021. These amounts do not include the open market reinsurance business managed on a run-off basis, the impact of which is minimal (€3 million in 2021, €0 million in 2022).

- Of this amount, 93.2% (€1,006 million) concerned reinsurance of natural disaster risks in France. The €84 million increase in premium income in 2022 (up 9.2%) reflected portfolio changes (€53 million positive impact), prior year adjustments (€9 million positive impact) and new business net of cancellations (€23 million positive impact, with two major ceding insurers joining the natural disaster reinsurance system in 2022).
- Terrorism risk reinsurance premiums were stable compared with 2021 at €72 million (up €4 million or 6.4% compared with 2021), representing 6.6% of the State-guaranteed reinsurance business.
- Written reinsurance premiums for exceptional risks totaled €1 million, representing 0.1% of the State-guaranteed reinsurance business. The €0.6 million increase compared with the previous year was primarily attributable to CCR's extension (from 10 to 30 years) of reinsurance coverage for the third-party liability of nuclear installation operators in respect of their authorized radioactive discharges since July 1, 2022.
- Lastly, the credit insurance support mechanisms were discontinued with effect from January 1, 2022 and gross written premiums from this business therefore corresponded exclusively to prior-year adjustments.

Open market reinsurance premiums written in 2022 totaled €987 million vs. €843 million in 2021, an increase of 17% at both current and constant exchange rates[2].

- 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

The fee paid by CCR to the French State in exchange for the latter's guarantee for reinsurance coverage provided on its behalf by CCR amounted to €114 million in 2022 (2021: €107 million).

Earned premiums reinsured on the market by CCR Re 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).

1 PML: acronym for probable maximum loss.
2 Changes at constant exchange rates correspond to the difference between 2022 premiums converted at the December 31, 2021 exchange rate and 2021 premiums converted at the December 31, 2021 exchange rate.

Loss ratios

Public reinsurance

The technical balance[3] from the public reinsurance business amounted to a negative €17.8 million (2021: a positive €145.5 million).

Concerning **natural disasters**, last year's drought was exceptionally severe, resulting in losses of €1,425 million for CCR (vs. a total of €2.9 billion for the market). The drought was the worst natural disaster event since the inception of the system in 1982.

Excluding the drought and in the absence of a major loss event, reinsurance losses were moderate, representing a cost for CCR of €179 million (2021: €249 million), with 1,532 incidents expected to be recognized as natural disasters (2021: 2,840).

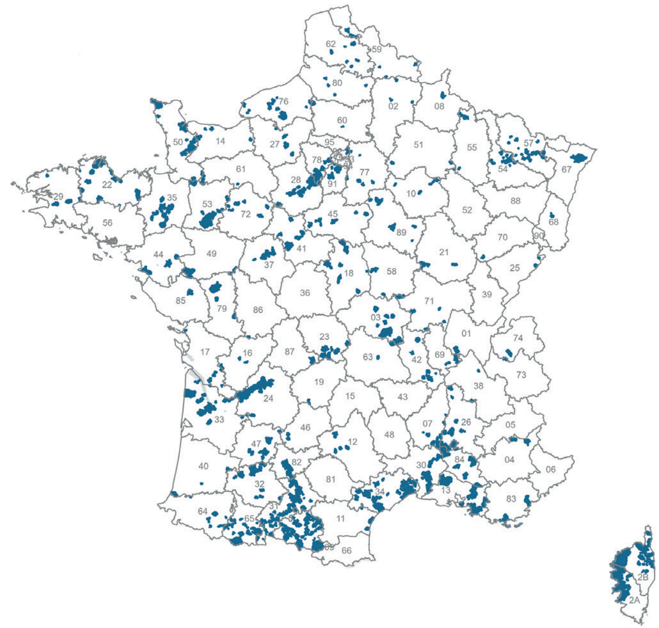
In view of the heavy losses incurred in 2022, the priorities of certain **non-proportional reinsurance** treaties were met. The amount recognized by CCR on these categories of treaties represented an expense of €164 million (2021: €0).

In addition, €455 million of prior year liquidation losses were recorded, including €411 million to take into account the effects of inflation on outstanding claims reserves, and €44 million attributable in particular to the Le Teil earthquake in 2019.

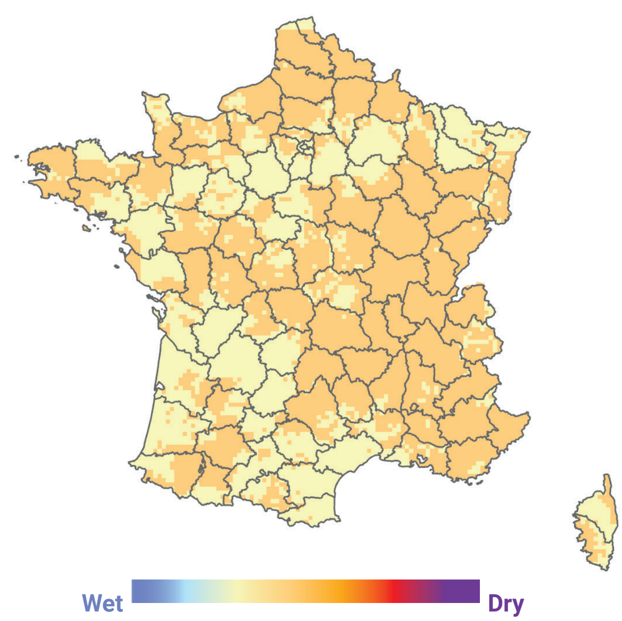
Other technical items (notably claims management expenses) represented an expense of €3 million.

In order to deal with the exceptional loss experience in 2022, particularly drought losses, CCR released €1,183 million from the equalization reserve (after allocating €297 million to the reserve in 2021). At December 31, 2022, the equalization reserve stood at €272 million. The series of natural events in recent years led CCR to release a total of €2.5 billion from this reserve, reducing it to its lowest level since 2001 in 2022. Increasing the system's resources is a priority issue for the coming year.

In all, claims expenses net of changes in the equalization reserve amounted to €1,042 million (compared with €731 millon in 2021). The natural disaster technical balance represented a loss of €70 million in 2022 (2021: €99 million profit).



Municipalities recognized as eligible for natural disaster payments in 2022 (floods and landslips/landslides)



Intensity of the spring 2022 drought in France

3 Technical balance: sum of underwriting result, net of reinsurance, and internal management expenses (excluding claims management expenses included in the net underwriting result).

The technical balance from **credit insurance support mechanisms** was a profit of €25 million in 2022 (2021: €17 million profit). The settlement of claims recorded in 2021 led to a prior year surplus of €55 million.

The technical balance from **Other State-guaranteed reinsurance business** was a profit of €27 million in 2022 (2021: €29 million profit). The year-on-year decline was due to adjustments to the equalization reserve in respect of terrorism reinsurance and reinsurance of exceptional risks in 2021 and 2022.

Open market reinsurance

Non-life natural disaster losses after reinsurance represented €35 million (2021: €43 million). The 2022 total included the cost of damage caused by hail storms in France in May-June 2022, which represented losses of €30 million before reinsurance (€15.5 million after reinsurance).

Major man-made disaster claims represented losses of €34 million before and after reinsurance (2021: €15 million after reinsurance), including losses related to the war in Ukraine for €12 million.

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The Life reinsurance business's technical margin[4] increased to 3.6% in 2022 from 3.1% the previous year. The improvement in profitability was limited by the effects of inflation.

In this context, the 2022 technical balance was at break-even.

Combined ratio

At December 31, 2022, the CCR Group's combined ratio stood at 100.9%, breaking down as:

- a loss ratio[5] of 88.2%;
- an expense ratio[6] of 12.7%.

Net investment income

Net investment income amounted to €132 million, consisting for the most part of investment revenue for €99 million and net realized gains from investments for €33 million. The return on invested assets[7] was 1.4% in 2022 (1.3% in 2021).

Management of financial and real estate investments

Investment portfolio breakdown

Reinsurance investments[8] had a net book value of €10,652.7 million at December 31, 2022 (December 31, 2021: €10,087.4 million). The portfolio's market value was €10,918.2 million, down 3.9% from December 31, 2021.

Changes in the structure of the CCR Group's reinsurance investment portfolio in 2022 were as follows:

- Investments in **money market instruments** represented 5.6% of the total portfolio at market value. They included money market funds for €177.1 million and cash and cash equivalents for €430.6 million.
- **Fixed income instruments** decreased by 5.6% to €6,356.4 million, representing 58.2% of the portfolio at market value. The portfolio of directly held bonds fell 5.5% to €5,046 million (79.4% of the total) and investments in bond funds were down 5.8% at €1,310 million (20.6% of the total). The increase in interest rates in 2022 had the effect of reducing the portfolio's market value by approximately €790 million.
- Investments in **debt funds** amounted to €408 million at market value, representing 3.7% of the total portfolio (unchanged from 2021).
- Investments in **physical assets** amounted to €1,086.8 million at December 31, 2022 and represented 10.0% of the total portfolio. Unrealized gains on directly-owned investment properties increased by 1.7% over the year.
- Investments in **equities and diversified funds** slid 9.7% over the year and represented 17.3% of the total portfolio. The main investments are equity funds (39%), diversified funds (26%) and hybrid securities and alternative investment funds (22%). Net unrealized gains on this asset class were down 40% at €314.9 million (€524.3 million at December 31, 2021).
- Investments in **participating interests** were €8.5 million higher compared to December 31, 2021. The increase corresponded to a subordinated loan granted by CCR Re to its subsidiary Caisrelux.
- **Deposits** with ceding companies represented €554 million (5.1% 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.

