SOLVENCY AND FINANCIAL CONDITION REPORT
SOLVENCY II
DECEMBER 31, 2023

EXECUTIVE SUMMARY

This narrative report is part of the Solvency II regulatory reporting requirements and has been submitted to the ACPR, the French insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution*). This report was validated by the Chief Executive Officer, reviewed by the Audit, Accounts & Risks Committee and subsequently approved by the Board of Directors of CCR before being submitted to the ACPR.

In accordance with Solvency II regulatory requirements, this report summarizes information about the reinsurance business of Caisse Centrale de Réassurance in 2023 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, 2023 and are expressed in euros.

This report may refer to additional information available on the CCR 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.

CCR operates in the State-guaranteed 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.

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.

CCR continues to manage the run-off of the open market reinsurance contracts not transferred to its subsidiary CCR Re, which are reinsured with CCR Re on a mirrored basis.

For the purposes of regulatory reporting under Solvency II, CCR uses the standard formula. In 2023, there were no material changes in its risk profile, which reflects the exposure arising from its State-guaranteed reinsurance activities and its asset management activities.

The Solvency coverage ratio stood at 162.7% at December 31, 2023 based on €4,869 million in Solvency II own funds and a Solvency Capital Requirement (SCR) of €2,993 million.

In 2023, for the seventh time in the eight years since 2016, natural disaster losses for the year exceeded the premiums[1] collected under the natural disaster reinsurance system, obliging CCR to draw on its reserves. The total cost of claims incurred in 2023 stood at €1,029 million. Liquidations of reinsurance accounts for prior years added €342 million to this amount, mainly in respect of the 2022 drought, for which the cost to the market was increased from an estimated €2.9 billion to €3.5 billion.

Compared to the exceptionally severe drought in 2022, the 2023 drought appears to have been fairly mild. Current estimates put the cost at €360 million, which is nonetheless more than the €323 million derived from CCR's partial internal model (PIM). This was the consequence of a fairly dry summer in the south and center and a wet summer in the north and southeast. September was very hot (according to Météo-France, it was the hottest September in mainland France since meteorological records began in 1900), but October and November were particularly wet. The relatively low estimated cost of the 2023 drought is explained in particular by the delay in applying the new natural disaster recognition criteria for droughts provided for in the 3DS Law, which will be applied starting from the 2024 drought, and not for the 2023 drought.

Several *départements* in the Hauts-de-France region were hit by severe floods in November 2023, following repeated storms and downpours. The prolonged flooding generated average costs that were above the average for this type of event. In early January 2024, the region was again hit by repeated heavy rainfall. The resulting floods mainly aggravated the damage caused in November 2023, adding to the cost of the claims resulting from that event. The incremental cost was taken into account in the €309 million estimated total cost of the Hauts-de-France floods for CCR.

Attritional losses represented an estimated €160 million for CCR.

In addition, the La Laigne earthquake cost CCR €191 million, including €174 million for proportional reinsurance and €17 million for non-proportional reinsurance.

Non-proportional reinsurance claims attributable to other events amounted to €4 million.

In addition to the cost of claims incurred in 2023, liquidations of prior year accounts led to the recognition of additional costs of €342 million, corresponding primarily to an upward adjustment of the costs of the 2022 drought.

CCR's gross written premiums were up slightly year on year, at €1,228 million in 2023 versus €1,080 million in 2022, with natural disaster cover accounting for 93.2% of total business.

At December 31, 2023, CCR's combined ratio stood at 107.2%.

1 Earned premiums net of reinsurance

The market value of CCR's financial and real estate assets stood at €9.9 billion. The annual return on invested assets increased to 2.0% from 1.1% the previous year, with investment revenue coming in at €182 million.

CCR's net income came to almost €101 million.

(in millions of euros)	2022	2023
Gross written premiums	1,080	1,228
Cost ratio	2.1%	2.2%
Net combined ratio[2]	101.6%	107.3%
Return on invested assets	1.1%	2.0%
Net income	67	101
Solvency coverage ratio	165.8%	162.7%

The State-guaranteed reinsurance agreement between the French State and CCR has been effective since January 1, 2017. 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. There were no changes to this agreement in 2023.

CCR has a transparent, structured governance system based around its administrative, management and supervisory bodies, including mainly:
- a Board of Directors and its three Board committees: an Audit, Accounts & Risks Committee, a Compensation, Appointments & Governance Committee and a Strategy Committee,
- an executive body comprising (i) a Chief Executive Officer and a Deputy Chief Executive Officer, who are designated as the two people that effectively run the undertaking, and (ii) the holders of the four key functions defined in Solvency II.

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

Both underwriting risks are managed by CCR on an aggregate basis using highly complex 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.

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

2 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.

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

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

Concerning the internal vision of its risks:

- CCR assesses its risks according to the Standard Formula, but also in line with ORSA requirements. The main deviation from the Standard Formula at CCR concerns the measurement of natural disaster risk on a gross basis, because the State guarantee kicks in based on a net exposure amount (*seuil d'intervention de l'Etat*).
- CCR's internal exposure to cyber risk and its exposure to rating risk on government bonds are not covered by the Standard Formula, but are monitored and controlled as part of the operational risk monitoring process.
- The organization of the Group and its entities is geared to allowing the risk profile to be assessed on an ongoing operational basis. For example, an internal risk committee meets every month to examine the main risks facing the Group and its entities. Internal control focuses on the management and assessment of operational and other risks.

There were no major changes in CCR's risk profile in 2023.

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PRESENTATION, BUSINESS AND PERFORMANCE

PRESENTATION, BUSINESS AND PERFORMANCE

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

One of these reports is the Regular Supervisory Report (RSR) presented here.

In accordance with Article R.355-1 of the French Insurance Code, this Group narrative report is approved by the Board of Directors of CCR, before being submitted to the ACPR.

1 PRESENTATION

1.1 Name and legal form

The name of the 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, 2023, CCR had 153 employees.

1.2 Business

CCR operates in the State-guaranteed 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.

- **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. State-guaranteed 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 liability risks of ship and nuclear power station operators** (Article L.431-5 of the French Insurance Code);
  - **reinsurance for transport risks of an exceptional nature** (Article L.431-4 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;

- ***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. On February 6, 2023, the European Commission approved a derogation from European competition law enabling the fund to be set up. This business has been managed on a run-off basis since January 1, 2024.

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 continues to manage the run-off of the open market reinsurance contracts not transferred to CCR Re in 2016, which are fully retroceded to CCR Re.

1.3 Branches and subsidiaries

CCR has a branch in Lebanon related to its former open market reinsurance business. It discontinued its operations in 2017. This branch has been dormant since 2017 and a file in support of its closure has been submitted to the Lebanese authorities.

On July 3, 2023, CCR sold a majority stake in CCR Re, a reinsurance undertaking with an international portfolio.

It also holds two real estate subsidiaries Boulogne 78 SAS and Castelnau 6 SAS (French simplified joint stock companies [*sociétés par actions simplifiées*]).

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
Kevin Porcher

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)
Pascal Colin

Deloitte & Associés was 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)
Jean-Claude Pauly

1.5 Assessment of CCR's solvency standing and executive summary

For the purposes of regulatory reporting under Solvency II, CCR uses the standard formula for all of its businesses. In 2023, there were no changes in its risk profile, which reflects the risk exposure arising on its State-guaranteed reinsurance activities and on its asset management activities.

The Solvency coverage ratio stood at 162.7% at December 31, 2023 based on €4,869 million in Solvency II own funds and a Solvency Capital Requirement (SCR) of €2,993 million.

2 BUSINESS AND PERFORMANCE

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

(extracted from the CCR management report for the year ended December 31, 2023)

2.1 Business environment

2023 was a complicated year for the property-casualty insurance market in France and around the world, due to the tense geopolitical environment, inflation issues, a series of major climate events in recent years, and social tensions in France.

After years of exceptionally high natural disaster losses, although the trend could not be said to have reversed, the incidence of claims due to climate events nonetheless eased in 2023. The occurrence of climate events that are harder to model (such as hailstorms) encouraged insurers to adopt a more cautious approach. The insurability of climate risks was no longer a taboo subject and some insurers started to plan their withdrawal from geographic regions previously considered as hazard-free.

Against this backdrop, rates in the property-casualty insurance market continued to rise, with a 6% uplift observed in the third quarter of 2023. The biggest increases were in the commercial lines market (up 8%) and in agriculture insurance (up 17.4%), while premiums in the personal lines market rose at a more modest rate (up 5%).

Last year also saw a change in the competitive landscape. After staging a breakthrough in 2022, the insurtech segment lost momentum in 2023. At the same time, new captives entered the market (15 in total, including 5 licensed in 2023) as a result of legislative measures incentivizing them to set up business in France rather than in other countries with more favorable tax regimes. However, the property-casualty insurance market continued to be dominated by the mutual insurers, despite the bancassurers' steady market share gains.

In natural disaster reinsurance, persistent inflation, the absence of new capacity in the market and the threat of climate change continued to drive up premiums, while also affecting other treaty terms and conditions. At the same time, the natural disaster market became more fluid, with the return of some major players that had pulled out of the market in 2022.

One of the highlights of the year was the finalization of the Baudu and 3DS reforms to the natural disaster reinsurance system led by CCR. These reforms improve the insurance settlements paid to disaster victims (with the introduction of more flexible drought recognition criteria, taking into account repeated drought conditions and the situation of neighboring communities, mandatory coverage of rehousing costs, etc.). They will drive a significant increase in the average annual cost of claims, estimated by CCR at around €300 million for the market.

In light of this environment, at the end of 2023, CCR raised its non-proportional reinsurance treaty rates, taking into account the particularities of the natural disaster insurance market and the specific features (notably in terms of exposure) of each ceding insurer.

2.2 Financial environment

Interest rates continued to rise over the first ten months of 2023, before dropping sharply in the last two months to end the year below their levels at the beginning of January. For example, France's 10-year OAT rate started the year at 2.98% (on January 2) and ended it at 2.56%, after peaking at 3.55% in October. Rising interest rates in the first ten months accentuated the steep decline in the value of bond portfolios.

Responding to this environment, CCR used the capital gain realized on the sale of a majority stake in CCR Re to boost the average yield to maturity on its bond portfolio, from 1.1% at end-2022 to 3.2% at end-2023. The refreshed portfolio already offered profit-taking opportunities as of December 31, 2023 and it will also deliver high yields over the long term. The market value of money market investments also rose sharply due to the pronounced inversion of the yield curve.

CCR benefited from premiums on corporate bonds with intermediate maturities (five to seven years on average) in the primary market, by selling equivalent securities with short maturities.

In real estate, the unprecedented market conditions caused by the interest rate hikes stalled transactions. Although property purchases and sales slowed considerably in 2023, with 2.5 times fewer transactions than in 2022, the prime segment of the rental market continued to perform well, allowing CCR to benefit from inflation-linked rent increases. CCR continued to be very active in the real estate market. Occupancy rates remained high in the Group's residential properties and office leases were rolled over at higher rents. A refurbishment program was carried out to improve the real estate portfolio's energy performance.

Lastly, against the relatively uncertain backdrop of resurgent geopolitical risk in the Middle East and an economic slowdown in China, CCR maintained a cautious approach to the equity markets.

2.3 Significant events of the year

Sale of a majority stake in CCR Re to SMABTP and MACSF

On July 3, 2023, CCR sold a majority stake in CCR Re to the consortium formed by the SMABTP and MACSF groups, after obtaining the necessary regulatory approvals.

The transaction price for 100% of the capital was set at €947 million, before the share issue underwritten by the buyers. Including the value of its information system acquired from CCR, CCR Re was valued at €968 million.

Upon becoming the new majority shareholders, SMABTP and MACSF immediately underwrote a €200 million share issue. Following this capital increase, the consortium led by SMABTP holds around 75% of CCR Re's capital, alongside CCR which now holds around 25%.

This remaining stake is the subject of put and call options exercisable in 2026.

Service contracts have been set up between the two entities. Some of the outsourced activities covered by the agreements are qualified as critical or important, and have therefore been disclosed to France's banking and insurance supervisor, ACPR, which has issued a favorable opinion.

Reform of the drought insurance system

The natural disaster insurance and reinsurance system has continued to adapt to new realities over the years, by adjusting the scope of cover, modulating deductibles and making structural changes. It has been the subject of two recent pieces of legislation. The first was the Baudu Law of December 28, 2021, which aims to improve the system's transparency and the settlements paid to policyholders. Second was the government "drought" order of February 8, 2023, issued pursuant to the 3DS Law, which has adapted the system to cover the atypical peril of shrinking and swelling clay soils.

Depletion of the natural disaster equalization reserve

Natural disaster loss experience in 2023 reflected the impact of several significant events, including the Laigne earthquake (June), flooding in the Hauts-de-France region (November, aggravated by further bad weather in early 2024) and drought. And the upward adjustment of the cost of the 2022 drought also had an impact on the 2023 accounts.

The amounts released to the income statement from the natural disaster equalization reserve to cover these additional costs depleted the reserve, which stood at €2.7 billion at the end of 2015.

Increase in property and casualty premium surcharges to finance natural disaster insurance settlements

On December 28, 2023, the Minister of the Economy, Finance and Industrial and Digital Sovereignty issued a government order setting new property and casualty premium surcharge rates to finance natural disaster insurance settlements.

The natural disaster insurance system was faced with a structural rise in the frequency and severity of natural disasters, including droughts, floods, earthquakes, cyclones and differential ground movements resulting from drought or soil rehydration. However, the related premiums had not been adjusted for nearly 25 years.

The growing imbalance between higher costs and flat premiums was threatening the viability of the natural disaster insurance system, in a context where adaptation to climate change is needed.

On January 1, 2025, the natural disaster premium surcharge will increase from 12% to 20% on home and business property insurance policies, and from 6% to 9% on motor vehicle fire and theft policies.

The system's improved financial metrics will allow natural disaster insurers to implement the measures decided by the government as part of the reforms undertaken to improve insurance settlements paid to disaster victims (adoption of more flexible criteria for recognizing droughts by taking into account the effects of repeated droughts and the situation of neighboring communities, mandatory coverage of rehousing costs, etc.).

