2023 FINANCIAL REPORT

CCR RE

CONTENTS

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MANAGEMENT REPORT

1 RESULTS AND FINANCIAL POSITION

1.1 Business environment

After several technically unprofitable years for reinsurers, the market swung in their favor in 2023.

Throughout the year, property damage treaties were renewed in all markets on considerably better terms:
- the increase in direct insurance rates had a positive impact on the basis for calculating ceded premiums;
- non-proportional reinsurance rates also increased;
- commission rates on proportional treaties were reduced;
- reinsurer exposures were capped (through the application of higher deductibles, lower limits per event, etc.).

Last year had its share of major events, including:
- the earthquake in Turkey;
- hurricane Otis in Mexico;
- geopolitical events, with the continuing war in Ukraine and the war between Israel and Hamas, which affected the global economy.

Another feature of 2023 was the high cost of perils that were once considered secondary, but are now growing in frequency and severity, as in the case of last summer's hail storms in Italy.

In this environment, CCR Re once again succeeded in achieving its growth objectives, with premiums up 20%. Business growth was fairly even across all Life and Non-Life geographical areas. The fastest growth was in Canada, with premiums up by more than 30%.

In addition, CCR Re's satisfactory 2023 earnings performance confirmed the relevance and justified prudence of its long-standing underwriting policy. In particular, the P/C combined ratio and life technical margin improved compared with 2022, in a context of persistently high natural disaster claims.

1.2 Financial environment

2023 was a good year for investment performance, whether in bonds or equities. It was the year when inflation was finally brought under control together with the erosion of purchasing power. However, it was also a year when geopolitical tensions spread across the Middle East region, while the war in Ukraine raged on.

At the start of 2023, inflation was still running at around 10% in the euro zone and 7% in the United States, well above the ECB's and Federal Reserve's inflation targets. Although inflation clearly eased as the year progressed, the Federal Reserve and the ECB continued to increase their key rates. The Fed Funds rate range was raised to 5.25-5.50%, its highest level since 2021, and the ECB's deposit facility rate was increased to 4%, representing an all-time high since the euro zone was created.

However, there were marked contrasts in the behaviors of the world's major economies in 2023. While the United States enjoyed robust health, the same could not be said of Europe or China.

A resilient US economy

At the start of 2023, the US economy was widely expected to fall into recession. This didn't happen for several reasons:
1. the effects of monetary easing in 2020/2021 continued to be felt,
2. fiscal policy remained expansionary and the Biden administration's infrastructure spending plans began to deliver results,
3. the substantial household savings built up during the Covid crisis remained largely intact (representing around 10% of GDP).

The "Magnificent Seven" tech companies were the main drivers of the gains recorded by the main US stock market indices. In 2024, these seven stocks should continue to set market trends, capitalizing on the new opportunities to create value offered by artificial intelligence. Investors are also eagerly awaiting a change in the central banks' monetary policies this year.

Disappointing results from the reopening of China's economy

When the Chinese government ended its "zero Covid" policy, most observers expected the economy to expand very rapidly. They turned out to be wrong and consumer spending was only slightly higher in 2023, with the dismal outlook for the real estate market prompting households to save rather than spend.

1.3 Significant events of the year

Sale of a majority stake in CCR Re

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

The transaction price agreed between the consortium and CCR was set at €947 million for 100% of CCR Re's capital (before the share issue underwritten by the buyers). Including the acquisition of its information system 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 these transactions, SMABTP and MACSF now hold over 75% of CCR Re's capital, alongside CCR, which holds just under 25%. The equity-financed acquisition and capital increase became effective on July 3, after the necessary regulatory approvals had been obtained. They have boosted CCR Re's ability to meet its customers' capacity needs and take advantage of the current buoyant market environment.

Hailstorms in Italy and climate change perils

The hailstorms in Italy in the summer of 2023 were the culmination of a series of natural disasters that called into question the concept of "secondary peril", with the total cost for the market estimated at €4 billion overall. The estimated cost for CCR Re was €27 million, after reinsurance and before tax.

Already in 2022, hail damage accounted for half of estimated climate-related losses for the year, representing a total cost of €5.1 billion. CCR Re adjusted its underwriting strategy in 2023 by increasing its attachment points as a protection against the growing frequency of natural disasters.

At the same time, specific modeling work was initiated to better track the cumulative amount of these claims. All these events must be analyzed from a climate change perspective.

Continuing inflationary environment

Inflation remained high in 2023, even though the rate eased in the latter part of the year in line with macroeconomic forecasts. As a result, CCR Re continued to adapt its policies throughout the year:

- **underwriting**: pricing assumptions for the various business lines were updated throughout the year, taking into account medium- and long-term economic and social inflation forecasts in all of CCR Re's host countries;
- **technical reserves:** based on conservative estimates, higher-than-expected inflation had an impact of around €26 million on Life and Non-Life technical reserves;
- **cost base**: CCR Re continued to support the rapid pace of business growth while keeping general management expenses under control.

Earthquake in Turkey

The earthquake that occurred on February 6, 2023 was extreme in terms of its magnitude (7.8 on the Richter scale) and devastating in terms of its impact on the country's macroeconomic environment and the consequences of many buildings failing to comply with seismic building codes.

According to an approach based on (i) the information reported by ceding insurers and brokers, along with feedback from individual ceding insurers and brokers, and (ii) exposures at the administrative level of the province multiplied by exposure rates within each province, taking into account the earthquake risk, the population density and the estimated PML[1] for treaties with reported claims. CCR Re estimates that its exposure amounts to €21 million after retrocessions and before taxes.

Israel-Hamas war

In 2023, 5% of CCR Re's Non-Life and Life reinsurance premiums were generated in Israel, mainly in (i) the Fire, Natural Disaster, Terrorist Attacks and Riots classes, (ii) the Civil Liability class through the Non-Life BU and (iii) the Long-Term Care class through the Life BU. As of the date of this report, no excess losses have been observed, given the nature of the cover and the insured unit amounts. In addition, CCR Re has no material exposure to the Gaza Strip.

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1 PML: probable maximum loss.

1.4 Financial review

Written premiums

Gross written premiums for the year amounted to €1,186 million for CCR Re, up 20% as reported and up 23% at constant exchange rates[2]. Premium income breaks down as follows:

- Non-Life written premiums totaled €815 million, up 25% as reported (28% at constant exchange rates), and represented 69% of total premiums. The €162 million increase versus 2022 is related for the most part to new business written in Asia, Europe and Canada and to the application of higher premium rates.
- Life written premiums amounted to €371 million, up 11% as reported (14% at constant exchange rates), and represented 31% of total premiums. The €37 million increase versus 2022 corresponded mainly to new business written in Latin America and the Middle East/North Africa.

Ceded premiums

Ceded earned premiums stood at €95.3 million (2022: €72.1 million), including €17.0 million in fronted premiums (2022: €17.1 million) and €61.7 million in natural disaster premiums (2022: €39.7 million).

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The increase in ceded premiums primarily reflected the favorable impact of inward reinsurance renewals, creating a larger base to support an increase in the volume of premiums ceded to 157 Re.

Non-Life combined ratio and Life technical margin

Non-Life reinsurance business

The Non-Life combined ratio was 96.6% in 2023 versus 98.7% the previous year, breaking down as:

- a loss ratio[3] of 67.3% (2022: 69.1%);
  - attritional losses represented 48.0 points of the loss ratio versus 51.2 points in 2022,
  - natural disaster losses after reinsurance represented €88 million (versus €35 million in 2022). These losses contributed 13.0 points to the loss ratio (2022: 6.3 points). The hailstorms in Italy, the earthquake in Turkey, Hurricane Otis in Mexico, Storm Ciaran in France and Typhoon Doksuri in Asia together represented a cost of €91.3 million before reinsurance (€62.1 million net of reinsurance),
  - major man-made disaster claims represented losses of €17 million before and after reinsurance (2022: €34 million after reinsurance) and contributed 2.5 points to the loss ratio (2022: 6.0 points). For CCR Re, the two major sources of claims were the June 2023 riots in France and the bankruptcy of CGIBAT, a provider of home builder liability guarantees,
  - the higher cost of claims (claims incurred in 2023 and prior years) contributed 3.8 points to the loss ratio (2022: 5.6 points);
- an expense ratio[4] of 29.3% (2022: 29.6%).