4 The Life technical margin corresponds to the ratio between (a) the sum of the technical result and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business. These items are determined before taking into account expenses analyzed by function and investment income allocated to the Life technical account.
5 The loss ratio corresponds to incurred present and past losses (paid or covered by outstanding claims reserves, net of reinsurance) plus claims management expenses and the change in the equalization reserve divided by earned premiums net of reinsurance.
6 The expense ratio corresponds to commissions and internal management expenses, excluding claims management expenses, divided by earned premiums net of reinsurance.
7 Ratio of net investment income to reinsurance investments, excluding ceding insurer deposits, owner-occupied property, and assets related to subsidiaries.
8 CCR's financial and real estate investments, including cash.

At December 31, 2022, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €3,239.8 million at market value, stable compared with end-2021 and representing 29.7% of total reinsurance investments.

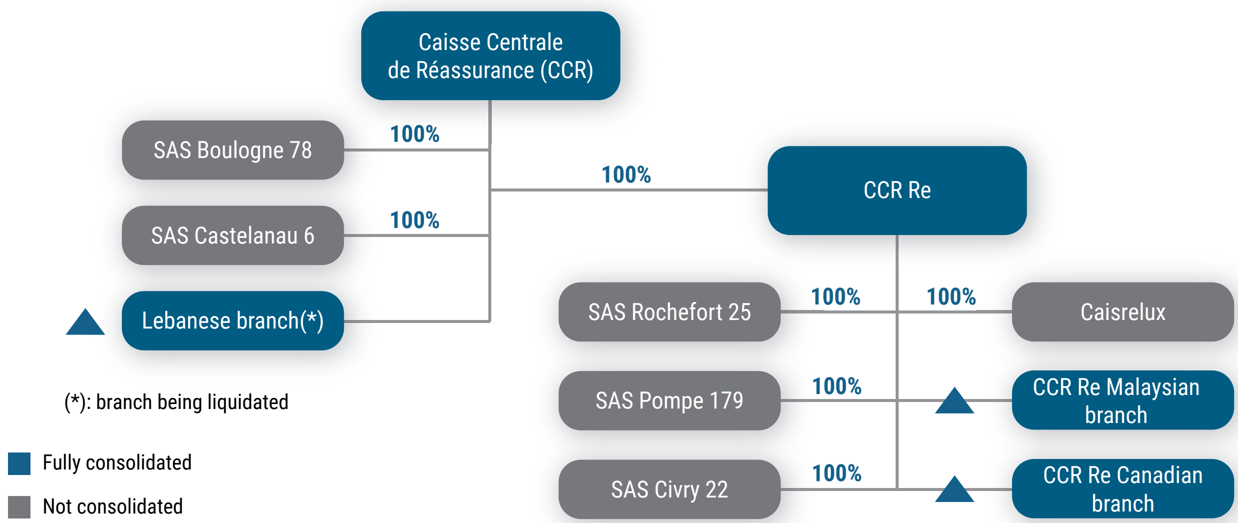
Net income for the year

Consolidated net income for the year amounted to €164 million (2021: €196 million), breaking down as follows:

- The reinsurance technical balance was a loss of €18 million.
- Net investment income amounted to €132 million.
- Non-recurring income and expenses represented a net expense of €14 million, corresponding mainly to the €13.2 million provision for contingencies set aside in connection with a tax audit.
- Income tax for the year was a benefit of €64 million, as a result of the negative technical result and changes for the year in unrealized gains on UCITS.

Subsidiaries and affiliates

The CCR Group's legal structure is presented below:



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

In addition to owning CCR Re, which is fully consolidated, the Group manages part of the real estate investment portfolio through five simplified joint stock corporations (SAS) with combined equity of €61 million at December 31, 2022. The five companies contributed €7.1 million to the Group'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 outlook

A key event of 2023 will be the renegotiation of CCR's natural disaster reinsurance system with industry representatives. The current system was negotiated with the market in 2019 for a period of four years (2020-2023). The main issue in 2023 will be to revise the mechanism for calculating commissions on proportional reinsurance.

An important goal in 2023 for CCR and the market as a whole will be to ensure the financial stability of the natural disaster reinsurance system. Over the period 2015-2021, the average loss ratio was 110%. This ratio shows that the system does not have sufficient resources to cover losses and the related management costs, and that the scheme has been in deficit

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for a long time (since 2016, with an exception in 2021, when drought claims were unusually low). In addition, the Baudu and 3DS laws will increase the burden on the natural disaster system for the coverage of losses.

Based on these observations, it will be important to promote prevention and increase the system's resources in order to restore its financial stability and long-term sustainability.

For its part, CCR Re will pursue its strategy to drive business growth in 2023.

During the January 2023 treaty renewal campaign, CCR Re benefited considerably from the toughest market conditions since 2001. Premium bases rose significantly, more or less across the board and for all classes of business, and reinsurance rates also increased.

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.

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 macro-economic 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.

The CCR Group 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 market 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 2.50% and 3%, the CCR Group considers that the best strategy consists of investing in high quality bonds.

2

GOVERNANCE SYSTEM

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GOVERNANCE SYSTEM

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

- a Board of Directors and three Board committees: an Audit, Accounts & Risks Committee, a Compensation, Appointments & Governance Committee and a Strategy Committee,
- an executive body comprising the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Operating Officer, who are the persons effectively running the Group (*dirigeants effectifs*).
- four key Group functions ensuring optimal conduct of its business.

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

1.1 Board of Directors

Separation of the roles of Board Chairman and executive management

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

Chairman of the Board of Directors

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

At the Board meeting of May 4, 2021, Jacques Le Pape was appointed as Chairman of the Board of Directors for the duration of his term of office as director. He replaced Pierre Blayau, whose appointment and term of office as director expired at the close of the Shareholders' Meeting held immediately before the Board meeting. At the Ordinary Shareholders' Meeting of May 4, 2021, Jacques Le Pape was elected as a director for a five-year term expiring at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025.

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

Composition of the Board of Directors

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

The term of office of directors is five years.

Role and responsibilities of the Board of Directors

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

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

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

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

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

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

Board meetings

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

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

The Chairman of the Board organizes and chairs all Board meetings. Board meetings are attended by the directors, the representative of the employee representative body (*Comité Social et Economique* – CSE) in an advisory capacity only, and the Board secretary. Board meetings are also attended by the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Actuary & Risk Officer. Depending on the matters discussed, Board meetings may also be attended by the managers concerned by the items on the agenda. The persons performing key functions attend Board meetings in order to present their work.

1.2 Audit, Accounts & Risks Committee

Up to six directors sit on the Audit, Accounts & Risks Committee set up by the Board of Directors on June 30, 2020, including one director representing employees. It is chaired by Patrice Forget.

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

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

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

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

It also monitors controls over compliance with applicable laws and regulations, including those adopted in application of Solvency II, by examining the reports and policies falling within its remit. The committee meets with the head of the Internal Audit function, reviews the internal audit program prior to its approval by the Board of Directors, analyzes the internal auditors' main recommendations and monitors their implementation. It 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 Compensation, Appointments & Governance Committee

Up to four directors sit on the Compensation, Appointments & Governance Committee, which was set up in 2004, including one director representing employees. It is chaired by Nathalie Broutele.

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

1.4 Strategy Committee

Up to six directors sit on the Strategy Committee, set up by the Board of Directors on July 2, 2015, including one director representing employees.

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

1.5 Executive body

Executive management of CCR

The members of CCR's executive management are:

- Bertrand Labilloy, Chief Executive Officer;
- Edouard Viellefond, Deputy Chief Executive Officer;
- Laurent Montador, Chief Operating Officer.

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

Edouard Viellefond was appointed Deputy Chief Executive Officer by the Board of Directors at its meeting of September 20, 2022, with effect from September 21, 2022 and for the remainder of the term of office of the Chief Executive Officer or until the appointment of a new Chief Executive Officer.

Persons who effectively run CCR and the CCR Group

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

Laurent Montador's decision-making remit covers all of CCR's businesses.

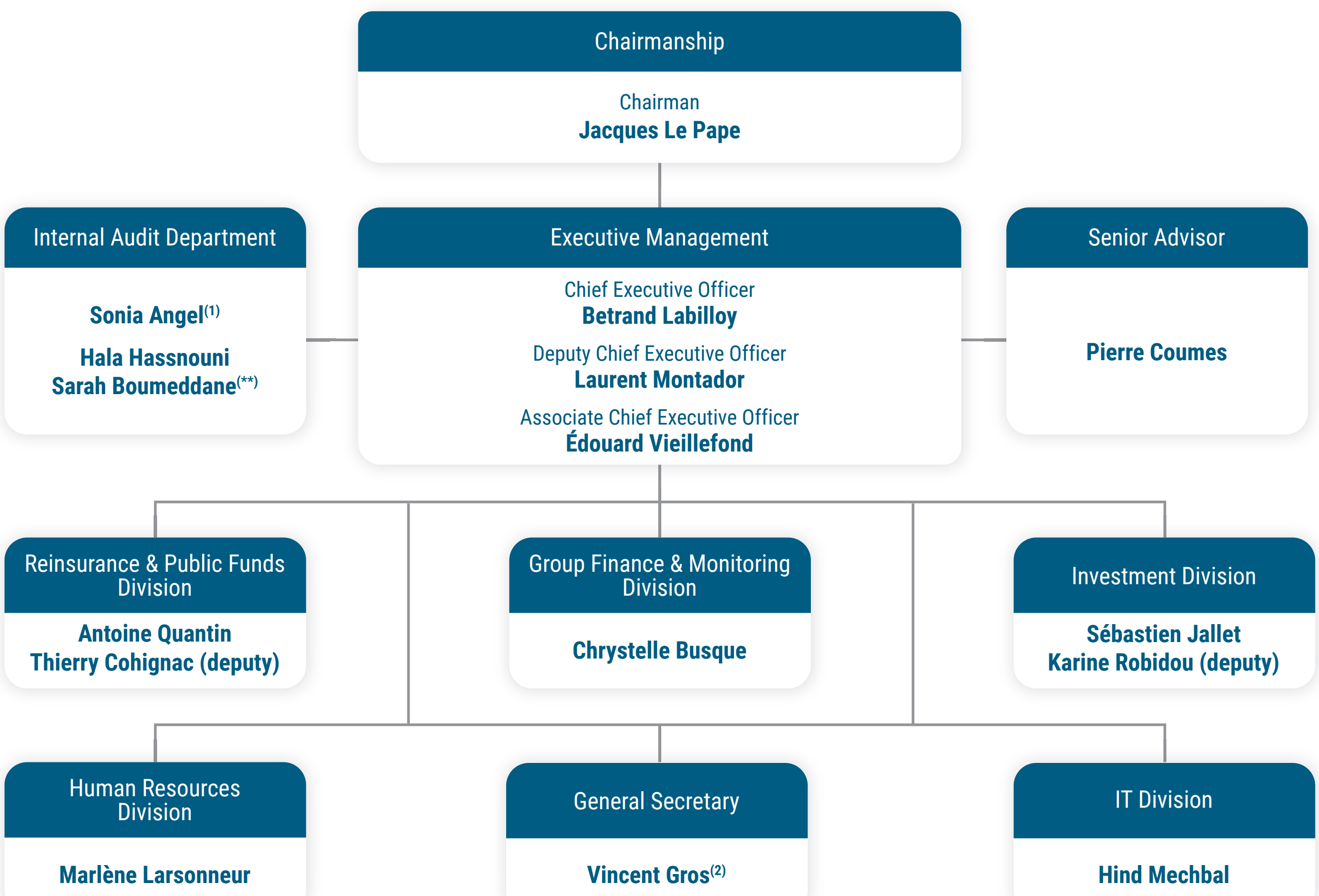
Édouard Viellefond, in his capacity as Deputy Chief Executive Officer is, by law and under Article L.322-3-2 of the French Insurance Code, one of the persons effectively running the undertaking (*dirigeant effectif*), for the term of his office as Deputy Chief Executive Officer.