"Initiative Sécheresse", in partnership with France Assureurs and Mission Risques Naturels

In September 2023, CCR teamed up with the insurance industry federation, France Assureurs, and the Mission Risques Naturels (MRN) to launch the "Initiative Sécheresse" initiative to protect single-family homes against drought.

Climate change is amplifying the drought phenomena that cause clay soils to shrink and swell, leading to cracks in houses. This industry-wide initiative will analyze prevention and protection solutions in addition to the repair methods recommended by experts on over 300 houses, in order to identify the most effective and sustainable solutions.

Winding up of the CCR SEP support services entity

Until December 31, 2022, the costs of pooled support services for CCR and CCR Re were allocated between the two companies through the CCR SEP support services entity governed by Article 261 B of the French General Tax Code. CCR SEP's costs were invoiced to the partners (CCR, CCR Re and the Group's residential property companies) on the basis of the services they received. Article 261 B of the French General Tax Code became null and void with effect from January 1, 2023, meaning that the SEP had to be wound up. Service agreements were therefore signed between CCR and its subsidiaries, defining the terms and conditions for re-invoicing costs relating to pooled resources in 2023.

Fonds de Garantie electricity and gas contract guarantee fund

In 2023, CCR was given responsibility for the accounting and financial management of the electricity and gas contract guarantee fund.

In response to a sharp rise in energy costs, CCR worked with the French Treasury to set up this 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 created by France's Finance Law of December 2022 and approved by the European Commission in the first quarter of 2023. However, none of the eligible companies applied to the fund for help in 2023.

The creation of this fund came one year after the *Fonds de Garantie des opérateurs de voyage et de séjour* was launched at the end of 2021, as one of the measures in the 2022 Finance Law, to protect travel operator liability risks following the COVID crisis. Its creation was approved by the European Commission in February 2023. CCR is also responsible for the accounting and financial management of this fund.

Regulatory changes in 2023

Government order 2023-78 of February 8, 2023 on clay soil shrinking and swelling (issued in application of the 3DS Law)

On February 21, 2023, a year after the 3DS Law entered the statute books, the government was given the power to issue orders adopting any measure falling within the scope of the law. The types of measures concerned would improve coverage of the exceptionally serious consequences on buildings and on the material living conditions of policyholders of damage caused by the natural phenomenon of differential ground movements resulting from drought or soil rehydration. Article 1 of the order amends Articles L. 125-1-1, L. 125-2 and L. 125-4 of the French Insurance Code and creates four new articles of the Code (L. 125-2-1 to L. 125-2-3 and L. 125-7).

These amended and new articles:

- add to the types of damage that can be considered as the effect of a natural disaster in the case of differential ground movements resulting from drought and soil rehydration, and damage resulting from an abnormal series of significant drought events;
- define the types of property and damage excluded from natural disaster coverage, and the conditions of their exclusion;

- specify the conditions governing the payment of insurance settlements for losses caused by the natural phenomenon of differential ground movements resulting from drought or soil rehydration;
- lay down specific rules to be applied by loss adjusters in cases of differential ground movements resulting from drought or soil rehydration, including a system of checks and penalties;
- require policyholders to use their insurance settlement exclusively to finance work to repair the drought damage covered by the settlement, and provide for the consequences of the policyholders' failure to comply with this obligation.

Decree 2023-1090 of November 25, 2023 and government order of November 25, 2023
These texts brought forward to November 1, 2023 the effective date of the requirement for natural disaster insurers to cover emergency rehousing costs.

Government order of December 22, 2023
Without doubt, this was the most important government order for CCR in 2023, since it concerned the increase in the natural disaster premium surcharge from January 1, 2025.

The order modified the premium surcharge (as mentioned in Article L. 125-2 of the French Insurance Code) that is due in cases where natural disaster cover is added to property damage insurance contracts.

2.4 Post balance sheet events

Flooding in the Hauts-de-France region (January 2024)

In the Hauts-de-France region, heavy rainfall in early January 2024 on land that had been saturated by an accumulation of rainwater since November 2023 caused rivers to break their banks, leading to devastating floods.

In most cases, the floods affected properties that had already been damaged by the November floods, but had not yet been repaired. In accordance with CCR's insurance settlement guidelines appended to the treaty, in most cases, the January 2024 flood damage was not treated as resulting from a new loss event, but rather as an aggravation of the unrepaired damage caused by the November 2023 flood. In line with the government's wishes, this approach meant that in most cases only a single deductible was applied to the combined claim.

Thanks to its modeling chain, CCR was able to update the cost of these floods covered by the natural disaster insurance settlement system. The increase in the cost of November 2023 claims resulting from renewed flooding in January 2024 has been estimated at €37.1 million for CCR. This amount is recognized in the 2023 financial statements. The cost for CCR of new claims resulting from the January 2024 floods, estimated at less than €10 million, will be recognized in the 2024 financial statements.

Cyclone Belal on Reunion Island (January 2024)

On the morning of January 15, 2024, a tropical cyclone named Belal hit Reunion Island. 870,000 inhabitants were confined to their homes and the island was placed under the highest level of severe weather alert ('violet watch'). The cyclone was accompanied by strong gusts of wind and heavy rainfall. However, major damage was prevented when the eye of the storm skirted the north of the island and made its way down the north and east coasts without hitting the interior of the island.

Winds gusting at less than 215 km/h, or less than 145 km/h for 10 minutes, are covered by storm insurance, which is the sole responsibility of the insurer. This was the case for most of the damage caused by cyclone Belal, which will not be a major event for CCR. At this stage, only the floods and marine submersion events have been recognized as natural disaster events covered by CCR.

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2.5 Financial review

Written premiums

Gross written premiums for the year (all lines combined, before reinsurance), amounted to €1,228 million, up 13.8% from €1,080 million in 2022.

Natural disaster reinsurance premiums in France came to €1,141 million and represented 93.2% of State-guaranteed reinsurance premiums. The year-on-year increase (€135 million, or +13.4%) reflects:
- changes in underlying premiums charged by insurers (€106 million increase);
- higher premium rates on non-proportional reinsurance treaties (€9 million increase);
- prior-year premium adjustments (€21 million increase);
- new business net of cancellations not representing a significant volume of business (€0.1 million increase).

Terrorism risk reinsurance premiums stood at €79 million (up €8 million or +10.6% compared with 2022), representing 6.5% of the State-guaranteed reinsurance business.

Written reinsurance premiums for exceptional risks totaled €2 million, representing 0.2% of the State-guaranteed reinsurance business.

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 (2023: €2 million).

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 €129 million in 2023 (2022: €114 million). The increase was consistent with the growth in the related reinsurance premiums.

Claims and commissions

Claims expenses net of changes in the equalization reserve amounted to €1,098 million (€1,042 milllion in 2022).

The technical balance[1] for State-guaranteed reinsurance business was a loss of €80.3 million (2022: €17.7 million loss).

In the **natural disaster** reinsurance segment, several significant events occurred in 2023 that were covered by the natural disaster reinsurance system.

La Laigne earthquake (June)

The 4.9-magnitude earthquake in the Charente-Maritime region on June 16, whose epicenter was in the La Laigne area, south-west of Niort, was the biggest in mainland France since the Le Teil earthquake in 2019. The affected area lay between La Rochelle and Niort and tremors were felt from Rennes to Bordeaux. Some thirty aftershocks were recorded within three days of the main quake. The cost of the earthquake for CCR recorded in 2023 included €174 million for quota-share reinsurance and €17 million for non-proportional reinsurance, for a total of €191 million.

Flooding in Hauts-de-France (November)

Some *départements* in the Hauts-de-France region were hit by exceptional floods following repeated storms and downpours in November 2023. This series of heavy precipitations on land that was already saturated made rivers majorly overflow, causing extensive damage.

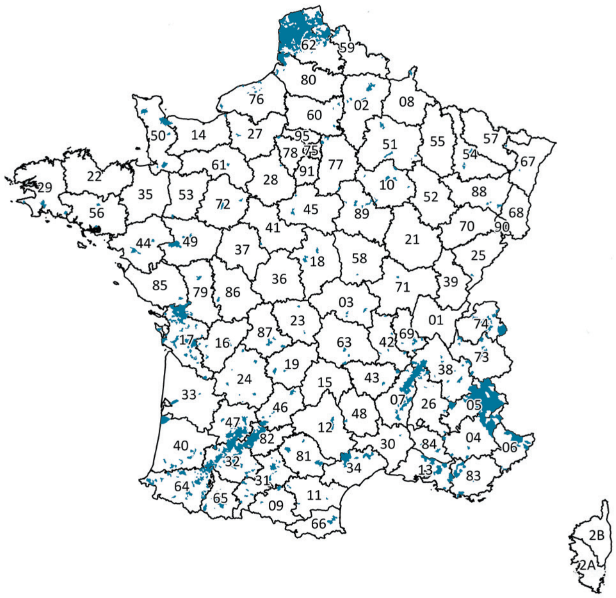
In early January 2024, the Hauts-de-France region was once again hit by repeated downpours. Coming shortly after the floods of November 2023, before the land had had time to dry out, these new adverse weather events led to the rivers overflowing once again. In most cases, the January 2024 flooding simply aggravated the damage caused by the November 2023 floods. The resulting increased cost of the November 2023 claims was taken into account in the assessment of the overall cost for CCR,

The cost for CCR was estimated at €309 million at December 31, 2023.

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

Attritional losses

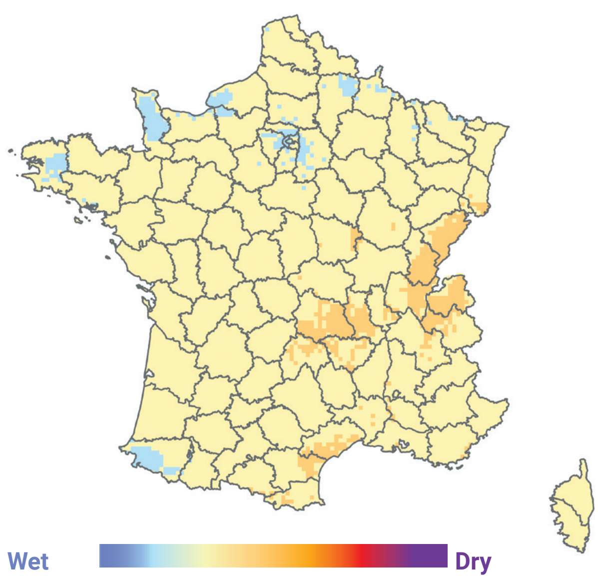
Excluding the major loss events discussed above and drought claims, attritional losses were moderate, representing a cost for CCR of €160 million (2022: €179 million), with 1,404 incidents expected to be recognized as natural disasters (2022: 1,532).



Municipalities for which the state of natural catastrophe was recognized in 2023 (floods and differential ground movements resulting from drought or soil rehydration)

Drought

After an exceptional drought the previous year, the 2023 drought appears to have been relatively mild.



Intensity of the summer 2023 drought in France

It reflected a fairly dry summer in the south (with a very hot September, which according to Météo-France was the hottest in mainland France since meteorological records began in 1900) and in the center, and a wet summer followed by particularly rainy weather in October and November in the north and southeast.

All told, the cost for CCR of drought reinsurance in 2023 was €360 million.

Loss experience on non-proportional reinsurance treaties

In view of the heavy losses incurred in 2023, the priorities of certain **non-proportional reinsurance** treaties were met. The amount recognized by CCR on these categories of treaties represented an expense of €21 million (2022: €164 million), of which €17 million concerned the La Laigne earthquake discussed above.

Liquidation of prior years

Liquidation deficits of €342 million related to prior years' natural disaster reinsurance were recognized in 2023. The deficits primarily concerned drought claims in 2022, the cost of which was revised upwards in 2023 to €3.5 billion for the market (compared with the end-2022 estimate of €2.9 billion). Of this amount, €2.1 billion was borne by CCR (compared with the end-2022 estimate of €1.6 billion), representing an unfavorable change of €466 million for CCR. This amount was offset by liquidation surpluses of €124 million recorded on other insurance perils or years.

Other technical items (notably claims management expenses) represented an expense of €4 million.

Commissions

Commission expense for the year totaled €15 million versus €20 million in 2022, corresponding primarily to natural disaster commissions relating to prior years (€14 million).

Natural disaster risk equalization reserve

The entire equalization reserve available at the start of the year, for an amount of €272 million, was released to the income statement to cover part (but not all) of the natural disaster losses recorded in 2023.

1

Technical balance

The natural disaster technical balance represented a loss of €111 million in 2023 (2022: a loss of €69 million).

The technical balance from **Other State-guaranteed reinsurance business** was a profit of €32 million in 2023 (2022: €52 million profit).

Combined ratio

At December 31, 2023, CCR's combined ratio stood at 107.3% (2022: 101.6%), breaking down as:

- a loss ratio[2] of 103.6% (97.6% in 2022), impacted by high natural disaster claims, and despite the net release from the equalization reserve;
- an expense ratio[3] of 3.7% (4.0% in 2022). The reduction in this ratio reflects low commissions for ceding insurers.

Net investment income

Net investment income totaled €182.1 million (2022: €97.4 million).

1

The sale of CCR Re shares netted a capital gain of €399 million in 2023. The gain enabled CCR to sell its fixed income portfolio at a loss (the portfolio was written down by €550 million at December 31, 2022) and reinvest the sale proceeds in a portfolio of bonds with equivalent credit ratings but paying interest at 2023 market rates.

Investment revenue was €151.7 million in 2023, an increase of €74.1 million compared with 2022 reflecting:

- higher interest income from fixed income instruments (up €51.8 million versus 2022) and funds (up €4.7 million versus 2022),
- higher interest income from bank deposits and money market securities (up €16.6 million versus 2022), attributable to the higher market interest rates;
- higher dividends received from CCR Re (up €4.5 million versus 2022).

Net realized capital gains in 2023 amounted to €30.3 million (2022: €19.8 million).

