FINANCIAL REPORT
2023

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1 RESULTS AND FINANCIAL POSITION

1.1 Business environment

2023 was a complicated year for the property-casualty insurance market in France and around the world. The tense geopolitical environment, inflation issues, a series of major climate events in recent years, and even riots in France, made the situation more complex for insurers.

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.

1.2 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 our residential properties and office leases were rolled over at higher rents. A refurbishment program was carried out to improve the real estate portfolio's energy performance.

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.

1.3 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 agreements 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, particularly given the pressures of climate change.

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. The aim is 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 electricity and gas. 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
This 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.

1.4 Post balance sheet events

Hauts-de-France floods (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 one 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 Réunion Island (January 2024)

On the morning of January 15, 2024, a tropical cyclone named Belal hit Réunion Island, which had been placed under the highest level of severe weather alert ('violet watch'). The cyclone was accompanied by strong gusts of wind and heavy downpours.

870,000 inhabitants were confined to their homes, and major damage was prevented when the eye of the storm skirted the north of the island and made its way down the northeast 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.

1.5 Financial review

Written premiums

Consolidated 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 came in at €79 million (up €8 million or 10.6% versus 2022), representing 6.5% of the State-guaranteed reinsurance business.

Written reinsurance premiums for exceptional risks totaled €2 million, or 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 (€2 million in 2023).

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.

Loss ratios

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.

Claims expenses net of changes in the equalization reserve amounted to €1,099 million (2022: €1,042 million).

La Laigne earthquake (June)

The 4.9-magnitude La Laigne earthquake in the Charente-Maritime region on June 16 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, and even Limoges. The quake's epicenter was in the La Laigne area, southwest of Niort. Some thirty aftershocks were recorded within three days of the main quake.

The average vulnerability of buildings and the average insured value per policy were higher than in the Le Teil area where the last earthquake struck, suggesting that the related cost will also be higher. The worst affected municipality is thought to have been Mauzé-sur-le-Mignon.

The cost 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.

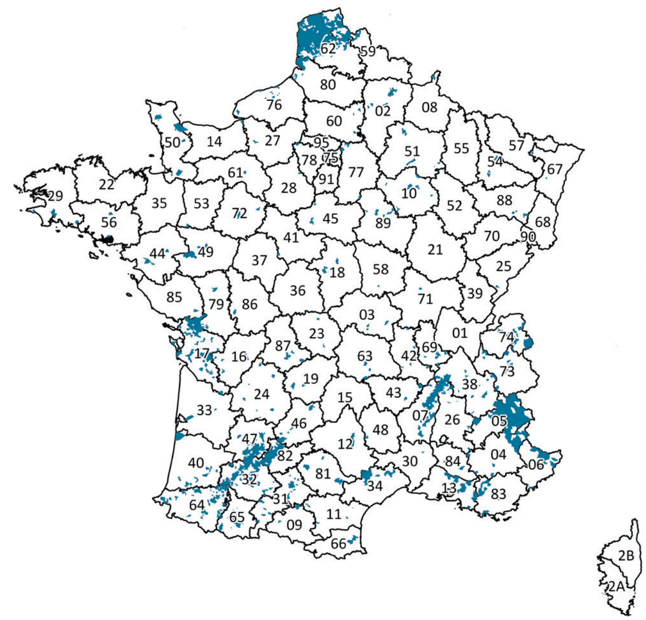
Hauts-de-France floods (November)

Some *départements* in the Hauts-de-France region were hit by exceptional floods following repeated storms and downpours in November 2023. With the rain falling on land that was already saturated, it was not long before rivers broke their banks, 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, recognized for an amount of €309 million at December 31, 2023.

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 municipalities recognized as eligible for natural disaster payments (2022: 1,532).



Municipalities recognized as eligible for natural disaster payments in 2023 (floods and differential ground movements resulting from drought or soil rehydration)

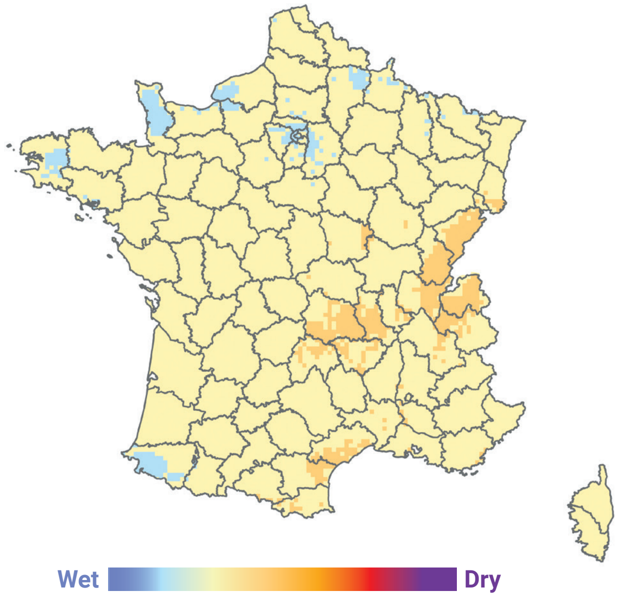
Drought

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

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.

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

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.



Intensity of the summer 2023 drought in France

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.

Liquidation of other insurance perils or years led to a surplus of €124 million.

Other technical items (notably claims management expenses) represented an expense of €4.5 million.

Commissions

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

In line with the agreement with ceding insurers applicable since 2020, no commissions were due for the 2023 reinsurance year.

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.

Technical balance

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

The technical balance from **Other State-guaranteed reinsurance business** was a profit of €32 million in 2023 (2022: €52 million profit). The 2022 technical balance included a liquidation surplus on the credit insurance support mechanism. No surplus or deficit was recorded in this respect in 2023.

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 very 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 is attributable to low commissions for ceding insurers.

Net investment income

CCR's net investment income totaled €182.1 million (2022: €97.4 million).

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.

These portfolio transactions increased the portfolio's recurring yield as from 2023, with a full-year impact from 2024.

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.

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

- 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 and losses in 2023 amounted to €30.3 million (2022: €19.8 million). The capital gain realized on the sale of shares in CCR Re was used to increase the average yield to maturity of the bond portfolio.

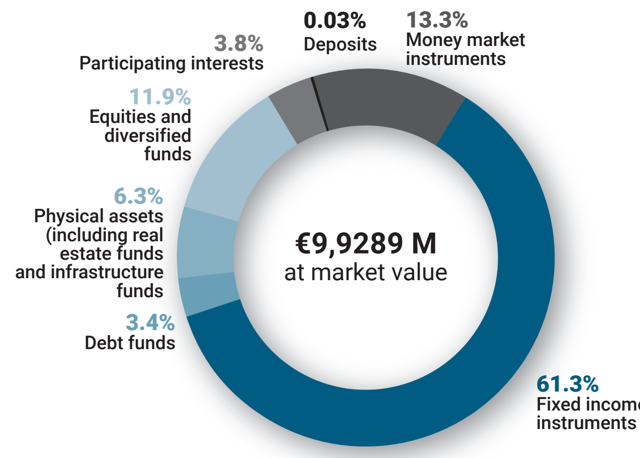
All told, 2023 net investment income represented a return on invested assets[4] of 2.0%, compared with 1.1% in 2022. Investment revenue contributed 1.6% (versus 0.8% in 2022), and net capital gains accounted for 0.4% (versus 0.3% in 2022). Investment revenue will also be higher in 2024 and beyond, thanks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

Investment portfolio breakdown

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.



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

(in millions of euros)	December 31, 2022 NBV	MV	% (at MV)	December 31, 2023 NBV	MV	% (at MV)	Change NBV	%	MV	%
Money market instruments	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%

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.

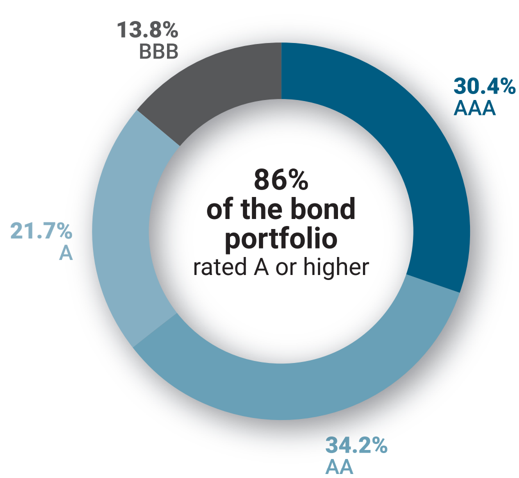
CCR's portfolio of financial investments at the end of 2023 was robust, having grown by €1.2 billion over the year. Net unrealized capital gains on the portfolio totaled €931 million.

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%. The increase in the bond portfolio over the period primarily reflected investment of the cash generated by the sale of a majority stake in CCR Re.

  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. In addition, the current portfolio generates a higher yield.

  The **bond portfolio** is mostly invested in fixed-rate bonds (97% of the bond portfolio and 85% of the fixed-income portfolio). At December 31, 2023, 86% of the bond portfolio was rated A or higher.