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

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

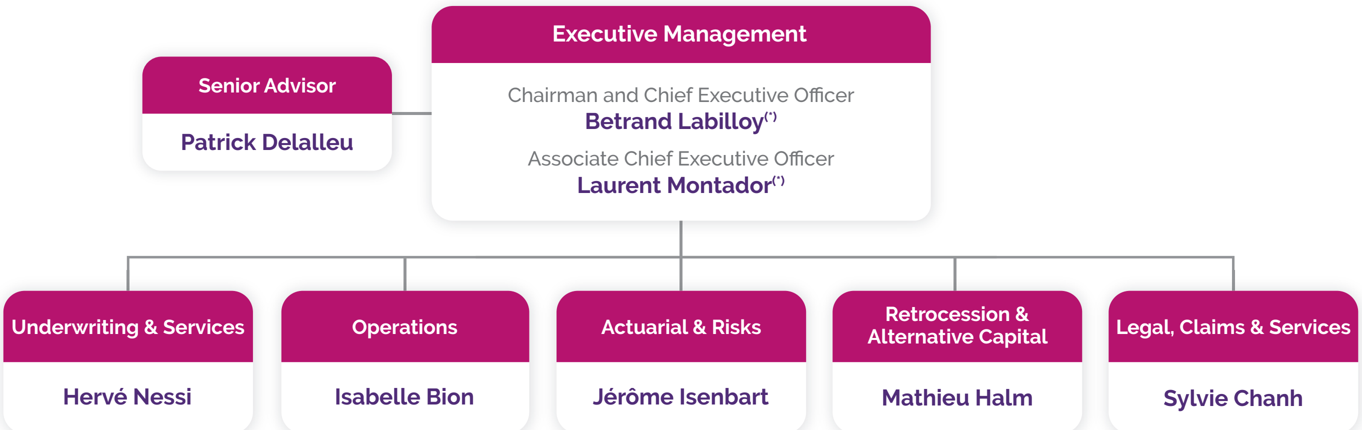
Role of the CCR Group's key internal divisions

CCR 2022 organization chart



(1) Internal Audit key function holder
(2) Compliance key function holder
(**) Internship

CCR Re 2022 organization chart



(*) Persons effectively running the undertaking

Role of the Reinsurance & Public Funds Division – CCR

The Reinsurance & Public Funds Division is responsible for underwriting reinsurance for natural disasters, terrorism and third-party liability of nuclear operators, as well as managing public reinsurance claims.

The Division also manages certain public funds on behalf of the French State (see section 1.2 "Business" for details).

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

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

- the Data Science, Actuarial & Reserving Department, which is responsible for collecting, processing and analyzing the data provided by CCR insureds; determining the rates for reinsurance and reserving treaties; and providing reviews of the Division's work to CCR's customers and partners;
- the Research & Development and Natural Disaster and Agriculture Risk Modeling Department, which is responsible for developing models that simulate natural and anthropic disasters and subsequently for implementing those models if and when such disasters occur.

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

Role of CCR Group's Finance & Monitoring Division

The role of the Group Finance & Monitoring Division is to prepare financial information for CCR Group companies and support the Group's management.

To this end, it is responsible for:

- preparing the Group's financial and tax reports in compliance with the law;
- performing profitability analyses and contributing to the Group's management;
- preparing business plans and monitoring their implementation;
- defining and producing the content of the Group's financial communications;
- the administrative management of the reinsurance investment portfolio, keeping the related accounts and preparing the related reporting packages;
- cash management.

Role of CCR's Investment Division

This Division is responsible for managing the Group's investments in line with the investment strategy. It also advises the Investment Committee on investment strategy decisions, drawing on its financial market expertise.

The Investment Division is organized around the following departments:

- Direct Management Department, responsible for managing the bond and money market portfolios;

- Delegated Management Department, responsible for managing investment funds;
- Real Estate Management Department, responsible for managing real estate assets and investments in real estate funds (OPPCI);
- ESG Department, responsible for managing the Group's ESG portfolios.

Role of CCR Re's 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.

Role of CCR Re's 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.

Role of CCR Re's 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.

Role of the Retrocession & Alternative Capital Division

This Division is responsible for:

- finding and placing appropriate reinsurance cover;
- structuring and placing 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.

Role of the Legal, Claims & Services Division

This Division 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.

2 GROUP KEY FUNCTIONS

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

A "function" is defined in Article 13 (29) as: *"within a governance system [...] [:] 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 the CCR Group. In 2008, a head of ERM was appointed with responsibility for the overall coordination and management of risks. Since then, a Group executive has been identified for each key function.

The current key function holders are:

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

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

2.1 Key function governance structure

CCR's key function holders report directly to CCR's 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 also allows any necessary exchanges to take place with the Board of Directors and its 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 material risks;
- ensuring that risk management procedures are in place;
- ensuring that complete and consistent reporting systems exist covering the audited activity.

The Risk Management function also 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.

Function holder

In 2022, the Risk Management 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 and CCR Re had 15 and 8 PCMs, respectively.

2.3 Compliance function

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

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

The Internal Audit function 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 Group Actuarial function

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

- the portfolio underwritten;
- outward reinsurance;
- technical reserves.

Function holder

The Actuarial function is held by the head of CCR's Budget Control & Financial Communications Department.

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 Operational Committee

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

3.3 CCR Re Operational Committee

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

3.4 CCR Group Risks Committee ("CORI")

This committee covers both CCR and CCR Re. Its role is to manage risks 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 3.9.

CCR IRM Committee

This committee is responsible for managing internal natural disaster models, which play an important role in assessing CCR's natural disaster risk through stochastic techniques.

CCR Re Natural Disaster Committee

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

CCR Group 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 roll-out 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.

CCR Group 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.

3.5 CCR Group Investment Committee

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

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.

3.6 Underwriting Committees

Each CCR and CCR Re entity has its own underwriting committee.

These committees meet when policies are up for renewal, to consider acceptance of business requiring management approval, as described in the underwriting guidelines.

3.7 Claims Committees

Each CCR and CCR Re entity has its own claims committee.

Each committee is responsible for facilitating the flow of information between the claims and services departments and the underwriting departments and for developing an overall vision of outstanding claims. Meetings are held on a department-by-department basis and serve in particular to:

- provide a technical overview of major claims;
- discuss visits to the site of reinsurance claims;
- prepare a ceding insurer watchlist;
- 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.

3.8 Reserving Committees

Each CCR and CCR Re entity has its own Reserving Committee.

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

3.9 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 ISR Committee (see below).

ISR Committee

This committee develops CCR's socially responsible investment policy, drafts regulatory ESG reports, determines the amounts to be invested in ESG assets and engages in dialogue with asset management firms to encourage them 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

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

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4.1 Compensation policy

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

- reward in-house expertise and foster employee loyalty and motivation;
- attract talent;
- discourage excessive risk-taking and ensure that risk-taking remains consistent with the CCR Group'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 of the Board of Directors' compensation

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

His compensation is submitted to the Compensation, Appointments & Governance Committee for opinion and set by the Board of Directors subject to ministerial approval as provided for in Article 3 of decree 53-707 of August 9, 1953. This approval was issued on June 11, 2021.

Compensation paid to the Chief Executive Officer and Deputy Chief Executive Officer

The Chief Executive Officer and Deputy Chief Executive Officer receive fixed and variable compensation. They do not receive any benefits in kind.

Based on a recommendation of the Compensation, Appointments & Governance Committee, CCR's Board of Directors sets the total annual fixed compensation for 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.

Based on a recommendation of the Compensation, Appointments & Governance Committee, CCR's Board of Directors sets the total annual fixed compensation for Edouard Viellefond in his capacity as Deputy Chief Executive Officer of CCR, along with the percentage of variable compensation payable.

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

Decisions made regarding the compensation of the Chief Executive Officer and the Deputy Chief Executive Officer are subject to French ministerial approval as provided for in Article 3 of French decree 53-707 of August 9, 1953 and communicated on June 11, 2021.

