

AT THE HEART OF TODAY'S CHALLENGES



DO MORE THAN EXPECT, ANTICIPATE
Caisse Centrale de Réassurance



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PROFILE & MISSIONS

A French public reinsurer established in 1946, Caisse Centrale de Réassurance (CCR) provides reinsurance coverage against natural disasters and other specific risks with the guarantee of the State and in the general interest to companies operating in France. CCR is also a full-service reinsurer operating on international markets in the life, non-life and specialty lines of business. Backed by proven expertise in risk modeling and prediction, today CCR ranks among the world's top 25 reinsurers. A limited liability company with 60 million euros of capital and wholly-owned by the French State, CCR employs a staff of 256 professionals.

Motivated by the satisfaction of their clients, the teams fulfill their responsibilities with the highest degree of professionalism and commitment. In this regard, thanks to recognized skills and expertise that ensure profitability and sustainability, CCR consistently meets the expectations of its shareholder.



"AS A PUBLIC REINSURER, CCR IS THE FRENCH STATE'S RISK MANAGER"

PIERRE BLAYAU, Chairman

Results for the year 2015 were satisfactory. CCR's sound financial health was confirmed at the end of the year despite heavy headwinds: the decline in interest rates, decreasing reinsurance rates and low levels of loss experience. CCR enhanced its performance and enjoyed seeing its key projects brought to fruition as part of its mission as a public reinsurer and as regards its competitive activities. The company finalized the review of its compensation scheme for natural disasters initiated in 2014. The agreement it struck with the industry on new commission arrangements provided CCR with a sustainable and legitimizing framework for the coverage of natural risks.

In the context of our participation in the COP 21, we published a Climate study assessing the financial impact of climate change on the French compensation scheme for Natural Disasters for 2050 and also produced the film "Get Ready", aimed at raising awareness of our society's vulnerability to climate risks. This public expression of our role as the State's risk manager is based upon the technical expertise of our teams and of our risk modeling partners.

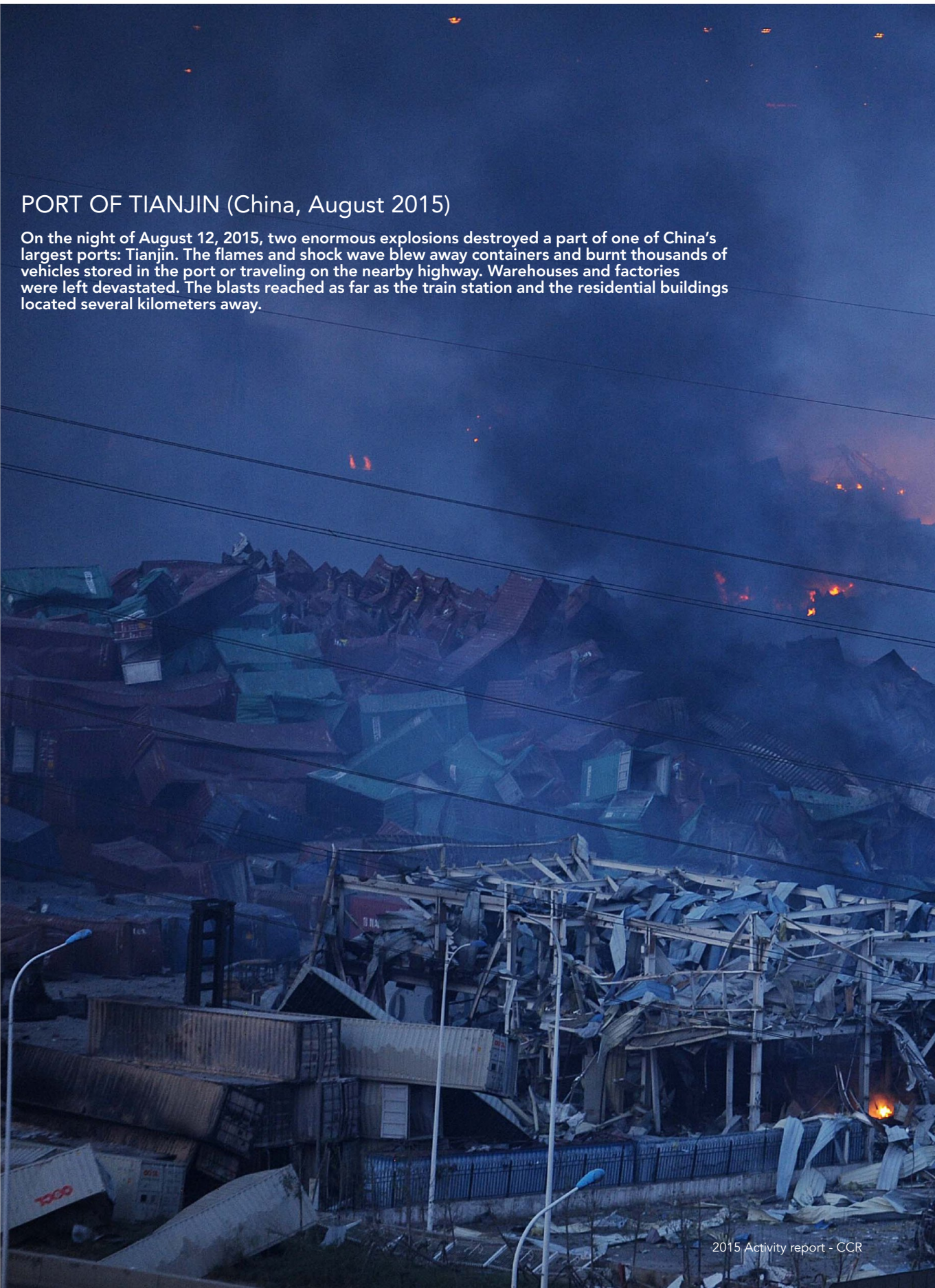
Lastly, in a difficult context plagued with low rates and over capacity, CCR maintained its prudent approach to open market reinsurance. Through our policy of dynamic portfolio management, we reduced our exposure in lines of business that no longer appeared sufficiently profitable and redeployed our resources to capitalize on the opportunities offered by the market.

CCR is now well poised to meet the future challenges it will face much like all reinsurers. In difficult reinsurance and financial markets, the company continues to play its role to the fullest serving the nation as a whole as well as its insurer clients. The work program for 2016 – the spin-off of our open market reinsurance segment and the modernization of our public-sector reinsurance segment – will provide the resources we need to confront the future with confidence.

"Thanks to our statistical studies on earthquakes, floods and subsidence, we have the capacity to anticipate the future and therefore to effectively participate in the prevention efforts of the authorities charged with territorial planning and regulations."

PORT OF TIANJIN (China, August 2015)

On the night of August 12, 2015, two enormous explosions destroyed a part of one of China's largest ports: Tianjin. The flames and shock wave blew away containers and burnt thousands of vehicles stored in the port or traveling on the nearby highway. Warehouses and factories were left devastated. The blasts reached as far as the train station and the residential buildings located several kilometers away.



CCR'S EXPERTS



"ONE OF THE MOST COMPLEX CLAIMS IN RECENT INSURANCE AND REINSURANCE HISTORY."

- **RENÉ ROCHETTE**, Senior Vice President Non-life Asia /Africa - Open Market Reinsurance

In addition to the dramatic loss of lives and beyond "traditional" risks, the catastrophe at Tianjin, due to its magnitude, raises two critical issues. The first involves the risk of contamination. The blasts were caused by large stocks of chemical products which could have contaminated the soil, the water and the population living

in the affected area. The second issue involves the risk of accumulation now facing the transport industry. The volume of shipments, the size of marine vessels and the stocking capacity of the port facilities are all factors that the transport and insurance industries must examine more closely. In this environment, CCR has only very limited exposure.