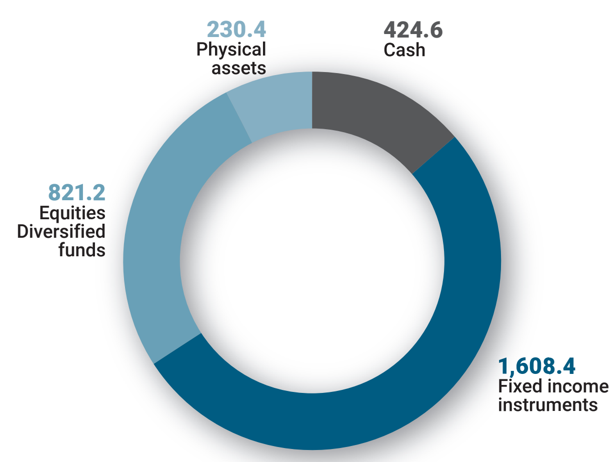


Standard & Poor's rating

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

The ESG portfolio breaks down as follows by asset class:



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

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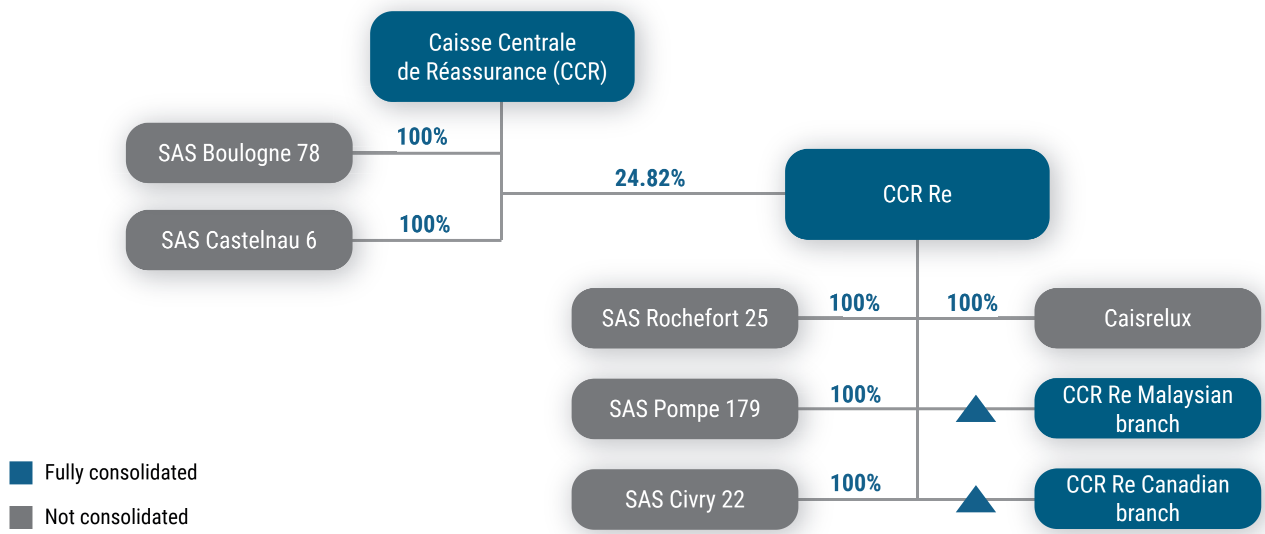
Net income for the year

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 €281.2 million before the transfer from the equalization reserve, and a negative €54.2 million after this transfer (2022: positive €5.6 million),
  - management expenses net of rebilled amounts (excluding investment management fees deducted from net investment income) of €26.1 million in 2023 (2022: €23.3 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%.

Subsidiaries and affiliates

The CCR Group's legal structure at December 31, 2023 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.

6 Underwriting result net of reinsurance, after claims management expenses.

1.6 2024 outlook

Business outlook

In 2024, CCR's natural disaster reinsurance system will be renegotiated with industry representatives and the treaty's general terms and conditions will be re-written to remain consistent with market practices. In addition, improvements will be made to the settlement guidelines appended to the treaty, as well as to the essential components of loss adjustment processes, and the insurers' practices will be harmonized.

The current natural disaster reinsurance 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 revising 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.

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, though 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.

1.7 Forward financial instruments policy

CCR did not hold any forward financial instruments at December 31, 2023.

1.8 Dividends paid in the last three years

French law requires the disclosure of dividend payments for the last three years.

- 2020: €19,060,541.50 representing €6.35 per share, net.
- 2021: none
- 2022: none

1.9 Other information

Research and development activity

In 2023, we pursued our research and development efforts to better quantify natural and anthropic risks. Our 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, presented in several communications and were 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 pursued 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 Research and Development Modeling 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 to examine the effects of forest fires.

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 was 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 was led by Science Po Paris, ENSAE and Institut Louis Bachelier.

CCR has 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.

Supplier and client payment terms

The following information is disclosed in application of Article L.441-14 of the French Commercial Code (Code de Commerce).

	ARTICLE D441 L.1 Invoices received and due but not settled at year-end						ARTICLE D441 L.2 Invoices issued and due but not settled at year-end					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	**Total (1 or more days)**	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	**Total (1 or more days)**
(A) Days late												
Number of invoices (excl. VAT)				1	2	**3**						
Total amount of invoices (excl. VAT) (in thousands of euros)				0.7	8.0	**8.7**						
As a % of total purchases for the period (excl. VAT)				0.0%	0.0%	**0.0%**						
As a % of gross written premiums (excl. VAT) for the period												
(B) Invoices excluded from (A) relating to contested or unrecorded receivables and payables												
Number of excluded invoices												
Total amount of excluded invoices (in thousands of euros)												
(C) Reference payment terms (contractual or statutory per Article L.441-6 or L.443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Contractual deadlines: 30 days from receipt of the goods or execution of the service Statutory terms: 30 days from receipt of the goods or execution of the service											

In application of the circular issued by the French Insurance Federation *(Fédération Française de l'Assurance)* on May 22, 2017, the information in the above table does not include reinsurance receivables and payables.

Calculation of financial indicators

Combined ratio

The loss ratio corresponds to losses and loss adjustment expenses, net of reinsurance, divided by earned premiums net of reinsurance.

The expense ratio corresponds to the sum of profit and other commissions paid to ceding insurers, the change in deferred acquisition costs, reinsurance commissions received and management expenses excluding investment expenses and claims management expenses, divided by earned premiums net of reinsurance.

(in millions of euros)	2022	2023
Gross written premiums	1,080	1,228
Net earned premiums (A)	**1,084**	**1,103**
Claims expenses and charges to other technical reserves (B)	(1,058)	(1,143)
Loss ratio — (B) / (A)	**97.6%**	**103.6%**
Commissions, fees, other underwriting income and expenses (C)	(44)	(41)
Non-Life expense ratio — (C) / (A)	4.0%	3.7%
NON-LIFE COMBINED RATIO - [(B) + (C)] / (A)	101.6%	107.3%

Cost ratio

The cost ratio corresponds to management expenses net of investment expenses and taxes divided by written premiums before reinsurance.

1

(in millions of euros)	2022	2023
Total management expenses recorded in the income statement	(29.9)	(53.6)
Of which rebilled	0.0	13.1
Of which investment expenses	4.5	11.5
Of which taxes	2.9	1.9
TOTAL EXPENSES (for the calculation of the cost ratio)(A)	(22.4)	(27.1)
Gross written premiums before reinsurance, excluding supplier credit support mechanisms (B)	**1,079**	**1,226**
COST RATIO / — (A) / (B)	2.1%	2.2%

Return on invested assets

The rate of return on invested assets corresponds to net investment income divided by reinsurance investments, excluding miscellaneous adjustments (exclusion of investments in related companies, ceding insurer deposits and owner-occupied property).

(in millions of euros)	2022	2023
Net investment income	97.4	182.1
Miscellaneous adjustments (ceding insurer deposits, owner-occupied property, subsidiary)	(15.6)	(21.1)
Net investment income for the calculation of the return on invested assets	**81.8**	**160.9**
Average invested assets	**7,571**	**8,191**
RETURN ON INVESTED ASSETS	1.1%	2.0%

2 CORPORATE GOVERNANCE

This section of the management report corresponds to the Board of Directors' corporate governance report presented to the Annual Shareholders' Meeting in accordance with Article L.225-37 of the French Commercial Code.

2.1 Board of Directors, Chairman, Chief Executive Officer, Deputy Chief Executive Officer

In accordance with applicable laws governing joint stock companies and French government order no. 2014-948 of August 20, 2014 on the governance and corporate actions of partly State-owned companies, the Board of Directors of CCR may have up to fifteen members, including one director representing the French State (appointed by ministerial decree), up to nine directors elected by the Shareholders' Meeting, including four proposed by the French State, and five representing employees and elected by them.

The government order of August 20, 2014 came into effect on July 1, 2015. At the Board meeting held the following day to review CCR's executive management structure, the decision was made to maintain the separation between the roles of Chairman of the Board of Directors and Chief Executive Officer.

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.

Bertrand Labilloy was Chief Executive Officer until June 30, 2023.

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

Édouard Vieillefond previously served as Deputy Chief Executive Officer, until June 30, 2023.

The Board of Directors has created several Board Committees.

2.2 Audit, Accounts & Risks Committee

The Audit, Accounts & Risks Committee has up to six members, all of whom are directors including one director representing employees.

At least one member must have specific financial or accounting expertise and qualify as independent based on the criteria adopted by the Board[1].

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

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

The committee is also responsible for monitoring the effectiveness of internal control and risk management systems, as well as risk management and internal control policies and procedures.
These responsibilities include reviewing:
i) major risks and the related risk control and management resources;

1 Based on the independence criteria set out in the AFEP-MEDEF corporate governance code (June 2013), the following independence criteria were adopted by the CCR Board of Directors 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 of which CCR is a director, 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.

ii) strategic risks and the risks associated with the undertaking's main insurance and financial obligations;
iii) financial management risks, including off-balance sheet commitments, material claims and litigation and the investment strategy;
iv) executive management's risk identification procedures;
v) the adequacy and effectiveness of the internal control system and the system for monitoring and managing risks. It also monitors controls over compliance with applicable laws and regulations, including those adopted in application of Solvency II, by examining the reports and policies falling within its remit. The committee meets with the head of the Internal Audit function, reviews the internal audit program prior to its approval by the Board of Directors, analyzes the internal auditors' main recommendations and monitors their implementation. It also meets with the heads of the other key functions. It is also tasked with monitoring risk management indicators, overseeing the Own Risk and Solvency Assessment (ORSA) based on the ORSA report, and meeting with the holder of the Risk Management function.