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 fees are subject to French ministerial approval, as provided for in Article 3 of French decree 53-707 of August 9, 1953. This approval was issued on June 11, 2021.

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

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

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

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

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 taking into account CCR's special appointment procedures was revised in 2020.

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

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

7 RISK MANAGEMENT SYSTEM (INCLUDING ORSA)

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

The system is structured around:

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

7.1 Organization of risk management

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

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

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

Board of Directors

The Board of Directors oversees the risk management system, supported by the work of the 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.

Executive management

Executive management owns and has responsibility for risks. It:

- defines the internal control and risk management policy;
- monitors the implementation of action plans using reports drawn up by the Actuarial & Risks Division;
- informs the Board of Directors of the results of the overall risk management system.

Risks Committee ("CORI")

See section 3.4 on page 30.

Actuarial & Risks Division

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

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

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

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

Risk Management key function

The Risk Management key function reports to executive management.

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

It is also responsible for the Risk Management & Internal Control Department, providing risk management support, defining the methodological framework for comprehensive risk mapping and monitoring, issuing alerts where applicable, and ensuring that the undertaking has sufficient capital available relative to the risks taken.

As head of the Risk Management & Internal Control Department ("GRCI"), the Risk Management function is responsible for coordinating an effective internal control system.

Compliance function

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

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

Internal audit

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

To provide this assurance, the Internal Audit function assesses and reports on the effectiveness of governance and risk management and 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.

Permanent Control Managers (PCMs)

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

The Permanent Control Managers:

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

Control managers

Control managers are operations staff who perform tier 1 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 rules and procedures 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 the CCR Group;
- identification of all risks to which the CCR Group is exposed;
- risk assessment, follow-up and information.

Risk appetite

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

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

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

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

For 2022, the Board of Directors set a risk appetite that enables CCR to allocate an appropriate level of capital to conduct its business successfully, while maintaining an SCR ratio of above 115% over the year and a post-shock capacity to absorb the costs relating to a natural disaster with a 15-year recurrence interval without recourse to the State guarantee, even if the following three shock scenarios were to occur:
- natural disaster at CCR with a 15-year recurrence interval;
- natural disaster at CCR Re with a 20-year recurrence interval;
- financial crisis.

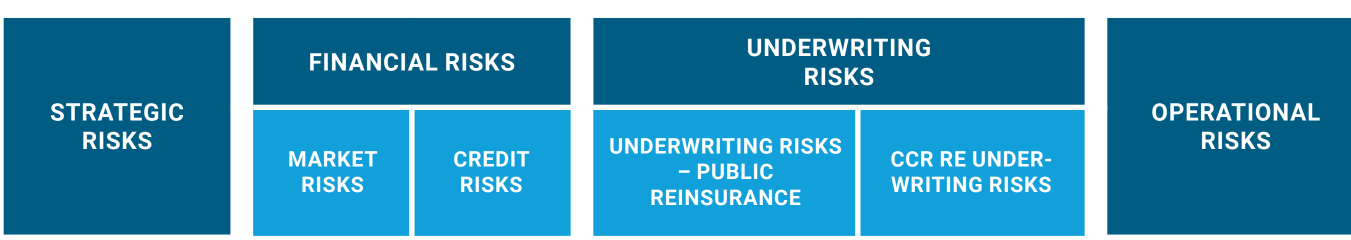
The CCR Group’s risk framework

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

The Group’s risk map 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 the CCR Group’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 risk framework is organized around six 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 macro-economic environment.

They may be influenced by political, macro-economic, 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.

The CCR Group's main financial risk exposures

The CCR Group'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 AA and A). The portfolio also has a relatively low 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 the CCR Group's earnings and on the value of its current assets:

- persistently low interest rates adversely affect the CCR Group's ability to earn adequate yields;
- an increase in interest rates could also have an adverse effect if it occurred at a time when the CCR Group had significant liquidity needs;
- stock market volatility also represents a significant risk factor for the CCR Group. 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 the CCR Group had significant liquidity needs;
- a possible lasting fall in real estate prices represents an additional risk factor;
- the CCR Group is also exposed to the risk of failure by a banking partner.

Underwriting risks – Public reinsurance

Public reinsurance underwriting risk is the risk of 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 the open market reinsurance activity.

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The CCR Group's main public reinsurance underwriting risk exposures

The CCR Group mainly reinsures risks with high levels of volatility and severity. They consist for the most part of property damage risks.

For this reason, its public reinsurance underwriting activities expose the CCR Group to the following risks: natural disaster and terrorism risks in France, the risk of higher-than-expected incurred losses and higher attritional losses exacerbated by low policy deductibles.

CCR Re underwriting risk

Public reinsurance underwriting risk is the risk of 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 open market reinsurance.

The Group's main open market reinsurance 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 the CCR Group 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 CCR'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 the CCR Group'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.

The CCR Group 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 within the Group, 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, the CCR Group has opted for a more in-depth analysis and closer management of certain risks covered by the standard formula, i.e., risks to which it is particularly exposed and which may prove challenging to manage. This primarily concerns natural disaster and financial risks.

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

In addition to preliminary work carried out in connection with the standard formula, and in order to better understand its risk profile, from 2008 the CCR Group began to develop 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 have since been continuously expanded and improved.

Internal ORSA policy

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

The five processes in the ORSA policy are:

- **calculation of own solvency**, including nonquantifiable risks or risks outside the standard formula;

- **calculation of overall solvency needs** (prospective solvency);
- **definition of a quantitative supervisory framework** with comfort zones;
- **ongoing supervision** through risk reporting;
- **exceptional ORSA** procedure.

The ORSA policy was updated in 2022.

ORSA report

A report is drawn up 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 the CCR Group are therefore to ensure:

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

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

8.2 Internal control approach and organization

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

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

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

AWARENESS:

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

STRUCTURE:

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

SUPPORT:

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

COMMUNICATION:

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

DOCUMENTATION:

All inputs of the formal internal control system (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

The CCR Group has five charters:

- The **internal control charter** was revised in 2019. 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, the CCR Group 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.

2

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

The business continuity plan sets out:

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

The business continuity plan identifies three priorities designed to ensure that the undertaking can continue to pursue its business operations and that the unacceptable impacts of these major risks for the CCR Group are reduced:

- contact with customers and with the French State (the CCR Group's shareholder) must be maintained;

- sensitive documents must be protected;
- IT tools must continue to be available.

The effectiveness of the business continuity plan's "100% home-working" provisions was demonstrated during the December 2019 strikes in France. It was further demonstrated in 2020 and 2021, when employees continued to work from home throughout the year, starting from the first lockdown which began in March 2020.

In 2022, the CCR Group 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 Group rules and procedures

The CCR Group also has internal rules and procedures that enable it to successfully pursue its business operations while managing its risk. These rules and/or procedures notably concern:

- compliance of the undertaking's business operations with the policies and strategies defined by the management bodies and compliance of its reinsurance operations with applicable laws and regulations;
- valuation and supervision of investments;
- identification, assessment, management and control of the risks to which the CCR Group is exposed;
- compliance of inward reinsurance and pricing, outward reinsurance and reserving for regulated liabilities with the undertaking's policy in these areas;
- supervision of claims management;
- supervision of subsidiaries;
- management of outsourced operations and the marketing approach used for the undertaking's products;
- preparation and verification of accounting and financial information.

9 OUTSOURCING

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

10 ADDITIONAL INFORMATION

Research and development activity

In 2022, the CCR Group pursued its research and development efforts to better quantify natural and anthropic risks. Our main R&D activities in 2022 were as follows:

During 2022, several improvements were made to the flood model to improve modeling of the losses caused by rivers breaking their banks. The CCR Group participates in research projects on the subject of flooding.

Concerning drought risks, new methods have been deployed to forecast expected losses as early as June, using an agro-climate index developed as part of a research project.

The work on earthquake risk was used to develop an operational model, the results of which have been incorporated into the CCR Group's partial internal model (PIM) for estimating its natural disaster risks.

In terms of services, the CCR Group's models were used to carry out studies for the electricity transmission company RTE. The objective of this project was to study the exposure of electrical substations and pylons managed by RTE to the risk of flooding and to anticipate future changes in this risk due to climate change. The analysis covered the risk of rivers breaking their banks, runoff risks and coastal submersion risks.

Development of a nuclear accident simulation model to support nuclear third-party liability pricing decisions.

CCR 2022 research projects

An economics thesis, in collaboration with Institut Agro Rennes and Météo-France, on the modeling of the consequences of extreme climate events (drought and excess water) on crop production in France over the period to 2050. The quality of this research has been recognized by both academics and insurance professionals.

The RING-CCR partnership has resulted in a first thesis presented in 2021 and two scientific papers published in 2021 and 2022 on earthquake modeling. The partnership continued in 2022 with the launch of a new research project aimed at drilling down into the results already obtained on this subject.

For the first time, Météo-France, BRGM and CCR have joined forces to jointly oversee a research project on the development of new tools for estimating drought losses due to clay shrinkage and swelling.

Continued execution of a research project in partnership with Paris V University's Applied Mathematics Laboratory (MAP5) on machine learning modeling techniques. These techniques will be used to estimate the geotechnical effects of drought.

Ongoing research project in partnership with Mines ParisTech's Geosciences Center on dual geostatistical and Bayesian approaches to estimating insured values.

Reform of the Comprehensive Climate Risk Insurance system for the agriculture sector – CCR

Since 2015, CCR has been developing a model for estimating crop losses due to climate events in mainland France. The model covers all cultivation categories in France: meadows, vineyards, silviculture and field crops analyzed by type. It operates on two levels: by administrative district and by individual farm, using AGRESTE and RICA data.

The model, along with CCR's expertise in this area, was particularly useful to government departments working on the reform of the Comprehensive Climate Risk Insurance system for the agriculture sector.

