



Press release

September 9, 2020

First-half 2020 financial results

CCR – Public reinsurance

- ✓ CCR premium income totaled €1,068 million in first-half 2020, up 15% year on year. The increase is primarily attributable to the State-backed intercompany credit insurance scheme in favor of small and medium-sized companies launched as from April through the CAP, CAP+, and CAP Relais treaties. Natural disaster risk reinsurance, which accounts for 82% of business, reported a 0.5% rise in premium income.
- ✓ Claims expenses net of ceded insurance amounted to €357 million in the first half amid low natural disaster claims over the period.
- ✓ Further to the new commission agreement signed with natural disaster insurers for 2020-2023 and the implementation of the credit reinsurance treaties, fees and commissions paid to ceding insurers amounted to €97 million compared to €2 million in first-half 2019.
- ✓ CCR reported net income of €28 million for first-half 2020.
- ✓ The market value of CCR assets at June 30, 2020 was almost €8.2 billion, essentially unchanged from December 31, 2019 (+0.2%). This performance reflects CCR's particularly defensive investment strategy and its close monitoring of hedging and profit-taking actions. Over the first two months of 2020, CCR realized all of the capital gains projected in its budget, before reinvesting in bond markets as from the end of March. The return on investment¹ was 1.6% in first-half 2020 (compared to 1.45% as per the 2019 balance sheet). Based on this, a return on investment of 1.2% is expected for full-year 2020.

CCR RE

- ✓ CCR RE premium income for first-half 2020 was up 23% year on year, at €545 million, in line with the objectives of the "Streamline" development plan (2019-2022).
- ✓ CCR RE's combined ratio came in at 105.2% at June 30, 2020 compared to 98.2% at June 30, 2019. The Life reinsurance profit margin slipped to 4.5% (from 5.2% in first-half 2019). This reflects accruals to claims reserves in respect of Covid-related events, amounting to €43 million for the Non-Life business and €5 million for Life reinsurance – in the top range of current

¹ Annualized yield on the investment portfolio for first-half 2020, excluding ceding insurer deposits and owner-occupied property.

estimates for full-year 2020. These figures are expressed gross of tax. The combined ratio at June 30 does not include the impacts of the Covid event retrocession.

✓ EBITER² rose 17% to €35 million in first-half 2020 from €30 million in the first six months of 2019. CCR RE recorded a year-on-year improvement in net income, which came in at €29 million for first-half 2020 due to a favorable effective tax rate³.

✓ The market value of CCR RE assets stood at €2.5 billion at end-June 2020, down 0.8% on December 31, 2019 amid the severe downturn in the first four months of the year linked to Covid-19. Fixed Income portfolios were increased through subscriptions of investment grade bonds, benefiting from the widening of credit spreads during the second quarter. The weight of high yield and emerging debts was reduced during the period under review. The Company realized the capital gains projected in its budget under the same conditions as CCR. The return on investment¹ was 4.4% in first-half 2020 (compared to 2.7% as per the 2019 balance sheet). Based on this, a return on investment of 2.1% is expected for full-year 2020.

✓ CCR RE's solvency ratio stood at 188% at June 30, 2020, in the optimal 180%-220% range defined by the risk appetite framework. This ratio does not take into account the July subordinated debt issue for €300 million.

NB:
The figures and information provided above have not been audited by the statutory auditors.
This press release contains both historical information and forward-looking statements with respect to CCR and CCR RE. Forward-looking statements contain information about future events, expectations, objectives and performance, and are based on assumptions currently adopted by CCR and CCR RE management. Although CCR and CCR RE believe that these forward-looking statements are based on reasonable assumptions, they are not a guarantee of the future performance of CCR or CCR RE. Actual results may differ materially from the forward-looking statements as a result of risks and uncertainties. CCR and CCR RE undertake no obligation to publish updates or revisions of these forward-looking statements.



[Press release online](#)

Media contacts:

Vincent Gros – General Secretary +33 (0)1 44 35 38 36 – vgros@ccr.fr

Sophie Bodin – DGM Conseil +33 (0)1 40 70 11 89 – s.bodin@dgm-conseil.fr



² EBITER: earnings before interest, taxes and the equalization reserve. EBITER also excludes non-recurring items.

³ Effective tax rate: tax expense divided by net pre-tax income.