Life reinsurance business

The Life reinsurance business's technical margin[5] declined to 3.9% in 2023 from 3.6% the previous year.

The increase was due to the lower inflation-related surcharge. At December 31, 2022, a reserve of €4 million was set aside for inflation, shaving 1.2 points from the margin rate. On a like-for-like basis, the 0.9 point drop in the technical margin rate was mainly due to a reserve reload in the first half of 2023.

Management expenses

Management expenses (not including non-recurring costs and not including investment management expenses, which are reported under investment expenses) amounted to €55 million (versus €42 million in 2022), representing a cost ratio[6] of 4.3% in 2023 (versus 4.1% in 2022).

Net investment income

Net investment income amounted to €57 million (versus €47 million in 2022), comprising:

- investment revenue of €52 million, up €14 million compared to 2022, reflecting the positive impact of higher interest rates on interest from fixed income assets (bonds, debt funds);

2 Changes at constant exchange rates correspond to the difference between 2022 premiums converted at the December 31, 2022 exchange rate and 2023 premiums converted at the December 31, 2022 exchange rate.

3 The loss ratio corresponds to incurred present and past losses (paid or covered by outstanding claims reserves, net of reinsurance) plus claims management expenses divided by earned premiums net of reinsurance.

4 The expense ratio corresponds to commissions and internal management expenses, excluding claims management expenses, divided by earned premiums net of reinsurance.

5 The Life technical margin corresponds to the ratio between (a) the sum of the technical result and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business. These items are determined before taking into account expenses analyzed by function and investment income allocated to the Life technical account.

6 Management expenses excluding investment management expenses, non-recurring costs, CVAE and C3S taxes, as a percentage of written premiums before reinsurance.

- interest expense on subordinated debt for €13 million, stable versus 2022;
- net realized capital gains of €18 million, an increase of €5 million compared to 2022 that was offset by the absence of non-recurring financial income, versus the €9 million generated in 2022.

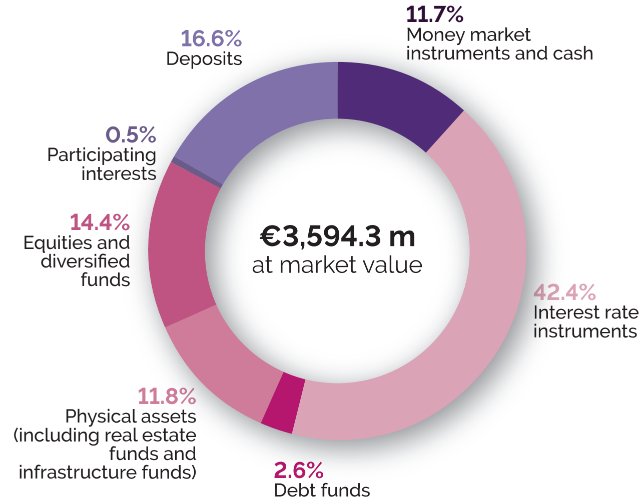
Changing financial market conditions led to provisions for other-than-temporary impairment in value being recorded in 2023 for a total of €3 million; however it was not necessary to make any allocation to the liquidity risk reserve.

CCR Re's return on invested assets[7] was 2.4% in 2023, compared to 2.3% in 2022. The improved return was attributable to the growth in investment revenue.

Management of financial and real estate investments

Reinsurance investments[8] had a net book value of €3,303 million at December 31, 2023 (versus €2,832 million at the previous year-end), including €387 million in assets deposited with ceding insurers.

Net unrealized gains totaled €291 million at December 31, 2023 compared with €207 million at end-2022, reflecting conditions in the financial and real estate markets and asset sales carried out during the year. The market value of financial and real estate investments was €3,594.31 million at December 31, 2023, an increase of 18.3% compared with end-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):

	December 31, 2022			December 31, 2023			Change			
(in millions of euros)	NBV	MV	% (at MV)	NBV	MV	% (at MV)	NBV	%	MV	%
Money market instruments	216.8	217.0	7.1%	419.8	420.1	11.7%	+202.9	+93.6%	+203.2	+93.6%
Fixed income instruments	1,318.9	1,208.2	39.8%	1,546.2	1,525.4	42.4%	+227.4	+17.2%	+317.2	+26.3%
Debt funds	91.6	92.1	3.0%	85.6	92.7	2.6%	-6.1	-6.6%	+0.6	+0.6%
Physical assets (including real estate funds and infrastructure funds)	173.3	462.1	15.2%	179.7	425.7	11.8%	+6.4	+3.7%	-36.3	-7.9%
Equities and diversified funds	467.2	494.6	16.3%	459.9	516.0	14.4%	-7.3	-1.6%	+21.4	+4.3%
Participating interests	14.7	15.4	0.5%	14.7	17.1	0.5%	0.0	0.0%	+1.7	+10.8%
Deposits	549.4	549.4	18.1%	597.4	597.4	16.6%	+48.0	+8.7%	+48.0	+8.7%
TOTAL	2,832.0	3,038.7	100%	3,303.3	3,594.3	100%	+471.3	+16.6%	+555.6	+18.3%
of which investments	2,707.5	2,914.3		3,059.2	3,350.2					
of which current accounts and cash	124.5	124.5		244.1	244.1					

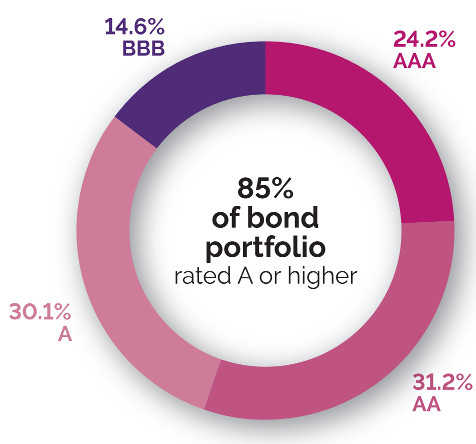
7 Ratio of net investment income to reinsurance investments, excluding the investment in the Luxembourg subsidiary, interest on subordinated debt, ceding insurer deposits and owner-occupied property.
8 CCR Re's financial and real estate investments, including cash. In this section, the investment portfolio at December 31, 2022 has been remeasured at December 31, 2023 prices.

The portfolio's market value rose sharply in 2023, to €3,594 million from €3,039 million at December 31, 2022. Part of the increase corresponded to investment of the proceeds from the €200 million capital increase underwritten by the consortium formed by the SMABTP and MACSF groups.

As shown in the above table, changes in the structure of the reinsurance investment portfolio in 2023 were as follows:

- Investments in **money market instruments** amounted to €420 million at December 31, 2023, up 93.6% compared with end-2022. This portfolio represented 11.7% of total investments at market value at December 31, 2023, versus 7.1% at end-2022.

- The market value of investments in **interest rate instruments** (42.4% of total reinsurance investments) increased by 26.3% over the year. The portfolio comprises bonds for 61.7% and bond funds for 38.3%, with directly held bonds consisting almost exclusively of fixed-rate bonds (97% of the portfolio). At December 31, 2023, 85% of the bonds in the portfolio were rated A or higher. The portfolio's average S&P rating was AA-.



- Investments in **debt funds** amounted to €92.7 million at market value, representing 2.6% of the total portfolio (unchanged from 2022).