2.3 Compensation, Appointments & Governance Committee

The Compensation, Appointments & Governance Committee has up to four members, all of whom are directors including one director representing employees.

It is chaired by Nathalie Broutèle.

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.

It examines the method of selecting any candidates for election as new directors. It recommends to the Board how corporate governance should be assessed, and may recommend the selection of a specialist advisor for this purpose.

2.4 Strategy Committee

The Strategy Committee has up to six members, all of whom are directors including one director representing employees.

It is chaired by Nathalie Broutèle.

It is 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 business strategies, as well as any planned strategic agreements, business disposals or acquisitions or development projects. It is responsible for monitoring the strategy implemented by executive management, especially as regards the strategic decisions made by the Board, based on the shareholder's recommendations.

2.5 Current shareholder authorizations to issue shares

The Board of Directors has not been given any shareholder authorizations to issue shares in application of Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

2.6 Compensation paid to corporate officers

In accordance with current regulations, the compensation paid to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer is set by the Board of Directors and approved by decision of the Minister for the Economy.

Édouard Vieillefond, in his capacity as Deputy Chief Executive Officer until June 30, 2023 and Chief Executive Officer from July 1, 2023, received total compensation of €228,846.48 (total gross amount paid in 2023). He does not receive any benefits in kind.

Bertrand Labilloy, Chief Executive Officer until June 30, 2023, received total compensation of €112,995.73 (total gross amount paid in 2023). He did not receive any benefits in kind.

Jacques Le Pape, in his capacity as non-executive Chairman of the Board of Directors, received total compensation of €100,002.64 (total gross amount paid in 2023). He does not receive any benefits in kind.

In 2023, total compensation of €100,000 was allocated between nine directors. The amount allocated to the director representing the French State and the directors recommended by the French State are paid into the State purse. Employee representative directors are not compensated for their duties. They receive the salary and any benefits provided for in their employment contract.

No other compensation was paid by CCR's subsidiaries to any of CCR's corporate officers in 2023.

2.7 Agreements between a director, a corporate officer or a shareholder owning more than 10% of the voting rights and a subsidiary

No agreements have been signed, directly or through a representative, between one of the directors or corporate officers or a shareholder owning more than 10% of the voting rights in CCR and another company in which CCR owns more than half of the capital, directly or indirectly, other than agreements entered into on arm's length terms in the normal course of business.

2.8 ESG-Climate Report

A separate ESG-Climate report has been prepared, presenting the information required by decree 2021-663 of May 27, 2021, issued in application of Article 29 of Law 2019-1147 of November 8, 2019 on energy and the climate.

2.9 List of directorships and other positions held by CCR's corporate officers in 2023

JACQUES LE PAPE

Chairman of the Board of Directors

Directorships and positions held in CCR and its subsidiaries

- Chairman of the Board of Directors of CCR
- Member of the Strategy Committee of CCR
- Permanent representative of CCR on the Board of Directors of CCR Re (until July 3, 2023)

Other directorships and positions held outside the CCR Group

- Chairman of JLPC (Jacques Le Pape Conseil – Ceres Partners)
- Chairman of the Supervisory Board of the Hellenic Corporation of Assets and Participations (HCAP) (Greece)
- Member and Vice Chair and Treasurer of the Board of Directors of the French Committee of the International Chamber of Commerce (ICC France)
- Member of the Oversight Advisory Committee of UNESCO

BERTRAND LABILLOY

Chief Executive Officer

Directorships and positions held in CCR and its subsidiaries

- Chief Executive Officer of CCR (until June 30, 2023)
- Chairman and Chief Executive Officer of CCR Re (until July 3, 2023)

Other directorships and positions held outside the CCR Group

- Vice President of APREF *(Association Professionnelle des Réassureurs de France)*
- Permanent representative of CCR Re on the Board of Directors of GIE LRA
- Chairman of the Board of Directors of Seyna

ÉDOUARD VIEILLEFOND

Chief Executive Officer

Directorships and positions held in CCR and its subsidiaries

- Deputy Chief Executive Officer of CCR (until June 30, 2023)
- Chief Executive Officer of CCR (since July 1, 2023)

Other directorships and positions held outside the CCR Group

- Permanent representative of CCR on the Board of Directors of CCR Re (since July 3, 2023)

DAMIEN ANDRIES

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (until June 30, 2023)
- Member of the Compensation, Appointments & Governance Committee of CCR (until June 30, 2023)
- Head of Reinsurance Information Systems at CCR (until June 30, 2023)

Other directorships and positions held outside the CCR Group

None

ARNAUD BAILLEUL

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Audit, Accounts & Risks Committee of CCR
- Head of Corporate Planning and Financial Communication at CCR

Other directorships and positions held outside the CCR Group

None

LAURENCE BARRY

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Audit, Accounts & Risks Committee of CCR

Other directorships and positions held outside the CCR Group

- Co-leader of a research program on the challenges of big data for the insurance sector – PARI university chair (ENSAE/SCIENCES PO) – Paris
- Member of the Scientific Advisory Board of the MAIF Foundation
- Member of the Board of Directors of SwissLife France
- Member of the Audit & Risks Committee of SwissLife France
- Consulting actuary (AIG Israel)
- Affiliated researcher at CREST (since September 2023)

NATHALIE BROUTÈLE

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Chair of the Compensation, Appointments and Governance Committee of CCR
- Chair of the Strategy Committee of CCR

Other directorships and positions held outside the CCR Group

- Managing Director, BPCE Assurances IARD
- Chair of the Supervisory Board of BPCE Assurances Production Services
- Member of the Management Board, BPCE IARD
- Chief Operating Officer of NATIXIS Assurances
- Deputy Managing Director of BPCE Assurances
- Director of Groupement Français des Bancassureurs (G11)
- Director of BPCE Achats

PIERRE CHAVY

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (until November 20, 2023)
- Member of the Compensation, Appointments & Governance Committee of CCR (until November 20, 2023)

Other directorships and positions held outside the CCR Group

- Deputy Director in charge of the 5th Sub-Directorate (Defense, Interior and Regional Authorities) - Budget Division - Ministry of the Economy, Finance and Industrial and Digital Sovereignty (until April 30, 2023)
- Director of ONERA (until November 17, 2023)
- Representative of the State on the Local Finance Committee (until October 3, 2023)
- Director of Performance Assessment, Purchasing, Finance and Real Estate - Ministry of the Interior and Overseas Departments and Territories
- Director of CIVIPOL

BRUNO CINOTTI

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Strategy Committee of CCR

Other directorships and positions held outside the CCR Group

- Engineer specialized in bridges, water infrastructure and forests at the Environment and Sustainable Development Inspectorate (IGEDD) - Environment, resources and natural hazards section

SÉBASTIEN DOUMEIX

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (since December 14, 2023)

Other directorships and positions held outside the CCR Group

- Assistant to the Deputy Director in charge of the 5th Sub-Directorate - Budget Division - Ministry of the Economy, Finance and Industrial and Digital Sovereignty

Representative of the Budget Division:

- on the Board of Directors of *Établissement Public des Fonds de Prévoyance Militaire et de l'Aéronautique* (EPFP)
- on the Board of Directors of *Office Nationale des Combattants et des Victimes de Guerre* (ONACVG)
- on the *Commission Nationale Indépendante* des Harkis

PATRICE FORGET

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Chairman of the Audit, Accounts & Risks Committee of CCR

Other directorships and positions held outside the CCR Group

In France

- Member of the Audit Committee of Covéa
- Member of the DGFIP tax experts committee
- Consular judge at the Paris Commercial Court (since January 2022)

Europe (excluding France)

- Director of Covéa Lux SA (Luxembourg)
- Chairman of the Audit Committee of Covéa Lux SA (Luxembourg)

FRÉDÉRIQUE GOLLAY

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (since December 5, 2023)
- Head of Communications, CCR

Other directorships and positions held outside the CCR Group

None

CORENTIN GOUACHE

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (since December 5, 2023)
- Member of the Modeling Department of CCR

Other directorships and positions held outside the CCR Group

- Member of the Géoliens Alumni Committee

MARTIN LANDAIS

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Audit, Accounts & Risks Committee of CCR
- Member of the Strategy Committee of CCR

Other directorships and positions held outside the CCR Group

- Assistant Director, Insurance – Treasury Department – Ministry of the Economy, Finance and Industrial and Digital Sovereignty

SYLVIE LEGENDRE

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (since July 1, 2023)
- Member of the Strategy Committee of CCR (since October 11, 2023)
- CCR Travel Manager

Other directorships and positions held outside the CCR Group

None

VÉRONIQUE LEHIDEUX

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR

Other directorships and positions held outside the CCR Group

- Head of the Natural and Hydraulic Risks Department of the Risk Prevention Division, Ministry for the Ecological Transition and Regional Cohesion

- Representative of the French State on the Board of Directors of Météo-France

- Representative of the Director General of Risk Prevention on the Board of Directors of the *Office National des Forêts* (ONF)

ANTOINE MANTEL

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Audit, Accounts & Risks Committee of CCR
- Member of the Strategy Committee of CCR
- Member of the Board of Directors of CCR Re (until July 3, 2023)
- Member of the Audit, Accounts and Risks Committee of CCR Re (until July 3, 2023)