Prevention-related R&D

CCR recognizes that the management of natural disaster risks cannot be limited to the payment of insurance settlements, and has been developing activities in favor of prevention for several years now. It is playing an essential role as a catalyst, identifying operational solutions for the treatment and prevention of drought. For example, ceding insurers are encouraged to get their customers to adopt preventive practices and government departments are assisted in developing and assessing their own prevention policies.

The following are just some examples of prevention work carried out in 2022:

- The very high level of geotechnical drought damage in recent years led CCR to explore techniques to better treat and prevent this peril. From March to August 2022, CCR retained the services of Terrasol, a subsidiary of the Setec Group specialized in conducting geotechnical studies prior to the design of large structures, to conduct a study on the effectiveness of micropile underpinning, and geomembrane waterproofing and perimeter terrace horizontal waterproofing solutions. The study suggests that opportunities may exist to improve not only the post-disaster treatment of drought damage but also its prevention, and it has been communicated to the insurance profession and the ministries concerned. The next step will be to conduct practical experiments in partnership with the insurance industry federation, France Assureurs, with the aim of achieving a reduction in drought losses in the medium to long term;

- Since 2020, CCR has been rewarding its ceding insurers' prevention efforts through a commission mechanism. In 2022, the total commission paid under this system amounted to €17.5 million for the entire market. The reports submitted by the ceding insurers attest to their continuing drive to improve prevention. The profession is organizing, creating internal structures, training employees and hiring prevention specialists. It is also using more and more service providers to diversify the services it offers to its customers (warning systems, vulnerability tests, self-testing solutions, flood protection);
- CCR's role in supporting government natural disaster prevention policies was recognized in 2021 by the Baudu law and confirmed the same year with the signature of a five-year agreement with the General Risk Prevention Directorate of France's Ministry for Ecological Transition and Territorial Cohesion. In 2022, a number of projects were carried out under this agreement, the most symbolic of which were an economic analysis of the usefulness of implementing hurricane regulations in the French overseas territories and a report on natural hazard prevention in France over the period 1995-2020.

CCR Re automation solutions

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.

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.

CCR Re capital model

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.

3

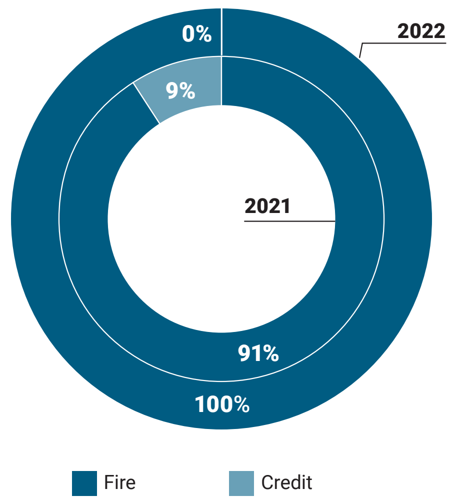
RISK PROFILE

RISK PROFILE

1 UNDERWRITING RISK

1.1 Background

In 2022, the Group generated gross written premiums of €2,066 million. The breakdown between CCR and CCR Re is presented below.



CCR

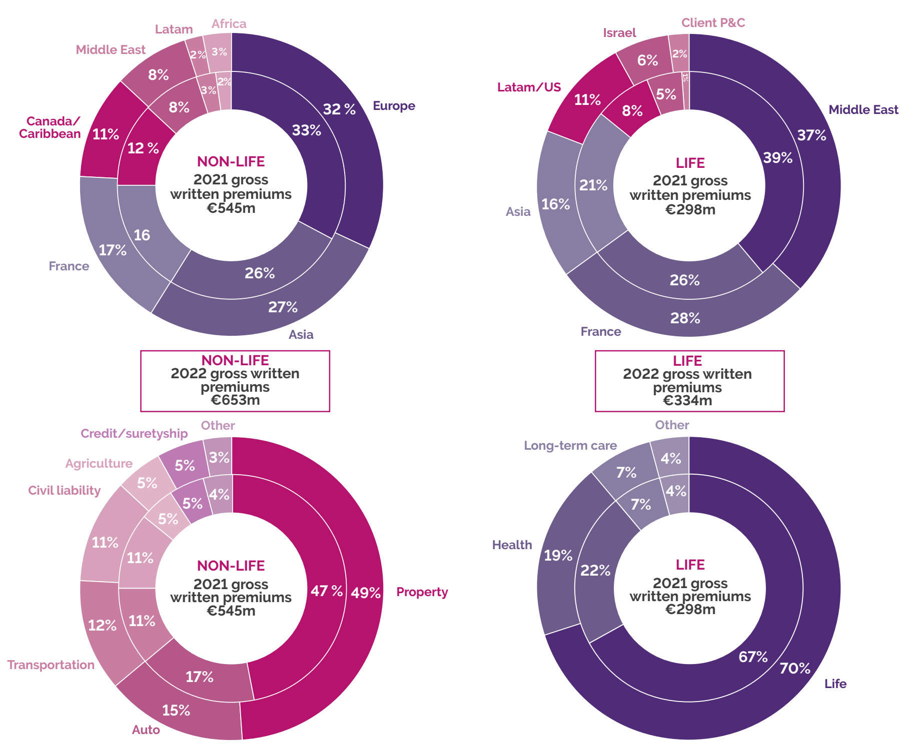
With the exception of Life and Non-Life business not transferred to CCR Re (managed by CCR on a run-off basis), CCR is engaged solely in the Non-Life reinsurance business in France.

In 2022, CCR's public reinsurance business generated total gross written premiums of €1,080 million, 93.2% of which derived from natural disaster reinsurance premiums. The chart opposite illustrates the breakdown of gross written premiums for the last two underwriting years:

CCR Re

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

In 2022, CCR Re generated gross written premiums of nearly €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 the CCR Group's risk profile under the standard formula, the most significant risk arises on Non-Life natural disaster cover. This is followed, from most to least significant, by the Non-Life Premium and Reserve SCR, Market SCR, Operational SCR, Life SCR, Counterparty SCR and Health SCR.

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

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

The main processes used to manage risk within the CCR Group are:

- adoption of an overall risk budget by the Board of Directors;
- adoption of a sub-budget for natural disaster risk by the Board of Directors;
- construction of a portfolio from a strict underwriting and pricing perspective and according to a 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.

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

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

2 ASSET MANAGEMENT

3

2.1 General principles

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

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

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

The Board notably receives:

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

2.2 Analytical framework for the asset allocation strategy

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

Risk

The CCR Group and its entities strive to identify three levels of risk at any one time:

- **capital risk,** which is the risk that an asset will suffer a significant and other-than-temporary loss in value;
- **risk of fluctuations in the value of an asset,** which primarily has an accounting (provisions and reserves affecting profit) and regulatory (changes in Solvency II own funds) impact for as long as the asset in question is not sold;

- **the risk that two correlated assets** will suffer a simultaneous loss in value. Assets may be closely correlated in extreme or atypical scenarios, even though they appear to be decorrelated and help build a diversified portfolio under normal conditions.

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

Liquidity

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

Estimated returns

Returns can be identified in one of two categories:

- yield: payment of income in the form of coupons, interest, dividends or rent;
- profitability: includes yield as well as unrealized and realized capital gains and losses.

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

2.3 Structure of the CCR Group's assets

Money market investments

Money market instruments represent a small portion of total investments.

Bond and credit investments

Bond portfolios account for a substantial proportion of total investments. Despite the increased weighting of this asset class in terms of carrying amount in 2022, its weighting at market value was down due to the significant increase in interest rates during the year. 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. Diversified investments account for a significant proportion of total investments.

Real estate investments

Real estate investments also account for a significant proportion of total investments and comprise residential and office buildings located in prime locations in Paris and the Paris region, which are either held directly or through affiliates (French simplified joint stock companies). Real estate investments relate to investments in mainly pan-European real estate funds in the form of collective investment schemes (*organisme de placement collectif immobilier* – OPCI) and private equity funds (*fonds professionel de capital investissement* – FPCI) for professional investors, which ensures that the real estate portfolio is duly diversified in terms of both asset classes and geography.

Infrastructure funds

Infrastructure funds concern investments in equities. They account for a very small portion of total investments.

Equities

Equities account for a slightly smaller portion of total investments than diversified investments, and break down as investments in listed and in unlisted equities.

Protection

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

Loans

Loan funds represent only a small proportion of total investments.

Participating interests

This asset class mainly corresponds to the investment in Caisrelux.

Lastly, investments also include funds deposited with ceding insurers and funds deposited in a Canadian trust fund (management of bonds denominated in Canadian dollars) which, for accounting purposes, is considered a deposit.

2.4 Exposure to key financial risks

Currency risk

Exposure to currency risk mainly concerns CCR Re.

Positions were spread over 45 currencies as of December 31, 2022. The Group's overall exposure to currency risk is fairly limited.

It regularly conducts simulations on its positions to measure currency risk.

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. Directly managed fixed-income portfolios have an average AA- rating. AAA/AA-rated bonds account for over half of the directly held fixed-income portfolio.

Liquidity risk

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

- significant cash reserves;
- limited partially or totally illiquid assets, representing 10% of total investments;
- a portfolio of investment grade bonds representing a substantial proportion of total investments; a significant percentage of these bonds have a short residual term, with the portfolio's average duration standing at just over 4 years;
- a series of funds which can be redeemed on a daily or weekly basis in most cases.

Besides partially or totally illiquid financial assets, the least liquid assets are real estate investments. Maximum investment limits are set every six months for partially or totally illiquid assets.

Impacts of financial shocks

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

The inflation shock in 2022 led to adjustments to provisions at the end of 2022. This was taken into account in the projection of the 2023 risk budget and compliance with the risk appetite framework.