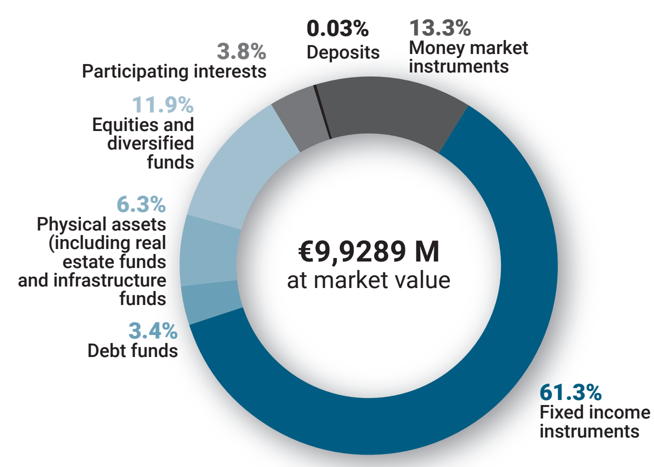
All told, 2023 net investment income represented a return on invested assets[4] of 2.0%, compared with 1.1% in 2022. Net investment revenue contributed 1.6% (versus 0.8% in 2022), and net capital gains accounted for 0.4% (versus 0.3% in 2022). Investment revenue will also be higher in 2024 and beyond, thanks to last year's reinvestment of the bond portfolio in higher yielding assets.

In light of the financial markets' performance in 2023, it was not necessary to increase the liquidity risk reserve at the year end.

Management of financial and real estate investments

CCR's financial and real estate investments had a net book value of €8,997.7 million at December 31, 2023, compared with €8,256.7 million a year earlier. At market value, CCR's investments[5] totaled €9,928.9 million, compared with €8,742.5 million at December 31, 2022.

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



2 The loss ratio corresponds to incurred present and past losses (paid or covered by outstanding claims reserves, net of reinsurance) plus claims management expenses and the change in the equalization reserve divided by earned premiums net of reinsurance.
3 The expense ratio corresponds to commissions and internal management expenses, excluding claims management expenses, divided by earned premiums net of reinsurance.
4 Ratio of net investment income to reinsurance investments, excluding ceding insurer deposits, owner-occupied property, and assets related to subsidiaries.
5 CCR's financial and real estate investments, including cash.

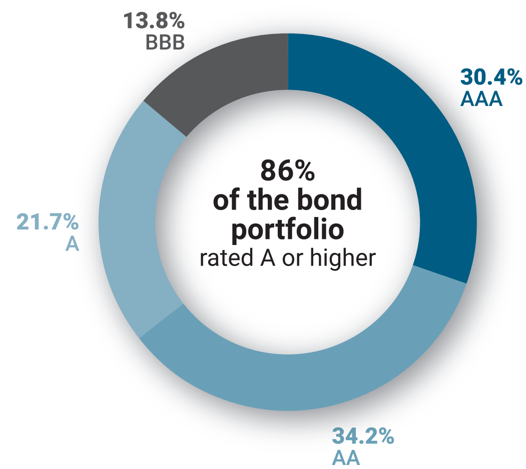
(in millions of euros)	December 31, 2022			December 31, 2023			Change			
	NBV	MV	% (at MV)	NBV	MV	% (at MV)	NBV	%	MV	%
Money market investments	390.9	391.0	4.5%	1,314.8	1,320.9	13.3%	+923.9	+236.4%	+929.9	+237.8%
Fixed income instruments	5,698.4	5,148.2	58.9%	5,947.0	6,084.3	61.3%	+248.5	+4.4%	+936.1	+18.2%
Debt funds	308.1	315.6	3.6%	312.2	333.6	3.4%	+4.1	+1.3%	+18.0	+5.7%
Physical assets (including real estate funds and infrastructure funds)	310.9	624.8	7.1%	323.8	624.7	6.3%	+12.9	+4.1%	-0.1	-0.0%
Equities and diversified funds	1,108.2	1,395.7	16.0%	913.5	1,184.2	11.9%	-194.7	-17.6%	-211.5	-15.2%
Participating interests	435.9	863.0	9.9%	183.5	378.4	3.8%	-252.4	-57.9%	-484.6	-56.2%
Deposits	4.3	4.3	0.0%	2.9	2.9	0.0%	-1.4	-32.0%	-1.4	-32.0%
TOTAL	8,256.7	8,742.5	100%	8,997.7	9,928.9	100.0%	+741.0	+9.0%	+1,186.5	+13.6%
of which investments	8,086.7	8,572.5	98.1%	8,879.0	9,810.2	98.8%	+792.3	+9.8%	+1,237.8	+14.4%
of which current accounts and cash	170.0	170.0	1.9%	118.7	118.7	1.2%	-51.3	-30.2%	-51.3	-30.2%

CCR's portfolio of financial investments at the end of 2023 was robust, having grown by €1.2 billion over the year, including €931 million in unrealized capital gains.

The investment structure breaks down as follows:

- **Money market instruments** represented €1,321 million or 13% of the total portfolio at market value. They included money market funds for €450.8 million, marketable securities for €551.4 million and cash and cash equivalents for €318.7 million. Investments in this short-term asset class were increased compared with end-2022 (when they represented €391 million or 4.5% of the total portfolio at market value), in order to take advantage of the pronounced inversion of the yield curve.
- **Fixed-income instruments** totaled €6,084.3 million or 61% of the total portfolio at market value at December 31, 2023. The portfolio breaks down between directly held bonds for 85.5% and bond funds for 14.5%.
- Sales and purchases of fixed-income instruments during 2023 transformed the €550 million net unrealized loss on the portfolio at end-2022 into a €137 million net unrealized gain at December 31, 2023.

The **bond portfolio** is mostly invested in fixed-rate bonds (97% of the portfolio) and 86% of the bonds are rated A or higher.



Standard & Poor's rating

1

- Investments in **debt funds** amounted to €334 million at market value, representing 3% of the total portfolio (unchanged from 2022).

- Investments in **physical assets** were stable compared with 2022 at €625 million, or 6% of total investments. This asset class comprises real estate assets under direct and delegated management, as well as infrastructure funds. Despite an exceptionally poor year in the commercial and residential real estate markets, CCR's portfolio proved resilient. The properties in the portfolio held their value and generated increased revenues thanks to their attractiveness, which allowed rent escalation clauses to be applied in full.

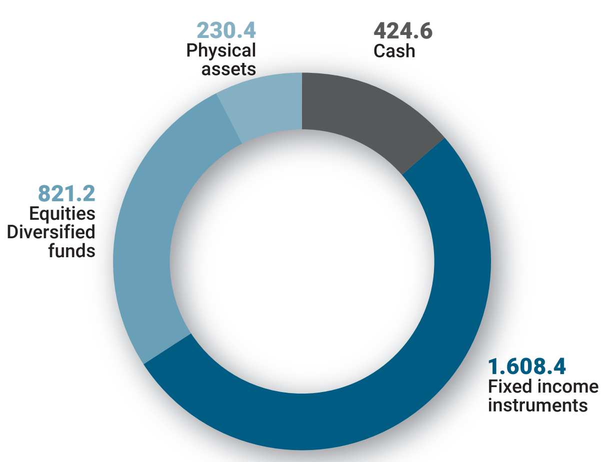
- Investments in **equities and diversified funds** amounted to €1,184.2 million, representing 12% of the total portfolio. Part of the stock of unrealized gains was realized through opportunistic sales in last year's bull market.

- **Participating interests** in CCR Re amounted to €378 million, representing 4% of the total portfolio. They consist of a subordinated loan granted in 2016 (€75 million) and CCR Re shares (€303 million).

1

At December 31, 2023, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €3,084.6 million at market value, an increase of 29.6% from end-2022. The portfolio represented 31.1% of total reinsurance investment.

The ESG portfolio breaks down as follows by asset class:



ESG investments at December 31, 2023 (in € millions)

Net income for the year

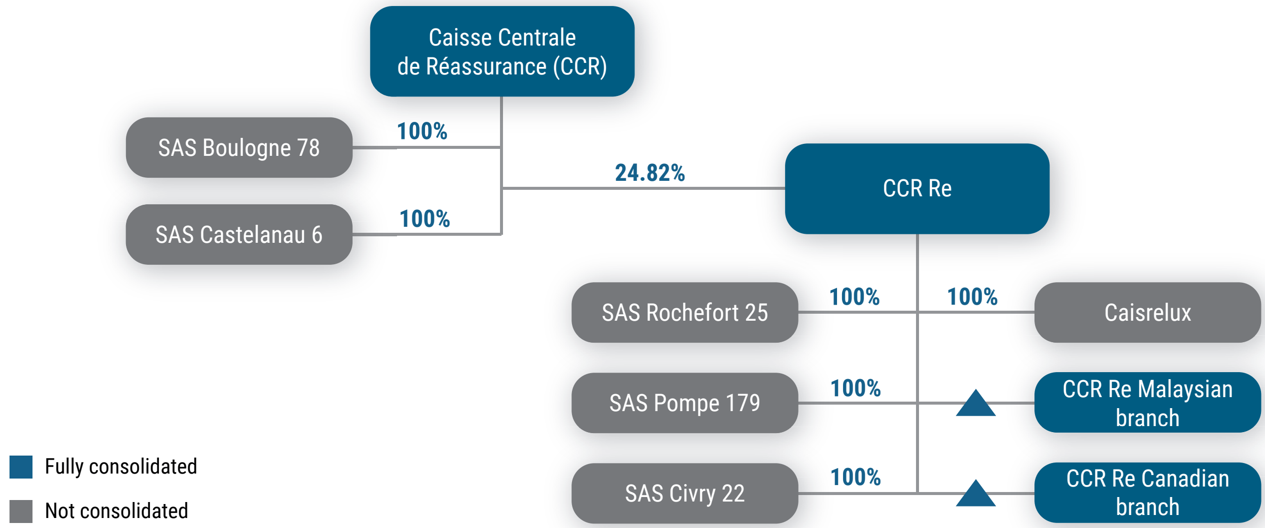
CCR's consolidated net income for the year amounted to €100.9 million (2022: €66.6 million), breaking down as follows:

- The technical balance represented a loss of €80.3 million (2022: €17.8 million loss), reflecting:
  - the underwriting result net of reinsurance[6] in the negative amount of €281.1 million before the transfer from the equalization reserve, and a negative €54.2 million after this transfer (2022: €5.6 million profit),
  - management expenses net of rebilled amounts (excluding investment management fees deducted from net investment income) of €26.1 million in 2023 (2022: €23.4 million).
- Net investment income totaled €182.1 million (2022: €97.4 million).
- Income tax represented an expense of €0.6 million (2022: benefit of €1.1 million). No tax was due on taxable income for 2023 because:
  - the amount released from the equalization reserve (€272 million) had already been taxed in previous years,
  - the capital gain on the sale of a majority stake in CCR Re qualified as a long-term capital gain for tax purposes, taxed at 0%.

6 Underwriting result net of reinsurance, after claims management expenses. Claims management expenses are included in management expenses.

Subsidiaries and affiliates

The CCR Group's legal structure is presented below:



Since July 3, 2023, the date of the sale of a majority stake in CCR Re to the SMABTP/MACSF consortium, CCR's interest in this subsidiary has stood at 24.82%. CCR Re was fully consolidated up to June 30, 2023, and accounted for by the equity method in the second half of the year.

Part of the real estate investment portfolio of CCR and CCR Re is managed through five French simplified joint stock companies. In January 2023, SAS Pompe 179 sold the building that represented its main asset.

CCR Re also has a reinsurance subsidiary in Luxembourg, Caisrelux. This company had share capital of €6.2 million at December 31, 2023, unchanged from the previous year-end. Caisrelux operates exclusively as a captive reinsurance company.

2.6 2024 outlook

Business outlook

A key event of 2024 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). In 2023, given the uncertainties surrounding changes to the system (particularly with regard to premium surcharges), the decision was made to roll over the system for one year without any changes, and to begin negotiations in 2024 for the period 2025-2027. The main issue in 2024 will be to revise the mechanism for calculating commissions on proportional reinsurance.

In addition, the Minister for the Economy, Finance and Industrial and Digital Sovereignty has decided to raise the natural disaster premium surcharge from 12% to 20% (non-auto policies). Although this decision will not take effect until 2025, it will have a positive impact on the financial metrics and sustainability of the natural disaster system. This year will also provide an opportunity for CCR to renegotiate the terms of its terrorism treaties (large risks and small and medium risks) with the various stakeholders.

1

Financial outlook

2024 is an election year, with more than half the world's population set to vote. Multiple ballots (presidential, legislative, regional, municipal) will be held in 68 countries, including the United States, Brazil, Mexico, India, Pakistan, Bangladesh, Indonesia and Russia – eight of the world's ten most populous countries. They will culminate at the end of the year with the American presidential election. The risk of geopolitical or social unrest could weigh on the world's major economies as they try to overcome the impact of significant interest rate rises.

For the major central banks, the challenge will be to walk a tightrope between bringing down inflation (to the 2% target in 2025) and avoiding an economic recession.

The European Central Bank is holding firm to its policy, despite pressure to cut interest rates. It has yet to comment on any easing of its monetary policy in 2024, although the European economy shows real signs of slowing and November 2023 annual inflation was at its lowest level since July 2021 at 2.4%.

CCR expects central banks to hit their inflation targets, with disinflation confirmed and economic activity slowing but still resilient. Market sentiment that the period of rising interest rates is coming to an end is now firmly rooted in the pronounced inversion of the yield curves. The Fed chairman has announced that the bank is looking at the proposed timing of the first rate cut, which would take place before inflation reaches the 2% target. At the same time, disinflation is continuing, with prices rising by 3.1% last November.

Against this backdrop, the actions taken in 2023 to refresh CCR's portfolio of financial assets mean that we can look forward to 2024 with confidence. The yield on the fixed income portfolio (excluding capital gains) will continue to improve, benefiting from the full-year impact of its higher average yield to maturity. In addition, our stock of net unrealized gains on this asset class at the end of 2023 puts CCR in a better position than other reinsurers. Lastly, the portfolio's liquidity will enable CCR to adapt quickly to potential changes in claims scenarios or market conditions.

2

GOVERNANCE SYSTEM

2

GOVERNANCE SYSTEM

GOVERNANCE SYSTEM

CCR 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 and the Deputy Chief Executive Officer, who are the two persons that effectively run the undertaking (*dirigeants effectifs*);
- four key functions ensuring optimal conduct of its business.

1 GENERAL INFORMATION ABOUT THE GOVERNANCE SYSTEM

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. The separation of functions has been maintained since then.