Other directorships and positions held outside the CCR Group

- State Inspector in the General Economic and Financial Inspection Division (CGEFI)
- Director and member of the Audit Committee of *Fonds de Garantie des Assurances Obligatoires* (FGAO)

MARIE-ROSE MARTINEZ

Director

Directorships and positions held in CCR and its subsidiaries

- Director
- Member of the Compensation, Appointments and Governance Committee of CCR (since October 11, 2023)
- CCR Training Manager

Other directorships and positions held outside the CCR Group

None

SOPHIE MASSET

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR
- Member of the Audit, Accounts & Risks Committee of CCR

Other directorships and positions held outside the CCR Group

- Technical Director, Property & Casualty Settlements – AXA France – AXA IARD et Partenariats
- Member of the Motor and Bodily Injury Committees – *Fédération de l'Assurance*
- Director and member of the Allocation Committee of AXA Entraide
- Chair of AREDOC – *Association pour l'étude de la Réparation Juridique du Dommage Corporel*
- Director of AGIRA – *Association pour la Gestion des Informations sur le Risque en Assurance*
- Chair of Association Disputatio *(Organisation de controverses selon les règles du Moyen Âge)* Rouen

DAVID MONCOULON

Director

Directorships and positions held in CCR and its subsidiaries

- Director of CCR (until July 18, 2023)
- Member of the Strategy Committee of CCR (until July 18, 2023)
- Director of Research & Development, Natural Disaster and Agriculture Risk Modeling Division, Reinsurance & Public Funds Department, CCR (until July 18, 2023)

Other directorships and positions held outside the CCR Group

None

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BALANCE SHEET AT DECEMBER 31, 2023

ASSETS

(in thousands of euros)	DEC. 31, 2023			DEC. 31, 2022
	Gross amount	Amortization, depreciation & provisions	Net amount	Net amount
INTANGIBLE ASSETS	**50,500**	**44,536**	**5,964**	**6,346**
INVESTMENTS				
Real estate investments	217,517	43,208	174,309	176,379
Investments in affiliates and participating interests	183,532		183,532	435,929
Other investments	8,498,405	10,352	8,488,053	7,480,107
Cash deposits with ceding insurers	2,893		2,893	4,251
TOTAL	**8,902,347**	**53,560**	**8,848,787**	**8,096,666**
REINSURERS' SHARE OF TECHNICAL RESERVES				
Non-Life unearned premium reserves	154		154	1,032
Life reinsurance reserves				
Life outstanding claims reserves	263		263	241
Non-Life outstanding claims reserves	52,448		52,448	57,489
Other Non-Life technical reserves				
TOTAL	**52,865**		**52,865**	**58,762**
RECEIVABLES				
Reinsurance receivables	32,657		32,657	47,936
Prepaid payroll costs	4		4	0
Prepaid and recoverable taxes	14,362		14,362	72,359
Other receivables	86,539	70,534	16,005	9,740
TOTAL	**133,562**	**70,534**	**63,028**	**130,035**
OTHER ASSETS				
Property and equipment	23,467	19,702	3,765	3,548
Current accounts and cash	118,648		118,648	169,994
TOTAL	**142,115**	**19,702**	**122,413**	**173,542**
ACCRUED INCOME AND PREPAID EXPENSES				
Accrued interest and rental income	46,141		46,141	20,024
Life and Non-Life deferred acquisition costs				
Other accrued income and prepaid expenses	152,074		152,074	146,919
TOTAL	**198,216**		**198,216**	**166,943**
TOTAL ASSETS	**9,479,605**	**188,332**	**9,291,273**	**8,632,294**

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BALANCE SHEET AT DECEMBER 31, 2023
EQUITY AND LIABILITIES

(in thousands of euros)	DECEMBER 31, 2023 Before appropriation of net income	DECEMBER 31, 2022 Before appropriation of net income
SHAREHOLDERS' EQUITY		
Share capital	60,000	60,000
Additional paid-in capital		
Revaluation reserves	2,751	2,751
Other reserves		
Guarantee fund reserve	1,221	1,496
Special reserve for exceptional and nuclear risks	280,351	274,586
Special reserve for natural disaster risks	1,944,174	1,915,766
Special reserve for terrorism risks	184,191	151,474
Other reserves	8,654	8,654
Special reserve for specific credit insurance risks	86,791	86,790
Reserve for the purchase of original works by living artists	93	93
Retained earnings		
Net income for the year	100,898	66,617
TOTAL	**2,669,124**	**2,568,227**
GROSS TECHNICAL RESERVES		
Non-Life unearned premium reserves	50,742	79,366
Life reinsurance reserves	232	241
Life outstanding claims reserves	31	0
Non-Life outstanding claims reserves	5,615,795	4,794,169
Equalization reserves	778,894	1,005,895
Other Non-Life technical reserves		
TOTAL	**6,445,694**	**5,879,671**
PROVISIONS	**14,326**	**22,467**
OTHER LIABILITIES		
Reinsurance payables	44	
Other borrowings, deposits and guarantees received	1,581	1,632
Prepaid payroll costs	10,446	10,019
Accrued taxes	6,097	4,502
Other payables	140,519	123,448
TOTAL	**158,687**	**139,601**
DEFERRED REVENUE AND ACCRUED EXPENSES	**3,442**	**22,328**
TOTAL EQUITY AND LIABILITIES	**9,291,273**	**8,632,294**

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of euros)	2023			2022
	Gross	Reinsurance	Net	Net
NON-LIFE TECHNICAL ACCOUNT				
Earned premiums:				
Written premiums	1,228,025	132,197	1,095,828	965,257
Change in unearned premium reserves	8,117	848	7,269	118,608
	1,236,142	**133,045**	**1,103,097**	**1,083,865**
Investment income allocated from non-technical account	**128,235**	**0**	**128,235**	**67,417**
Other underwriting income	**13,232**	**0**	**13,232**	**376**
Claims expenses:				
Paid claims and expenses	(552,728)	(9,730)	(542,998)	(582,304)
Change in outstanding claims reserves	(821,197)	5,484	(826,681)	(1,588,759)
	(1,373,925)	**(4,246)**	**(1,369,679)**	**(2,171,063)**
Change in other technical reserves	**0**	**0**	**0**	**0**
Profit commission	**55**	**55**	**0**	**1**
Acquisition and management expenses:				
Acquisition costs	(33,396)	0	(33,396)	(30,519)
Management expenses	(6,874)	0	(6,874)	(6,210)
Reinsurance commissions received	0	(353)	353	(103)
	(40,270)	**(353)**	**(39,917)**	**(36,832)**
Other underwriting expenses	**(14,038)**		**(14,038)**	**(7,132)**
Change in equalization reserves	**227,001**		**227,001**	**1,113,106**
NON-LIFE REINSURANCE TECHNICAL RESULT	**176,432**	**128,501**	**47,931**	**49,738**

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

ALL ACCOUNTS (in thousands of euros)	2023			2022
	Gross	Reinsurance	Net	Net
LIFE TECHNICAL ACCOUNT				
Premiums	170	170	0	0
Investment income:				
Investment revenue	0	0	0	0
Other investment income	0	0	0	0
Realized gains from investments	0	0	0	0
Other underwriting income	0	0	0	0
Claims expenses:				
Paid claims and expenses	(180)	(180)	0	(3)
Change in outstanding claims reserves	(31)	(31)	0	0
	(211)	(211)	0	(3)
Change in Life reinsurance reserves and other technical reserves				
Life reinsurance reserves	0	0	0	0
Other technical reserves	0	0	0	0
	0	0	0	0
Profit commission	0	0	0	0
Acquisition and management expenses:				
Acquisition costs	0	0	0	0
Management expenses	(1)	0	(1)	(2)
Reinsurance commissions received	0	(1)	1	(1)
	(1)	(1)	0	(2)
Investment expenses:				
Internal and external investment management expenses and interest	0	0	0	0
Other investment expenses	0	0	0	0
Realized losses from investments	0	0	0	0
Other underwriting expenses	0	0	0	0
LIFE REINSURANCE TECHNICAL RESULT	(42)	(42)	0	(5)

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

ALL ACCOUNTS (in thousands of euros)	2023	2022
	Net	Net
NON-TECHNICAL ACCOUNT		
Non-Life reinsurance technical result	47,931	49,739
Life reinsurance technical result	0	(5)
Investment income:		
Investment revenue	142,308	85,454
Other investment income	41,662	15,532
Realized gains from investments	551,761	42,313
	735,732	143,299
Investment expenses:		
Internal and external investment management costs and interest	(17,400)	(8,947)
Other investment expenses	(14,270)	(12,753)
Realized losses from investments	(521,997)	(24,177)
	(553,667)	(45,877)
Investment income transferred to the Non-Life technical account	(128,235)	(67,417)
Other income	1	12
Other expenses	0	0
Non-recurring items:		
Non-recurring income	13,204	35
Non-recurring expenses	(12,698)	(14,280)
	506	(14,245)
Employee profit-sharing	(766)	0
Income tax	(603)	1,111
NET INCOME FOR THE YEAR	100,898	66,617

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NOTES TO THE FINANCIAL STATEMENTS

The following notes and tables are an integral part of the financial statements approved for publication by the Board of Directors on March 13, 2024.

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Caisse Centrale de Réassurance (CCR) is a State-owned joint stock corporation (*société anonyme*). Its business is governed by the French Insurance Code (*Code des Assurances*).

CCR operates as a reinsurer of exceptional and nuclear risks (Articles L.431-4 and L.431-5 of the French Insurance Code), natural disaster risks (Article L.431-9), terrorism risks (Article L.431-10) and certain credit insurance risks.