3 OPERATIONAL RISK

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

3.1 Operational rollout

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

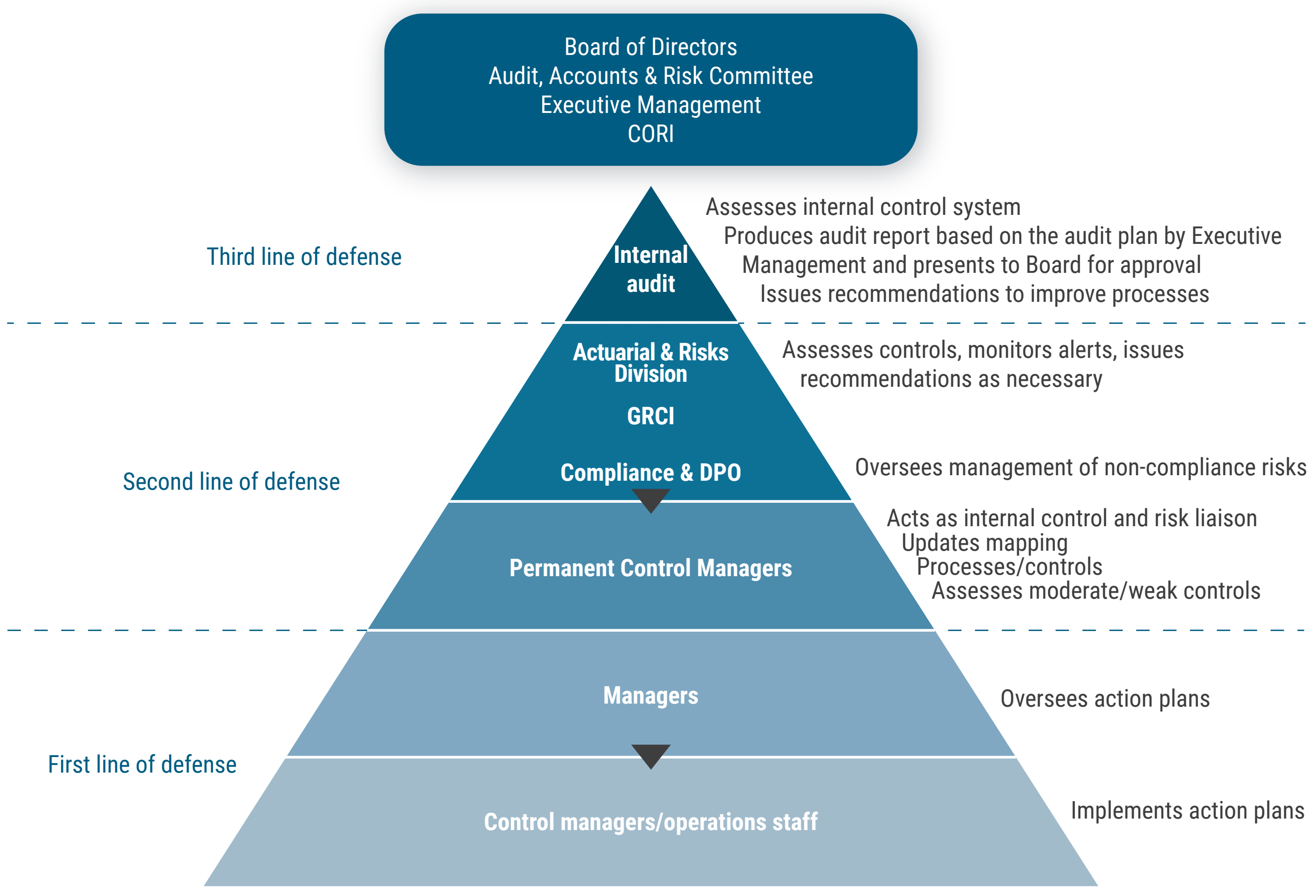
The CCR Group has adopted the internal control objectives defined by the French financial markets authority (*Autorité des Marchés Financiers* – AMF). The objectives of the internal control system set up by CCR are therefore to ensure:

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

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

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

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



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4 OTHER RISKS

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

5 RISK EXPOSURE

5.1 Risk measurement

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

5.2 Material risks

Material risks are described above (underwriting, investment). The members of the 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;
- the investment risk management strategy adopted by CCR’s Board of Directors.

5.4 Concentration

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

6 RISK MITIGATION

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

6.1 Outward reinsurance

CCR applies the outward reinsurance policy approved by the Board of Directors.

6.2 Hedging of the equities portfolio

The CCR Group has adopted, for both of its entities, 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, 2021 compared to their opening value.

7 RISK SENSITIVITY

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

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

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

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

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

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

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

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

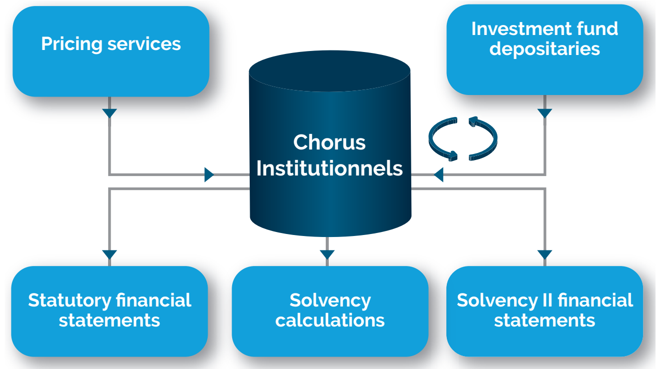
In compliance with regulations, real estate appraisers estimate the fair value of each real estate asset every five years. This value is then discounted to present value on a yearly basis and sent to the ACPR. Since CCR has held prime real estate assets for many years, they represent substantial unrealized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

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

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

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

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



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1.2 Value of investments

Assets (in thousands of euros)		Solvency II value C0010
Property, plant and equipment held for own use	R0060	91,065
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	10,168,293
Property (other than for own use)	R0080	580,930
Holdings in related undertakings, including participations	R0090	6,893
Equities	R0100	240,004
Equities - listed	R0110	5,062
Equities - unlisted	R0120	234,941
Bonds	R0130	5,247,402
Government bonds	R0140	1,691,331
Corporate bonds	R0150	3,556,072
Structured notes	R0160	
Collateralized securities	R0170	
Collective investment undertakings	R0180	3,950,643
Deposits other than cash equivalents	R0200	136,615
Loans and mortgages	R0230	17,714
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	794
Other loans and mortgages	R0260	16,919
Deposits to cedants	R0350	362,572
Cash and cash equivalents	R0410	302,258

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	334,462
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	17,714
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	794
Other loans and mortgages	R0260	16,919
Reinsurance recoverables from:	R0270	67,254
Non-Life and health similar to Non-Life	R0280	62,078
Non-Life excluding health	R0290	62,078
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	178,853
Reinsurance receivables	R0370	10,027
Receivables (trade, not insurance)	R0380	92,816
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	
TOTAL ASSETS	**R0500**	**11,625,314**

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

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

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

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

The auditors work closely with Technical Accounting and Underwriting teams.

Reinsurance agreements are categorized by actuarial tranche. An actuarial tranche is defined as a group of obligations with similar risk and settlement characteristics. Each tranche is characterized by:

- the risk covered: motor vehicle liability insurance, fire risk, etc.;
- the type of obligation: (management) x (Non-Life/Life) x (treaty/discretionary) x (proportional/nonproportional);

For each actuarial tranche, the reserving process is the same:

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

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

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

Outward reinsurance

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

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

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

Allocation of lines of business

At the date of this report, the CCR Group's portfolio covered the following lines of business (LoB):

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

This list may evolve in the future in line with the CCR Group'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

The CCR Group'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.

4

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 are determined based on all of the above items.

Risk margin

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

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

Valuation for solvency and financial reporting purposes

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

Change in assumptions used to calculate technical reserves

The assumptions used by the CCR Group to calculate technical reserves have not changed 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	5,022,431
Technical provisions - Non-Life (excluding health)	R0520	5,022,431
Technical provisions calculated as a whole	R0530	
Best estimate	R0540	4,526,094
Risk margin	R0550	496,337
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	663,529
Technical provisions - health (similar to Life)	R0610	284,286
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	256,192
Risk margin	R0640	28,094
Technical provisions - Life (excluding health and index-linked and unit-linked)	R0650	379,243
Technical provisions calculated as a whole	R0660	
Best estimate	R0670	341,764
Risk margin	R0680	37,478
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	67,254
Non-Life and health similar to Non-Life	R0280	62,078
Non-Life excluding health	R0290	62,078
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

The CCR Group has no special purpose vehicles in its Solvency II balance sheet at the date of this report.

Transitional measures, matching adjustment and volatility adjustment

The CCR Group 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 the CCR Group.

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 the CCR Group's ORSA since December 31, 2020.

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

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

2.2 Value of other liabilities

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

Liabilities (in thousands of euros)		Solvency II value C0010
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	13,456
Pension benefit obligations	R0760	7,452
Deposits from reinsurers	R0770	2,411
Deferred tax liabilities	R0780	537,937
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	38,436
Reinsurance payables	R0830	127,182
Payables (trade, not insurance)	R0840	61,931
Subordinated liabilities	R0850	245,793
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	245,793
Any other liabilities, not elsewhere shown	R0880	2,553
TOTAL LIABILITIES	**R0900**	**6,727,634**
EXCESS OF ASSETS OVER LIABILITIES	**R1000**	**4,897,680**

Other technical provisions

Other technical reserves comprise equalization reserves and outstanding claims reserves recorded by CCR and CCR Re as required under Article 431 of the French Insurance Code. In the Solvency II balance sheet, these reserves are included directly in own funds, without any need to restate technical reserves. They are reported in the French GAAP balance sheet for an amount of €1,176 million. In the Solvency II balance sheet, there is no corresponding caption.

Provisions other than technical provisions

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

Any other liabilities, not elsewhere shown

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

Value for solvency and financial reporting purposes

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

3 OTHER KEY INFORMATION

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

5

CAPITAL MANAGEMENT

CAPITAL MANAGEMENT

1 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

1.1 Objectives

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

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

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

1.2 Policy

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

The CCR Group has set itself the objective of a 115% solvency 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:
- the CCR Group to maintain a level of capital in line with the risks underwritten and limits set;
- risk budgets to be assigned to financial investments each year.