CCR'S EXPERTS



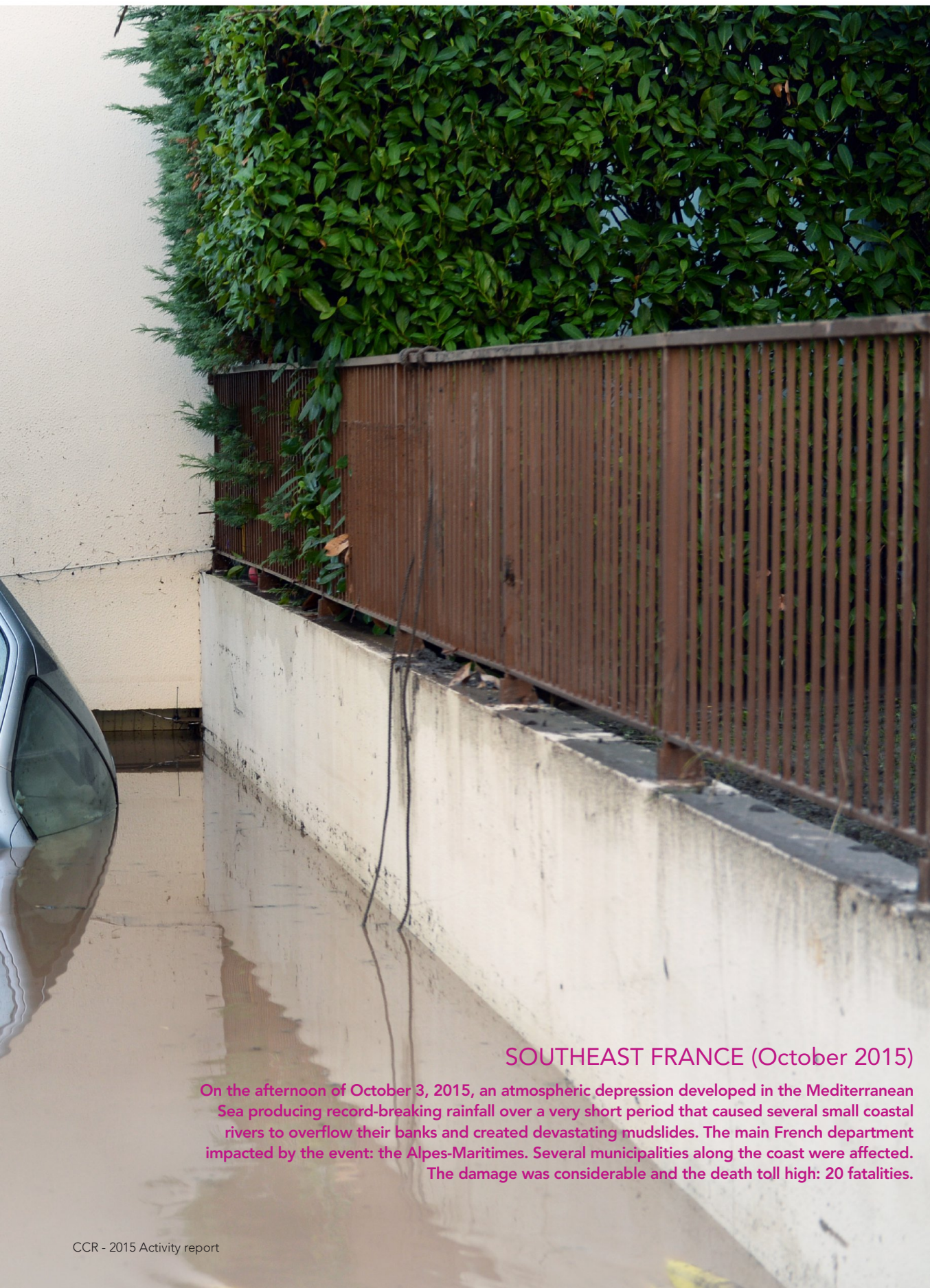
"REFINE OUR UNDERSTANDING OF LOSS EXPERIENCE AND MONITOR EVENTS IN REAL TIME."

- **ANTOINE QUANTIN**, Deputy Underwriting Officer
- Public Reinsurance and Guaranty Funds

To estimate the consequences of this exceptional weather event, we were able to rely on the use of the simulation models for natural disasters that CCR has developed for almost 15 years. We cross-referenced data from the models with responses received from a survey of our insurance clients so as to supplement our view of losses. To fine-

tune our simulation results, we approached two of our partners:
- SERTIT to produce, the day following the events, a map of the impacted zones using high resolution satellite imagery.
- Predict, a company specializing in hydrometeorological services and crisis management, which enabled us to monitor the events in real time.





SOUTHEAST FRANCE (October 2015)

On the afternoon of October 3, 2015, an atmospheric depression developed in the Mediterranean Sea producing record-breaking rainfall over a very short period that caused several small coastal rivers to overflow their banks and created devastating mudslides. The main French department impacted by the event: the Alpes-Maritimes. Several municipalities along the coast were affected.

The damage was considerable and the death toll high: 20 fatalities.



CCR: PARTNER OF THE COP21

The insurance and reinsurance sector is particularly concerned by the issue of global warming. It is only natural that CCR partnered with the COP21, one of the most compelling events of our time, that was held in Paris in December 2015. CCR organized a conference, on-site at the Bourget, focused on the challenges faced by the natural catastrophe insurance segment regarding tomorrow's climate. The conference featured a number of prominent speakers. Under the chairmanship of Margareta Wahlström, Special Representative of the Secretary-General (SRSG) for Disaster Risk Reduction, the discussions enabled participants to gain better insight as to the potential impact of climate change on the insurance industry. It also helped participants to see how insurers and reinsurers can reduce the negative effects of climate change on a day-to-day basis.



— ESP
GÉNÉR
CLIM



TOUS EN
POUR LE

cop21.gouv

FROM LEFT TO RIGHT:

JEAN-MARC SYLVESTRE,
JOURNALIST

PIERRE BLAYAU,
CCR

MARÍA RODRÍGUEZ-PONGA SALAMANCA,
CONSORCIO DE COMPENSACIÓN
DE SEGUROS

PHILIPPE DERIEUX,
AXA GLOBAL P&C

STÉPHANE HALLEGATTE,
WORLD BANK

IVO HUX,
SWISS RE

FRANÇOIS NÉDEY,
ALLIANZ

JEAN-LOUIS CHARLUTEAU,
GENERALI FRANCE

MARGARETA WAHLSTRÖM,
UNITED NATIONS

A DAY CENTERED ON EXTREME RISKS

The 6th CCR CAT Day was held in June 2015.

Considered today as one of the most important annual meetings of the French insurance market, recognized as a forum for the exchange of invaluable knowledge of natural disasters and their consequences, this event brought together some 250 participants from the global insurance arena and the scientific community including numerous experts from the

natural disaster sector. The highly topical focus of the event: climate change and emerging risks. Up to twenty experts came to the forefront of an attentive audience shedding light on critical issues: the effects of climate change on sea level, the financial quantification of this phenomenon, the emergence of alternative solutions in agricultural risk management and also cyber criminality.



FROM LEFT
TO RIGHT:

DANIEL BENLOLO,
CCR

STÉPHANE GIN,
GROUPAMA

JEAN-MICHEL GEERAERT,
PACIFICA

STÉPHANE LE MOING,
FRENCH MINISTRY
OF AGRICULTURE

JOËL LIMOUSIN,
FNSEA

LOUIS BODIN,
JOURNALIST



SEVERAL SCENARIOS, ONE FILM

Co-produced by News Assurances Pro and CCR, the documentary film "Get ready: adapting to cope with natural disasters" was shown at the COP21 clearly demonstrating examples of individual and community best practices that may be adapted to the new climate paradigm.