These reinsurance operations are backed by a State guarantee and are governed by specific agreements. Separate financial statements are kept for each class of business in order to calculate the technical 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.

The Company's in-force business also includes treaties not covered by the State guarantee which the ceding insurers chose not to transfer to CCR Re at the time of the 2016 spin-off of CCR's open market insurance business to this subsidiary.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting principles set out in the French Insurance Code, Regulation ANC 2015-11 as amended by regulation ANC 2016-12 dated December 12, 2016 and the general accounting provisions of the French Commercial Code (*Code de Commerce*) and French General Chart of Accounts (*Plan Comptable Général*).

The income statement is analyzed between the Life and Non-Life technical accounts and the non-technical account.

The technical accounts include the respective income and expenses of the Life and Non-Life reinsurance businesses, general management expenses and the allocation of investment income generated by reinsurance assets.

The method used to determine the technical result consists of recording in written premiums for the underwriting year the estimated amount of ultimate inward reinsurance premiums, which are also used to determine unearned premium reserves and commissions payable. The difference between estimated ultimate premiums, net of commissions, and premiums communicated by the ceding insurers, is recorded in the balance sheet under “Accrued income and prepaid expenses”.

Estimated ultimate losses corresponding to ultimate premiums are recorded in the balance sheet under “Outstanding claims reserves”, net of claims reported by ceding insurers.

This method ensures that premium income and claims expenses are recorded by the Company in the same fiscal year as the ceding insurer.

State-guaranteed reinsurance commitments are not reinsured on the market because the State guarantee protects technical results against a sharp increase in the frequency or severity of reinsured risks. The fee paid by CCR for this guarantee is calculated as a percentage of its annual premium income.

The only open market reinsurance business remaining in the financial statements concerns ceding insurers who chose not to transfer their treaty to CCR Re. CCR has transferred the risks relating to non-transferred treaties to CCR Re under a retrocession treaty.

The studies and analyses performed based on the criteria set out in Articles 210-2 and 210-3 of Regulation ANC 2015-11 concerning the accounting treatment of finite risk reinsurance treaties (also referred to as financial reinsurance treaties) did not lead to any such treaties being identified in the portfolio of managed contracts.

1.1 Change in accounting methods

The 2023 financial statements have been prepared using the same methods as those for 2022.

1.2 Intangible assets

Software licenses are initially recognized at cost and amortized on a straight-line basis over a period of three years.

Internal software development costs are capitalized and amortized over a period of five years from the date when the software is put into operation.

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1.3 Investments

Reinsurance investments are initially recognized at cost. Their measurement at each period end depends on the type of asset and the intended holding period.

Real estate investments

Real estate and shares in unlisted real estate companies are initially recognized at acquisition or construction cost (except for properties concerned by legal revaluations), net of transaction costs and tax and including the cost of any improvements.

The initial cost of buildings is allocated to the following four components:

- the shell, which is depreciated based on the building’s acquisition-date residual value over its estimated useful life as from the construction completion date, as follows:
  - 120 years for residential property,
  - 150 years for residential property completed before 1900,
  - 80 years for office property;

- the core, depreciated over 30 to 35 years;
- technical installations, depreciated over 25 years;
- fixtures and fittings, depreciated over 15 to 25 years.

For the latter three components, the depreciation period commences on the acquisition date. They are considered as having been replaced by components of the same value at the end of each depreciation period since the building's completion date.

Improvements are depreciated over the same period(s) as the component(s) to which they relate.

Provisions for major repairs/refits are recorded for other-than-routine maintenance costs such as restoration costs. They are prorated over the period to the execution date of the work, as scheduled in the multi-year renovation and refurbishment program.

Provisions for other-than-temporary impairment are determined based on the following classification:
- **Owner-occupied property** that is not held for sale, for which the reference value is the property's period-end net carrying amount. In principle, no impairment provisions are recorded for these buildings.
- **Rental property** that is also not held for sale, for which the reference value is the property's fair value as determined by the discounted cash flows method.

An impairment provision is recognized for any negative difference between the reference value and the property's net carrying amount, taking into account the Company's long-term holding strategy. An impairment provision is considered necessary when the reference value is at least 15% below the net carrying amount. The reference value of properties held for sale corresponds to their estimated realizable value.

- The fair values shown in the reinsurance investments table correspond to the amounts determined during five-yearly independent valuations and annual estimates made between two valuations by a valuer licensed by the French insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution*).

- The same principles are applied for the measurement of shares in real estate companies.

Equities and UCITS

Equities and units in UCITS are initially recognized at their acquisition cost.

They are classified into two categories:
- **Participating interests**, whose reference value corresponds to their value-in-use, i.e., their fair value to the Company. Value-in-use is assessed using a multi-criteria approach that includes:
  - for reinsurance companies: the investee's adjusted net asset value taking into account earnings projections and multiples, comparable transactions and the value of economic capital;
  - for real estate companies, the Company's share in the investee's net assets plus unrealized capital gains.

Impairment provisions are recorded line-by-line for assets whose value-in-use is below cost.

- **Marketable securities**, which are measured at probable realizable value. When probable realizable value is significantly below cost, a provision for other-than-temporary impairment is recorded line by line in accordance with Articles 123-6 to 123-19 of Regulation ANC 2015-11 dated November 26, 2015.

Other-than-temporary impairment is assessed based on a multi-criteria analysis that takes into account (a) the existence of a material unrealized loss compared to the asset's net carrying amount over an uninterrupted period of six months ending on the reporting date, and (b) any problems that are specific to the investee's business or result from economic factors and severely limit the probability of the impairment reversing in the medium term. In the case of UCITS, the assessment takes into account their performance in relation to their benchmark index.

For assets that are not intended to be held over the long term, this method generally leads to the use of the closing price quoted for the asset on the reporting date.

For the preparation of the financial statements at December 31, 2023, the Company considered that any equities and UCITS for which the reference value was at least 20% below cost were subject to other-than-temporary impairment, in line with Article 123-10 of Regulation ANC 2015-11.

Based on changes in the market price of securities held in the portfolio at December 31, 2023, provisions for other-than-temporary impairment at that date amounted to €10.352 million.

Fixed income securities

Bonds are initially recognized at cost excluding accrued interest.

The difference between their cost and redemption price is recognized in the income statement over their remaining life by the yield-to-maturity method. For inflation-indexed bonds issued or guaranteed by a European Union member state or a public institution in a European Union member state (such as the French OATi bonds), the gain or loss generated by changes in the inflation index is recognized in the income statement at the end of each reporting period.

A provision for other-than-temporary impairment is recorded only in the case of issuer default. Realizable value corresponds to the closing market price or, if no price is quoted, fair value. Application of this criterion did not lead to any provisions for other-than-temporary impairment being recorded in 2023.

Article 121-9 of Regulation ANC 2015-11 dated November 26, 2015 concerning the accounting classification of convertible bonds stipulates that these assets should be accounted for in accordance with Article R.343-9 of the French Insurance Code. However, when the acquisition-date yield-to-maturity is negative, they may be accounted for in accordance with Article R.343-10. CCR is not concerned by this regulation because no convertible bonds are held in its direct portfolio.

Other assets

Loans and receivables are written down only in the event of a counterparty default risk.

Investment income

Gains and losses realized on disposal of investments are calculated using the FIFO method. Part of the net investment income generated during the year is allocated as follows at the reporting date:
- Life: to the non-technical account;
- Non-Life: to the technical account.

The allocation is calculated at each reporting date based on the following ratios:
- Life: ratio of shareholders' equity (capital, reserves and retained earnings) to the sum of technical reserves net of reinsurance and shareholders' equity;
- Non-Life: ratio of net technical reserves to the sum of technical reserves and shareholders' equity.

1.4 Property and equipment

Property and equipment are initially recognized at historical cost.

Equipment, furniture, fixtures and fittings are depreciated by the straight-line or reducing-balance method over their estimated useful lives, as follows:

• Office equipment and furniture	3, 5 or 10 years
• Fixtures and fittings	10 years
• Vehicles	5 years

Purchases of computer hardware with a low unit cost and a short useful life may be expensed in some cases.

1.5 Accrual accounts

Reinsurance adjustments

Adjustments to premiums, commissions and brokerage fees are recorded in the relevant income statement accounts and in "Accrued income and prepaid expenses"/"Deferred revenue and accrued expenses" as appropriate.

1.6 Multi-currency accounts

In accordance with Article R.341-7 of the French Insurance Code and Articles 240-1 *et seq.* of Regulation ANC 2015-11 dated November 26, 2015, transactions are recorded in the transaction currency and converted into euros at the closing exchange rate on the reporting date.

The Company's operations give rise to foreign currency positions. The resulting conversion gains and losses are recognized in full in the income statement.

In 2023, differences arising from the conversion of opening foreign currency assets and liabilities at the closing exchange rate represented a net loss of €0.074 million.

1.7 Provisions

Provision for length-of-service awards

These liabilities concern length-of-service awards payable to employees on retirement.

They are determined by the projected unit credit method, based on employees' vested rights per year of service.

The assumptions used concern:

- projected future salary increases, with the same rate applied for both management and non-management personnel based on the latest estimates of growth in total salary costs;
- survival rates, which are determined using the INSEE TD-TV 18-20 table. This rate is calculated by dividing the "number of living persons who have reached retirement age" by the "number of living persons with the same age as the employee";
- average staff turnover rates, used to estimate the number of current employees in each age group who are expected to remain with the Company until retirement;
- a discount rate based on the iBoxx Corporate Overall AA 10+ (3.17% in 2023 compared with 3.36% in 2022).