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

Protection of own funds

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

Details of these policies are provided in the corresponding documentation.

1.3 Procedures

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

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

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

The calculations are made by the Actuarial & Risks Division.

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

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

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

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

1.4 Changes during the last reference period

No changes were observed in capital management principles in the last reference period.

2 SOLVENCY II OWN FUNDS AT DECEMBER 31, 2022

2.1 Structure, quality and amount of Solvency II own funds

The Group has no ancillary own funds. Own funds eligible for inclusion in the calculation of the SCR coverage ratio correspond to the following components of basic own funds:

(in millions of euros)	BREAKDOWN OF BASIC OWN FUNDS	December 31, 2022
a	**Excess of assets over liabilities**	**4,898**
b	**Dividends**	**-**
C	Total subordinated liabilities	246
D	Subordinated liabilities not eligible for inclusion in SCR coverage ratio	0
E=C-D	**Subordinated liabilities eligible for inclusion in SCR coverage ratio**	**246**
F=A+B+E	**Solvency II own funds eligible for inclusion in SCR coverage ratio**	**5,143**

Subordinated liabilities correspond to the Tier 2 subordinated debt issued by CCR Re, a Group subsidiary.

In all, own funds eligible for inclusion in the calculation of the SCR coverage ratio amounted to €5,143 million at December 31, 2022.

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

The CCR Group's equity at December 31, 2022 amounted to €2,981 million before dividends in its French GAAP financial statements, compared to €5,143 million after dividends in the Solvency II balance sheet.

Solvency II own funds are much higher than equity in the statutory financial statements. This chiefly reflects the amount of unrealized capital gains on CCR's investment portfolio at December 31, 2022, along with the inclusion of equalization reserves and outstanding claims reserves as required under Article 431 of the French Insurance Code in Solvency II own funds. It also reflects restatements of French GAAP reinsurance liabilities in accordance with Solvency II and restatement of subordinated liabilities.

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

Solvency II own funds after dividends decreased from €6,340 million at December 31, 2021 to €5,143 million at December 31, 2022.

3 SCR AND MCR COVERAGE RATIOS AT DECEMBER 31, 2022

Solvency II own funds after dividends eligible for inclusion in the Group's SCR coverage ratio totaled €5,143 million:

- the Group SCR came out at €3,226 million, representing an SCR coverage ratio of 159.4%;
- the Group's Minimum Capital Requirement (MCR) came out at €962 million versus eligible own funds of €4,943 million, representing an MCR coverage ratio of 513.8%.

The SCR coverage ratio before the volatility adjustment stood at 156.5%.

(in millions of euros)	After VA	Before VA
Solvency II own funds after dividends eligible for inclusion in the Group's SCR coverage ratio	5,143	5,079
SCR	3,226	3,245
SCR COVERAGE RATIO (Solvency II)	**159.4%**	**156.5%**

Applying the volatility adjustment at December 31, 2022 increased the SCR coverage ratio by 2.9%.

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

4 OWN FUNDS AND TRANSITIONAL MEASURES

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

5 DESCRIPTION OF ANCILLARY OWN FUNDS

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

6 AVAILABILITY AND TRANSFERABILITY OF SOLVENCY II OWN FUNDS

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

7 CALCULATION OF SCR, MCR AND ELIGIBLE OWN FUNDS

7.1 Method and options used

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

7.2 Loss-absorbing capacity of deferred taxes

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

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

Regarding the inclusion of future tax credits in the calculation of deferred taxes:
- CCR Re considered, where appropriate and based on the visibility provided by its conservative business plan, that it could justify recognizing €80 million in deferred tax assets for tax credits, based on a five-year post-stress projection period.
- Concerning its public reinsurance business, CCR considered, where appropriate and based on the visibility provided by its conservative business plan, that it could justify recognizing €150 million in deferred tax assets for tax credits, based on a two-year post-stress projection period.

The combined tax credits of CCR Re and CCR's public reinsurance business represented a total of €230 million for the Group.

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

Excluding the €230 million, the CCR Group's SCR would be €3,456 million versus €3,226 million, and its SCR coverage ratio would be 148.8% versus 159.4%.

7.3 Look-through approach

The CCR Group has adopted a line-by-line look-through approach covering 91% 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

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

7.5 Simplified approaches used

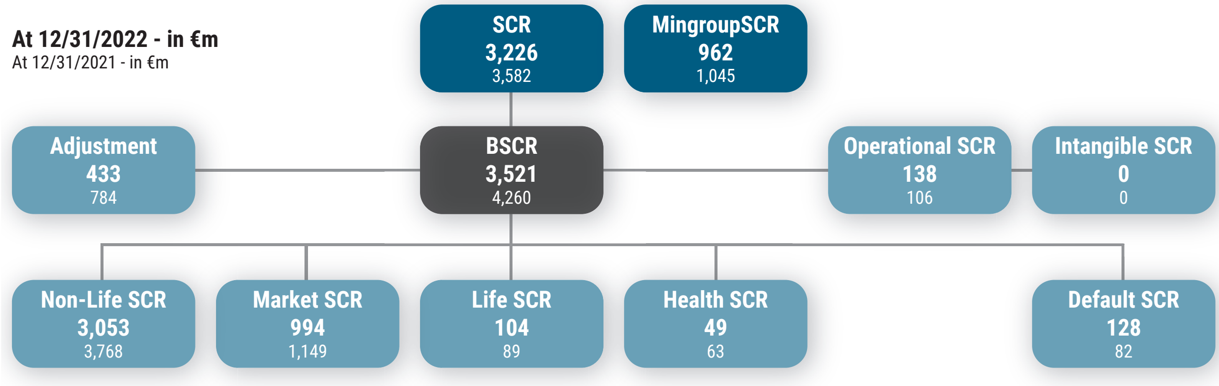
The CCR Group did not use any simplified approach in calculating its capital requirements.

7.6 Difficulties encountered

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

8 SCR AND MCR

At December 31, 2022, the CCR Group's SCR was estimated at €3,226 million versus €3,582 million at the previous year-end and its MCR was estimated at €962 million versus €1,045 million.



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

- the decrease in the Natural Disaster SCR sub-module within the Non-Life SCR, moderated by the rise in the SCR for Premiums and Non-Life Reserves due to the increase in CCR's technical reserves;
- the decrease in the Market risk SCR, reflecting developments in the financial markets during the year;
- the decrease in term adjustments due to decrease in deferred taxes.

5

9 CHANGES IN THE SOLVENCY MARGIN SINCE DECEMBER 31, 2021

Valuation date	Solvency margin
December 31, 2021	177.0%
December 31, 2022	159.4%

6

APPENDICES: QRT

LIST OF QRT SCHEDULES:

The following schedules are not applicable to the CCR Group

S25.02.22: Partial internal model

S25.01.22: Full internal model

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

1 S.02.01.02: Balance sheet

Assets

		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	334,462
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	91,065
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	10,168,293
Property (other than for own use)	R0080	580,930
Holdings in related undertakings, including participations	R0090	6,893
Equities	R0100	240,004
Equities - listed	R0110	5,062
Equities - unlisted	R0120	234,941
Bonds	R0130	5,247,402
Government bonds	R0140	1,691,331
Corporate bonds	R0150	3,556,072
Structured notes	R0160	
Collateralized securities	R0170	
Collective investment undertakings	R0180	3,950,643
Derivatives	R0190	5,805
Deposits other than cash equivalents	R0200	136,615
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	17,714
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	794
Other loans and mortgages	R0260	16,919
Reinsurance recoverables from:	R0270	67,254
Non-Life and health similar to Non-Life	R0280	62,078
Non-Life (excluding health)	R0290	62,078
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	362,572
Insurance and intermediaries receivables	R0360	178,853
Reinsurance receivables	R0370	10,027
Receivables (trade, not insurance)	R0380	92,816
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	302,258
Any other assets, not elsewhere shown	R0420	
TOTAL ASSETS	**R0500**	**11,625,314**

Liabilities

		Solvency II value
		C0010
Technical provisions - Non-Life	R0510	5,022,431
Technical provisions - Non-Life (excluding health)	R0520	5,022,431
Technical provisions calculated as a whole	R0530	
Best estimate	R0540	4,526,094
Risk margin	R0550	496,337
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	663,529
Technical provisions - health (similar to Life)	R0610	284,286
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	256,192
Risk margin	R0640	28,094
Technical provisions - Life (excluding health and index-linked and unit-linked)	R0650	379,243
Technical provisions calculated as a whole	R0660	
Best estimate	R0670	341,764
Risk margin	R0680	37,478
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	13,456
Pension benefit obligations	R0760	7,452
Deposits from reinsurers	R0770	2,411
Deferred tax liabilities	R0780	537,937
Derivatives	R0790	4,523
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	38,436
Reinsurance payables	R0830	127,182
Payables (trade, not insurance)	R0840	61,931
Subordinated liabilities	R0850	245,793
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	245,793
Any other liabilities, not elsewhere shown	R0880	2,553
TOTAL LIABILITIES	**R0900**	**6,727,634**
EXCESS OF ASSETS OVER LIABILITIES	**R1000**	**4,897,680**