NAT CAT, THE WORLD FORUM IN PARIS

For the past ten years, representatives of national disaster insurance schemes from around the globe meet each year in the framework of the World Forum of Catastrophe Programmes. The objective of this group is to further the development of information exchange for issues related to the coverage of losses resulting from adverse natural events. The Nat Cat schemes of the represented countries most certainly differ in form and nature, however all schemes comprise public and private



partnerships that endeavor to effectively manage their country's risks. As representative of the French scheme, CCR played host to the annual forum that was held in September 2015 in Paris. On this occasion, the World Forum added a new member to its ranks, Flood Re, the British scheme for flood compensation.

MEMBERS: CALIFORNIA, CARIBBEAN, DENMARK, FRANCE, ICELAND, JAPAN, NEW ZEALAND, NORWAY, ROMANIA, SPAIN, SWITZERLAND, TAIWAN, THAILAND, TURKEY, UNITED KINGDOM.

2015 Key Figures
in millions of euros

1,287

Gross premium income

9,846

Managed assets of which
unrealized capital gains
1 058

76.8 %

Non-life combined ratio
of which cost-to-income ratio
4,2 %

2.0 %

Net return on assets

432

Income before tax

216

Net profit

3,207

Capital equilisation
provisions

2,085

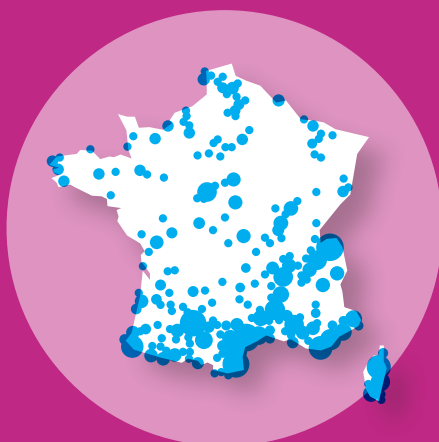
Shareholders' equity
after dividend

AA

(Negative outlook)
Standard & Poor's

A+

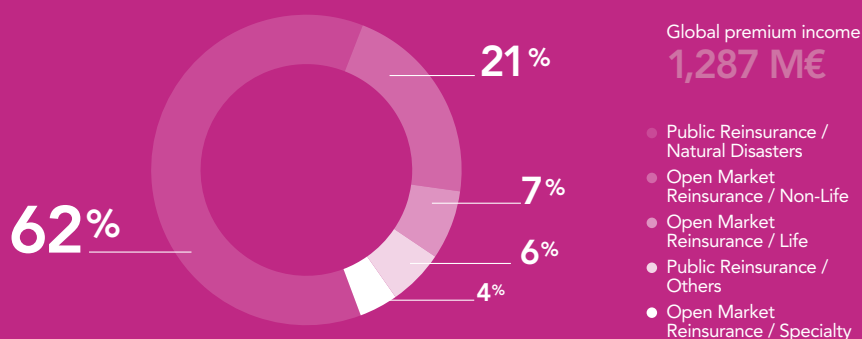
(Stable outlook)
A.M. BEST



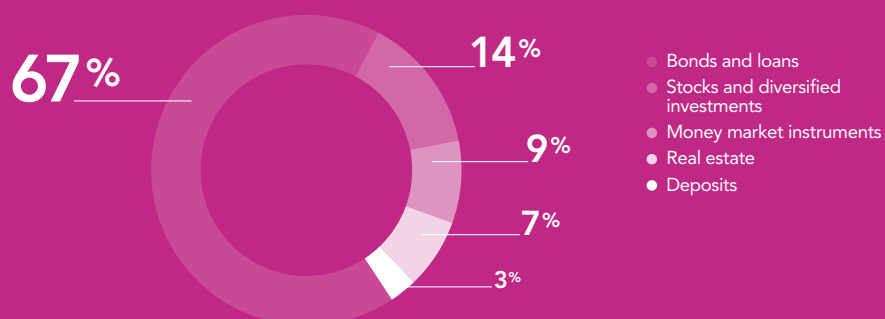
TOTAL NAT CAT LOSS EXPERIENCE FOR 2015

768 municipalities recognized Nat Cat
 3 events for which the total insured market loss exceeds € 50 million
 € 529 million in flood compensation provided by CCR at December 31, 2015

BREAKDOWN OF PREMIUM INCOME



BREAKDOWN OF INVESTMENTS



"2015 RESULTS CONSOLIDATE CCR'S FINANCIAL STRENGTH"

BERTRAND LABILLOY, Chief Executive Officer

How would you characterize CCR's activity for 2015?

2015 was a difficult year for reinsurers, with a typically soft market, despite the first signs of a slowing in the decline of rates. In this difficult context, CCR recorded € 1,287 million in premium income in 2015, a decrease of 2.7 % compared to the prior year. Premium income from State-guaranteed reinsurance amounted to € 869 million, down 1% compared to 2014, while premium income from our open market reinsurance segment stood at € 419 million, a decline of 6.1 % compared to 2014. This change is primarily due to the cancellation of a portion of our non-life business in Southern Europe and in Asia, in line with our policy of consolidating the portfolio initiated in 2011.

Loss experience in 2015 was particularly low, how has this affected CCR?

The year 2015 was marked by the occurrence of three major floods in France: the violent storms in the southwest of France in October and the floods in the Gard department and Hérault region in August and September. In total, the cost to CCR for these losses amounts to € 530 million. 2015 was also marked by a summer drought characterized by its unusually long duration. Outside of France, and other than the explosion that occurred in the port of Tianjin in August, loss experience was moderate for CCR in 2015. No major losses brought significant impact to our results. The liquidation of losses from prior years produced positive reserve developments.

In a difficult context marked by low rates, what were the results of your policy on portfolio and real estate management?

Thanks to the expertise of our teams, we were able to maintain satisfactory financial performance in a context that was indeed difficult.

...

"Backed by positive net income and solid financial fundamentals, CCR stayed the course in a reinsurance market that remained highly competitive."



... The overall performance of the portfolio increased by 2.0%, a rate that is considerable in light of the duration of the portfolio which is quite short. The market value of our financial and real estate investments amounted to € 8.8 billion at the end of 2015, an increase of 4.4% compared to 2014. Net unrealized capital gains amounted to € 1.1 billion at the end of 2015, a slight decrease when compared to 2014 despite the capital gains realized in equity markets that performed well.

All in all, was 2015 a good year for CCR?

In a reinsurance market that remained highly competitive, CCR stayed the course, with sound financial health and solid fundamentals.

CCR's net income increased amounting to € 216 million in 2015, compared to € 193 million in 2014. Return on equity rose to 10.9%. Of course, this strong performance is in part the result of clear skies. But it is also the result of CCR's capacity to preserve the quality of its open market reinsurance portfolio despite the continued deterioration of underwriting rates and conditions. Our efforts to pursue a selective underwriting policy is also a key factor.

These positive results have strengthened CCR's capacity to fulfill its missions to the benefit of the general public and its insurer clients. They were obtained by stepping up our efforts to provision and to capitalize on results. CCR is now capable of covering a Nat Cat market loss of almost € 5.8 billion, without the State's assistance (€ 3,850 million paid directly by CCR) compared to € 5.5 billion for the previous year. In accordance with Solvency II metrics, excess equity capital grew by almost 10% to € 2.2 billion.

What projects does CCR intend to develop in 2016?

2016 will be a year of strategic redeployment for CCR with the adoption of the new road map for the 2017-2020 period, the spin-off and reorientation of the open market reinsurance segment, the modernization of the framework of our public-sector reinsurance segment with an emphasis on the services we provide to our partners and to the general public. We will also endeavor to improve our business processes and optimize our investment policy in response to a market environment that is more and more demanding. Now more than ever, CCR's objective is to remain pertinent and competitive.