The calculation also includes employer payroll taxes, at the rate of 55%.

Provision for special pre-retirement vacation costs

The agreement in force within the Company concerning employee benefits provides for an increase in the annual vacation entitlement for employees who are coming up to retirement age.

The assumptions used to calculate the related provision are the same as for length-of-service awards payable to employees on retirement.

Provision for long-service awards

This concerns the long-service awards paid to employees who earn one or several *Médailles d'Honneur du Travail* in recognition of their long service. The awards are determined in accordance with the legal rules.

The provision is determined by a similar method as that described for length-of-service awards, except that the discount rate is based on the iBoxx Corporate Overall AA 7-10 (3.08% in 2023 compared with 3.31% in 2022).

1.8 Technical reserves and technical result

Ceding insurers' accounts are recorded in the Company's financial statements upon receipt. Ceding insurers' accounts not received as of the reporting date are recorded on the basis of estimates, in order to take into account the projected liquidation of outstanding claims reserves for each policy.

Unearned premium reserves

Premiums recognized during the year correspond to the projected ultimate premium as determined at the reporting date.

Unearned premium reserves correspond to the remaining life of a policy or group of policies between the reporting date and the coverage expiry date.

The calculation method depends on the type of policy and is based on the period covered by each premium and/or the period remaining until the policy renewal date.

The review of statements received from the ceding companies and the estimation methods used to prepare these statements was pursued in 2023, leading to a change in the method of estimating unearned premium reserves for certain ceding companies that send in statements showing both premiums and unearned premium reserves. This change had the effect of increasing CCR's 2023 net income by €13 million.

Outstanding claims reserves and mathematical reserves

Technical reserving control and governance environment

The process for calculating technical reserves is the responsibility of the Reinsurance, Advisory and Modeling Department. The process involves performing actuarial analyses and obtaining the opinion of experts during meetings of the Technical Reserve Committees comprising members of the Reinsurance, Advisory and Modeling Department's Actuarial, Underwriting, Loss Adjustment and Modeling functions.

The Actuarial function expresses an opinion on the adequacy of technical reserves to cover the Company's obligations towards ceding insurers. In addition, technical reserves are audited every three years by independent actuaries.

Reserving policy

The reserving policy defining the guiding reserving principles applied at December 31, 2023 was approved by the Company's Board of Directors on October 11, 2023.

Approach

Projections are prepared to determine ultimate premiums and losses based on French accounting principles applicable to separate financial statements.

Technical reserves are based on underwriting year/fiscal year triangles and statistical data provided by ceding insurers, which are used to produce premium and claim development triangles. Projected natural disaster claims under proportional treaties are analyzed between short-tail risks (excluding drought) and long-tail risks (drought).

The range of possible methods for determining ultimate premiums and losses by risk include:

- historical loss ratios;
- ceding insurer data sampling;
- use of internally developed expert models (ARTEMIS-CCR);
- number of municipalities and historical losses;
- loss ratio regression vs. number of recognized municipalities (ultimate premiums and losses);
- liquidation of premium and claim triangles using the Development Factor Model;
- ceding insurer IBNRs;
- CAP, CAP+ and CAP Relais reinsurance statements.

The method used is the one that is considered the most appropriate for the analyzed risk. The outstanding claims reserve is calculated using the information provided by the ceding insurers, taking into account the projected ultimate loss.

Equalization reserve

The equalization reserve is determined in accordance with Article R.343-8 of the French Insurance Code based on technical results for each qualifying class of risk.

Liquidity risk reserve

When the total net carrying amount of reinsurance assets (excluding bonds and other fixed income securities measured in accordance with Article R.343-9 of the French Insurance Code) is greater than their realizable value, a liquidity risk reserve is recorded within technical reserves to cover losses arising from the sale of assets to immediately settle a major claim.

No liquidity risk reserve was carried in the financial statements at December 31, 2023.

1.9 Other items

Expenses analyzed by function

The total cost of each corporate function is calculated and allocated to the relevant cost account (loss adjustment costs, business acquisition costs, investment management costs, management expenses or other underwriting expenses).

For cost centers spanning several functions, costs are allocated to the different functions on a time spent basis.

Allocation of theoretical rent on the Company's office building takes into account the surface area occupied by each function.

NOTE 2

NOTES TO THE BALANCE SHEET

2.1 Notes to assets

GROSS (in thousands of euros)	DEC. 31, 2022	Movements		DEC. 31, 2023
		Additions	Disposals	
Start-up costs	5,963			5,963
Software licenses and development costs	41,735	1,831		43,566
Developments in progress	1,600	175	804	971
TOTAL INTANGIBLE ASSETS	**49,298**	**2,006**	**804**	**50,500**
Investment property	145,558	3,019		148,577
Owner-occupied property	55,588			55,588
Assets under construction	2,016	127	1,780	363
Shares in unlisted real estate companies	12,989			12,989
TOTAL REAL ESTATE INVESTMENTS	**216,151**	**3,146**	**1,780**	**217,517**
Equities and other variable income securities	360,929		252,397	108,532
Loans	75,000			75,000
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**435,929**		**252,397**	**183,532**
CASH DEPOSITS WITH CEDING INSURERS	**4,251**	**6,504**	**7,862**	**2,893**

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The €252.4 million reduction in "Investments in affiliates and participating interests" resulted from the sale of a 69.93% stake in CCR Re to the SMABTP/MACSF consortium on July 3, 2023.

NET (in thousands of euros)	DEC. 31, 2023			DEC. 31, 2022
	Gross	Amortization, depreciation & provisions	Net	Net
Start-up costs	5,963	5,963		
Software licenses and development costs	43,566	38,573	4,993	4,746
Developments in progress	971		971	1,600
TOTAL INTANGIBLE ASSETS	**50,500**	**44,536**	**5,964**	**6,346**
Investment property	148,577	33,018	115,559	114,990
Owner-occupied property	55,589	10,190	45,399	46,384
Assets under construction	363		363	2,016
Shares in unlisted real estate companies	12,989		12,989	12,989
TOTAL REAL ESTATE INVESTMENTS	**217,518**	**43,208**	**174,310**	**176,379**
Equities and other variable income securities	108,532		108,532	360,929
Loans	75,000		75,000	75,000
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**183,532**		**183,532**	**435,929**
CASH DEPOSITS WITH CEDING INSURERS	**2,893**		**2,893**	**4,251**

2.2 Information about investments

	DEC. 31, 2023			DEC. 31, 2022
(in thousands of euros)	Gross	Amortization & provisions	Net	Net
Equities and other variable income securities	2,661,597	10,352	2,651,245	2,483,333
Bonds and other fixed-income securities	5,627,959		5,627,959	4,907,553
Loans	8,849		8,849	9,221
Bank deposits	200,000		200,000	80,000
TOTAL	**8,498,405**	**10,352**	**8,488,053**	**7,480,107**

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2.3 Investment summary

	(in thousands of euros)	Gross	Net[1]	Realizable value	Unrealized gains and losses
1	Real estate investments and real estate investments in progress	217,517	174,309	463,388	289,078
2	Equities and other variable income securities (other than investment funds)	315,932	313,177	650,354	337,176
3	Investment funds (other than those in 4)	2,454,196	2,446,598	2,656,046	209,448
4	Investment funds invested solely in fixed-income securities	-	-	-	-
5	Bonds and other fixed-income securities	5,627,959	5,658,198	5,753,770	95,573
6	Mortgage loans	-	-	-	-
7	Other loans	83,850	83,850	83,850	-
8	Deposits with ceding insurers	2,893	2,893	2,893	-
9	Cash deposits (other than those in 8) and guarantees	200,000	200,000	200,000	-
10	Unit-linked portfolios	-	-	-	-
SUB-TOTAL		**8,902,347**	**8,879,025**	**9,810,301**	**931,275**
11	Other forward financial instruments	-	-	-	-
	* Investment or divestment strategy	-	-	-	-
	* Other strategies	-	-	-	-
	* Amortization of premiums/discounts	-	-	-	-
12	**TOTAL, LINES 1 TO 11**	**8,902,348**	**8,879,025**	**9,810,301**	**931,275**
a	of which:				
	Investments measured in accordance with Article R.343-9	5,627,959	5,658,198	5,753,770	95,572
	Investments measured in accordance with Article R.343-10	3,271,496	3,217,934	4,053,638	835,704
	Investments measured in accordance with Article R.343-13	-	-	-	-
	Investments measured in accordance with Article R.343-11	-	-	-	-
	Forward financial instruments	-	-	-	-
b	of which:				
	OECD member country issuers	8,842,101	8,818,342	9,743,012	924,670
	Non-OECD issuers	60,247	60,683	67,289	6,606

1 Including the unamortized portion of redemption premiums on securities measured in accordance with Article R.343-19, for €30.2 million.

2.4 Receivables and payables

OTHER RECEIVABLES (in thousands of euros)	Gross	Provisions	Net	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Reinsurance receivables	32,657		32,657	32,657			32,657
Accrued payroll costs	4		4	4			4
Prepaid and recoverable taxes	14,362		14,362	14,362			14,362
Other receivables	86,539	70,534	16,005	15,209		797	16,006
TOTAL	**133,562**	**70,534**	**63,028**	**62,230**		**797**	**63,028**

Reinsurance receivables include a €0.2 million receivable from CCR Re.

Other receivables include:
- a €70.5 million receivable resulting from two final court rulings, which has been provisioned in full due to the default risk represented by the debtors who are natural persons;
- a €3.2 million receivable from CCR Re;
- a €3.6 million receivable from SAS Boulogne.