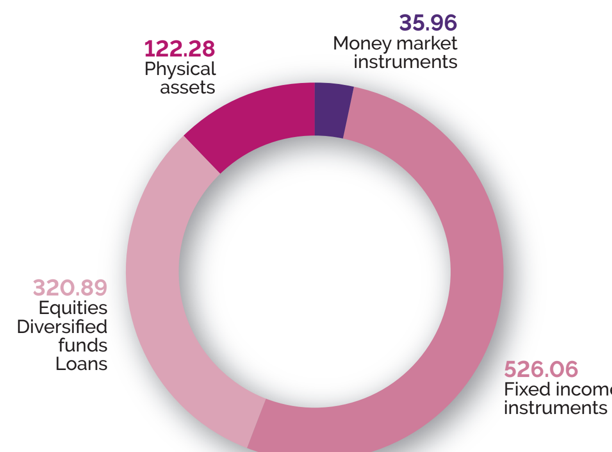
- Investments in **physical assets** stood at €425.7 million at market value, a sharp decline of 8% compared with end-2022. They represented 11.8% of total reinsurance investments versus 15.2% at December 31, 2022. There were two reasons for the decline: the sale of the rue de la Pompe building and the dilutive effect of the higher market value of total investments. The portfolio continues to comprise office and residential properties in central Paris.

- The market value of investments in **equities and diversified funds** increased to €516 million at December 31, 2023 (December 31, 2022: €495 million), but the portfolio's weighting contracted to 14.4%.

- Investments in **participating interests** at market value stood at €17 million at December 31, 2023 (December 31, 2022: €15.4 million).

At December 31, 2023, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €1,005.2 million at market value (28% of total reinsurance investments, compared with 28.2% at December 31, 2022). The portfolio breaks down as follows by asset class (in millions of euros):

ESG investments at December 31, 2023



EBITAER[9]

The items discussed above drove an increase in EBITAER to €87.7 million from €64.1 million in 2022.

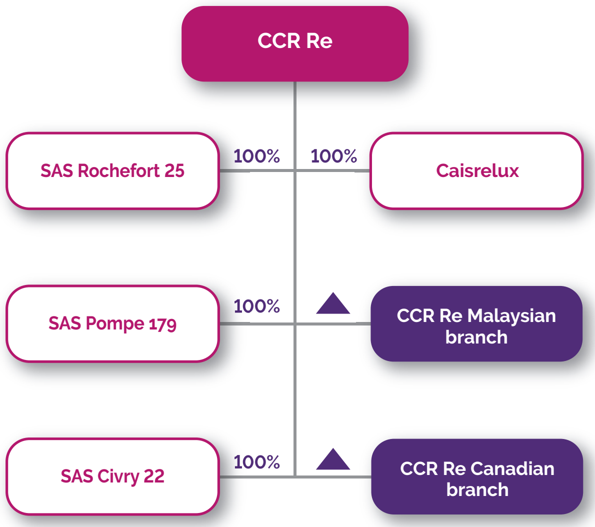
9 Earnings before interest, taxes, amortization and the equalization reserve. EBITAER also excludes non-recurring items.

Net income for the year

CCR Re's net income for the year amounted to €56.3 million (2022: €42.0 million), breaking down as follows:

- EBITAER for €87.7 million (2021: €64.1 million);
- less the €0.6 million charge to the equalization reserve (2022: less the net addition of €5.0 million). The tax-deductible transfer to the reserve will help to offset exceptional future costs on certain classes of reinsurance business, strengthening CCR Re's financial position by limiting earnings volatility;
- less cost of debt for €12.7 million (unchanged from 2022);
- plus net non-recurring income of €0.2 million (2022: plus net non-recurring income of €0.1 million);
- less income tax expense of €18.4 million (2022: €4.5 million), representing an effective tax rate of 33% that reflects the increase in unrealized gains.

Subsidiaries and affiliates



As shown in the chart above, part of the real estate investment portfolio is managed through three simplified joint stock corporations with combined equity of €42.7 million at December 31, 2023. The three companies contributed €39.2 million to CCR Re's investment revenue for the year.

CCR Re also has a reinsurance subsidiary in Luxembourg, Caisrelux. This company had share capital of €6.2 million at December 31, 2023, unchanged from the previous year-end. Caisrelux operates exclusively as a captive reinsurance company. CCR Re granted a €15 million 10-year loan to Caisrelux on December 22, 2022.

1.5 2024 outlook

Business development

The January treaty renewal campaign saw the market continue to harden, but at a slower pace than in the previous campaign. While conditions improved overall for the second year running, the changes were not systematic and each customer was treated on its merits, except in markets where severe losses were incurred in 2023 (such as Italy, Turkey and Mexico).

The campaign turned out to be more difficult than expected, with negotiations once again lasting until the end of December. CCR Re confirmed its reputation as a loyal reinsurer providing increased natural disaster reinsurance capacity (in nominal terms), as well as offering increased shares, with cross-business offers (Life, Non-Life and Specialty) that were very popular with customers.

For these reasons, the Company enjoyed a good campaign and seized a number of opportunities:

- We took advantage of considerably improved market conditions to maintain our natural disaster capacity in Italy and Turkey.
- Similarly, in Greece, we took advantage of the improved market conditions following the wildfires to deploy our natural disaster capacity.
- Our Life natural disaster capacity was deployed in Israel, setting limits on the perils covered and in exchange for significant increases in participation rates under the customers' other treaties.

Following this successful campaign, CCR Re remains on track to meet its 2024 development plan objectives by scrupulously applying its strategy (diversification of natural disaster exposures, balanced growth in risks, cancellation of treaties that are not sufficiently profitable in order to improve the portfolio's profitability). This strategy is increasingly clearly understood by the market and the underwriters. By allowing us to adopt a more selective approach to new treaties, both upstream and downstream, it enables our teams to save a considerable amount of time that can be better used to conduct a more detailed qualitative examination of the treaties.

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Financial outlook

2024 holds out the hope of a renewal and the prospect of better days ahead. It is an election year during which more than half the world's population is set to vote, culminating in November with the American presidential election.

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. We expect central banks to hit their inflation targets, with disinflation confirmed and economic activity slowing but still showing resilience.

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 even 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.

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

There is nonetheless a risk that the stabilization of energy prices and the rise in sea freight rates between Asia and Europe will put a stop to the decline in inflation that began last year.

For this reason, we do not fully embrace the market expectations of central bank rate cuts that were responsible in no small measure for last year's rise in stock market prices.

1.6 Forward financial instruments policy

Currency risk results from differences between assets and liabilities in each currency.

It is impossible to exactly match assets and liabilities in each currency on a continuous basis. CCR Re endeavors to limit the balance sheet's exposure to currency risks and uses hedging instruments to reduce the impact of exchange rate fluctuations.

Currency risk is managed using a certain number of indicators to assess the risk from different angles, currency by currency.

Hedging instruments include forward foreign exchange contracts and derivative instruments (non-deliverable forwards) for non-convertible currencies. Realized and unrealized gains and losses on forward financial instruments used in yield strategies are recorded directly in the income statement, as allowed under paragraph 3012-3 of Regulation CRC 2002-09 for forward contracts.

1.7 Dividends paid in the last three years

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

- 2020: €5,513,024.52, representing €6.12 per share, net.
- 2021: €12,296,206.65, representing €13.65 per share, net.
- 2022: €16,809,319.86, representing €18.66 per share, net.

1.8 Other information

Research and development activity

The undertaking's Digital Factory has consolidated its structure around several centers of excellence, aimed at strengthening CCR Re's positioning in a constantly evolving environment:

- Data & Business Intelligence (BI) manages data and facilitates its use by the business line teams. This is achieved by providing data flows and reporting streams.
- Chapter Lab & Artificial Intelligence (AI) drives innovation through the construction of a high-performance, secure and flexible data architecture, but also through AI-based business use cases.
- Digital Office guarantees that methods are adapted to each project in order to speed up delivery, and that appropriate user support is provided.

The AI-based work initiated in 2022 by this data-led innovation organization was completed in 2023:

- The ARS tool for checking the application of underwriting rules has been finalized, with the inclusion of a reporting dimension to simplify its use and interpretation.
- The contractual eProcessing tool has been deployed. This tool analyzes and facilitates electronic document capture by extracting key risk coverage information. Its use should save time and provide greater control over the data entered in the system.
- The Clause analysis tool has been made available to the business line teams in a "minimum viable product" version. It helps the Underwriting and Legal teams to detect special clauses in contracts and their deviation from the reference clauses.
- Finally, the Search Engine semantic search tool has also been finalized and made accessible to the business line teams. The tool integrates cutting-edge AI technologies such as transformers to enable instant multilingual searches. It was notably used in July 2023 to swiftly measure exposure to "Riot" risk.