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	95,057	1,142,612	26,318	32,560	9,049				1,325,560
Gross - non-proportional reinsurance accepted	R0130							96,943	6,379	299,067	402,389
Reinsurers' share	R0140	641	7,023	118,252	856	1,267	597	7,680	175	34,650	171,141
Net	**R0200**	**19,324**	**88,034**	**1,024,359**	**25,461**	**31,293**	**8,452**	**89,263**	**6,204**	**264,417**	**1,556,808**
PREMIUMS EARNED											
Gross - direct business	R0210										
Gross - proportional reinsurance accepted	R0220	21,809	84,674	1,235,993	24,309	31,024	9,926				1,407,735
Gross - non-proportional reinsurance accepted	R0230							94,814	6,469	298,868	400,152
Reinsurers' share	R0240	743	6,666	118,621	839	1,218	698	8,003	189	33,974	170,951
Net	**R0300**	**21,066**	**78,008**	**1,117,372**	**23,470**	**29,806**	**9,228**	**86,811**	**6,280**	**264,895**	**1,636,936**
CLAIMS INCURRED:											
Gross - direct business	R0310										
Gross - proportional reinsurance accepted	R0320	14,011	61,977	2,215,315	12,976	(48,734)	3,488				2,259,032
Gross - non-proportional reinsurance accepted	R0330							57,616	5,641	273,022	336,279
Reinsurers' share	R0340	313	6,146	14,704	295	130	327	5,931	126	18,483	46,456
Net	**R0400**	**13,698**	**55,830**	**2,200,610**	**12,681**	**(48,864)**	**3,161**	**51,685**	**5,515**	**254,539**	**2,548,855**
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**	**26,897**	**129,234**	**6,987**	**13,761**	**3,870**	**13,387**	**906**	**20,377**	**221,717**
Other expenses	**R1200**										
TOTAL EXPENSES	**R1300**										**221,717**

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**
CHANGE IN OTHER TECHNICAL PROVISIONS				
Gross	R1710	2,671		2,671
Reinsurers' share	R1720			
Net	**R1800**	**2,671**		**2,671**
Expenses incurred	**R1900**	**22,726**	**37,346**	**60,072**
Other expenses	**R2500**			
TOTAL EXPENSES	**R2600**			**60,072**

6

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

		Home country	Top five countries (by amount of gross premiums written) - Non-Life obligations					Total top five countries and home country
		C0080	C0020	C0030	C0040	C0050	C0060	C0140
	R0010		CA	CN	IL	JO	SA	
PREMIUMS WRITTEN								
Gross - direct business	R0110							0
Gross - proportional reinsurance accepted	R0120	944,023	31,733	27,612	31,531	1,840	12,076	1,048,814
Gross - non-proportional reinsurance accepted	R0130	230,551	32,996	5,203	7,291	438	987	277,466
Reinsurers' share	R0140	121,738	4,516	1,839	3,113	85	647	131,938
Net	**R0200**	**1,052,836**	**60,212**	**30,976**	**35,709**	**2,193**	**12,416**	**1,194,343**
PREMIUMS EARNED								
Gross - direct business	R0210							0
Gross - proportional reinsurance accepted	R0220	1,056,828	22,467	26,947	32,099	1,537	10,579	1,150,457
Gross - non-proportional reinsurance accepted	R0230	230,849	32,286	5,137	7,282	302	907	276,764
Reinsurers' share	R0240	121,553	4,172	1,923	3,377	73	609	131,706
Net	**R0300**	**1,166,124**	**50,581**	**30,161**	**36,004**	**1,767**	**10,877**	**1,295,514**
CLAIMS INCURRED								
Gross - direct business	R0310							0
Gross - proportional reinsurance accepted	R0320	2,066,143	18,251	20,311	22,232	470	2,136	2,129,543
Gross - non-proportional reinsurance accepted	R0330	222,148	20,715	905	6,541	126	167	250,602
Reinsurers' share	R0340	9,766	3,160	1,424	3,229	23	152	17,754
Net	**R0400**	**2,278,524**	**35,806**	**19,793**	**25,543**	**573**	**2,151**	**2,362,391**
CHANGE IN OTHER TECHNICAL PROVISIONS								
Gross - direct business	R0410							0
Gross - proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	**R0500**		**0**	**0**	**0**	**0**	**0**	**0**
Expenses incurred	**R0550**	**72,494**	**15,150**	**10,229**	**9,803**	**654**	**4,959**	**113,290**
Other expenses	**R1200**							
TOTAL EXPENSES	**R1300**							**113,290**

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

		Home country	Top five countries (by amount of gross premiums written) - Life obligations					Total top five countries and home country
		C0220	C0160	C0170	C0180	C0190	C0200	C0280
	R1400		CA	CN	IL	JO	SA	
PREMIUMS WRITTEN								
Gross	R1410	75,411		25,823	19,018	38,597	27,712	186,561
Reinsurers' share	R1420	3,634		237	417	200	146	4,634
Net	**R1500**	**71,777**	**0**	**25,586**	**18,601**	**38,397**	**27,566**	**181,927**
PREMIUMS EARNED								
Gross	R1510	85,467		25,023	20,189	33,467	23,720	187,866
Reinsurers' share	R1520	3,028		182	279	166	121	3,775
Net	**R1600**	**82,438**	**0**	**24,841**	**19,911**	**33,301**	**23,600**	**184,091**
CLAIMS INCURRED								
Gross	R1610	37,775	(29)	15,742	28,825	34,528	18,625	135,464
Reinsurers' share	R1620	310		40	205	75	41	672
Net	**R1700**	**37,465**	**(29)**	**15,701**	**28,619**	**34,452**	**18,583**	**134,792**
CHANGE IN OTHER TECHNICAL PROVISIONS								
Gross	R1710	2,671						2,671
Reinsurers' share	R1720							0
Net	**R1800**	**2,671**	**0**	**0**	**0**	**0**	**0**	**2,671**
Expenses incurred	**R1900**	**27,199**		**6,676**	**2,427**	**2,166**	**2,939**	**41,407**
Other expenses	**R2500**							
TOTAL EXPENSES	**R2600**							**41,407**

6

6 S.22.01.22: 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	5,685,960	0	0	47,550	0
Basic own funds	R0020	5,143,473	0	0	(64,422)	0
Eligible own funds to meet the Solvency Capital Ratio	R0050	5,143,473	0	0	(64,422)	0
Solvency Capital Requirement	R0090	3,225,920	0	0	19,122	0

7 S.23.01.22 - 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						
Ordinary share capital (gross of own shares)	R0010	60,000	60,000			
Non-available called but not paid in ordinary share capital at Group level	R0020					
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					
Non-available subordinated mutual member accounts at Group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at Group level	R0080					
Preference shares	R0090					
Non-available preference shares at Group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at Group level	R0120					
Reconciliation reserve	R0130	4,837,680	4,837,680			
Subordinated liabilities	R0140	245,793			245,793	
Non-available subordinated liabilities at Group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at Group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non-available own funds related to other own funds items approved by a supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at Group level	R0210					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
OWN FUNDS FROM THE FINANCIAL STATEMENTS THAT SHOULD NOT BE REPRESENTED BY THE RECONCILIATION RESERVE AND DO NOT MEET THE CRITERIA TO BE CLASSIFIED AS SOLVENCY II OWN FUNDS						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
DEDUCTIONS						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	**R0280**					
Total basic own funds after deductions	**R0290**	**5,143,473**	**4,897,680**		**245,793**	
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 Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first sub-paragraph of Article 96(3) of Directive 2009/138/EC	R0370					
Non-available ancillary own funds at Group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	**R0400**					
OWN FUNDS OF OTHER FINANCIAL SECTORS						
Credit institutions, investment firms, financial institutions, alternative investment fund managers	**R0410**					
Institutions for occupational retirement provision	R0420					
Non-regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
OWN FUNDS WHEN USING THE D&A, EXCLUSIVELY OR IN COMBINATION OF METHOD 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated Group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	5,143,473	4,897,680		245,793	
Total available own funds to meet the minimum consolidated Group SCR	R0530	5,143,473	4,897,680		245,793	
Total eligible own funds to meet the consolidated Group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	5,143,473	4,897,680	0	245,793	
Total eligible own funds to meet the minimum consolidated Group SCR	R0570	4,943,052	4,897,680	0	45,373	
Minimum consolidated Group SCR	**R0610**	**962,079**				
Ratio of eligible own funds to the consolidated Group SCR	**R0650**	**5.1379**				
Total eligible own funds to meet the Group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	**5,143,473**	**4,897,680**	**0**	**245,793**	
Group SCR	**R0680**	**3,225,920**				
Ratio of Eligible own funds to Group SCR including other financial sectors and the undertakings included via D&A	**R0690**	**1.59**				

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		C0060
RECONCILIATION RESERVE		
Excess of assets over liabilities	R0700	4,897,680
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	60,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	
Reconciliation reserve	R0760	4,837,680
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	(170,915)
TOTAL EXPECTED PROFITS INCLUDED IN FUTURE PREMIUMS (EPIFP)	**R0790**	**(180,590)**

8 S.25.01.22: Solvency Capital Requirement (SCR) - for groups on standard formula

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	994,250		
Counterparty default risk	R0020	127,901		
Life underwriting risk	R0030	104,058		0
Health underwriting risk	R0040	49,051		0
Non-Life underwriting risk	R0050	3,052,660		0
Diversification	R0060	(806,999)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	**R0100**	**3,520,922**		

CALCULATION OF SOLVENCY CAPITAL REQUIREMENT		C0100
Operational risk	R0130	138,474
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(433,476)
Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	**R0200**	**3,225,920**
Capital add-on already set	R0210	
Solvency Capital Requirement	**R0220**	**3,225,920**
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	
Minimum consolidated Group solvency capital requirement	R0470	962,079
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D&A	R0560	
Solvency capital requirement	**R0570**	**3,225,920**

9 S.32.01: Undertakings in the scope of the Group

Identification code of the undertaking	Country	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non-mutual)	Supervisory Authority
C0020	C0010	C0040	C0050	C0060	C0070	C0080
LEI/969500OWZSKPHFETVI96	FR	CCR RE	3	SA	2	ACPR
LEI/969500215GH3JAORAV11	FR	CCR	3	SA	2	ACPR

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for the Group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100.00%	100.00%	100.00%		2	100.00%	1		5
100.00%	100.00%	100.00%		2	100.00%	1		5

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GROUPE
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