PIERRE COUMES,
Head of Financial Investments



"The year 2015 paid witness to persistently low interest rates combined with a growing proportion of euro-denominated bonds with negative interest rates. The equity markets produced mixed performances with, on the whole, slight decreases in the developed markets with the exception of Europe and Japan which

increased sharply, and a drastic decline in the emerging countries. These developments were accompanied by tensions on the credit market, particularly in the energy sector. In this context and throughout 2015, CCR chose to reduce its exposure to the equity markets, to strengthen its non-sovereign bond portfolio and to increase its ratio of cash holdings to total assets while remaining within its risk appetite framework. In 2016, the economic and financial environment remains subject to significant uncertainty under the dual impact of the reduction in growth in China and the drop in the prices of oil and raw materials while the global context of low rates obliges companies to maintain an attitude of prudent agility."

"Despite the investments made in 2015 aimed at limiting this impact, downward pressure on return from financial assets will continue in 2016."

KARINE ROBIDOU,
Head of Real Estate



"In 2015, corporate real estate investment was highly competitive. The rates of return on investment for premium real estate continued to decline and this decline spread to the more risk-prone categories of assets. This situation contrasted with a rental market that continued to prove difficult. Against this backdrop, we recorded satisfactory capital gains, negotiated an office building and pursued our objectives for diversification and for

the return on investment from two pan-European funds; the first comprised of shopping malls and the second of green buildings. In 2016, although rates of return continue to be pressured downward, we are maintaining our presence on the market as well as our highly selective acquisition strategy. Since January 2016, when we signed a charter agreement for the energy efficiency of commercially-owned buildings, we have continued to seek ways to increase the added-value of our portfolio while paying particular attention to compliance with environmental standards. With this in mind, we committed ourselves to acquiring, at the time of the restructuring of certain buildings, the "Breeam very good" label, attesting to the assessment and certification of the environmental performance of such buildings."

"Our objective: create added-value, while paying particular attention to the environmental performance of our property portfolio."

AT THE HEART OF TODAY'S AND TOMORROW'S CHALLENGES

Climate change, terrorism risk, environmental risks, digitalization and cyber risks: through its expertise, CCR contributes to the forecast and prevention of new man-made or natural risks.

As a reinsurer, CCR operates in France and internationally in a variety of sectors going well beyond simple insurance compensation. CCR provides a deeper understanding of risks enabling public authorities, businesses and insurance professionals to reduce their vulnerability to such risks.

CCR has developed proven expertise in the area of natural disasters. Today, the company plays a key role in the management of the State's compensation scheme for these exceptional events. Furthermore, CCR was a key contributor to the implementation of an observatory enabling the visibility and legibility of public actions in the event of disaster, namely the National Observatory for Natural Hazards (Observatoire National des Risques Naturels - ONRN), established in 2012.

Lastly, the company, in cooperation with several key partners, is active in the modeling of risks affecting today's societies.

In keeping with its mission, CCR is a reliable operating partner to insurance and risk prevention professionals as well as to public authorities to which it provides its support by accompanying them in their strategy for meeting the challenges of tomorrow.



NATURAL CATASTROPHES, A SOLID COMPENSATION SCHEME

Based on an efficient public-private partnership, the French compensation scheme for Natural Disasters was established in 1982.

Founded on the principle of the French constitution proclaiming “the solidarity and equality of all French people in bearing the burden resulting from national calamities”, the French compensation scheme for natural disasters is neither a public fund, nor a traditional insurance scheme, but a “public-private partnership” that relies on the mechanisms and networks of the insurance industry. It is based upon two complementary values: on the one hand, a uniform tariff guaranteeing access for all policyholders to coverage at an affordable price thanks to public reinsurance and, on the other hand, responsibility, ensured by a system of plans for the prevention of major natural disasters and also the compulsory deductibles associated

with the plans. The scheme contributes significantly to territorial resilience by providing the repair of damages caused by natural perils immediately following publication by the State of a decree recognizing a state of natural disaster.

ACCESSIBLE COVERAGE

The scheme is made possible, at affordable rates, by effective widespread multi-risk coverage of all property belonging to individual policyholders, businesses or territorial municipalities. In practice, it provides additional coverage that insurers are obliged to include in all insurance policies covering damage located in France and its overseas territories. As coverage is widely shared, this compulsory component enables material damages directly caused by natural disasters to be indemnified conditioned on the fact that there exists a causal link between the natural disaster and the damages in question.

1 GUARANTEE, 2 CONDITIONS

The Natural Disaster guarantee is triggered when the following two pre-conditions have been met:

Condition of a public nature

- Publication of a government decree declaring a “state of disaster” in the *Official Journal*.

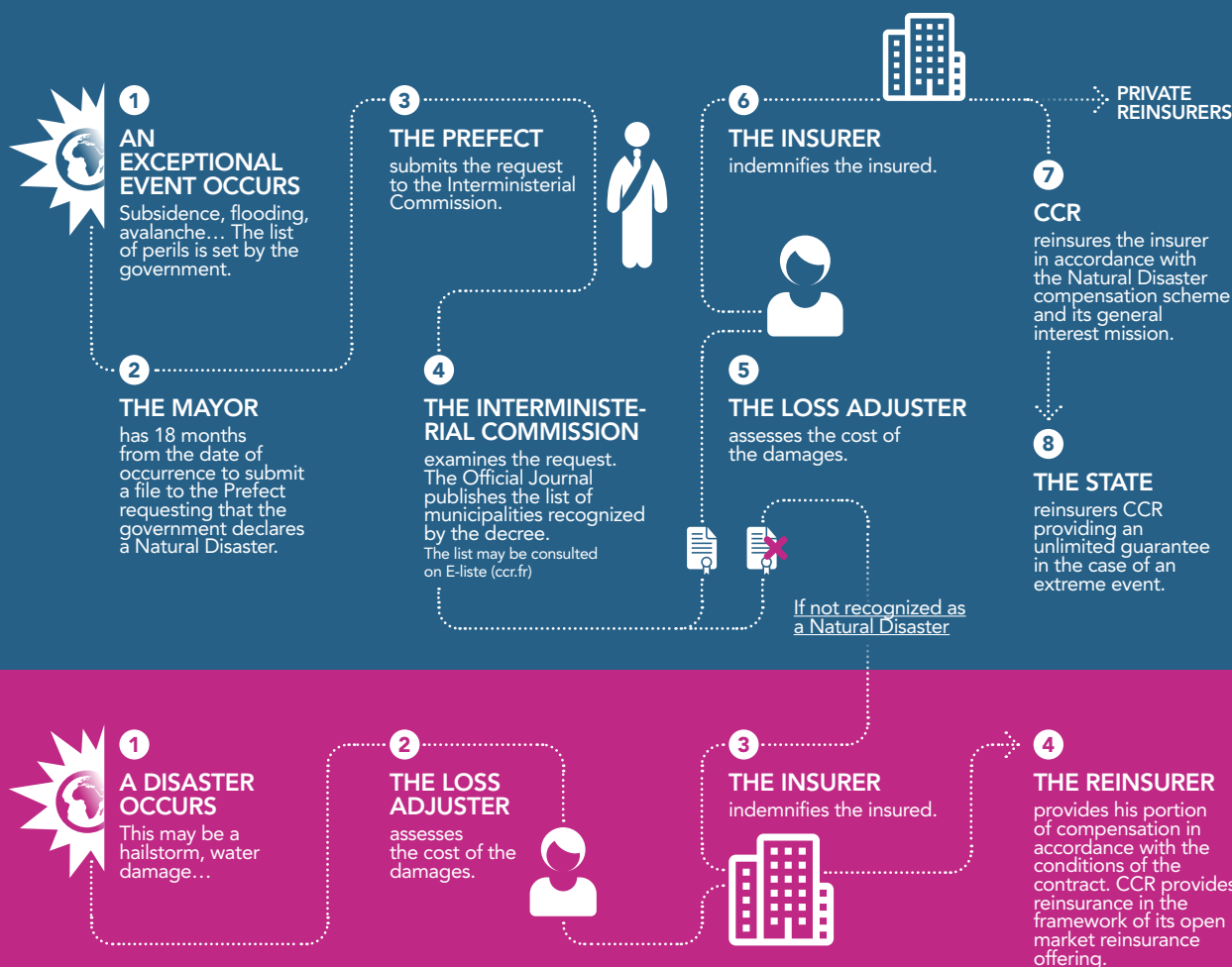
Condition of a private nature

- The damaged property is covered by a “property” insurance policy (fire, theft, water damage, etc.)