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 its meeting on May 4, 2021, the Board of Directors appointed Jacques Le Pape as Chairman of the Board of Directors for the duration of his term as a director. The Board meeting was held immediately after the Annual General Meeting which elected him as a director for a term of five years, expiring at the close of the General 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 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 new office leases.

Information given to the Board includes:
- presentations of CCR's financial position, solvency, portfolio and commitments, made at least twice a year;
- information on the situation of the main subsidiaries, presented once a year and/or as often as necessary (particularly in the event of financial difficulties).

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 management policy
- Outward reinsurance policy
- Investment risk management policy
- Asset-liability management (ALM) policy
- Liquidity risk management 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 Board of Directors met seven times in 2023.

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 Risk Officer. Depending on the matters discussed, Board meetings may also be attended by the managers concerned by the items on the agenda. The holders of the key functions attend Board meetings in order to present their work.

In 2023, the function of secretary to the Board was held by Vincent Gros (Corporate Secretary), followed by Olivier Bélondrade (General Counsel), who was appointed to this position by the Board of Directors on June 8, 2023.

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.

Based on the independence criteria set out in the AFEP-MEDEF Corporate Governance Code (June 2013), the following independence criteria were adopted by CCR on July 2, 2015:

- not to be, and not to have been within the previous five years, an employee or executive officer of CCR or a CCR Group company, or to have represented the French State's interests (within the meanings of Articles 4 or 6-II and III of French government order no. 2014-948 of August 20, 2014);
- not to be an executive officer of a company in which CCR holds a directorship, directly or indirectly;
- not to be a customer or supplier that is significant to CCR or its Group and not to be related by close family ties to a company officer.

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. It also meets with the heads of the other key functions.

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

The members of CCR's executive management are:

- Edouard Viellefond, Chief Executive Officer;
- Chrystelle Busque, Deputy Chief Executive Officer.

Édouard Vieillefond was appointed Chief Executive Officer by decree of the President of the French Republic dated June 16, 2023 (published in the Official Journal on June 18, 2023) on the recommendation of the Board of Directors. He replaced Bertrand Labilloy with effect from July 1, 2023.

Persons who effectively run CCR and the CCR Group

At its meeting of June 8, 2023, the Board of Directors noted that:

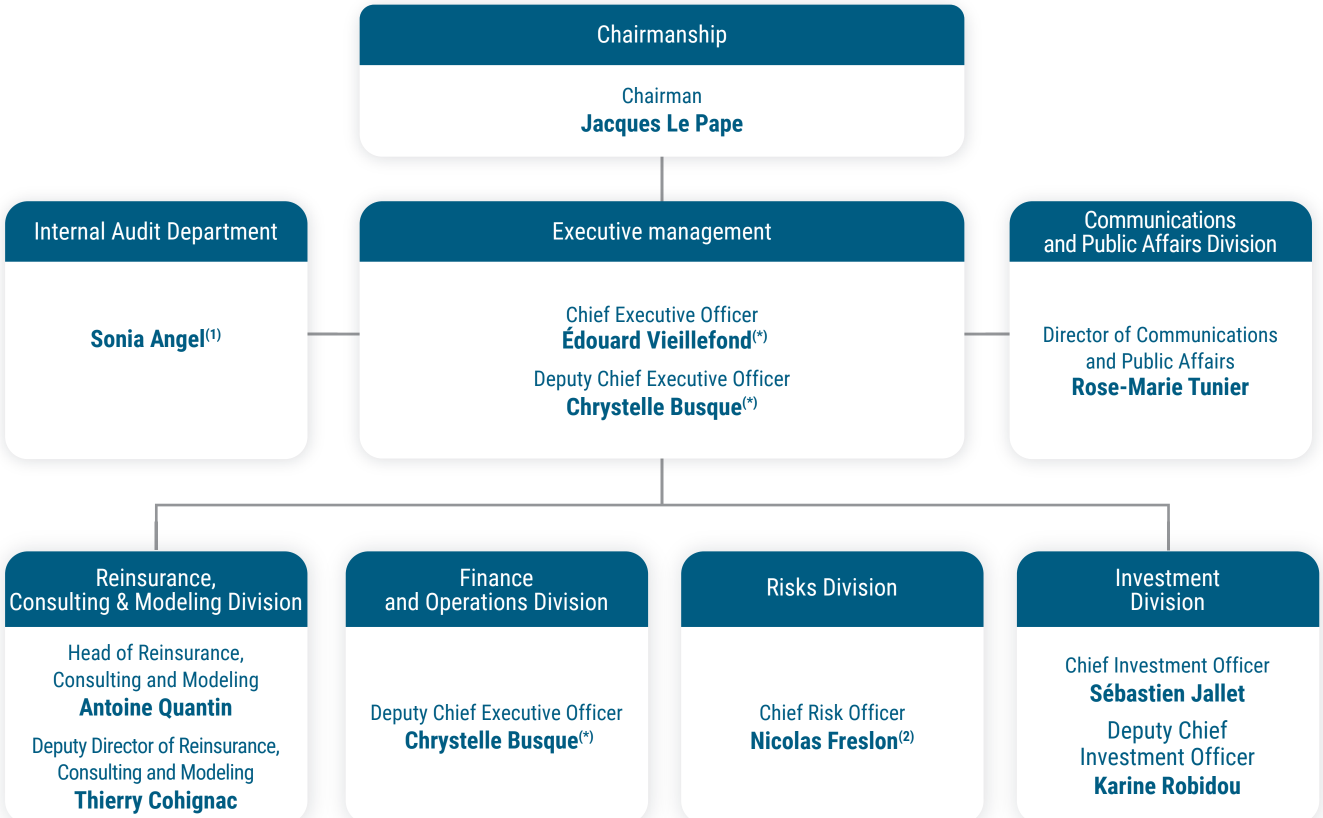
- Bertrand Labilloy intended to step down from the position of Chief Executive Officer of CCR on June 30, 2023 and would therefore cease to be one of the persons that effectively run the undertaking within the meaning of Article L. 322-3-2 of the French Insurance Code on that date;
- Laurent Montador intended to resign from his position as Deputy Chief Executive Officer and employee of CCR on the completion date of the sale of a majority stake in CCR Re, and would therefore cease to be one of the persons that effectively run the undertaking within the meaning of Article L. 322-3-2 of the French Insurance Code on June 30, 2023.

Édouard Viellefond, in his capacity as Chief Executive Officer, qualifies as one of the persons that effectively run the undertaking.

At its meeting on March 29, 2023, the Board of Directors designated Chrystelle Busque as one of the persons that effectively run the undertaking, within the meaning of Article L. 322-3-2 of the French Insurance Code, with effect from July 1, 2023 and for as long as she serves as Deputy Chief Executive Officer and employee of CCR.

Role of CCR's key internal divisions

Organization chart at December 31, 2023



(1) Internal Audit key function holder (2) Risk Management key function holder (*) Persons effectively running the undertaking

Role of the Reinsurance, Consulting & Modeling Division

The Reinsurance, Consulting & Modeling Division is responsible for underwriting State-guaranteed reinsurance cover for natural disaster risks, terrorism risks and nuclear operator third-party liability risks, as well as for managing reinsurance claims covered by the State guarantee.

The Division also manages certain public funds on behalf of the French State (see "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.

To fulfill the Division's various missions, the Underwriting, Claims & Ceding Services Department and the Guaranty Funds & Prevention Department are supported by the work of two technical departments:

- the Data Science - Geomatics & Scientific Computing Department, which is responsible for collecting, processing and analyzing data provided by CCR's insurance customers; pricing reinsurance treaties and determining the related reserves; and producing reports on the Department's work for CCR's customers and partners;
- the Actuarial Modeling Department, which is tasked with developing models that simulate natural and anthropic disasters and subsequently implementing those models if and when such disasters occur; pricing reinsurance treaties and determining the related reserves.

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.

In addition to the risks it already covers, CCR has set up a risk analysis system operated by the Emerging Risks Division (DRE) and overseen by the Reinsurance, Consulting & Modeling Division.

In order to be in a position to advise the government on any need to upgrade existing coverage of emerging risks or create a new system, the department has been set four goals:

- Identify weak signals of emerging trends in the private (re) insurance market, both nationally and internationally, as well as keeping a close watch on how insurable and uninsurable risks are talked about in the media, political statements, academia, social networks, etc.
- Take stock of emerging risks. There may be evidence that private market insurers are passively or actively pulling out of insuring certain risks, or that certain risks are uninsurable on the private market.
- Map and analyze these risks, in order to be able to advise the government.
- Examine whether public intervention would be appropriate, based on an in-depth socio-economic analysis that goes beyond the question of pure financial profitability. The aim is to draw up a comprehensive inventory of pros and cons in terms of government policy prior to the system's launch.

Role of the Finance & Operations Division

The role of the Finance & Operations 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 the 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.

1.6 Outsourced activities

In 2023, CCR outsourced the following important or critical operational activities to CCR Re:

- risk management;
- internal control;
- asset/liability management;
- look-through analyses of UCITS;
- information systems security function.

2 KEY FUNCTIONS

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

A "function" is defined in Article 13 (29) as: *"within a 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 CCR. In 2008, a head of ERM was appointed with responsibility for the overall coordination and management of risks. A manager has now been appointed by CCR for each of its key functions.

In 2023 they were as follows:

Risk Management function	Nicolas Freslon
Compliance function	Olivier Bélondrade
Internal Audit function	Sonia Angel
Actuarial function	Davy Sengdy

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 accepted their appointment to perform this function for CCR.

2.2 Risk Management function

The Risk Management key function is held by the Chief Risk Officer, who notably ensures that:

- material risks are identified, assessed and monitored;
- procedures are in place to manage these risks;
- complete and consistent risk reporting systems exist, especially for important risks.

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

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

As the holder of the Risk Management function, the Chief Risk Officer leads meetings of the Group Risks Committee (described in section 3.3 of this chapter).

Function holder

In 2023, the Risk Management function was held by the Chief Risk Officer, who is supported by the Head of Internal Control and a network of correspondents (15 Permanent Control Managers).

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 CCR'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

The Compliance function was held at the beginning of the year by the Corporate Secretary. Since July 3, 2023, it has been held by CCR's General Counsel and Secretary to the Board.

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.

Internal audit provides CCR with visibility concerning the level of control of operations, advises on opportunities for improving the level of control and contributes to the value creation process. It provides assurance that governance, risk management and internal control processes help the organization achieve its strategic, operational, financial and regulatory objectives. It helps the organization to meet its objectives by systematically and methodically assessing its risk management, control and governance processes, and recommending ways to improve their effectiveness.

Internal audit is the third line of defense in the organization's risk management and internal control system.

Function holder

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

2.5 Actuarial function

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

Function holder

The Actuarial function is carried out by a dedicated resource within CCR's Risk Division.

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 Risks Committee (“CORI”)

The Risks Committee’s role is to manage risks, focusing on three main areas: 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 3.7 of this chapter.

Partial Internal Model (PIM) Committee

This Committee is responsible for:
- managing internal natural disaster models, which play a critical role in assessing CCR’s exposure to natural disaster risks using stochastic techniques; and
- validating the results of applying the models.

Cyber 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.

Data Protection Committee

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

Its responsibilities include:
- reviewing CCR’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 CCR’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.

3.3 CCR Group Investment Committee

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

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.

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.

3.4 CCR Underwriting Committee

This committee is responsible for deciding whether or not to renew policies representing exposures that require senior management approval in accordance with the underwriting guidelines drawn up for the State-guaranteed reinsurance business.

3.5 CCR Major Claims Committee

This committee is responsible for facilitating the flow of information between the Claims Departments and the Underwriting Departments and for developing an overall vision of outstanding claims. Meetings are an opportunity, 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.

3.6 CCR Reserving Committee

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

3.7 ESG Committees

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.

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.

4.1 Compensation policy

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

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

Chief Executive Officer's compensation

Based on a recommendation of the Compensation, Appointments & Governance Committee, CCR's Board of Directors sets the total annual fixed compensation for Édouard Viellefond in his capacity as Chief Executive Officer of CCR, and his maximum variable compensation expressed as a percentage of his fixed compensation.

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

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

Directors' compensation

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

No fees or compensation were paid by CCR's subsidiaries to any of the Company's corporate officers in 2023.

5 MATERIAL TRANSACTIONS

No material transactions were entered into in 2023 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 2023.

The policy formally sets down fit and proper requirements for the persons that effectively run the undertaking, the holders of the key functions and members of the Board of Directors.

Compliance with these requirements by the persons that effectively run the undertaking, the holders of the key functions and the members of the Board of Directors has been assessed in accordance with the principles set out in this policy.

7 RISK MANAGEMENT SYSTEM (INCLUDING ORSA)

CCR's risk management system is based on the COSO II integrated internal control framework as shown in the following diagram.

The system is structured around:
- a central Risks Division;
- a risk appetite framework;
- risk tolerance limits aligned with the risk appetite;
- an operational risk management and control system.

Aim: Strategic
Serving the organization's purpose

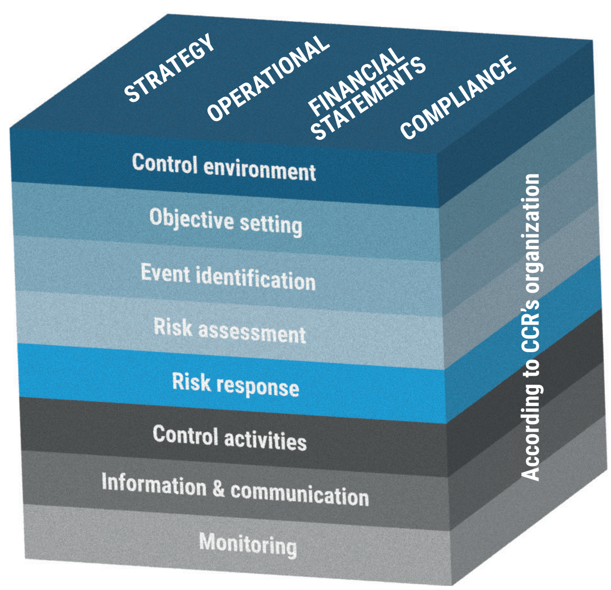
Aim: Operational
Aiming for effective and efficient use of resources

Aim: Financial statements
Aiming for reliable financial reporting

Aim: Compliance
Aiming for compliance with applicable laws and guidelines

Control environment

Provides the basis for all of the other elements of internal control. Importance of individuals (skills, ethics), management style, and risk appetite (precedes definition of strategy)



Event identification

Internal and external events that could prevent objectives from being met must be identified.