In parallel, the construction of a data platform has been launched, and a "minimum viable product" version is now available.

Its role is to centralize data, making it easier to use and reducing the time-to-release of business use cases in a secure environment. It offers the agility needed to deploy solutions to new business needs.

Several business use cases are currently being developed on this platform, mainly to facilitate risk exposure measurement.

The following development projects have also been launched:

- Machine Learning Platform: infrastructure linked to the data platform, built to facilitate the industrialization of AI-based business use cases in a secure environment.
- Machine Learning Operations (MLOPs) approach: this operating mode was tested in 2023 by the Chapter Lab & AI center of excellence. The aim is to improve the speed and reliability of machine learning-based project deployment. Thanks to the reuse of off-the-shelf solutions, this approach makes scaling up faster and more efficient.
- UX/UI approach: innovation is a key success factor for the undertaking, but for it to be successful, it must be easy to adopt and use. A design-based approach was tested for our AI platform and the BI activity.

CCR Re is also exploring the possibilities of generative AI and, more specifically, Large Language Model (LLM) specialization, with a view to analyzing its applicability in the reinsurance sector. A proof-of-concept test was carried out using the search engine tool and was presented at the 100% Actuaries 100% Data Science conference organized by France's Institute of Actuaries in October 2023.

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					
(in thousands of euros)	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		1			1	2						
Total amount of invoices (excl. VAT)		2.5			4.6	7.1						
As a % of total purchases for the period (excl. VAT)	0.0%	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												
(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 terms		30 days from month-end										
Statutory terms								30 days from receipt of invoice				

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.

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Calculation of financial indicators

Accounting presentation and presentation by Life and Non-Life business unit

2023 (in millions of euros)	PRESENTATION BY BUSINESS UNIT			ACCOUNTING PRESENTATION	
	Non-Life BU (1)	Life: Disability/ Health BU (2)	Life: Death BU (3)	Non-Life (1) + (2)	Life (3)
Net earned premiums	675	136	203	811	203
Paid claims and expenses and charges to other technical reserves, net of reinsurance	(454)	(134)	(162)	(589)	(162)
Net commissions, fees, other underwriting income and expenses	(198)	(13)	(34)	(210)	(34)
Change in equalization reserve	(1)	0	0	(1)	0
Investment income allocated to the technical result	35	6	3	41	3
TECHNICAL RESULT	58	(5)	9	53	9

Non-Life 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)	2022R	2023R
Gross written premiums	653	815
Net earned premiums (A)	**558**	**675**
Claims expenses and charges to other technical reserves (B)	(385)	(455)
Loss ratio — (B) / (A)	**69.1%**	**67.3%**
Commissions, fees, other underwriting income and expenses (C)	(165)	(198)
Expense ratio: — (C) / (A)	29.6%	29.3%
NON-LIFE COMBINED RATIO: — [(B) + (C)] / (A)	**98.7%**	**96.6%**

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Life technical margin

The Life technical margin corresponds to the ratio between (a) the sum of the net underwriting result[10] and interest on deposits with ceding insurers for the Life business and (b) total earned premiums, net of reinsurance, for the Life business.

(in millions of euros)	2022R	2023R
Gross written premiums	334	371
Net earned premiums (A)	305	338
Net underwriting result	7.3	9.9
Interest on cash deposits	3.6	3.4
Technical balance used for the calculation of the Life technical margin (B)	11.0	13.3
LIFE TECHNICAL MARGIN (B) / (A)	3.6%	3.9%

Cost ratio

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

(in millions of euros)	2022R	2023R
Total management expenses recorded in the income statement	(45.7)	(59.4)
Of which investment expenses	3.7	6.7
Of which taxes	1.8	2.1
TOTAL EXPENSES (for the calculation of the cost ratio) (A)	(40.1)	(50.6)
Gross written premiums (B)	987	1,186
COST RATIO (A) / (B)	4.1%	4.3%

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Return on invested assets

The return on invested assets corresponds to net investment income divided by reinsurance investments, excluding interest on subordinated debt, excluding miscellaneous adjustments (ceding insurer deposits and owner-occupied property) and excluding the subsidiary Caisrelux.

(in millions of euros)	2022R	2023R
Net investment income	47.1	56.5
Miscellaneous adjustments (ceding insurer deposits and owner-occupied property)	(5.2)	(5.0)
Cost of debt	12.7	12.7
Net investment income (for the calculation of the return on invested assets)	54.6	64.2
Average reinsurance investments	2,399	2,700
RATE OF RETURN ON INVESTED ASSETS	2.3%	2.4%

10 Sum of premiums, claims and related management expenses, and commissions and brokerage fees, including changes in related technical reserves, net of reinsurance.

EBITAER

EBITAER is earnings before interest, taxes, amortization and the equalization reserve. It also excludes non-recurring items.

(in millions of euros)

Non-Life	2022R	2023R	Change
Gross written premiums	653	815	+162
Net earned premiums	**558**	**675**	**+118**
Claims expenses (including claims management expenses) and commissions, net	(521)	(615)	-93
+ Internal management expenses	(31)	(40)	-9
- Claims management expenses	2.5	2.9	+0.5
+ Other technical result	(0.4)	(0.4)	0.0
+ Investment income allocated to the technical result	31	35	+4
TECHNICAL RESULT EXCLUDING CHANGE IN EQUALIZATION RESERVE	38	58	**+20**

Life			
Gross written premiums	334	371	+37
Net earned premiums	**305**	**338**	**+34**
Claims expenses (including claims management expenses) and commissions, net	(297)	(328)	-31
+ Internal management expenses	(11)	(15)	-4
- Claims management expenses	0.4	0.4	0.0
+ Other technical result	(0.1)	(0.1)	0.0
+ Investment income allocated to the technical result	8	9	+1
TECHNICAL RESULT EXCLUDING CHANGE IN EQUALIZATION RESERVE	4	4	**0**
Investment income, net of expenses	47	57	+9
- Investment income allocated to the technical result	(38.7)	(44.0)	-5.3
- Finance costs	13	13	0
Amortization	0	0	0
EBITAER	64	88	**+24**
+ Amortization, depreciation	0	0	0
+ Finance costs	(13)	(13)	0
+ Change in equalization reserve	(5)	(1)	+4
+ Non-recurring income and expenses, net	0	0	0
+ Employee profit-sharing	0	0	0
+ Income tax	(5)	(18)	-14
NET INCOME FOR THE YEAR	42	56	**+14**

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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 Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer

In accordance with Article L.225-51-1 of the French Commercial Code and Article 16 of the Company's bylaws, at its meeting on July 3, 2023 the Board of Directors decided to separate the positions of Chairman of the Board and Chief Executive Officer.

2.2 Chairman of the Board of Directors and Chief Executive Officer

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At the Board meeting of July 3, 2023, Patrick Bernasconi was appointed as Chairman of the Board of Directors for the duration of his term of office as director. He replaced Bertrand Labilloy, who stepped down from the Board at the same meeting. Prior to this meeting, at the Ordinary Shareholders' Meeting of June 27, 2023, Patrick Bernasconi was elected as a director for a three-year term expiring at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025.

In accordance with the provisions of the Shareholders' Pact, on July 3, 2023 the Board of Directors appointed Bertrand Labilloy as Chief Executive Officer and one of the persons who effectively run the business within the meaning of Article L.322-3-2 of the French Insurance Code, for a five-year term.

Also in accordance with the Shareholders' Pact, on July 3, 2023 the Board of Directors appointed Laurent Montador as Deputy Chief Executive Officer and one of the persons who effectively run the business within the meaning of Article L. 322-3-2 of the French Insurance Code.