PERILS NORMALLY COVERED

- Floods and mudslides
- Landslides including subsidence
- Earthquakes and volcanic eruptions
- Tsunamis and marine submersions
- Avalanches
- Cyclonic winds

COMPENSATION SCHEME



CCR, PUBLIC RISK MANAGER

When a catastrophe occurs, the State and its territories work within a predetermined framework to ensure management of the risk, its prevention, its compensation and its crisis management. This enables reconstruction to take place in a manner that increases resilience while avoiding inconsistencies generated by emergency situations. Because

of its proximity to other players and its expertise, CCR's present role is that of the State's risk manager recognized by its partners, rating agencies and international institutions such as OECD. An active member of the World Forum of Catastrophe Programmes, CCR has also developed a global international perspective of the issues it addresses. The neutral and

transparent risk management approach it proposes provides the State with the clarity necessary to effectively deploy risk prevention measures with respect to natural disasters, agricultural risks, weather risks and also man-made risks such as terrorism, war risk, nuclear risk and, more generally, energy-related risks. Lastly, CCR provides its assessment of factors concerning emerging risks such as cyber risk or the risk of supply chain rupture.

CCR'S EXPERTS



THE NEW NAT CAT REINSURANCE SCHEME

- **DANIEL BENLOLO**, Senior Vice President - Natural Catastrophes in France – Public Reinsurance and Guaranty Funds

The structure of the Nat Cat scheme remains unchanged but following work conducted in 2015, in coordination with other industry professionals, the commission mechanism was revised so as to reinforce the scheme's framework through modification of the claims

handling process. Apart from the fact that the agreement, concluded for a period of four years, provides enhanced visibility to the market's players, the principal development, applicable with effect from January 1, 2016, involves the evaluation methods for the

variable component of the reinsurance commission. It now takes into consideration not only each cedent's share of CCR's proportional volume of Nat Cat business, but also the quality of claims handling.



CCR WORKING HAND-IN-HAND WITH PROFESSIONALS

In consideration for meeting their mandatory coverage obligations, insurers are provided the possibility of obtaining reinsurance cover from CCR which is authorized to reinsure risks relating to the scheme using the State's

guarantee. CCR is obligated to provide reinsurance coverage to any insurer, accredited to operate in France, upon the insurer's request. In this manner, it ensures risk mutualisation in keeping with the principle of solidarity of all risks included in the portfolios of insurers who have entered into a reinsurance treaty with CCR.

TERRORISM RISK, THE FRENCH MODEL

France is one of the countries offering the most extensive forms of property coverage against acts of terrorism. Property coverage against attacks and acts of terrorism has been compulsory for all property insurance policies since 1986.

In France, the law of September 9, 1986 obliges insurers to bear the cost of material damages for victims of acts of terrorism. The terrorism insurance guarantee is therefore a simple compulsory extension of the guarantee in insurance contracts covering property damage or motor damage. Damages admissible for compensation mainly include direct material damages and miscellaneous expenses particularly decontamination costs. As early as 1983, CCR was authorized to reinsure attacks and acts of terrorism resorting to the use of the State guarantee. Following the attacks of September 11, 2001, global reinsurance capacity against terrorist acts became intensely scarce. In 2002, being unable to exclude this risk as they were legally bound to guarantee it, French insurers set up a mutual co-reinsurance pool covering "large risks", the "GAREAT* Large Risks". This pool enables all insurers

to co-reinsure between them the whole of their terrorism risks. Since the extension to NBCR in 2006, CCR also reinsures "small and medium risks" through individual or bundle treaties.

CCR'S EXPERTS



HOW DOES CCR INTERVENE IN TERMS OF TERRORISM RISK?

- **JOHN LENORMAND**, Senior Vice President War Risks, Terrorism & Other Public Reinsurance

In the framework of its mission as a public-sector reinsurer, CCR provides unlimited reinsurance coverage of direct material damages arising from acts of terrorism occurring on French soil. Depending on the amounts insured under the property policies (in excess of or less than € 20 million), two complementary protection schemes are available to the market:

- "Large Risks", with the systematic cession to the "Large Risks" section of GAREAT in accordance with a comprehensive agreement negotiated by the market in 2002.

In this context and for 2016, CCR's intervention threshold for public-sector reinsurance amounts to € 2,480 billion (€ 2.560 billion for 2017) with unlimited reinsurance coverage.

- For "Small and Medium Risks", for which ceding insurers are not obligated to acquire reinsurance coverage, cedents may benefit from unlimited reinsurance coverage provided with the State's guarantee and for which there is a priority of € 20 million. CCR participates in industry discussions on possible changes to the system since the events that struck France in 2015.

*Management of the Insurance and Reinsurance of Risks of Terrorist Attacks and Acts of Terrorism Risks.

MODELING EXTREME RISKS

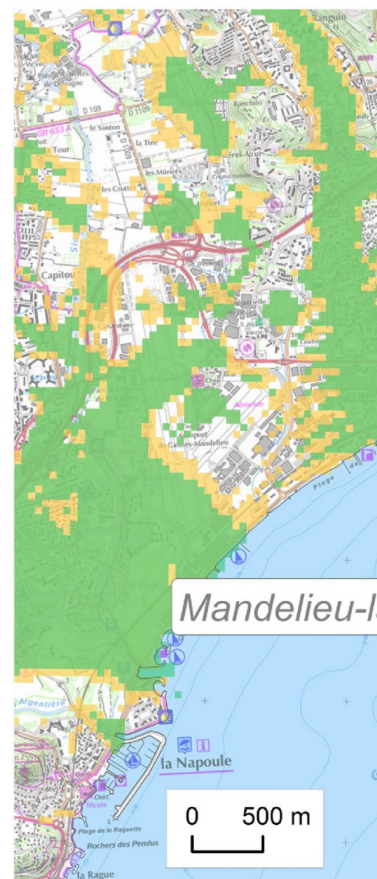
For more than 10 years, CCR has developed catastrophe risk expertise for natural perils, and more recently, man-made perils such as terrorism or nuclear catastrophe risk.

At CCR, a dedicated multidisciplinary team comprised of engineers, actuaries, hydrologists, seismologists, geologists and even historians works in risk modeling. This diversity enables CCR to accurately measure each risk as a whole.

ADVANCING IN COOPERATION WITH EXPERT PARTNERS

With respect to natural catastrophes, CCR has implemented modeling applications for the principal perils covered by the Nat Cat scheme (floods, including marine submersions, subsidence, earthquakes and cyclonic winds). Developed in partnership

with France's leading scientific agencies including Météo France, BRGM, IRSTEA, SERTIT and ISFA, the applications enable users to estimate the losses and their costs for a given weather event in the days or weeks following its occurrence. They also enable the State, CCR and insurers to measure their exposure to susceptible events, prior to occurrence. Lastly, the applications may be used to analyze France's exposure to natural perils. These tools are also designed to perform cost-benefit assessments and to evaluate the impact of prevention and territorial planning measures. In 2015, work was conducted on the probabilistic modeling of marine submersions, the detailed modeling of seismic risk for territories with particularly high seismic exposure (in partnership with BRGM) as well as the extension of our module used to assess damages sustained by the economy.