Objective setting

Seneca: ***"If one does not know to which port one is sailing, no wind is favorable".***
Objectives must be set in advance in order for management to identify events that may prevent them from being achieved.

Risk assessment

Risks are analyzed in terms of their impact and likelihood as a basis for determining how they should be managed.

Risk response

Management draws up solutions to respond to risks: avoidance, acceptance, reduction and sharing.

Information & communication

Useful information is identified, gathered and sent in a timeframe and format allowing employees to carry out their responsibilities. More generally, communication must flow vertically and across the organization in an effective way.

Monitoring

Continuous assessment of the control system, and its quality performance.
Continuous monitoring system and periodical assessment.
Routine monitoring operations.

Control activities

Application of procedures that help ensure management guidelines are correctly implemented. Includes approval, authorization, verification and reconciliation, analysis of operational performance, asset security and segregation of duties.

7.1 Organization of risk management

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

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

Board of Directors

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

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

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

Executive management

Executive management owns and has overall responsibility for risks. It:

- defines the internal control and risk management policy;
- monitors the implementation of action plans using the Actuarial & Risk Division's reports, in particular those presented to the Group Risks Committee;
- informs the Board of Directors of the results of the overall risk management system.

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

Risks Committee ("CORI")

See section 3.2.

Risks Division

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

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

Risk Management key function

The Risk Management key function reports to executive management.

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

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

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

Compliance function

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

Internal audit

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

To provide this assurance, the Internal Audit function assesses and reports on the effectiveness of governance and risk management and 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 close as possible to operational risks, thereby optimizing the management of these risks.

The permanent control managers:

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

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

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

Employees

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

They are responsible for:

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

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

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

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

7.2 Presentation of the risk management system

The risk management system is based on:

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

Risk appetite

Risk appetite is the aggregate level of risk that CCR is willing to assume in order to pursue its business, build a profitable portfolio with a balanced risk-return profile, and allocate a risk budget that enables it to prudently manage the asset portfolio within the constraints of its solvency objectives.

For 2023, 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 two shock scenarios were to occur:

- natural disaster with a 15-year recurrence interval;
- financial crisis.

In December 2023, the Board of Directors confirmed its commitment to maintaining a post-shock SCR coverage ratio in excess of 115%, and decided to replace the policy of maintaining the State-intervention threshold above a specified 15-year exposure level with quarterly monitoring of the overall spot and post-shock risk profile, involving immediate adjustment of the investment rules set out in the FIN10 procedure to keep investment risk at its current level.

CCR risk framework

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

The risk map is reviewed each year as part of the Group Risks Committee's review of major risks, and every three years for all risks charted on the risk map.

The framework has three levels of granularity and is built in the same way as the risk appetite:

- the first level of risk is a macro structure of large risk families relating to CCR'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 five Level 1 risk families:

They are defined below.

Strategic risks

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

Strategic risks may result from:

- external factors: an unfavorable economic environment, increased competition from a similar product or business, new or revised laws or regulations with a direct or indirect impact on the undertaking;

- an inappropriate strategy or poor strategic implementation: poorly defined target markets, inappropriate communications, poor strategic deployment, inappropriate management of business lines and subsidiaries, inadequate budget;
- an organization misaligned with strategic objectives: inadequate or poorly defined committee/governance structure, inadequate or poorly defined policies and procedures, key person risk;
- a major risk scenario such as a rating downgrade;
- failure to plan for systemic and endogenous risks: political, economic, social, technological, climate and emerging risks that may also prevent CCR 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.

Credit risks are analyzed in turn between two risk families:

FINANCIAL RISKS

CREDIT RISKS

Bond market risks | **Counterparty default risks**

CCR's main financial risk exposures

CCR's asset portfolio is managed conservatively with the core objective of ensuring that it has sufficient liquidity to meet its obligations. The asset allocation focuses primarily 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's exposure to currency risk is also low (achieved by neutralizing asset-liability mismatches by currency wherever possible). Despite this management policy, changes in financial markets may have a significant adverse effect on CCR's earnings and on the value of its current assets:

- persistently low interest rates adversely affect CCR's ability to earn adequate yields;
- an increase in interest rates could also have an adverse effect if it occurred at a time when CCR had significant liquidity needs;
- stock market volatility also represents an important risk factor for CCR. A steep fall in share prices would reduce the undertaking's net income due to the requirement to book a provision for other-than-temporary impairment. The impact would be particularly unfavorable if the fall occurred at a time when CCR had significant liquidity needs;
- a possible lasting fall in real estate prices represents an additional risk factor;
- CCR 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 public reinsurance.

CCR's main public reinsurance underwriting risk exposures

CCR mainly reinsures risks offering a good visibility but 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 CCR 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.

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.).

Presentation of the undertaking's exposure to operational risks

CCR's main operational risk exposures are as follows:

- underwriting of a risk that falls outside CCR'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.

Own Risk and Solvency Assessment (ORSA)

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

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

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

Internal ORSA policy

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

The five processes in the ORSA policy are:

- **calculation of own solvency**, including 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 2023.

ORSA report

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

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

8 INTERNAL CONTROL SYSTEM

8.1 Objectives

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

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

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

8.2 Internal control approach and organization

The internal control approach reflects CCR'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.

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

AWARENESS:

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

STRUCTURE:

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

SUPPORT:

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

COMMUNICATION:

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

DOCUMENTATION:

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

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

8.3 Charters

CCR 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;
- an IT charter specifies the conditions needed to meet IT security goals while respecting the rights and freedoms of the undertaking's employees. According to the terms of the charter, CCR 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;
- SRI (Socially Responsible Investment) charter: CCR 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.

  CCR 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, CCR 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:
- A code of ethics summarizes the purpose and values of the undertaking and defines the principles to which employees should refer when exercising their duties,
- An archiving charter formally sets down the rules for archiving documents that are required to be kept over the long term, specifies roles and responsibilities and helps achieve compliance with applicable legal and industry regulations.

8.4 Internal control independence and effectiveness

The Internal Audit Department, the Risks Department's Risk Management & Internal Control unit 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 CCR 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.

8.6 CCR rules and procedures

CCR also has internal rules and procedures that enable it to successfully pursue its business operations while managing its risk. These rules and/or procedures notably concern:
- compliance of the undertaking's business operations with the policies and strategies defined by the management bodies and compliance of its reinsurance operations with applicable laws and regulations;
- valuation and supervision of investments;
- identification, assessment, management and control of the risks to which CCR 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

Key activities within CCR are outsourced to undertakings within the CCR Group. Outsourcing arrangements are described in section 1.6 on page 28.

10 ADDITIONAL INFORMATION

10.1 Research and development activity

In 2023, CCR pursued its research and development efforts to better quantify natural and anthropic risks. CCR's main R&D activities in 2023 were as follows:

- In the first half of the year, we carried out research into the impact of climate change over the period to 2050. The research used Météo-France climate data to simulate the losses caused by the main perils covered by the natural disaster reinsurance system (flooding, marine submersion and geotechnical drought, etc.) under current and future climate scenarios. The results were published in a report and presented in several communications, as well as being used as part of a study conducted with the ACPR.
- The study carried out for RTE on the exposure of pylons and substations to flooding and marine submersion was completed in early 2023.
- As part of our ongoing efforts to improve our models, work was conducted to perfect the earthquake model in mainland France and to extend it to the French West Indies. This extension is the subject of an ongoing project. A number of projects were carried out on the consequences of floods, including improvements to the runoff model and the overflow model. These improvements should be incorporated into the next model calibration.
- With regard to drought, studies were carried out to test the effect of Météo-France's new Soil Wetness Index on the new natural disaster recognition criteria.
- The damage model was overhauled to create a multi-peril platform. This platform can be used to calculate damage from floods, marine submersion, storms and earthquakes, and will ultimately incorporate all other perils modeled by CCR.
- Lastly, an initial approach to cyber risk modeling was proposed in 2023, as part of an internship followed by a work-study program. This work was carried out in partnership with the Sorbonne University's Statistics Institute (ISUP).

Research projects presented or started in 2023

- A thesis on drought modeling using machine learning was finalized in partnership with Université Paris Cité (MAP5 laboratory). In addition to its contribution to drought modeling, the research enabled CCR to strengthen its scientific knowledge in the field of artificial intelligence, with the aim of using these techniques for applications other than natural disaster estimation.
- The modeling R&D department continued to supervise two theses, one on drought risk co-financed by BRGM and Météo-France, the other on seismic risk with the University of Nancy.
- The department also offered an internship position to study the effects of aftershocks and a second on crop losses due to frost damage.

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 2023:

- For several years now, climate change has been causing major droughts in France. Episodes of extreme drought followed by extreme rainfall lead clay soil to shrink and then swell like a sponge, causing cracks to appear in the walls and ceilings of houses built on this type of soil. It is estimated that over half of France's single-family homes – 11.1 million – could be affected, including 3.3 million that would incur serious damage. Families can find themselves in difficult, even distressing situations as the walls of their homes crack, and they may be forced to abandon their homes if they become uninhabitable. CCR has teamed up with the insurance industry federation, France Assureurs, and Mission Risques Naturels (MRN) to launch the "Initiative Sécheresse" project aimed at protecting today's single-family homes and those to be built in the future against drought. This industry-wide initiative will analyze repair solutions recommended by experts on over 300 homes, in order to identify the most effective and sustainable solutions. The project is the subject of a funding application submitted to ADEME.
- Since 2020, CCR has been rewarding its ceding insurers' prevention efforts through a commission mechanism. Ceding insurers fully grasped the importance of the issue and, despite the absence of any payments under the scheme, they continued to produce their prevention reports in 2023. CCR also put certain ceding insurers in touch with government departments, to lobby for support in their efforts to encourage policyholders to take personal action to reduce their vulnerability to flooding. Similarly, CCR supported a number of ceding insurers in setting up the *Mieux Reconstruire après Inondations* (MIRAPI) scheme encouraging victims of flood damage to “build back better”.
- In 2023, CCR initiated a training program for ceding insurers on prevention tools. The courses look at the solutions (relocation, protection, reduction in property vulnerability, changes in people’s behaviors, measures to ensure that flooding issues are factored into town-planners’ decisions in at-risk areas, etc.) and funding (collective or individual) available for prevention, distinguishing between everyday occurrences and crises.
- CCR has produced some fifteen studies under the five-year agreement signed with the French government’s risk prevention department (DGPR) covering the period 2021-2026. The purpose of these studies is to provide an objective assessment of the effectiveness and efficiency of public natural disaster prevention measures. In particular, CCR has published a report assessing the government’s policy of financing prevention through the *Fonds de Prévention des Risques Naturels Majeurs* (Barnier Fund), as well as a study on the effectiveness of flood risk prevention plans.

Emerging risks

Since 2022, a dedicated department has been responsible for analyzing emerging risks as an integral part of CCR's revised strategic plan, Horizon 2025.

In order to be in a position to advise the government on any need to upgrade existing coverage of emerging risks or create a new system, the department has been set four goals:

- Identify weak signals of emerging trends in the private (re) insurance market, both nationally and internationally, as well as keeping a close watch on how insurable and uninsurable risks are talked about in the media, political statements, academia, social networks, etc.
- Take stock of emerging risks. There may be evidence that private market insurers are passively or actively pulling out of insuring certain risks, or that certain risks are uninsurable on the private market.
- Map and analyze these risks in order to be able to advise the government.
- Examine whether public intervention would be appropriate, based on an in-depth socio-economic analysis that goes beyond the question of pure financial profitability. The aim is to draw up a comprehensive inventory of pros and cons, including by modeling external factors.

PARI university chair

Since 2018, CCR has supported the PARI university chair and its 2018-2022 research program on the challenges of big data for the insurance sector. One of the aims is to examine the link between solidarity (which is necessary for natural disaster insurance) and segmentation (which is becoming possible as the models become more detailed and should ultimately pave the way for risk selection).

The research program is being led by Science Po Paris, ENSAE and Institut Louis Bachelier.

In 2023, CCR renewed its partnership with the PARI Chair. The topic chosen for the new research cycle is the insurability of natural disaster risks in the context of climate change.

3

RISK PROFILE

RISK PROFILE

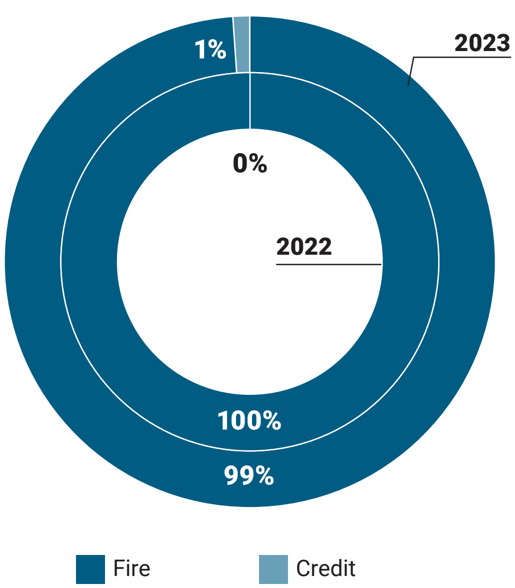
1 UNDERWRITING RISK

1.1 Background

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 2023, premiums written by the State-guaranteed reinsurance business totaled €1,228 million.

The following chart illustrates the breakdown of gross written premiums for the last two underwriting years:



1.2 Risks identified for SCR purposes

Based on the risk profile under the standard formula, the most significant risk arises on Non-Life natural disaster cover. This is followed in order of significance by the Non-Life Premium and Reserve SCR, Market SCR, Operational SCR and Counterparty SCR.

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

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

The main processes used to manage these risks are:

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

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

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

2 ASSET MANAGEMENT

2.1 General principles

The general guidelines of the investment strategy are approved by the Board of Directors in December each year for the following financial period. They cover (i) the maximum investment risk that can be taken by CCR and (ii) the objectives and upper and lower investment limits in the different asset classes.