OTHER PAYABLES (in thousands of euros)	Net	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Reinsurance payables	44	44			44
Other borrowings, deposits and guarantees received	1,581	1,581			1,581
Accrued payroll costs	10,446	10,446			10,446
Accrued taxes	6,097	6,097			6,097
Other payables	140,519	140,519			140,519
TOTAL	**158,687**	**158,687**			**158,687**

Other payables include:
- €0.1 million due to CCR Re,
- €3.2 million due to SAS Castelnau.

2.5 Subsidiaries and affiliates

SUBSIDIARIES AND AFFILIATES (in thousands of euros)	Share capital	Reserves & retained earnings before appropriation of net income	% interest	Carrying amount of shares		Outstanding loans & advances granted by the Company	2023 gross written premiums	2023 net income	Dividends received in 2023
				GROSS	NET				
SA CCR Re 157, boulevard Haussmann, 75008 Paris	109,107	611,064	24.82%	108,532	108,532	75,000	1,185,845	56,274	16,809
SAS Castelnau 6 157, boulevard Haussmann, 75008 Paris	7,280	224	100.00%	7,279	7,279		1,332	407	319
SAS Boulogne 78 157, boulevard Haussmann, 75008 Paris	5,710	348	100.00%	5,709	5,709		0	49	107

2.6 Property and equipment

GROSS (in thousands of euros)	DEC. 31, 2022	Movements		DEC. 31, 2023
		+	-	
Deposits and guarantees	37		21	16
Computer and other equipment	17,097	2,134		19,231
Office furniture and equipment	1,767	236		2,003
Fixtures and fittings	1,843	374		2,217
TOTAL	**20,744**	**2,744**	**21**	**23,467**

DEPRECIATION (in thousands of euros)	DEC. 31, 2022	Increases	Decreases	DEC. 31, 2023
		+	-	
Computer and other equipment	14,679	2,126		16,805
Office furniture and equipment	1,370	190		1,560
Fixtures and fittings	1,147	190		1,337
TOTAL	**17,196**	**2,506**		**19,702**

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2.7 Accrual accounts

(in thousands of euros)	DEC. 31, 2023		DEC. 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Reinsurance adjustments	118,889	1,917	134,944	1,256
Deferred acquisition costs				
Accrued interest	46,141		20,024	
Amortization of redemption premiums	31,763	1,525	11,011	20,998
Prepaid expenses and deferred revenue	1,422		964	74
TOTAL	**198,216**	**3,442**	**166,943**	**22,328**

2.8 Foreign currency assets and liabilities

The following table shows the total euro-equivalent amount of assets and liabilities in the main foreign currencies:

CURRENCIES (in thousands of euros)	Assets	Liabilities	Difference 2023	Difference 2022
Euro	9,239,958	9,151,344	88,614	66,053
US dollar	9,266	796	8,470	(2,837)
Canadian dollar	0	0	0	113
Pound sterling	32,667	30,909	1,758	917
Japanese yen	3,186	1,696	1,490	1,655
Taiwan dollar	4,763	4,763	0	(31)
Australian dollar	98	(3)	101	101
Other currencies	1,376	911	465	646
TOTAL	**9,291,314**	**9,190,416**	**100,898**	**66,617**

2.9 Shareholders' equity

2022 (in thousands of euros)	January 1 Before appropriation of net income	Movements for the year Appropriation of 2022 net income	Other movements	December 31
Share capital[1]	60,000			60,000
Special revaluation reserve	2,751			2,751
Special guarantee fund reserve	1,496	(274)		1,222
Special reserve for exceptional and nuclear risks	274,586	5,765		280,351
Reserve for natural disaster risks	1,915,766	28,408		1,944,174
Special reserve for terrorism risks	151,474	32,717		184,191
Special reserve for specific credit insurance risks	86,790			86,790
Reserve for the purchase of original works by living artists	93			93
Other reserves	8,654			8,654
2022 net income	66,617	(66,617)		-
Net income for the year			100,898	100,898
TOTAL	2,568,227		100,898	2,669,124

1 The share capital comprises 3,000,000 shares with a par value of €20.

2.10 Breakdown of provisions

(in thousands of euros)	Dec. 31, 2022	Movements for the year Increases +	Decreases -	Dec. 31, 2023
Accelerated depreciation		5,201		5,201
Special revaluation reserve	630		15	615
Other provisions	13,163		13,163	
Provision for length-of-service awards	2,836		335	2,501
Provision for long-service awards	2,037		126	1,911
Provision for extra paid vacation for retirees	1,120	136		1,256
Provisions for non-recurring expenses	43		10	33
Provisions for major repairs	2,638	171		2,809
TOTAL	22,467	5,508	13,649	14,326

2.11 Commitments received and given

(in thousands of euros)		DEC. 31, 2023	DEC. 31, 2022
1 - COMMITMENTS RECEIVED		**1,519**	**1,847**
2 - COMMITMENTS GIVEN		**5,032**	**6,744**
2a	Loan guarantees, other guarantees and bonds issued	5,032	6,744
2b	Securities and other assets purchased under resale agreements		
2c	Other commitments concerning securities, other assets or revenues		
2d	Guarantee fund drawdown rights		
2e	Other commitments given		
3 - RECIPROCAL COMMITMENTS			**995**
3a	Assets received as collateral from cedents and reinsurers		
3b	Assets received from companies for substitution transactions		
3c	Other reciprocal commitments		995
4 - OTHER ASSETS HELD ON BEHALF OF THIRD PARTIES			
5 - FORWARD FINANCIAL INSTRUMENTS			
5a	**Forward financial instruments by strategy:** - Investment or divestment strategy - Yield strategy - Other strategies		
5b	**Forward financial instruments by market:** - Over-the-counter market - Regulated market		
5c	**Forward financial instruments by type of market risk and instrument:** - Interest rate risk - Currency risk - Equity risk		
5d	**Forward financial instruments by type of instrument:** - Swaps - Forward rate agreements - Forward contracts - Options		
5e	**Forward financial instruments by remaining term of the strategy:** - 0 to 1 year - 1 to 5 years - More than 5 years		

The unpaid portion of assets held by the Company that is recorded as a deduction from the carrying amount of the investment concerned can be analyzed as follows:

(in thousands of euros)	DEC. 31, 2023	DEC. 31, 2022
Equity fund commitments	67,737	83,100
Debt fund commitments	78,824	97,923
Physical asset investment fund commitments	78,078	81,188

NOTE 3

NOTES TO THE INCOME STATEMENT

3.1 Gross written premiums by operating segment

(in thousands of euros)	2023	2022
Exceptional and nuclear risks	2,174	917
Natural disaster risks	1,141,431	1,006,159
Terrorism risks	79,264	71,670
Of which small and medium-sized risks	*52,197*	*48,708*
Major risks (reinsurance of terrorism risks insured by GAREAT)	*27,067*	*22,962*
Credit insurance risks	1,989	310
Of which CAP	*15*	*915*
CAP+	*(4)*	*510*
CAP Relais	*1,978*	*(1,115)*
PUBLIC REINSURANCE GROSS WRITTEN PREMIUMS	**1,224,858**	**1,079,056**
OPEN MARKET REINSURANCE GROSS WRITTEN PREMIUMS (RUN-OFF)	**3,336**	**449**
TOTAL	**1,228,194**	**1,079,505**

3.2 Portfolio movements

2023 (in thousands of euros)	Public reinsurance		Open market reinsurance (run-off)	
	Gross	Net	Gross	Net
NEW BUSINESS				
Premiums	162,403	162,403		
Paid claims and expenses				
CANCELLATIONS AND TERMINATIONS				
Premiums	(166,304)	(166,304)		
Paid claims and expenses			(5,757)	

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3.3 Reinsurance commissions

(in thousands of euros)	2023		2022	
	Gross	Net	Gross	Net
Life	1		(1)	
Non-Life	14,933	14,580	20,061	20,164
TOTAL	**14,934**	**14,580**	**20,060**	**20,164**

3.4 Investment income and expenses

2023 (in thousands of euros)	Income and expenses from investments in related companies	Other investment income and expenses	Total
Revenue from real estate investments	390	15,124	15,514
Revenue from other investments	16,809	106,191	123,000
Interest income on loans to related companies	3,750		3,750
Interest on cash deposits and technical accounts		44	44
TOTAL INVESTMENT REVENUE	**20,949**	**121,359**	**142,308**
Other investment income	4,582	37,080	41,662
Realized gains from investments	399,111	152,650	551,761
TOTAL INVESTMENT INCOME	**424,642**	**311,089**	**735,731**
External investment management expenses		(4,590)	(4,590)
Internal investment management expenses	(1,244)	(11,566)	(12,810)
Other investment expenses		(14,270)	(14,270)
Realized losses from investments		(521,997)	(521,997)
TOTAL INVESTMENT EXPENSES	**(1,244)**	**(552,423)**	**(553,667)**
TOTAL INVESTMENT INCOME, NET OF EXPENSES	**423,398**	**(241,334)**	**182,064**

The €399 million gain on disposal of investments in affiliated companies resulted from the sale of a majority stake in CCR Re to the SMABTP/MACSF consortium on July 3, 2023.

3.5 Underwriting expenses by type and by function

The expenses shown below include amounts billed to subsidiaries in 2023 and are stated net of amounts billed in 2022. This is because, until December 31, 2022, services provided by CCR to its subsidiaries and billed through the CCR SEP support services entity, were deducted from expenses by nature. CCR SEP was subsequently wound up and service agreements were set up between CCR and its subsidiaries, which came into effect on January 1, 2023. In light of these changes, as from that date, the amounts billed for services provided under the agreements are reported under "Other technical income" and "Other investment income".