Fifty-year event

- Present-day climate
- Climate in 2050



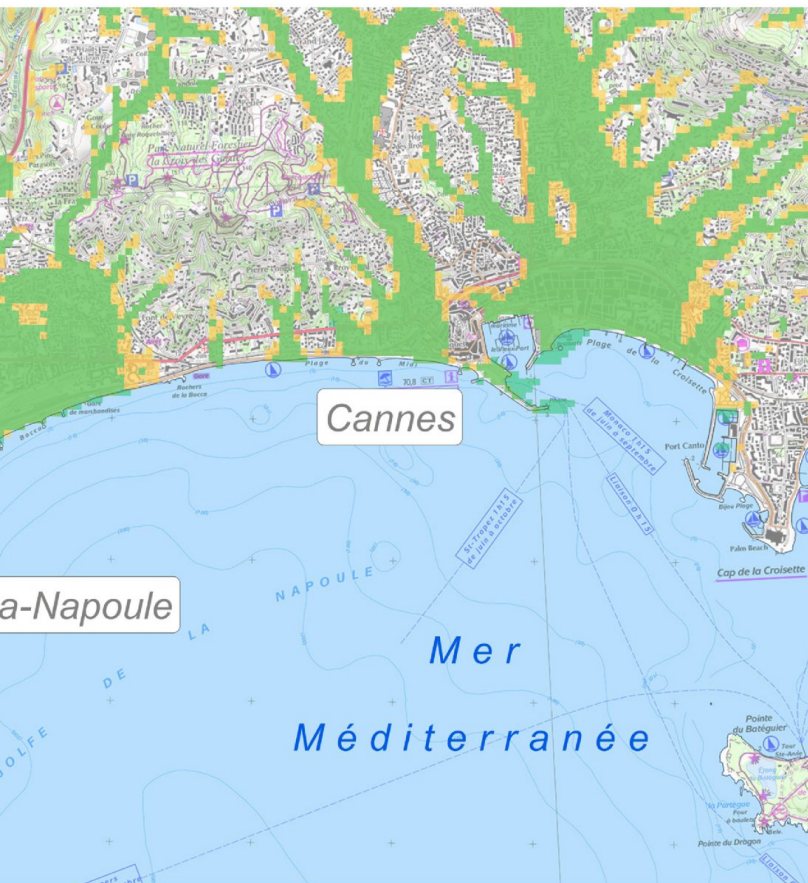


"WE CONTINUE TO ASSESS THE SOLIDITY OF THE NAT CAT SCHEME IN THE FACE OF CLIMATE CHANGE."

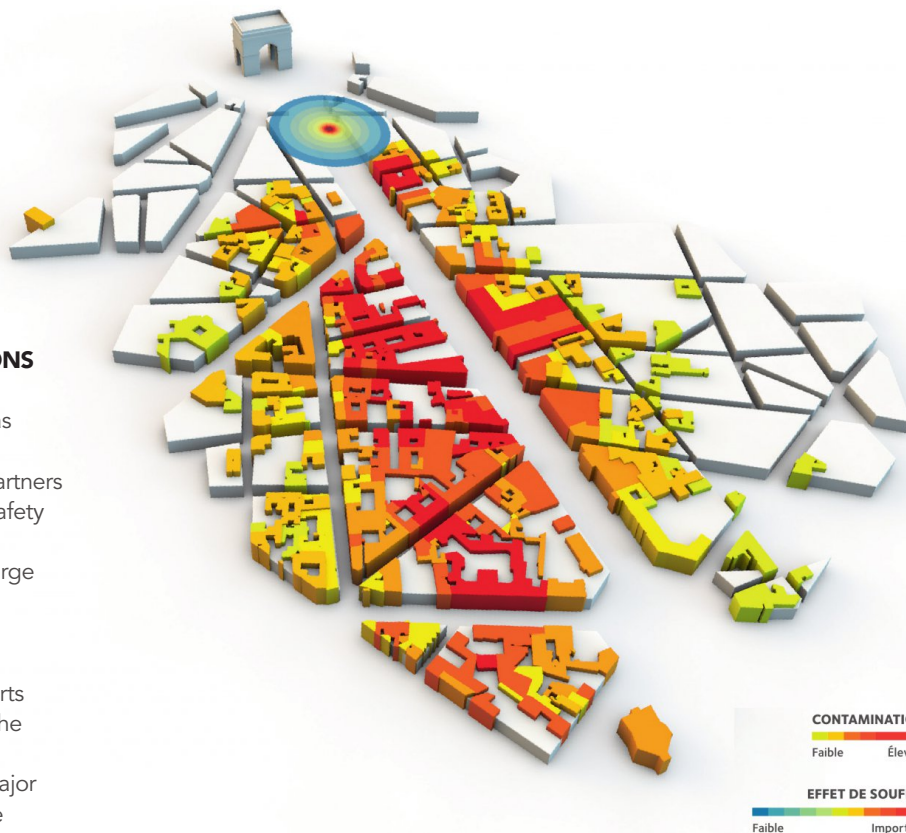
- **DAVID MONCOULON**, Head of modeling - R&D - Technical Studies - Public Reinsurance and Guaranty Funds

In 2015, CCR and Météo France worked on detailed modeling applications aimed at assessing the financial impact of climate change on the French compensation scheme for Natural Disasters. The work was based on a median scenario produced by the Intergovernmental Panel on Climate Change (GIEC) with a view to 2050. The results of the study demonstrated that annual Nat Cat loss experience generated by weather events on the French mainland can be expected to double by 2050. This development is primarily due to the increase of

property insured and its geographic distribution. The French compensation scheme for Natural Disasters, the only scheme of its kind, has up to now proven its effectiveness. This was especially the case in 1999, 2003 and 2010, three years of exceptional loss experience in France. The scheme is designed and built to effectively mitigate climate change risk. Moderate adjustments in rates may be necessary yet these will be limited because of developments carried out on the full range of prevention measures with the assistance of all the players involved.



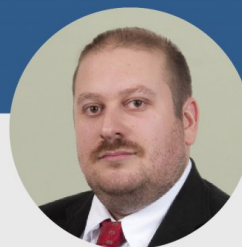
Aerial view taken March 3, 2010 showing the village of Faute-sur-Mer, in the western French department of Vendée, four days after windstorm "Xynthia" destroyed roads and homes along the Atlantic coast with its hurricane force winds and torrential rainfall.



NEW MODELING APPLICATIONS FOR EVOLVING RISKS

For man-made disasters, CCR has developed a terrorism modeling application with the help of its partners operating in the modeling and safety sectors. The particularity of this application is that it provides a large number of scenarios integrating NBCR risk (Nuclear, Biological, Chemical or Radiological risk). Lastly, CCR has also focused efforts on the modeling of nuclear risk the principal difficulties of which are to estimate the frequency of a major event (probable meltdown of the core of a nuclear reactor) and to shed light, not only on insured losses, but also on economic losses.

CCR'S EXPERTS



"WE ANTICIPATE NEW FORMS OF TERRORISM."

- **PIERRE TINARD**, Senior Cat Modeler – R&D - Technical Studies - Public Reinsurance

Unlike natural catastrophe risk, terrorism risk is a specific risk that can at times be difficult to identify while the frequency of its occurrence fluctuates as global geopolitical tensions increase. In addition, to so-called "conventional" terrorism (bombs,

conflagrations and direct bodily injury), experts and intelligence officials tend to agree that, over time, terrorist groups have intensified their efforts to acquire and ultimately use NBCR (Nuclear, Biological, Chemical or Radiological) weapons. CCR has therefore

stepped up efforts to model this peril and acquired an application enabling the company to assess the losses associated with these types of events. The modeling application simulates the dispersion and fall-out of contaminants at targets of interest and/or strategic points on

French soil. Furthermore, it takes into consideration the three-dimensional aspect of buildings and the meteorological conditions that would inevitably have substantial influence on the affected areas.