2.3 Composition of the Board of Directors

In accordance with French company law governing joint stock corporations, the Board of Directors has at least three members and no more than 15 members, including one director representing employees elected pursuant to Article L.225-27 of the French Commercial Code.

The members of CCR Re's Board of Directors are as follows:
- Patrick Bernasconi, Chairman of the Board of Directors
- Édouard Vieillefond, Permanent Representative of La Caisse Centrale de Réassurance (CCR)
- Laurence Daziano
- Monica Cramer
- Sandrine Turquetil Delacour
- Stéphane Dessirier
- Jacques Chanut
- Pierre Esparbes, Permanent Representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics (SMABTP)
- Xavier Touzé, Permanent Representative of SMA SA
- Agnès Auberty, Permanent Representative of Société Mutuelle d'Assurance sur la vie du Bâtiment et des Travaux Publics SMAvie BTP
- Sylvie Van Viet
- John Conan, director representing employees elected by employees pursuant to Article L.225-27 of the French Commercial Code

The term of office of directors is three years.

2.4 Role and responsibilities of the Board of Directors

The Board of Directors notably sets CCR RE's strategic, economic, financial and technological priorities.

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

- the undertaking's underwriting and investment strategy at least once a year;
- CCR Re's multi-year business plan;
- CCR Re's provisional annual budget and risk appetite;
- planned mergers, acquisitions and strategic partnerships;
- the outlines of the retrocession program;
- any illiquid or relatively illiquid financial or real estate investment of at least €40 million, in order to validate both the nature and the amount of the investment.

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

In 2023, the Board was kept regularly informed of CCR's plan to cede control of CCR Re to SMABTP, paying particular attention to the IT infrastructure issues raised by the operation.

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

2.5 The audit, accounts, and risks committee

The audit, accounts and risks committee created in 2023 as part of July the 3rd agreement, is made up of three directors. The Committee is chaired by Ms. Sandrine TURQUETIL DELACOUR.

One specific mission of the committee is to assist the board of directors in the company annual accounts-related topics, in order to : (i) ensure the relevance and permanence of the accounting and actuarial methods adopted for the establishment of the company accounts, consolidated accounts when relevant, as well as regulatory statements (ii) issue an opinion on the annual budget, multi-year plans and multi-year financing plans, (iii) carry out the prior examination of the draft social accounts and, consolidated ones when relevant, (iv) assess the effectiveness and quality of internal control systems and procedures, examine risks-especially CSR extra-financial risks and significant commitments, in particular through a risk mapping and the internal audit program, (v) ensure compliance by the Company with applicable legal and regulatory obligations (in particular with regard to the Solvency II Directive), (vi) ensure the completeness, accuracy and the fairness of the company's financial statements and any other information or report of a financial nature communicated to shareholders, the supervisory authority or the public and (vii) ensure the existence and effectiveness of internal control procedures in the development and processing of accounting and financial information.

The committee reviews reports, including the Regular Supervisory Report (RSR), the Solvency and Financial Conditions Report (SFCR) and written policies within its jurisdiction. The committee is also responsible for monitoring risk control indicators, as well as the Orsa with the examination of the Orsa report and the hearing of Solvency 2 key functions.

2.6 Nominations and Compensation Committee

The Nominations and Compensation Committee was created in 2023 pursuant to the agreement of July 3. It has three members, all of whom are directors, and is chaired by Sylvie Van Viet.

The role of the Nominations and Compensation Committee is to (i) review and advise the Board of Directors on the compensation allocated to the Chairman and the Chief Executive Officer respectively, (ii) recommend to the Board of Directors a total amount of compensation for directors, to be proposed to the Annual Shareholders' Meeting for approval, and rules for the allocation of this amount between directors, (iii) examine any candidate for election (or re-election) to the Board of Directors, and (iv) examine any candidate for appointment (or re-appointment) as Chief Executive Officer.

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.

2.7 Strategy Committee

The Strategy Committee was created in 2023 pursuant to the agreement of July 3. It has three members, all of whom are directors, and is chaired by Patrick Bernasconi.

The Strategy Committee is tasked with (i) examining, discussing and advising the Board of Directors on CCR Re's overall strategy, the organic and external growth of the undertaking and its subsidiaries (including monitoring and updating business plans and tracking M&A and/or other external growth transactions, portfolio acquisitions, etc.), the underwriting strategy, outward reinsurance and exposure management strategies and the risk appetite strategy, as well as monitoring these strategies, and (ii) preparing the work of the Board of Directors on these matters.

2.8 Compensation paid to directors and corporate officers

In 2023, CCR Re paid total compensation of €320,000 to members of the Board of Directors, as follows:

• Jacques Chanut	€17,000
• Charles Lévi	€20,000
• Patrick Cerceau	€22,500
• Monica Cramer	€25,000
• Patrick Bernasconi	€60,000
• Sylvie Van Viet	€25,000
• Laurence Daziono	€21,000
• Stéphane Dessirier	€17,000
• Sandrine Turquetil Delacour	€25,000
• SMABTP	€25,000
• SMAvie BTP	€17,000
• SMA SA	€25,000
• Caisse Centrale de Réassurance (CCR)	€21,000

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In accordance with the law, the Chief Executive Officer's compensation is decided by the Board of Directors.

CCR Re's Chief Executive Officer, Bertrand Labilloy, was paid total gross compensation of €243,166.39 for 2023, including fixed compensation of €192,504 and variable compensation of €50,000. In addition, he received a reimbursement of €662.39 in respect of social insurance contributions paid in 2023 but not due by corporate officers (*mandataires sociaux*). He does not receive any benefits in kind.

Laurent Montador, Deputy Chief Executive Officer, was paid total gross compensation of €126,050.55 for 2023, including fixed compensation of €125,214 and a reimbursement of €836.55 in respect of social insurance contributions paid in 2023 but not due by corporate officers (*mandataires sociaux*). He does not receive any benefits in kind.

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

2.9 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.

2.10 Related party transactions

A service agreement between CCR Re and SAS Cerceau Consulting was authorized by CCR Re's Board of Directors on December 8, 2022 before being entered into for a period of one year. Patrick Cerceau is SAS Cerceau Consulting's sole shareholder. Under the terms of the agreement, SAS Cerceau Consulting provides consulting services and client prospection assistance in certain specified markets. The purpose of these services is to enable CCR Re to write new reinsurance business in these markets, in accordance with its underwriting criteria, or to enter into partnerships with local reinsurance companies. The agreement was disclosed to the statutory auditors in accordance with the regulations governing related party agreements. Patrick Cerceau stepped down from CCR Re's Board of Directors on July 3, 2023.

2.11 Other information

The social and economic committee issued a favorable opinion on the changes to CCR Re's business and legal organization following the sale of 75% of the Company's capital and voting rights to the SMABTP and MACSF consortium.

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

BERTRAND LABILLOY

Chief Executive Officer

Directorships and positions held in CCR Re and its subsidiaries

- Chief Executive Officer of CCR Re
- Bertrand Labilloy represents CCR Re in the governance of the Civry, Pompe and Rochefort simplified joint stock corporations ("SASs"). He also played the same role in the SASs owned by CCR until July 3, 2023

Other directorships and positions in other companies

- Member of the Management Committee of *Association Professionnelle des Réassureurs de France* (APREF)
- Permanent representative of CCR Re on the Board of Directors of GIE La Réunion Aérienne
- Chairman of the Board of Directors of Seyna

LAURENT MONTADOR
Deputy Chief Executive Officer

Directorships and positions held in CCR Re and its subsidiaries

- Deputy Chief Executive Officer of CCR Re
- Chairman of the Board of Directors of Caisrelux

Other directorships and positions in other companies

- Director of Garex

PATRICK BERNASCONI
Chairman of the Board of Directors

Directorships and positions held in CCR Re and its subsidiaries

- Chairman of the Board of Directors of CCR Re
- Chairman of the Strategy Committee of CCR Re