A - Expense breakdown

EXPENSES BY TYPE (in thousands of euros)	2023	2022
External expenses	18,575	8,352
Other external expenses	3,249	1,881
Taxes other than on income	5,303	5,348
Payroll costs	20,388	12,172
Other management expenses	(40)	115
SUB-TOTAL	**47,475**	**27,868**
Depreciation of property and equipment	4,090	1,686
Theoretical rent on the Company’s registered office	2,042	301
TOTAL	**53,607**	**29,855**

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EXPENSES BY FUNCTION (in thousands of euros)	2023	31, 2022
Claims management expenses	2,857	1,888
Other business acquisition costs	18,486	10,346
Other administrative expenses	6,850	6,187
Other underwriting expenses	13,951	6,906
Investment management expenses	11,463	4,528
TOTAL	**53,607**	**29,855**

In addition to the above amounts, costs of €0.7 million were incurred for the management of the following public funds on behalf of the French State:

- *Fonds de Compensation des Risques de l’Assurance de la Construction* – FCAC (construction risks);
- *Fonds National de Gestion des Risques en Agriculture* – FNGRA (agricultural risks);
- *Fonds de Garantie des Risques liés à l’Epandage agricole des boues d’épuration urbaines ou industrielles* – FGRE (agriculture-related pollution risks);
- *Fonds de garantie des dommages consécutifs à des Actes de Prévention, de Diagnostic ou de Soins dispensés par les professionnels de santé exerçant à titre libéral et mentionnés à l’Article L.1142-1 du code de la santé publique* – FAPDS (medical liability risks).

B - Breakdown of payroll costs and number of employees (including property managers)

(in thousands of euros)	Dec. 31, 2023	Dec. 31, 2022
Payroll costs:		
Wages and salaries	14,189	9,033
Payroll taxes	6,112	3,925
Other expenses	190	(695)
TOTAL	20,491	12,263
Average number of employees:		
Managers	155	157
Non-managerial staff	6	6
TOTAL	161	163

C - Compensation paid to the Company's administrative and management bodies

(in thousands of euros)	2023	2022
Directors' compensation[1]	100	100
Management compensation	442	326

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1 Excluding expenses reimbursed upon presentation of supporting documents.

3.6 Other underwriting income and expenses

OTHER UNDERWRITING INCOME (in thousands of euros)	2023	2022
Services billed to subsidiaries	12,853	
Other underwriting income	379	376
TOTAL	13,232	376

OTHER UNDERWRITING EXPENSES (in thousands of euros)	2023	2022
Expenses of cost centers not directly related to technical activity	13,951	6,906
Profit from flow-through entities	87	226
TOTAL	14,038	7,132

3.7 Non-recurring items

2023 (in thousands of euros)	Non-recurring expenses	Non-recurring income
Reversals from the special revaluation reserve		15
Reversal of the provision for a tax audit		13,163
Other non-recurring income		25
Accelerated depreciation	5,201	
Other non-recurring expenses	7,496	
TOTAL	12,697	13,203

3.8 Employee profit-sharing

The income statement includes an expense of €766 thousand related to CCR's employee profit-sharing scheme.

3.9 Income tax

No deferred taxes are recognized in the Company's financial statements.

Current income tax on 2023 taxable income is due at the rate of 25%.

NOTE 4

OTHER INFORMATION

4.1 Fees paid to the Statutory Auditors

Fees for statutory audit work recorded in 2023 amounted to €156 thousand for Deloitte (€65 thousand in 2022) and €110 thousand for Mazars (€114 thousand in 2022).

4.2 Post balance sheet events

No events likely to have a material impact on CCR's financial statements occurred between December 31, 2023 and March 13, 2024 when the financial statements were approved for publication by the Board of Directors.

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STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Mazars SA
61, rue Henri Regnault,
92400 Courbevoie

Deloitte & Associés
6 place de la Pyramide,
92800 Puteaux

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

CCR

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of CCR,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of CCR for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, accounts and risks Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors, for the period from January 1st, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of technical reserves related to reinsurance contracts

Identified risk

Companies carrying out assumed reinsurance operations must, in accordance with the insurance code and accounting regulations, estimate the claims reserves necessary for the settlement, both in principal and in incidental terms, including management costs, of all unpaid claims that have arisen, whether they were declared at the closing date or not.

The claims reserves of your company amount to EUR 5.615,8 million for Non-Life reinsurance as at December 31, 2023. They represent one of the most important liability items and the assessment of their estimate involving a certain number of assumptions constitutes a Key Audit Matter.

The uncertainties inherent in the estimation of technical reserves are increased for reinsurers, mainly due to the greater time interval separating the event itself from the request for payment of the loss made to the reinsurer, the dependence on ceding companies to obtain information on claims and discrepancies in reserving practices among ceding companies.

Different methodologies can be used to assess these claims reserves, the main methods of which are specified in note 1.8 to the annual financial statements: the claims reserves declared by the ceding companies are recorded upon receipt of the ceding companies' accounts and these reserves are supplemented in order to estimating the ultimate burden of all known and unknown claims.

Judgment is more important on long-tail Non-Life lines of business (Automotive Civil Liability, General Civil Liability, Construction). Estimating claims reserves on these branches therefore presents an increased risk and required particular attention in terms of the audit procedures implemented.

In this context, we considered the measurement of technical reserves related to reinsurance contracts as a key audit matter.

Audit Responses

In order to assess the reasonableness of the claims reserves estimate, and their compliance with regulations, we have implemented the following work, carried out with our actuarial experts:

- we assessed the relevance of the statistical methods and the appropriateness of the actuarial parameters and assumptions used by the company;
- we obtained an understanding of the design of key controls relating to claims management and the determination of these reserves;
- we assessed the reliability of the statements produced by the company in terms of the integrity of the data produced and used to estimate claims reserves, and we tested the source data;
- we assessed the consideration of significant claims likely to affect the projection of the expense for the year;
- we performed an independent estimate of claims reserves on the main branches;
- we reviewed the liquidation of the reserves recognized at the previous closing with regard to the actual expenses in order to verify whether it confirms the estimates previously made by the company;
- we included within our team members with specific skills in IT systems to perform procedures aiming at reviewing the internal control environment of the systems used by the management and test the functioning general IT controls that cover those processes.

Measurement of unearned premium reserves

Identified risk

Unearned premiums correspond to the fraction of written premiums relating to the subsequent financial years. If the guarantee relates to several financial years, only the part of the premium which corresponds to the current financial year must be included in the income of the period. Thus, during each inventory, the part of the premiums which corresponds to subsequent years must be booked as an unearned premium reserve to be attached to future years.

These reserves are computed according to the nature of the contracts based on a rate linked to the rate of premiums writing and/or based on a prorata temporis rate linked to the expiry date of the contracts. The necessary data to compute unearned premium reserves depends on the information received from ceding companies.

The methods for computing the non-life unearned premium reserves, which appear on the company's balance sheet for an amount of € 50,7 million as of December 31, 2023, are specified in note 1.8 of the appendix to the annual financial statements.

Due to the ongoing work carried out by CCR to ensure the reliability of the information received from ceding companies and in view of its significant nature on the annual financial statements, the valuation of unearned premium reserves was considered to be a key audit matter and required particular attention in terms of the implemented audit procedures.

Audit responses

To cover the risk on the measurement of reinsurance premiums, we implemented the following audit approach:

- we assessed the relevance of the statistical methods and the appropriateness of the actuarial assumptions used by the company;
- we obtained an understanding of the design of key controls relating to the premiums management and to the computing of unearned premium reserves;
- we assessed the reliability of the statements produced by the company in terms of the integrity of the data produced and used to estimate the unearned premium reserves, and we tested the source data;
- we performed an independent estimate of unearned premium reserves on the main branches ;
- we performed substantive tests on the premiums accounted from the ceding companies accounts and we validated the deferral rates.
- we included within our team members with specific skills in IT systems to perform procedures aiming at reviewing the internal control environment of the systems used by the management and test the functioning general IT controls that cover those processes

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements, with exception to the flowing point.

The sincerity and consistency of the information relating to the payment terms mentioned in Article D.441-6 of the French Commercial Code *(Code de Commerce)* with the financial statements lead us to report the following observation: As indicated in the management report, this information does not include insurance and reinsurance transactions, as your company considers that they do not fall within the scope of the information to be produced, in accordance with the circular of the *Fédération Française de l'Assurance* of May 29th, 2017.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4 of the French Commercial Code.

Other legal and regulatory verifications

Appointment of the Statutory Auditors

We were appointed as statutory auditors of CCR by the Annual General Meeting held on June 23rd, 2022 for Mazars and by the Annual General Meeting held on May 11th, 2016 for Deloitte.

As at December 31, 2023, Mazars was in the 2nd year of its engagement and Deloitte was in the 8th year of its engagement.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, accounts and risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identify and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assessesthe appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, accounts and risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, accounts and risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, April 9th, 2024

The Auditors
French original signed by

Mazars	Deloitte
	
Jean-Claude PAULY	Pascal COLIN

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Name and title of the person responsible

Édouard Vieillefond, Chief Executive Officer of CCR.

Statement by the person responsible for the Annual Financial Report

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Annual Financial Report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I confirm that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the net income or loss of the Company and that the management report accurately reflects the evolution of the business, the results and the financial position of the Company and describes the main risks and contingencies with which it is faced.

I have obtained the Statutory Auditors' report on the financial statements, in which they indicate that they have verified the information concerning the financial position and the financial statements provided in this financial report.

April 9th, 2024

Chief Executive Officer of CCR

Édouard Vieillefond

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