OPEN MARKET REINSURANCE: STAYING THE COURSE AND HIGH SELECTIVITY



On an international market that remained highly competitive and in an environment plagued by over capacity, reinsurance rates were further subjected to downward pressure. Alternative capacity solutions such as Cat bonds are now a common commodity and the levels of cedent retention are persistently increasing. In 2015, natural catastrophes and man-made losses were relatively few. As for large losses, the most spectacular was the series of explosions that occurred in the port of Tianjin, China (cf. pages 4 and 5). The aviation line once again did not report a profit, primarily due to the Germanwings loss. The Proton rocket failure also weighed heavily in the accounts of the space line. The energy line suffered a serious setback due to several losses that included Pemex, Chevron and Big Foot.

CCR, in the fire and motor lines where it is heavily involved, recorded the level of attritional loss experience it had predicted in its underwriting plan and no particular event or loss jeopardized the results and stability of its portfolio.

On the occasion of the Intelligent Insurer European Awards 2015, CCR was remitted an award for "Best Reinsurer for Ability to Pay Claims" (GWP of less than \$2bn).

Moderately committed in the energy lines, CCR was generally spared of energy losses for the year. Furthermore, the company was only moderately affected by aviation and space losses due to its insignificant commitment in these lines of business. In a market context plagued by competition and favorable toward insurers, cedents did not focus their attention solely on pricing. The size of the reinsurer, its financial strength, its capacity to provide its clients with the services they need; these are also factors that come into play when ceding companies select the reinsurers they will do business with. Least one forget the necessity of return on capital, CCR has always favored long-term relations. Our clients know they can rely on us when times are good much like when times are difficult.



"CCR continues to be highly selective in choosing its partners, while seeking to maintain an objective for profitability consistent with the risks it assumes."

PATRICK DELALLEAU,
Chief Underwriting Officer -
Property, Casualty,
Life & Specialty Lines



"Least one forget the necessity of return on capital, CCR has always favored long-term relations."

HERVÉ NESSI,
Deputy Underwriting Officer -
Property, Casualty,
Life & Specialty Lines

A RESPONSIBLE CORPORATE CITIZEN

By supporting and furthering concrete actions useful to society, CCR works to fulfil its social commitment alongside its clients and employees as well as within its ecosystem.

Because of its history, its profession and its culture, CCR is deeply rooted into French society. Due to its size and organization, the company stays in close proximity to insurers and public authorities remaining consistently aware of the issues faced by its clients. Furthermore, its general interest mission and its public shareholdership form a solid base for increasing its active commitment toward civil society.

A COMPANY ON A HUMAN SCALE

CCR's staff comprises a rich diversity of expert profiles representing a genuine source of wealth. Its primary challenge, in a difficult economic environment, is to retain and develop this wealth by training employees, by enabling them to become more agile, and by integrating new talents to respond to the changes in the profession.

HIGHLY INVOLVED STAFF

Since 1996, CCR has provided its financial support to associations working in the humanitarian field. The associations are selected on the basis of an application submitted by a member of company staff. Each year, staff go before a "sponsorship" commission made up of elected personnel representatives and request support for the association they treasure most. The subsidized associations are those with a small audience conducting actions in the field in which CCR's staff actively participates. It is in this manner that eight associations received subsidies in 2015.

PROVIDING ACCESS TO CULTURAL HERITAGE

A sponsorship agreement was entered into in 2015, in respect of 2016, with the Orsay and Orangerie museums. One of the primary focuses of the agreement is to sponsor the Henri Rousseau exposition: "Le douanier Rousseau. L'innocence archaïque". Through this initiative, CCR's aim is to facilitate access to cultural heritage for its clients, its employees as well as the general public.





CCR works consistently to fulfil its social commitment alongside its clients and employees as well as within its ecosystem by supporting and furthering concrete actions useful to society.



SPONSORING PROGRAMS AT LOCAL LEVEL

RÊVES DE GOSSE ⁽¹⁾

offers children aerial baptisms helping them to accept the differences between "extraordinary" children (suffering from disease or handicapped) and "ordinary" children.

NEGAR ⁽²⁾

works to foster recognition of Afghanistan woman's rights and supports, above all, the education of young women in the northern part of the country.

TEO 2004 ⁽³⁾

finances and performs neurosurgic no access to such treatment.

PROCLADE ⁽⁴⁾

works toward justice, peace and the eradication of poverty as well as the welfare of persons living in the most deprived areas of the planet.

HOME SWEET MOMES ⁽⁵⁾

adopts the concept of a

children's café, a forum for creativity for children from 0 to 16 years of age in Paris' Goutte d'Or quarter.

AHVEC ⁽⁶⁾

The humanitarian association of European and Cameroonian ambitions (Association Axe Humanitaire des Volontés Européennes et Camerounaises) has founded a center for the orientation and training of abandoned children in Baleveng, Cameroon.

FORM'ACCUEIL ⁽⁷⁾

works to facilitate the integration of immigrant workers by proposing French literacy and language courses.

POINT VERT ⁽⁸⁾

offers vacations, short stays, welcoming facilities and services for the handicapped.





"SETTING STRATEGIC ORIENTATIONS"

BOARD OF DIRECTORS

The board of directors sets CCR's strategic orientations and ensures their implementation.

Mr. Pierre Blayau was appointed Chairman of the board of directors by decree of the President of France on January 14, 2015 and Mr. Bertrand Labilloy was appointed Chief Executive Officer by the board of directors on January 16, 2015.

As the terms of office of all the directors terminated on June 30, 2015, the CCR board of directors decided to implement, beginning July 1, 2015, the provisions under the ordinance dated August 20, 2014 relating to the governance of French associated companies. Accordingly, the board of directors is now comprised of 15 directors to include 1 representative of the State, 9 directors appointed by the shareholder's general meeting (of which 3 proposed by the State) and 5 employee representatives.

Mr. Pierre Blayau was appointed Chairman of the board of directors in its meeting held on July 2, 2015 and Mr. Bertrand Labilloy was appointed Chief Executive Officer by decree of the President of France on August 17, 2015 upon the recommendation of the board of directors.

Furthermore, the board of directors now comprises four committees from amongst its members: the accounts committee, the audit and risks committee, the remuneration, appointment and governance committee and the strategic committee. These committees prepare the work of the board relating to topics submitted for their examination and report their conclusions to the board.



PIERRE BLAYAU (1)
DAMIEN ANDRIES (2)
PATRICIA BLANC (3)
CLÉMENT BOISNAUD (4)
SYLVIE CHANH (5)



JOHN CONAN (6)
PATRICE FORGET (7)
THOMAS GROH (8)
GÉRARD LANCNER (9)
PAULINE LECLERC-GLORIEUX (10)
PATRICK LUCAS (11)

DELPHINE MAISONNEUVE (12)
ANTOINE MANTEL (13)
DAVID MONCOULON (14)
MARIE-CLAUDE POUMEL (15)
RAOUL PROVINS (16)

"IMPLEMENTING STRATEGY"

In an effort to generate new impetus in the existing management committees thereby providing more effective collective decision-making, more efficient dissemination of information, as well as improved organizational transparency, it has been decided to further the development of the existing decision-making and information committees (Executive management committee and Management committee), which became respectively the Executive committee (Comex) and the Information and coordination committee (Codic).

EXECUTIVE COMMITTEE

The CCR Executive committee, comprised of thirteen permanent members, is responsible for the operational and organizational decision-making required by the implementation of corporate strategy. Working within this framework, it ensures that corporate objectives are effectively communicated to operational management. The information and coordination committee has been broadened to include fifteen corporate managers each representing an operational division within the company, namely public-sector reinsurance, open market reinsurance, finance, and the support functions. The committee enables information exchange and discussion on issues such as strategy, operations and the general management of the company. It also handles questions involving coordination of operations between the departments.