Other directorships and positions in other companies

- Société Mutuelle d'Assurance sur La Vie du Bâtiment et des Travaux Publics - SMAvie BTP SAM: Director
- Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP SAM: Director
- Société de Groupe d'Assurance Mutuelle du Bâtiment et des Travaux Publics - SGAM BTP:
  Permanent Representative of Fédération Nationale des Travaux Publics (FNTP), Director
- Société de la Tour Eiffel: Chairman of the Board of Directors
- PBI Finances: Chairman
- SCI HPKZ Investments: Co-Managing Partner
- Société Mutuelle d'Assurance sur La Vie du Bâtiment et des Travaux Publics - SMAvie BTP SAM: Chairman of the Board of Directors/Chairman of the Investment Committee/Vice-Chairman of the Strategy Committee - term expired October 1, 2023
- Société Européenne de Location d'Immeubles Commerciaux et Industriels - SELICOMI SAS:
  Vice-Chairman and Director - term expired October 27, 2023
- SMA SA: Chairman and Member of the Supervisory Board - term expired December 5, 2023
- Société Auxiliaire d'Études et d'Investissements Mobiliers - INVESTIMO:
  Vice-Chairman and Director - term expired October 26, 2023
- Société Anonyme Générale d'Assurance sur la Vie - SAGEVIE:
  Chairman and Director - term expired December 4, 2023
- Imperio Assurances et Capitalisation SA: Chairman and Director - term expired November 29, 2023
- Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP SAM:
  Permanent Representative of Société Mutuelle d'Assurance sur la Vie du Bâtiment et des Travaux Publics - SMAvie BTP SAM (SMA Group), Managing Director - term expired October 1, 2023
- Société de Groupe d'Assurance Mutuelle du Bâtiment et des Travaux Publics - SGAM BTP:
  Director - term expired October 11, 2023

PIERRE ESPARBES
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent Representative of SMABTP, Director
- Member of the Audit, Accounts & Risks Committee of CCR Re
- Member of the Nominations and Compensation Committee of CCR Re

Other directorships and positions in other companies

- SMABTP: Chief Executive Officer
- SGAM BTP: Chief Executive Officer
- SMAvie BTP (SMABTP Group): Chief Executive Officer
- SMA SA (SMABTP Group): Permanent Representative of SMABTP, Member of the Supervisory Board
- Protec BTP SA (SMABTP Group): Chairman of the Supervisory Board
- SMA Gestion SA (SMABTP Group): Permanent Representative of SMAvie BTP, Member of the Supervisory Board
- Bati Première (SICAV) (SMABTP Group): Permanent Representative of SMABTP, Director
- Sagevie (SMABTP Group): Permanent Representative of SMA SA, Director
- Imperio SA (SMABTP Group): Director
- Investimo SA (SMABTP Group): Director
- Victoria Seguros de Vida SA (Portugal) (SMABTP Group): Director
- Victoria Seguros SA (Portugal) (SMABTP Group): Director
- Victoria Internacional de Portugal SGPS SA (Portugal) (SMABTP Group): Director
- SMABTP Côte d'Ivoire SA (SMABTP Group): Permanent Representative of SMA SA, Director
- SELICOMI SAS (SMABTP Group): Director
- Foncière 114 SAS (SMABTP Group): Director
- Foncière Ceres SAS (SMABTP Group): Director
- Pactinvest SAS (SMABTP Group): Director
- Châteaux des Deux Rives SAS (SMABTP Group): Director
- CGI BAT SA (SMABTP group): permanent representative of SMABTP, member of the Supervisory Board
- FONDATION D'ENTREPRISE EXCELLENCE SMA (SMABTP group): Director
- Société de la Tour Eiffel, permanent representative of SMABTP, Director
- ASEFA (ASEFA SA, ASSURANCE ET RÉASSURANCE) - SEGUROS Y REASEGUROS (Spain) (SMABTP group): Director - ends December 12, 2023
- WONINGBORG N.V: Member of the Supervisory Board (since December 13, 2023)
- WONINGBORG HOLDING B.V: Member of the Supervisory Board (since December 13, 2023)

AGNÈS AUBERTY
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent Representative of SMAvie BTP, Director

Other directorships and positions in other companies

- Société de la Tour Eiffel: Permanent Representative of SMAvie BTP, Director and member of the Audit Committee
- Pactinvest Permanent Representative of SMABTP, Director
- Smart Lenders: Member of the Supervisory Board
- Ecofi Investments: Permanent representative of SMABTP, Member of the Supervisory Board

XAVIER TOUZÉ
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent Representative of SMA SA, Director

Other directorships and positions in other companies

- SMABTP Côte d'Ivoire: Director
- DUPI Group B.V.: Supervisory Director

ÉDOUARD VIEILLEFOND
Director

Directorships and positions held in CCR Re and its subsidiaries

- Permanent Representative of Caisse Centrale de Réassurance (CCR), Director
- Member of the Audit, Accounts & Risks Committee of CCR Re

Other directorships and positions in other companies

- Chief Executive Officer of Caisse Centrale de Réassurance (CCR)

LAURENCE DAZIANO
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Member of the Nominations and Compensation Committee

Other directorships and positions in other companies

- Director of Strategy and Legal Affairs, TGV-IC/SNCF Voyageurs
- Senior lecturer in economics at Sciences Po Paris
- Member of the Board of Directors of Eurostar International Limited

SANDRINE TURQUETIL DELACOUR

Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Chair of the Audit, Accounts & Risks Committee of CCR Re

Other directorships and positions in other companies

- Member of the Management Board of MACSF Financement, the MACSF Group's finance company

STÉPHANE DESSIRIER
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re

Other directorships and positions in other companies

- Chairman, Médi Actions
- Chairman, Médi Convertibles
- Chief Executive Officer, MACSF SGAM
- Chief Executive Officer, MACSF Assurances
- Deputy Chief Executive Officer, MACSF Épargne Retraite
- Member of the Supervisory Board, MACSF Financement
- Director of MACSF Ré SA

JACQUES CHANUT
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re

Other directorships and positions in other companies

- Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP: Chairman and Director
- SELICOMI SAS (SMABTP Group): Chairman and Director
- Investimo SA (SMABTP Group): Chairman and Director
- Victoria Internacional de Portugal SGPS SA - Victoria Internacional (Portugal) (SMABTP Group): Chairman and Director
- Victoria Seguros SA (Portugal) (SMABTP Group): Chairman and Director
- Victoria Seguros de Vida (Portugal) (SMABTP Group): Chairman and Director
- SGAM BTP: Director
- SMA SA (SMABTP Group): Vice-Chairman and Member of the Supervisory Board
- CGI BAT SA (SMABTP Group): Vice-Chairman and Member of the Supervisory Board
- SMAVIE BTP (SMABTP Group): Permanent Representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP, Director
- Banque du Bâtiment et des Travaux Publics - BTP BANK: Permanent Representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP, Member of the Supervisory Board
- Châteaux des Deux Rives SAS (SMABTP Group): Permanent Representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP, Chairman and Director
- Château Cantemerle (SMABTP Group): Permanent Representative Château des Deux Rives, Legal Manager
- Grand Corbin SCA (SMABTP Group): Permanent Representative of Château des Deux Rives, Legal Manager
- Sagevie SA (SMABTP Group): Permanent representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP: Director
- Société de la Tour Eiffel: Director
- L'Auxiliaire: Permanent representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP, Director
- CAM BTP: Permanent representative of Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics - SMABTP, Director
- ASEFA (ASEFA SA, Assurance et Réassurance) - Seguros y Reaseguros (Spain) (SMABTP Group): Chairman and Director - term expired December 12, 2023
- SICAV Épargne Éthique Obligations: Director
- PAJ (Bourgoin Jallieu) SAS: Chairman
- Pajimmo SNC: Legal Manager
- SCI Lupie: Legal Manager
- SCI Pilu: Legal Manager
- SCI Philo: Legal Manager
- SCCV du Centre Folatière: Co-Managing Partner
- SOCIÉTÉ de Gestion des Ets Chanut: Co-Managing Partner
- Entreprise Chanut SAS: Permanent Representative of PAJ, Chairman
- SCI Les Setives: Legal Manager