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

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

2.2 Analytical framework for the asset allocation strategy

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

Risk

CCR strives to identify three levels of risk at any one time:

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

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

Liquidity

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

Estimated returns

Returns can be identified in one of two categories:

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

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

2.3 Structure of CCR's assets

(in millions of euros)	December 31, 2023				
	CCR Euros	CCR Other currencies	Total		
	Cost	Cost	Cost	Net capital gain/ (loss)	%
A - MONEY MARKET INSTRUMENTS					
Term deposits	200.00		200.00		2.01
Money market funds	444.71		444.71	6.10	4.54
Money market securities	551.43		551.43		5.55
Cash and cash equivalents	112.97	5.68	118.65		1.19
MONEY MARKET INSTRUMENTS	1309.11	5.68	1,314.79	6.10	13.30
B - FIXED-INCOME INSTRUMENTS					
Bank bonds	752.96		752.96	15.34	7.74
Municipal bonds	106.18		106.18	2.39	1.09
Corporate bonds	1,246.72		1,246.72	15.41	12.71
Government bonds	719.72		719.72	20.67	7.46
Secured bonds	268.94		268.94	5.28	2.76
Inflation-linked bonds	113.50		113.50	0.43	1.15
Covered bonds	970.83		970.83	15.75	9.94
Credit funds	100.35		100.35	8.32	1.09
High yield bond funds	162.29		162.29	2.90	1.66
Other bond funds	577.57		577.57	30.51	6.12
Public sector bonds	534.43		534.43	10.83	5.49
Supranational bonds	393.48		393.48	9.49	4.06
FIXED-INCOME INSTRUMENTS	5,946.98		5,946.98	137.31	61.28
C - DIVERSIFIED INVESTMENTS					
Alternative investment funds	72.50		72.50	7.69	0.81
Diversified funds	153.32		153.32	16.87	1.71
Hybrid securities	173.90		173.90	25.96	2.01
DIVERSIFIED INVESTMENTS	399.72		399.72	50.53	4.53
D - EQUITIES					
Listed/equity warrants/equity interests	3.33		3.33	0.85	0.04
Private equity	0.14		0.14	6.35	0.07
Equity funds	331.58		331.58	104.22	4.39
Venture capital investments	78.36		78.36	110.74	1.90
EQUITIES	413.41		413.41	222.16	6.40
E - PHYSICAL ASSETS					
FCPI real estate funds	4.73		4.73	0.22	0.05
Infrastructure funds	27.54		27.54	0.91	0.29
Property/Shares in property companies	174.31		174.31	289.08	4.67
OPCI real estate funds	117.21		117.21	10.67	1.29
PHYSICAL ASSETS	323.79		323.79	300.88	6.29
F - LOANS					
Loan funds	304.71	6.86	311.57	21.40	3.35
Employee loans	0.63		0.63		0.01
LOANS	305.33	6.86	312.19	21.40	3.36
G - INVESTMENTS IN SUBSIDIARIES AND AFFILIATES					
Shares in subsidiaries and affiliates	108.53		108.53	194.87	3.06
Loans to subsidiaries and affiliates	75.00		75.00		0.76
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES	183.53		183.53	194.87	3.81
H - PROTECTION					
Other investments in equities	100.37		100.37	(1.98)	0.99
PROTECTION	100.37		100.37	(1.98)	0.99
SUB-TOTAL EXCLUDING DEPOSITS	8,982.24	12.54	8,994.78	931.28	99.97
I - DEPOSITS					
Ceding insurer deposits	2.88	0.02	2.89		0.03
DEPOSITS	2.88	0.02	2.89		0.03
TOTAL	8,985.12	12.56	8,997.67	931.28	100.00
				9,928.95	

3

The amounts reported under "Cost" are stated net of provisions for other-than-temporary impairment in value.

The investment in CCR Re is presented in the above table at its value in CCR's French GAAP financial statements, as determined using a multi-criteria approach, and is stated net of unrealized capital gains. This value is different from the reported amount of CCR Re shares in CCR's prudential balance sheet, which is prepared in accordance with Articles 13 "Valuation methods for related undertakings" and 10 "Valuation methodology – valuation hierarchy" of the Delegated Regulation.

The asset structure is based on directly held assets and a look-through analysis of investment funds.

Money market investments

The portfolio of money market investments was increased significantly in 2023. At December 31, 2023, it represented 13.3% of total investments at market value, compared with 4.5% at end-2022. Virtually all of these instruments are denominated in euros.

Money market instruments include:

- money market funds;
- bank current accounts;
- term deposits; and
- money market securities.

Fixed-income investments and credit funds

Fixed-income investments accounted for 61.4% of total investments at market value, versus 58.9% at end-2022. Investments in bonds were increased in 2023 to take advantage of the higher interest rates available in the market, despite the higher rates' negative impact on the value of the bonds in the portfolio.

Fixed-income investments are of a high quality relative to credit risk: the directly managed fixed-income portfolio is invested only in investment grade bonds with an average rating of AA-, while diversification on "high-yield" bonds is achieved through funds. Green, social and sustainable bonds now represent 11.2% of total investments at market value, only slightly below the end-2022 level of 11.9% despite the increase in the bond portfolio.

Diversified investments

Diversified investments fall into one of three categories: hybrid securities, alternative investments and other diversified funds.

They concern only investment funds managed under discretionary mandates, representing 7.55% of total investments.

Physical assets

Physical assets, which currently consist almost exclusively of real estate, represent 6.3% of the total portfolio. Investments in **infrastructure funds** are set to increase in the future after rising to 0.3% of total investments in 2023. While the largest single investment (€70 million commitment) is in a clean hydrogen fund, two other funds have contributed to diversifying the physical asset portfolio: a general transition infrastructure fund (€20 million commitment) and a fund invested primarily in biomass (€15 million commitment).

Equities

The equity portfolio accounts for 6.4% of total investments. It consists primarily of listed equities (4.4% of total investments), with a diversification into private equity (2.0% of total investments).

Shares in subsidiaries and affiliates

This item corresponds to CCR's 25% stake in its former subsidiary, CCR Re.

2.4 Exposure to key financial risks

Currency risk

Exposure to currency risk is minimal.

Interest rate risk

The sensitivity of the directly held fixed-income portfolio to interest rate risk was fairly low at end-2023. Including money-market instruments and investments in fixed-income/credit funds, the portfolio's overall sensitivity is even lower.

Credit risk

The directly managed fixed-income portfolio solely comprises investment grade securities. AAA/AA-rated bonds account for almost 65% of the fixed-income portfolio, while A-rated and BBB-rated bonds together account for 35%.
The fixed-income portfolio has an average AA- rating.

Liquidity risk

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

- a significant portfolio of money market instruments;
- limited investments in assets offering little or no liquidity; (mainly real estate, loan funds and private equity funds);
- a portfolio of liquid investment-grade bonds, a significant percentage of which have a short residual term;
- 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.

Impact of financial shocks

The ORSA report looks at various shocks as applied to CCR's investments.

The severe inflationary pressures that were a feature of 2022 continued in 2023, leading to the addition of an “inflation factor” to provisions.

3 OPERATIONAL RISK

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

3.1 Operational rollout

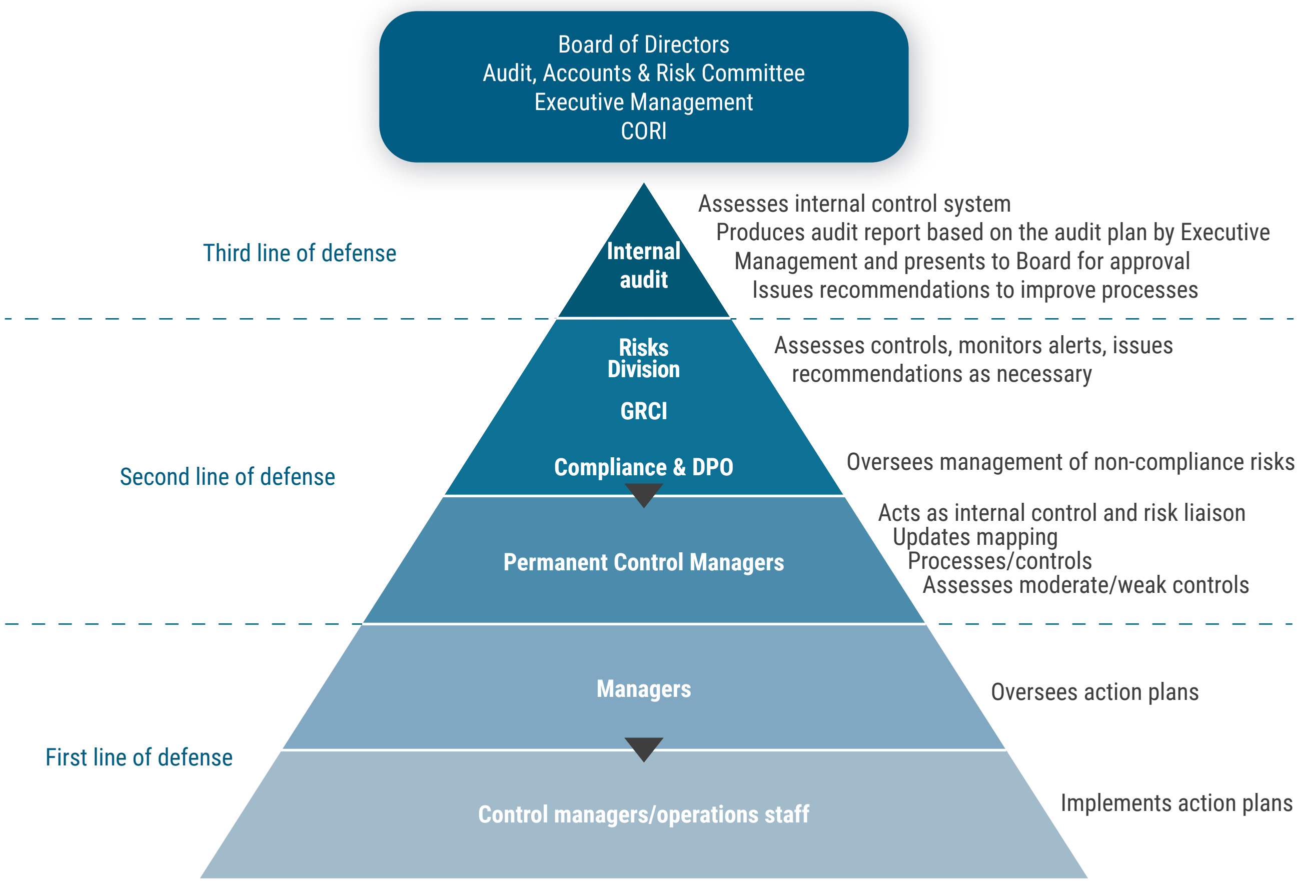
Operational risk for CCR is governed by the internal control system within the overall risk management process.

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

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

Generally speaking, internal control helps exercise due control over the undertaking's business, helping to ensure its operations are effective and its resources are used efficiently. CCR 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, CCR has not identified any other risks that may impact or enhance the risk view presented above.

5 RISK EXPOSURE

5.1 Risk measurement

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

5.2 Important risks

Important 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, important 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, the "important" classification is applied to financial, underwriting or strategic risks. However, emerging or operational risks may also be classified as important if their legal impact or their impact on CCR's reputation would adversely affect the undertaking's financial strength.

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. This exercise involves thinking in terms of possible risks whose probability of occurrence or impact is increasing.

5.3 Investment strategy

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

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

5.4 Risk Concentration

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

6 RISK MITIGATION

CCR uses two main risk mitigation techniques: outward reinsurance and hedging of the equities portfolio.

6.1 Outward reinsurance

CCR uses only one reinsurer to mitigate its risks – the French State.

It also cedes risks managed on a run-off basis to CCR Re, but the contracts are not subject to any novation and the arrangement with CCR Re is not strictly speaking a risk mitigation technique.

6.2 Hedging of the equities portfolio

CCR has adopted a hedging strategy for its equities portfolio, which is:
- based on future contracts;
- aimed at protecting against a fall of up to 15% in the price of the equities in the portfolio at December 31, 2023 compared to their opening value.

7 RISK SENSITIVITY

The ORSA report discloses the sensitivity of the risk profile to various adverse scenarios.

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

4

VALUATION OF ASSETS AND LIABILITIES

VALUATION OF ASSETS AND LIABILITIES

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

1 VALUE OF ASSETS AT DECEMBER 31, 2023

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

1.1 Source, control and use of data

The Financial Accounting & Treasury Department regularly produces reports used to monitor changes in financial investments. To guarantee the reliability and completeness of financial reporting, data is automatically extracted from the Chorus Institutionnels accounting software.

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

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

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

The value of the shares held in CCR Re is calculated each quarter in line with Solvency II.

An automated control of CCR'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 CCR to value its assets for solvency purposes and those used to prepare the financial statements. Valuation differences between French GAAP and Solvency II are also tracked.

1.2 Value of investments

The amounts reported under "Cost" are stated net of provisions for other-than-temporary impairment in value.

The investment table presented in section 2.3 Structure of CCR's assets, covers lines R0060 to R0260 of the prudential balance sheet, with the following adjustments:

- deduction of line R0190 "Derivatives" (reported off-balance sheet under French GAAP);
- addition of lines R0350 and R0410, "Ceding company deposits" and "Cash and cash equivalents" respectively.

4

Assets (in thousands of euros)		Solvency II value
		C0010
Property, plant and equipment held for own use	R0060	80,300
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	9,689,167
Property (other than for own use)	R0080	326,470
Holdings in related undertakings, including participations	R0090	303,402
Equities	R0100	77,260
Equities - listed	R0110	4,220
Equities - unlisted	R0120	73,040
Bonds	R0130	5,797,889
Government bonds	R0140	1,881,247
Corporate bonds	R0150	3,916,642
Structured notes	R0160	
Collateralized securities	R0170	
Collective investment undertakings	R0180	2,982,356
Deposits other than cash equivalents	R0200	201,789
Loans and mortgages	R0230	80,140
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	625
Other loans and mortgages	R0260	79,515
Deposits to cedants	R0350	2,893
Cash and cash equivalents	R0410	118,648

Ceding company deposits and cash and cash equivalents have not been restated.