BERTRAND LABILLOY (1)
CHIEF EXECUTIVE OFFICER

LAURENT MONTADOR (2)
DEPUTY CHIEF EXECUTIVE OFFICER

HERVÉ BARROIS (3)
HEAD OF LEGAL DEPARTMENT
SECRETARY OF THE BOARD

PATRICK BIDAN (4)
CHIEF UNDERWRITING OFFICER -
PUBLIC REINSURANCE
AND GUARANTY FUNDS

CHRYSTELLE BUSQUE (5)
CHIEF FINANCIAL OFFICER

XAVIER CHANET (6)
CHIEF INFORMATION OFFICER

PIERRE COUMES (7)
HEAD OF FINANCIAL INVESTMENTS

PATRICK DELALLEAU (8)
CHIEF UNDERWRITING OFFICER -
PROPERTY, CASUALTY,
LIFE & SPECIALTY LINES

OLIVIER HUMBERT (9)
GENERAL SECRETARY

JÉRÔME ISENBART (10)
CHIEF RISK OFFICER

HERVÉ NESSI (11)
DEPUTY UNDERWRITING
OFFICER - PROPERTY, CASUALTY,
LIFE & SPECIALTY LINES

ANTOINE QUANTIN (12)
DEPUTY UNDERWRITING OFFICER -
PUBLIC REINSURANCE
AND GUARANTY FUNDS

KARINE ROBIDOU (13)
HEAD OF REAL ESTATE



2015 BALANCE SHEET

ASSETS

In thousands of euros	12/31/2015			12/31/2014
	Gross amount	Depreciation and provisions	Net amount	Net amount
Intangible assets	68 106	63 478	4 628	5 878
Investments				
Lands and buildings	370 010	67 699	302 311	317 993
Investments in subsidiaries and affiliated companies	6 200		6 200	11 200
Other financial investments	7 872 054	10 267	7 861 787	7 594 812
Funds held by ceding companies	128 452		128 452	114 248
	8 376 716	77 966	8 298 750	8 038 254
Reinsurers' and retrocessionaires' share of technical reserves				
Non-Life unearned premiums reserves	243		243	448
Life reinsurance reserves				
Life claims reserves	13		13	316
Non-Life claims reserves	12 713		12 713	20 401
	12 969		12 969	21 165
Receivables				
Due from reinsurance operations	76 706	3 078	73 628	69 818
State, Social Security, local authorities	843		843	34 592
Staff				10
Miscellaneous receivables	78 391	71 115	7 276	5 950
	155 940	74 193	81 747	110 370
Other assets				
Operating assets	11 169	7 809	3 360	3 928
Current accounts and cash	524 746		524 746	329 774
	535 915	7 809	528 106	333 701
Accruals				
Accrued interest and rents	66 609		66 609	72 999
Deferred acquisition costs	35 010		35 010	39 313
Other accruals	160 771		160 771	217 883
	262 390		262 390	330 194
Total assets	9 412 036	223 446	9 188 590	8 839 562

LIABILITIES

In thousands of euros	12/31/2015	12/31/2014
Shareholder's equity		
Share capital	60 000	60 000
Additional paid in capital		
Revaluation reserves	2 751	2 751
Other reserves		
Special reserve for long-term net capital gains		
Guarantee reserve	1 884	1 884
Special reserve for exceptional and nuclear risks	231 623	227 221
Special reserve for natural disasters	1 448 868	1 373 048
Capitalization reserve	64 440	63 681
Reserve for major natural risks	23 787	12 775
Special reserve for acts of terrorism	116 761	115 162
Special reserve for specific credit insurance risks	19 837	19 730
Reserve for the purchase of original works by living artists	17	
Retained earnings		
Net income	215 515	192 956
	2 185 483	2 069 209
Gross technical reserves		
Non-Life unearned premiums reserves	392 159	406 694
Life reinsurance reserves	110 565	89 276
Life claims reserves	128 100	117 902
Non-Life claims reserves	3 015 435	2 943 016
Equalization reserves	3 206 704	3 095 171
	6 852 963	6 652 061
Contingency reserves	31 769	29 933
Cash deposits from reinsurers		
Other liabilities		
Liabilities from reinsurance operations	8 297	7 828
Other borrowings, deposits and guarantees received	2 919	2 891
Staff	4 606	6 402
State, Social Security, local authorities	28 818	5 681
Miscellaneous liabilities	19 421	18 425
	64 061	41 227
Liabilities adjustment account	54 314	47 132
Total liabilities	9 188 590	8 839 562

2015 PROFIT AND LOSS ACCOUNT

In thousands of euros	12/31/2015		12/31/2014	
	Gross operations	Cessions and retrocessions	Net operations	Net operations
LIFE OPERATING ACCOUNT				
Earned premiums				
Premiums	92 575	4 528	88 047	94 127
Change in unearned premiums	97	0	97	-3 591
	92 672	4 528	88 144	90 535
Investment income				
Investment income	4 653		4 653	4 413
Other investment income	521		521	486
Realised gains	1 679		1 679	1 299
	6 854	0	6 854	6 198
Other technical income	0		0	72
Claims incurred				
Benefits and expenses paid	-48 323	-7	-48 316	-66 653
Changes in claims reserves	-6 961	304	-7 265	-4 153
	-55 284	297	-55 581	-70 806
Changes in reserves				
Life reinsurance reserves	-11 339	0	-11 339	2 263
	-11 339	0	-11 339	2 263
Profit sharing	-6 165	-147	-6 018	-3 897
Acquisition and administration expenses				
Acquisition expenses	-15 460		-15 460	-20 005
Administration expenses	-1 237		-1 237	-921
Commissions received from reinsurers		9	-9	-3
	-16 698	9	-16 707	-20 929
Investment expenses				
Internal and external administrative expenses	-650		-650	-469
Other investment expenses	-1 173		-1 173	-990
Realised losses	-460		-460	-297
	-2 283	0	-2 283	-1 756
Other underwriting expenses	-493		-493	-211
Life reinsurance operating result	7 265	4 687	2 577	1 470

In thousands of euros	12/31/2015		12/31/2014	
	Gross operations	Cessions and retrocessions	Net operations	Net operations
NON-LIFE OPERATING ACCOUNT				
Earned premiums				
Premiums	1 194 667	29 898	1 164 768	1 187 124
Change in unearned premiums	17 851	162	17 689	-18 758
	1 212 518	30 061	1 182 457	1 168 366
Transferred investment income	127 671		127 671	139 322
Other technical income	3 173		3 173	2 110
Claims incurred				
Benefits and expenses paid	-579 939	-7 038	-572 901	-674 942
Changes in claims reserves	-49 124	6 935	-56 059	23 875
	-629 063	-102	-628 961	-651 067
Profit sharing	-4 049	-281	-3 768	-4 470
Acquisition and administration expenses				
Acquisition expenses	-161 380		-161 380	-140 129
Administration expenses	-12 652		-12 652	-15 673
Commissions received from reinsurers		-507	507	755
	-174 032	-507	-173 525	-155 046
Other underwriting expenses	-7 390		-7 390	-5 948
Changes in equalization reserves	-111 533		-111 533	-151 168
Non-Life Reinsurance operating result	417 293	29 171	388 123	342 097
NON-OPERATING ACCOUNT				
Life reinsurance operating result			2 577	1 470
Non-Life reinsurance operating result			388 123	342 097
Non-Life investment income				
Investment income			171 947	181 844
Other investment income			19 259	20 012
Realised gains			62 048	53 532
			253 254	255 387
Non-Life investment expenses				
Internal and external administrative expenses			-24 006	-19 307
Other investment expenses			-43 350	-40 793
Realised losses			-16 994	-12 254
			-84 350	-72 355
Transferred investment income			-127 671	-139 322
Other income			921	710
Other expenses			-456	0
Extraordinary items				
Extraordinary gains			21 513	19 635
Extraordinary losses			-23 515	-24 811
			-2 001	-5 176
Employee profit sharing			-1 402	-3 693
Income tax			-213 480	-186 163
Net income			215 515	192 956

FOR MORE INFORMATION ABOUT CCR



More information at www.ccr.fr

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