MONICA CRAMER
Director

Directorships and positions held in CCR Re and its subsidiaries

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

Other directorships and positions in other companies

- Zavornovalnica Triglav: INED of the Supervisory Board - term expired June 2023
- Sompo International Insurance Europe: INED of the Board of Directors, Chair of Risk and Compliance Committee - term expired May 2023

SYLVIE VAN VIET
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director of CCR Re
- Member of the Nominations and Compensation Committee of CCR Re

Other directorships and positions in other companies

None

JOHN CONAN
Director

Directorships and positions held in CCR Re and its subsidiaries

- Director representing the employees of CCR Re
- Asia-Africa Non-Life Treaties Director, CCR Re
- Principal Officer of CCR Re Labuan Branch

Other directorships and positions in other companies

- Caudebec les Elbeuf town councilor
- Member of the Board of Directors of Caudebec les Elbeuf CCAS (social activities fund)
- Lecturer in insurance, ENASS/IFPASS

3 PRESENTATION OF THE RISK MANAGEMENT SYSTEM

The risk management system is based on:

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

3.1 Risk appetite

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

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

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

For 2023, the Board of Directors set a risk appetite that enables CCR Re to allocate an appropriate level of capital to conduct its business successfully, while maintaining an SCR ratio of above 150% over the year, even if the following two shock scenarios were to occur:

- a catastrophic event;
- financial crisis.

3.2 Risk identification

CCR Re's risk management approach focuses on identifying all the risks to which it is exposed, in order to better understand, measure, monitor and, where necessary, mitigate them.

In line with this approach, the Company’s risk map is updated and expanded as new emerging risks are identified.

Risk identification and measurement is a two-speed system whereby:

- risks identified as major for the Company are reviewed annually;
- the risk map’s completeness is reviewed every three years to ensure that each entity’s risks are fully taken into account.

This ensures that any changes to CCR Re's risk profile are monitored.

All identified risks are analyzed using criticality matrices. Whatever the risk class, the same generic principles apply to all the matrices, with risks assessed on the basis of their probability of occurrence and their impact.

In order to guarantee comprehensive monitoring of its risks, and therefore of its risk profile, CCR Re has chosen to measure each risk according to three types of impact: Financial, Image and Legal/prudential. A risk is systematically assessed in terms of its probability of occurrence and financial impact and, depending on the case, also in terms of its impact on CCR Re’s image and/or its legal/prudential impact.

The classifications derived from these matrices are used to tailor risk management processes in terms of process frequency, allocated resources, process complexity, etc. Specific scales are used for each major risk class. This enables financial thresholds to be aligned with CCR Re's activities, which have very uneven financial impacts.

It means that major risks that have the potential to threaten or at least erode CCR Re's solvency are readily apparent.

3.3 CCR Re risk framework

The risk framework covers all of the risks that could impact the undertaking. It includes the risk classes referred to in Solvency II and has been adapted to suit CCR Re's risk profile. The risk framework is reviewed by CCR Re's internal risk committee each year as part of the Committee's review of major risks, and every three years for all risks recorded on the risk map.

The framework has three levels of granularity and is built in the same way as the risk appetite: The CCR Re risk framework is organized around five Level 1 risk families, as defined below:

Strategic risks

Insurance market risks

Risk of loss due to increased competition in the insurance market.

Risks related to legislative, regulatory and legal developments

Risks related to legislative, regulatory and legal developments (court decisions). Such developments could result in an unforeseen compliance breach by CCR Re, resulting in financial losses and damage to the Company's public image and its reputation in the reinsurance market.

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Strategic management risks

Risk of poor strategic choices, inadequate strategic support or poor management of strategic initiatives.

This risk may be related to:

- poor strategic choices resulting, for example, from a lack of feedback or unprioritized communications;
- inadequate strategic support, for example, a poorly defined roadmap or a lack of resources to execute the strategy;
- poor management of subsidiaries, preventing consistent implementation of the defined strategy;
- inadequate budgeting processes or inappropriate budget controls.

Risk of products being misaligned with the market

Risk of losses due to poor analysis of target markets and poor marketing communications.

Organizational risks

Risks resulting from failings in the undertaking's organization and procedures. These risks may be linked to (i) an absence of policies or poorly drafted policies leading to a lack of procedural guidance, (ii) irregular and inadequate governance leading to a lack of timely decisions, or (iii) a lack of key resources necessary for the management of CCR Re.

Failure to anticipate systemic and external risks

Risk of a failure to anticipate other systemic and external risks. This risk is linked to all the risks arising from the global environment and its changes, the effects of which would affect CCR Re. They may arise from the political environment (for example, the risk of political instability in a country where one of CCR Re's partners operates), from the economic climate (for example, suspicion that the value of certain CCR Re assets may be affected by speculative bubbles), from societal changes (for example, a sudden rejection by society of the world of finance leading by extension to a rejection of CCR Re), or from climate and emerging issues (for example, climate-driven migration affecting certain CCR Re assets).

Financial risks – Market risks and credit risks

CCR Re's asset portfolio is managed conservatively, with a strong focus on fixed income asset classes with a fairly low sensitivity to interest rate risks and limited direct exposure to credit risk (achieved by selecting instruments with an average rating of between AAA and AA). The portfolio also has only a limited exposure to currency risk (achieved by neutralizing asset-liability mismatches by currency wherever possible). Despite this management policy, changes in financial markets may have a significant adverse effect on CCR Re's earnings and on the value of its current assets:

- persistently low interest rates adversely affect CCR Re's ability to earn adequate yields;
- an increase in interest rates could also have an adverse effect if it occurred at a time when CCR Re had significant liquidity needs;

- stock market volatility also represents a significant risk factor for CCR Re. A steep fall in share prices would reduce the undertaking's net income due to the requirement to book a provision for other-than-temporary impairment. The impact would be particularly unfavorable if the fall occurred at a time when CCR Re had significant liquidity needs;
- a possible lasting fall in real estate prices represents an additional risk factor;
- CCR Re is also exposed to the risk of failure by a banking partner.

The financial risk management strategy is described in the documents following the "FIN 10" procedure and the investment risk management strategy.

These documents set out all investment possibilities and authorizations. A related system of compliance provides CCR Re with a daily record of any breaches or alerts that can then be monitored.

Underwriting risks

CCR Re primarily reinsures risks offering good visibility, mainly property and personal protection risks. As a result, initial technical reserve estimates are generally fairly reliable.

For this reason, its reinsurance activities expose CCR Re to the following risks: global natural disaster risks, terrorism risks affecting Life reinsurance results, the risk of higher-than-expected Liability reinsurance losses and higher attritional losses.

CCR Re's Underwriting Director is responsible for traditional reinsurance underwriting risks.
The organization of reinsurance underwriting risk management is described in a detailed policy set out in the "CCR Re underwriting policy" document.

Operational risks

CCR's main operational risk exposures are as follows:

- underwriting of a risk that falls outside CCR's risk appetite, leading to potentially significant losses, notably due to:
  - errors in analyzing a proposal,
  - failure to comply with underwriting rules,
  - signature of a contractual document that is different from the negotiated terms,
  - poor quality of information received from the ceding insurer;
- risk modeling error;
- financial statements that do not comply with the true and fair view principle;
- results forecasting error, leading to a significant adjustment to reserves.

These risks are monitored through a tried and tested process that involves:

- defining rules based on underwriting, pricing and management guides;
- setting up appropriate alerts to monitor operations;
- a mapping of controls;
- internal controls;
- internal audit.

CCR Re further improved its risk management system in 2023, particularly with regard to security and data quality.