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	240,309
Pension benefit surplus	R0050	
Derivatives	R0190	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	80,140
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	625
Other loans and mortgages	R0260	79,515
Reinsurance recoverables from:	R0270	42,109
Non-Life and health similar to Non-Life	R0280	40,219
Non-Life excluding health	R0290	38,458
Health similar to Non-Life	R0300	1,761
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	1,889
Health similar to Life	R0320	1,647
Life excluding health and index-linked and unit-linked	R0330	242
Life index-linked and unit-linked	R0340	
Insurance and intermediaries receivables	R0360	32,433
Reinsurance receivables	R0370	224
Receivables (trade, not insurance)	R0380	31,794
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**	**10,318,016**

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.

There are no differences between the value of other assets for Solvency II purposes and the value of other assets for financial reporting purposes: the same data, methods and key valuation assumptions are used. Valuation discrepancies between French GAAP and Solvency II are also tracked.

4

2 VALUE OF LIABILITIES AT DECEMBER 31, 2023

Business not transferred to CCR Re when this undertaking was created is ceded in full to CCR Re. As a result:

- the related liabilities and relevant lines of business (LoB) and currencies are included in the best estimate of CCR's inward reinsurance liabilities, as well as those relating to public reinsurance liabilities;
- the related liabilities and relevant lines of business and currencies are included in the best estimate of CCR's outward reinsurance liabilities, as well as those relating to public reinsurance liabilities;
- the SCR for these ceded liabilities is zero net of reinsurance.

2.1 Value of technical reserves

Reserving process used for the statutory financial statements

French GAAP financial statements

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

Reserves for the reinsurance business are calculated every quarter. The 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 (proportional/non-proportional).

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

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

The 70-30 outstanding claims reserves are the reserves that are included in CCR'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, CCR's portfolio covered the following lines of business (LoB):

- Income Protection;
- Marine, aviation and transport insurance;
- Fire and other damage to property insurance;
- Credit and suretyship insurance;
- Non-proportional casualty reinsurance;
- Non-proportional property reinsurance;
- Health reinsurance (Similar to Life);
- Life reinsurance.

It is important to note that premium risk currently only arises on property LoBs.

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
BIT0001	B - MAT treaties & facultative	I000018	MAT P
BIT0002	B - Nuclear liability facultative	I000020	TPL P
CIT0001	C - CAP	I000021	Credit P
CIT0001	C - All lines	I000021	Credit P
CIT0002	C - CAP+	I000021	Credit P
CIT0003	C - CAP Relais	I000021	Credit P
DIT0001	D - All lines	I000028	Reins Property NP
FIT0001	Portfolio F Proportional	I000019	Fire & Property P
FIT0002	Portfolio F Non-proportional	I000028	Reins Property NP
GIT0001	G - All lines	I000028	Reins Property NP

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

Outward reinsurance

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

Best estimate and risk margin valuation approach

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

Best estimate

Inward reinsurance

Inward reinsurance resulting from actuarial tranches is broken down by line of business (LoB).

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

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

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

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

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

CCR's claims handling expenses are included in the 50-50 outstanding claims reserves and are recorded in an account created for this purpose.

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 CCR'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. Tests are also built into the calculation process to verify that all of the above items are included in the best estimate calculation.

Inward reinsurance net of outward reinsurance

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

Risk margin

The risk margin is calculated on an aggregate basis using the simplified method set out in Article 58 (a) of Delegated Regulation 2015/35. The various "forward" SCR components are estimated for each future year until CCR's liabilities have been settled.
These estimates are based on Solvency II results at the calculation date, on CCR's accounting data, and on processes supported and validated by PwC during its end-2015 review.
Aggregate forward SCRs are calculated by combining the forward components. The overall risk margin is then determined by discounting these forward SCRs.
Risk margins per line of business are inferred from the overall risk margin, in proportion to the best estimates per line of business.

Valuation for solvency and financial reporting purposes

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

Change in assumptions used to calculate technical reserves

The assumptions used by CCR to calculate technical reserves have not changed since December 31, 2022.

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	4,915,019
Technical provisions - Non-Life (excluding health)	R0520	4,913,025
Technical provisions calculated as a whole	R0530	
Best estimate	R0540	4,445,493
Risk margin	R0550	467,532
Technical provisions - health (similar to Non-Life)	R0560	1,994
Technical provisions calculated as a whole	R0570	
Best estimate	R0580	1,804
Risk margin	R0590	190
Technical provisions - Life (excluding index-linked and unit-linked)	R0600	2,098
Technical provisions - health (similar to Life)	R0610	1,829
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	1,655
Risk margin	R0640	174
Technical provisions - Life (excluding health and index-linked and unit-linked)	R0650	269
Technical provisions calculated as a whole	R0660	
Best estimate	R0670	244
Risk margin	R0680	26
Technical provisions - index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best estimate	R0710	
Risk margin	R0720	

4

Assets (in thousands of euros)		Solvency II value
		C0010
Reinsurance recoverables from:	R0270	42,109
Non-Life and health similar to Non-Life	R0280	40,219
Non-Life excluding health	R0290	38,458
Health similar to Non-Life	R0300	1,761
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	1,889
Health similar to Life	R0320	1,647
Life excluding health and index-linked and unit-linked	R0330	242
Life index-linked and unit-linked	R0340	

Special purpose vehicles

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

Matching adjustment – volatility adjustment – transitional measures

CCR has applied the volatility adjustment referred to in Article 77(5) of Directive 2009/138/EC since the Solvency II quarterly valuation exercise at March 31, 2020. Best estimate and Solvency II margin variances, before and after the volatility adjustment, are analyzed regularly by CCR.

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

At the date of this report, CCR 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	33
Pension benefit obligations	R0760	5,668
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	361,562
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance and intermediaries payables	R0820	44
Reinsurance payables	R0830	129,031
Payables (trade, not insurance)	R0840	28,030
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	1,581
TOTAL LIABILITIES	**R0900**	**5,443,066**
EXCESS OF ASSETS OVER LIABILITIES	**R1000**	**4,874,950**

Other technical provisions

Other technical reserves comprise equalization reserves and outstanding claims reserves as required under Article 431 of the French Insurance Code relating to CCR. 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 €924 million. In the Solvency II balance sheet, there is no corresponding caption.

Provisions other than technical provisions

This caption corresponds to miscellaneous provisions other than technical reserves. The total value of this item in the statutory financial statements is discounted over one year using a fixed rate, with the assumption that, in a runoff scenario, it will be settled within one year.

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 tax liabilities are measured using a tax rate of 25.83%, corresponding to the rate expected to apply when the temporary differences reverse, based on the latest information concerning corporate income tax rates available at December 31, 2023.

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. The total value of this item in the statutory financial statements is discounted over one year using a fixed rate, with the assumption that, in a runoff scenario, it will be settled within one year.

Any other liabilities, not elsewhere shown

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

Value for solvency and financial reporting purposes

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

3 OTHER KEY INFORMATION

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

5

CAPITAL MANAGEMENT

CAPITAL MANAGEMENT

1 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

1.1 Objectives

CCR'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 increase its capital.

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

1.2 Policy

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

CCR 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:
- CCR 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, CCR 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

CCR 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 performed by the 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, 2023

2.1 Structure, quality and amount of Solvency II own funds

Basic own funds	Excess of assets over liabilities	€4,875 million
	Subordinated liabilities	-
	Treasury shares	-
Ancillary own funds		-
Total Solvency II own funds at December 31, 2023, before dividend payouts		**€4,875 million**
Dividends		€(6) million
Total Solvency II own funds at December 31, 2023, after dividend payouts		**€4,869 million**

5

CCR does not have any subordinated liabilities, treasury shares or ancillary own funds.

All of CCR's Solvency II own funds are classified as tier 1 (see below).

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

CCR's equity at December 31, 2023 amounted to €2.568 billion before dividends in its French GAAP financial statements, compared to €4.875 billion 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, 2023, 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 technical liabilities made for Solvency II purposes.

2.3 Change in Solvency II own funds between December 31, 2022 and December 31, 2023

Solvency II own funds after dividends fell by €7 million from €4,877 million at December 31, 2022 to €4,869 million at December 31, 2023.

3 SCR AND MCR COVERAGE RATIOS AT DECEMBER 31, 2023

Solvency II own funds after dividends totaled €4,869 million. Due to their make-up, all Solvency II own funds are eligible for inclusion in SCR and MCR
coverage ratios:

- the SCR came out at €2,993 million, representing an SCR coverage ratio of 162.7%;
- the MCR came out at €748 million, representing an MCR coverage ratio of 650.7%.

The SCR coverage ratio before the volatility adjustment stood at 161.1%.

(in millions of euros)	After VA	Before VA
Solvency II own funds after dividend payouts	4,869	4,846
Solvency II own funds eligible for inclusion in SCR coverage ratio	4,869	4,846
SCR	2,993	3,008
SCR COVERAGE RATIO (Solvency II)	**162.7%**	**161.1%**

Applying the volatility adjustment at December 31, 2023 increased the SCR coverage ratio by 1.6%.

The limited impact was due to the risk profile of CCR's reinsurance portfolio (reflecting the relatively short duration of its reinsurance liabilities) and the low values on the date of the volatility adjustments by currency.

4 OWN FUNDS AND TRANSITIONAL MEASURES

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

5 DESCRIPTION OF ANCILLARY OWN FUNDS

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

6 AVAILABILITY AND TRANSFERABILITY OF SOLVENCY II OWN FUNDS

All of CCR's own funds belong to CCR and are deemed to be available and transferable within the scope of applicable regulations.

7 CALCULATION OF SCR, MCR AND ELIGIBLE OWN FUNDS

7.1 Method and options used

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

7.2 Loss-absorbing capacity of deferred taxes

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

Regarding the inclusion of future tax credits in the calculation of deferred taxes, CCR believes, where appropriate and based on the visibility provided by its business plan, that it could justify recognizing €150 million in deferred tax assets for tax credits, based on a 2-year post-stress projection period.

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

Excluding the €150 million, CCR’s SCR would be €2,993 million versus €3,141 million, and its SCR coverage ratio would be 162.7% versus 154.9%.

7.3 Look-through approach

CCR has adopted a line-by-line look-through approach covering 89% of its investments under delegated management and 97% of its total investments under direct and delegated management, based on market values.

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, CCR 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

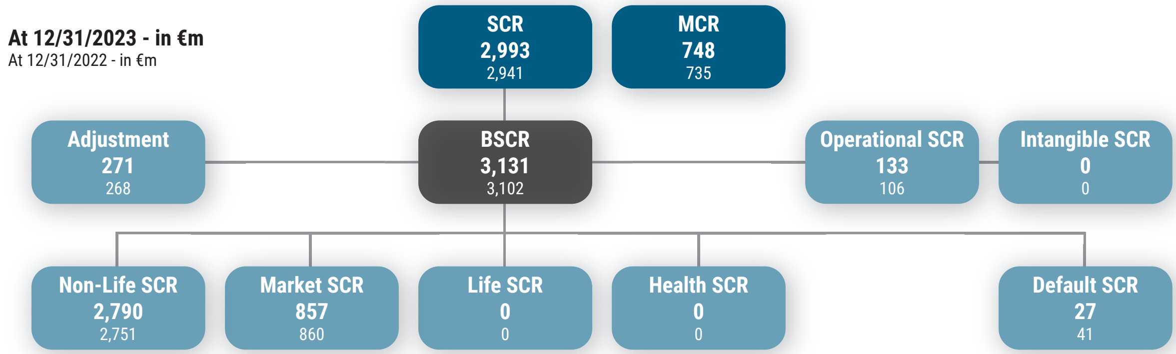
CCR did not use any simplified approach in calculating its capital requirements.

7.6 Difficulties encountered

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

8 SCR AND MCR

The following diagram shows CCR's SCR – and its components – and MCR at December 31, 2022 and December 31, 2023, in millions of euros.



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

- the increase in the Non-Life SCR, reflecting the combined impact of:
  - an increase in Non-Life Premiums and Reserves included in the SCR calculation, due to the claims experience for the 2023 underwriting year and an overall deficit of €342 million from liquidations of prior year accounts,
  - attenuated by a decline in natural disaster SCR, due to a lowering of the forecast State Intervention Threshold at December 31, 2023 that in turn was due to natural disaster losses for the year, which absorbed CCR's Portfolio F equalization reserve;
- the decrease in counterparty risk SCR, reflecting the reduction in the amount of receivables included in CCR's assets;
- the increase in operational risk SCR, linked to the change in CCR's Best Estimate in 2023.

9 CHANGES IN THE SOLVENCY MARGIN SINCE DECEMBER 31, 2022

Valuation date	Solvency margin
December 31, 2022	165.8%
December 31, 2023	162.7%

6

APPENDICES: QRT

LIST OF QRT SCHEDULES:

The following schedules are not applicable to the CCR Group

S25.02.21: Partial internal model

S25.03.21: Full internal model

N.B.: to provide readers with a better understanding of the schedules, the columns relating to lines of business for which 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	240,309
Deferred tax assets	R0040	
Pension benefit surplus	R0050	80,300
Property, plant & equipment held for own use	R0060	9,689,167
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	326,470
Property (other than for own use)	R0080	303,402
Holdings in related undertakings, including participations	R0090	77,260
Equities	R0100	4,220
Equities - listed	R0110	73,040
Equities - unlisted	R0120	5,797,889
Bonds	R0130	1,881,247
Government bonds	R0140	3,916,642
Corporate bonds	R0150	
Structured notes	R0160	
Collateralized securities	R0170	2,982,356
Collective investment undertakings	R0180	
Derivatives	R0190	201,789
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	80,140
Loans and mortgages	R0230	
Loans on policies	R0240	625
Loans and mortgages to individuals	R0250	79,515
Other loans and mortgages	R0260	42,109
Reinsurance recoverables from:	R0270	40,219
Non-Life and health similar to Non-Life	R0280	38,458
Non-Life (excluding health)	R0290	1,761
Health similar to Non-Life	R0300	1,889
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	1,647
Health similar to Life	R0320	242
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	2,893
Deposits to cedants	R0350	32,433
Insurance and intermediaries receivables	R0360	224
Reinsurance receivables	R0370	31,794
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	118,648
Cash and cash equivalents	R0410	
Any other assets, not elsewhere shown	R0420	10,318,016
TOTAL ASSETS	**R0500**	**10,318,016**

6

Liabilities

		Solvency II value
		C0010
Technical provisions - Non-Life	R0510	4,915,019
Technical provisions - Non-Life (excluding health)	R0520	4,913,025
Technical provisions calculated as a whole	R0530	
Best estimate	R0540	4,445,493
Risk margin	R0550	467,532
Technical provisions - health (similar to Non-Life)	R0560	**1,994**
Technical provisions calculated as a whole	R0570	
Best estimate	R0580	**1,804**
Risk margin	R0590	**190**
Technical provisions - Life (excluding index-linked and unit-linked)	R0600	2,098
Technical provisions - health (similar to Life)	R0610	1,829
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	1,655
Risk margin	R0640	174
Technical provisions - Life (excluding health and index-linked and unit-linked)	R0650	269
Technical provisions calculated as a whole	R0660	
Best estimate	R0670	244
Risk margin	R0680	26
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	33
Pension benefit obligations	R0760	5,668
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	361,562
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	44
Reinsurance payables	R0830	129,031
Payables (trade, not insurance)	R0840	28,030
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	1,581
TOTAL LIABILITIES	**R0900**	**5,443,066**
EXCESS OF ASSETS OVER LIABILITIES	**R1000**	**4,874,950**

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			
		Income protection insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Credit and suretyship insurance	Health	Casualty	Property	TOTAL
		C0060	C0070	C0080	C0090	C0140	C0150	C0160	C0200
PREMIUMS WRITTEN									
Gross - direct business	R0110								
Gross - proportional reinsurance accepted	R0120	419	2,174	1,004,928	1,989				1,009,511
Gross - non-proportional reinsurance accepted	R0130						(6)	215,736	215,730
Reinsurers' share	R0140	419	109	108,235	99	0	(6)	20,557	129,413
Net	**R0200**	**0**	**2,066**	**876,216**	**1,890**	**0**	**0**	**195,179**	**1,075,350**
PREMIUMS EARNED									
Gross - direct business	R0210								
Gross - proportional reinsurance accepted	R0220	419	2,174	1,012,231	2,001				1,016,825
Gross - non-proportional reinsurance accepted	R0230						(6)	215,708	215,702
Reinsurers' share	R0240	419	109	108,618	99	0	(6)	20,191	129,431
Net	**R0300**	**0**	**2,066**	**903,612**	**1,902**	**0**	**0**	**195,517**	**1,103,097**
CLAIMS INCURRED:									
Gross - direct business	R0310								
Gross - proportional reinsurance accepted	R0320	1,199	(201)	1,171,645	(1,521)				1,171,124
Gross - non-proportional reinsurance accepted	R0330						(831)	197,230	196,400
Reinsurers' share	R0340	1,199		332		0	(831)		701
Net	**R0400**	**0**	**(201)**	**1,171,313**	**(1,521)**	**0**	**0**	**197,230**	**1,366,822**
Expenses incurred	**R0550**	**12**	**99**	**57,506**	**930**	**0**	**0**	**9,603**	**68,150**
Balance - other technical expenses/income	**R1210**								
TOTAL EXPENSES	**R1300**								**68,150**

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	2,784	170	2,954
Reinsurers' share	R1420	2,784	170	2,954
Net	**R1500**	**0**	**0**	**0**
PREMIUMS EARNED				
Gross	R1510	3,614	170	3,784
Reinsurers' share	R1520	3,614	170	3,784
Net	**R1600**	**0**	**0**	**0**
CLAIMS INCURRED				
Gross	R1610	3,547	209	3,756
Reinsurers' share	R1620	3,547	209	3,756
Net	**R1700**	**0**	**0**	**0**
Expenses incurred	**R1900**	**35**	**2**	**37**
Balance - other technical expenses/income	**R2510**			
Total expenses	**R2600**			37
TOTAL AMOUNT OF SURRENDERS	**R2700**			

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4 S.04.05.01 - 01: Non-Life - Premiums, claims and expenses by country

		Home country	Total Top 5 and home country Non-Life
		C0010	C0020
	R0010		
PREMIUMS WRITTEN (GROSS)			
Gross - direct business	R0020		
Gross - proportional reinsurance accepted	R0021	1,009,511	
Gross - non-proportional reinsurance accepted	R0022	215,730	
PREMIUMS EARNED (GROSS)			
Gross - direct business	R0030		
Gross - proportional reinsurance accepted	R0031	1,016,825	
Gross - non-proportional reinsurance accepted	R0032	215,702	
CLAIMS INCURRED (GROSS)			
Gross - direct business	R0040		
Gross - proportional reinsurance accepted	R0041	1,171,124	
Gross - non-proportional reinsurance accepted	R0042	196,400	
EXPENSES INCURRED (GROSS)			
Gross - direct business	R0050		
Gross - proportional reinsurance accepted	R0051	58,772	
Gross - non-proportional reinsurance accepted	R0052	9,587	

5 S.04.05.01 - 02: Non-Life - Premiums, claims and expenses by country

		Home country	Total Top 5 and home country
		C0030	C0040
	R1010		
Gross premiums written	R1020	2,954	
Gross premiums earned	R1030	3,874	
Claims incurred	R1040	3,756	
Gross expenses incurred	R1050	126	

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6 S.12.01.02: Life and health SLT technical provisions

		Accepted reinsurance	Total (Life other than health insurance, incl. unit-linked)	Health reinsurance (reinsurance accepted)	Total (health similar to Life)
		C0100	C0150	C0200	C0210
TECHNICAL PROVISIONS CALCULATED AS A WHOLE	**R0010**				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020				
TECHNICAL PROVISIONS CALCULATED AS A SUM OF BE AND RM					
BEST ESTIMATE					
GROSS BEST ESTIMATE	**R0030**	**244**	**244**	**1,655**	**1,655**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	242	242	1,647	1,647
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	1	1	8	8
RISK MARGIN	**R0100**	**26**	**26**	**174**	**174**
TECHNICAL PROVISIONS - TOTAL	R0200	269	269	1,829	1,829

7 S.17.01.02: Non-Life technical provisions

		Direct business and accepted proportional reinsurance				Accepted non-proportional reinsurance		Total Non-Life obligation
		Income protection insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Credit and suretyship insurance	Non-proportional casualty reinsurance	Non-proportional property reinsurance	
		C0030	C0070	C0080	C0100	C0150	C0170	C0180
Technical provisions calculated as a whole	R0010							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050							
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	R0060	35	15	12,819	5	(2,060)	3,056	13,870
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140							
Net best estimate of claims provisions	R0150	35	15	12,819	5	(2,060)	3,056	13,870
Claims provisions								
Gross	R0160	1,770	472	4,075,978	16,994	38,672	299,542	4,433,428
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1,761	242	1,451		36,764		40,219
Net best estimate of claims provisions	R0250	8	230	4,074,527	16,994	1,907	299,542	4,393,208
Total best estimate - gross	R0260	1,804	487	4,088,797	16,999	36,612	302,598	4,447,297
Total best estimate - net	**R0270**	**43**	**245**	**4,087,346**	**16,999**	**(153)**	**302,598**	**4,407,078**
Risk margin	**R0280**	**190**	**51**	**430,018**	**1,788**	**3,850**	**31,824**	**467,721**
Technical provisions - total	R0320	1,994	539	4,518,815	18,787	40,462	334,422	4,915,019
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	1,761	242	1,451		36,764		40,219
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	233	296	4,517,364	18,787	3,698	334,422	4,874,799

8 S.19.01.21: Non-Life insurance claims

Accident year/underwriting year	Z0020	2

Gross claims paid (non-cumulative)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											12,513
Y-9	R0160	58,621	192,356	44,678	13,653	7,183	6,254	4,132	2,551	1,285	2,015	
Y-8	R0170	3,754	235,339	45,545	23,417	16,086	9,226	5,968	4,201	3,526		
Y-7	R0180	133,182	298,412	89,023	74,285	62,880	73,504	54,033	47,223			
Y-6	R0190	3,607	942,309	429,847	215,158	170,102	108,545	90,583				
Y-5	R0200	55,764	244,113	78,747	96,363	111,381	149,373					
Y-4	R0210	2,770	174,832	132,234	68,810	77,662						
Y-3	R0220	16,029	109,434	59,712	51,542							
Y-2	R0230	31,446	146,998	35,471								
Y-1	R0240	11,963	59,346									
Y	R0250	12,920										

		Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	12,513	12,513
	R0160	2,015	332,728
	R0170	3,526	347,063
	R0180	47,223	832,541
	R0190	90,583	1,960,151
	R0200	149,373	735,741
	R0210	77,662	456,308
	R0220	51,542	236,718
	R0230	35,471	213,915
	R0240	59,346	71,309
	R0250	12,920	12,920
Total	R0260	542,177	5,211,908

Gross undiscounted best estimate claims provisions

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											87,996
Y-9	R0160	605,366	163,640	71,705	43,645	32,348	24,586	19,015	17,725	16,269	13,917	
Y-8	R0170	690,311	262,213	114,094	94,568	52,491	42,472	22,154	17,879	14,920		
Y-7	R0180	877,036	403,879	297,252	281,368	253,730	191,729	165,856	132,545			
Y-6	R0190	2,068,501	1,230,448	726,091	627,345	448,278	366,548	214,326				
Y-5	R0200	759,833	651,765	673,431	678,456	541,341	517,392					
Y-4	R0210	708,346	542,201	390,445	424,668	332,902						
Y-3	R0220	908,725	694,018	535,377	395,784							
Y-2	R0230	303,383	503,347	478,842								
Y-1	R0240	1,664,257	1,875,921									
Y	R0250	879,778										

		Year end (discounted data)
		C0360
	R0100	77,842
	R0160	12,110
	R0170	13,522
	R0180	114,130
	R0190	190,343
	R0200	459,799
	R0210	302,333
	R0220	361,004
	R0230	438,190
	R0240	1,679,831
	R0250	798,192
Total	R0260	4,447,297

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

		Amount with long-term guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	4,917,117	0	0	31,597	0
Basic own funds	R0020	4,869,345	0	0	(23,304)	0
Eligible own funds to meet the Solvency Capital Ratio	R0050	4,869,345	0	0	(23,304)	0
Solvency Capital Requirement	R0090	2,993,300	0	0	15,044	0
Eligible own funds to meet Minimum Capital Requirement	R0100	4,869,345	0	0	(23,304)	0
Minimum Capital Requirement	R0110	748,325	0	0	3,761	0

10 S.23.01.01: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
BASIC OWN FUNDS BEFORE DEDUCTION FOR PARTICIPATIONS IN OTHER FINANCIAL SECTORS, AS PROVIDED FOR IN ARTICLE 68 OF DELEGATED REGULATION 2015/35						
Ordinary share capital (gross of own shares)	R0010	60,000	60,000			
Share premium account related to ordinary share capital	R0020					
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					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	4,809,345	4,809,345			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
OWN FUNDS FROM THE FINANCIAL STATEMENTS THAT SHOULD NOT BE REPRESENTED BY THE RECONCILIATION RESERVE AND DO NOT MEET THE CRITERIA TO BE CLASSIFIED AS SOLVENCY II OWN FUNDS						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
DEDUCTIONS						
Deductions for participations in other financial undertakings, including non-regulated companies carrying out financial activities	R0230					
Total basic own funds after deductions	**R0290**	**4,869,345**	**4,869,345**			

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		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
ANCILLARY OWN FUNDS						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	**R0400**					
ELIGIBLE AND AVAILABLE OWN FUNDS						
Total available own funds to meet the SCR	R0500	4,869,345	4,869,345			
Total available own funds to meet the MCR	R0510	4,869,345	4,869,345			
Total eligible own funds to meet the SCR	R0540	4,869,345	4,869,345	0	0	0
Total eligible own funds to meet the MCR	R0550	4,869,345	4,869,345	0	0	
Solvency Capital Requirement	R0580	2,993,300				
Minimum Capital Requirement	R0600	748,325				
Ratio of eligible own funds to SCR	R0620	1.63				
Ratio of eligible own funds to MCR	R0640	6.51				

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		C0060
RECONCILIATION RESERVE		
Excess of assets over liabilities	R0700	4,874,950
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	5,605
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	4,809,345
EXPECTED PROFITS		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-Life business	R0780	18,215
TOTAL EXPECTED PROFITS INCLUDED IN FUTURE PREMIUMS (EPIFP)	**R0790**	**18,215**

11 S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	857,408		
Counterparty default risk	R0020	26,947		
Life underwriting risk	R0030	0		0
Health underwriting risk	R0040	0		0
Non-Life underwriting risk	R0050	2,790,191		0
Diversification	R0060	(543,421)		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	**R0100**	**3,131,126**		

CALCULATION OF SOLVENCY CAPITAL REQUIREMENT		C0100
Operational risk	R0130	133,427
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	(271,253)
Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	**R0200**	**2,993,300**
Capital add-on already set	R0210	
Solvency Capital Requirement	**R0220**	**2,993,300**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

APPROACH TO TAX RATE		C0109
Approach based on average tax rate	R0590	s2c_AP:x55

LOSS-ABSORBING CAPACITY OF DEFERRED TAXES		C0130
LAC DT	R0640	(271,253)
LAC DT justified by reversion of deferred tax liabilities	R0650	(121,253)
LAC DT justified by reference to probable future taxable economic profit	R0660	(150,000)
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	(843,234)

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	540,771

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	35	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	245	2,066
Fire and other damage to property insurance and proportional reinsurance	R0080	4,087,201	876,216
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	16,999	1,890
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	302,598	195,179

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	9	
Total capital at risk for all Life (re)insurance obligations	R0250		0

OVERALL MCR CALCULATION		C0070
Linear MCR	R0300	540,771
Solvency Capital Requirement	R0310	2,993,300
MCR cap	R0320	1,346,985
MCR floor	R0330	748,325
Combined MCR	R0340	748,325
Absolute floor of the MCR	R0350	3,900
Minimum Capital Requirement	**R0400**	**748,325**

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