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FINANCIAL STATEMENTS

BALANCE SHEET AT DECEMBER 31, 2023

ASSETS

(in thousands of euros)	DECEMBER 31, 2023 Gross amount	DECEMBER 31, 2023 Amortization, depreciation & provisions	DECEMBER 31, 2023 Net amount	DECEMBER 31, 2022 Net amount
INTANGIBLE ASSETS	**3,830**	**156**	3,674	**1,175**
INVESTMENTS				
Real estate investments	177,982	44,327	133,655	136,043
Investments in affiliates and participating interests	14,700	0	14,700	14,700
Other investments	2,523,986	3,190	2,520,796	2,202,368
Cash deposits with ceding insurers	387,239	0	387,239	354,126
TOTAL	**3,103,907**	**47,517**	**3,056,390**	**2,707,237**
REINSURERS' SHARE OF TECHNICAL RESERVES				
Non-Life unearned premium reserves	66	0	66	1,163
Life reinsurance reserves	0	0	0	639
Life outstanding claims reserves	10,246	0	10,246	7,978
Non-Life outstanding claims reserves	87,267	0	87,267	84,204
Other Non-Life technical reserves	0	0	0	0
TOTAL	**97,579**		**97,579**	**93,984**
RECEIVABLES				
Reinsurance receivables	139,177	603	138,574	142,132
Accrued payroll costs	2	0	2	0
Accrued taxes	1,542	0	1,542	6,507
Other receivables	4,082	0	4,082	9,470
TOTAL	**144,803**	**603**	**144,200**	**158,109**
OTHER ASSETS				
Property and equipment	642	542	100	76
Current accounts and cash	244,099	0	244,099	124,480
TOTAL	**244,741**	**542**	**244,199**	**124,556**
ACCRUED INCOME AND PREPAID EXPENSES				
Accrued interest and rental income	12,530	0	12,530	5,074
Life and Non-Life deferred acquisition costs	91,465	0	91,465	73,700
Other accrued income and prepaid expenses	525,121	0	525,121	451,306
TOTAL	**629,116**	**0**	**629,116**	**530,081**
TOTAL ASSETS	**4,223,976**	**48,818**	**4,175,158**	**3,615,142**

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	109,107	90,082
Additional paid-in capital	180,975	0
Revaluation reserves	0	0
Other reserves	430,088	404,871
Net income for the year	56,274	42,027
TOTAL	776,444	536,980
SUBORDINATED DEBT	375,000	375,000
GROSS TECHNICAL RESERVES		
Non-Life unearned premium reserves	336,575	272,904
Life reinsurance reserves	134,684	116,700
Life outstanding claims reserves	187,695	163,795
Non-Life outstanding claims reserves	2,105,692	1,934,605
Life policyholders' surplus reserves	1,416	1,734
Equalization reserve	25,742	25,162
Other Non-Life technical reserves	57,224	57,275
TOTAL	2,849,028	2,572,175
PROVISIONS	3,580	3,594
CASH DEPOSITS RECEIVED FROM REINSURERS	3,143	2,411
OTHER LIABILITIES		
Reinsurance payables	47,653	52,849
Other borrowings, deposits and guarantees received	920	920
Accrued payroll costs	8,546	5,553
Accrued taxes	13,861	3,749
Other payables	53,691	34,823
TOTAL	124,671	97,894
DEFERRED REVENUE AND ACCRUED EXPENSES	43,292	27,088
TOTAL EQUITY AND LIABILITIES	4,175,158	3,615,142

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of euros)	DECEMBER 31, 2023			DECEMBER 31, 2022
	Gross	Reinsurance	Net	Net
NON-LIFE TECHNICAL ACCOUNT				
Earned premiums:				
Written premiums	969,498	84,185	885,313	732,358
Change in unearned premium reserves	(73,358)	1,077	(74,435)	(48,621)
Total	**896,140**	**85,262**	**810,878**	**683,737**
Investment income allocated from non-technical account	**41,039**	**0**	**41,039**	**36,211**
Other underwriting income	**2,074**	**0**	**2,074**	**832**
Claims expenses:				
Paid claims and expenses	(445,155)	(49,340)	(395,815)	(248,595)
Change in outstanding claims reserves	(195,646)	(2,890)	(192,756)	(250,399)
Total	**(640,801)**	**(52,230)**	**(588,571)**	**(498,994)**
Change in other technical reserves	**50**	**0**	**50**	**(2,671)**
Profit commission	**(12,108)**	**792**	**(12,900)**	**(13,437)**
Acquisition and management expenses:				
Acquisition costs	(182,712)	0	(182,712)	(161,396)
Management expenses	(20,348)	0	(20,348)	(14,836)
Reinsurance commissions received	0	(11,454)	11,454	4,902
Total	**(203,060)**	**(11,454)**	**(191,606)**	**(171,330)**
Other underwriting expenses	**(7,961)**	**(133)**	**(7,828)**	**(5,662)**
Change in equalization reserve	**(581)**	**0**	**(581)**	**(4,983)**
NON-LIFE REINSURANCE TECHNICAL RESULT	**74,792**	**22,237**	**52,555**	**23,704**

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of euros)	2023			2022
	Gross	Reinsurance	Net	Net
LIFE TECHNICAL ACCOUNT				
Premiums	**212,580**	**10,008**	**202,572**	**178,617**
Investment income:				
Investment revenue	6,589	0	6,589	3,265
Other investment income	246	0	246	135
Realized gains from investments	3,384	0	3,384	7,457
Total	**10,219**	**0**	**10,219**	**10,857**
Other underwriting income	**90**	**0**	**90**	**0**
Claims expenses:				
Paid claims and expenses	(125,982)	(4,214)	(121,768)	(112,718)
Change in outstanding claims reserves	(24,669)	(1,375)	(23,294)	(38,726)
Total	**(150,651)**	**(5,589)**	**(145,062)**	**(151,444)**
Change in Life reinsurance reserves and other technical reserves:				
Life reinsurance reserves	(17,135)	0	(17,135)	20,431
Other technical reserves	0	0	0	0
Total	**(17,135)**	**0**	**(17,135)**	**20,431**
Profit commission	**(10,349)**	**(98)**	**(10,251)**	**(13,249)**
Acquisition and management expenses:				
Acquisition costs	(17,009)	0	(17,009)	(18,376)
Management expenses	(5,372)	0	(5,372)	(3,290)
Reinsurance commissions received	0	(596)	596	305
Total	**(22,381)**	**(596)**	**(21,785)**	**(21,361)**
Investment expenses:				
Internal and external investment management expenses and interest	(1,451)	0	(1,451)	(1,216)
Other investment expenses	(461)	0	(461)	(246)
Realized losses from investments	(4,464)	0	(4,464)	(6,379)
Total	**(6,376)**	**0**	**(6,376)**	**(7,841)**
Other underwriting expenses	**(1,988)**	**0**	**(1,988)**	**(1,171)**
Investment income transferred to the non-technical account	**(849)**	0	**(849)**	**(540)**
LIFE REINSURANCE TECHNICAL RESULT	**13,160**	**3,725**	**9,435**	**14,299**

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of euros)	2023 Net	2022 Net
NON-TECHNICAL ACCOUNT		
Non-Life reinsurance technical result	**52,555**	**23,704**
Life reinsurance technical result	**9,435**	**14,299**
Investment income:		
Investment revenue	90,303	47,754
Other investment income	3,374	1,968
Realized gains from investments	46,378	109,066
Total	**140,055**	**158,788**
Investment income allocated from the Life technical account	**849**	**540**
Investment expenses:		
Internal and external investment management expenses and interest	(19,882)	(17,789)
Other investment expenses	(6,313)	(3,593)
Realized losses from investments	(61,186)	(93,296)
Total	**(87,381)**	**(114,678)**
Investment income transferred to the Non-Life technical account	**(41,039)**	**(36,211)**
Other income	**5**	**8**
Other expenses	**0**	**0**
Non-recurring items:		
Non-recurring income	165	1,616
Non-recurring expenses	(4)	(1,522)
Total	**161**	**94**
Employee profit-sharing	**0**	**0**
Income tax	**(18,366)**	**(4,515)**
NET INCOME FOR THE YEAR	**56,274**	**42,027**

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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 April 2, 2024.

CCR Re is a French joint stock corporation (*société anonyme*) whose corporate purpose is the writing of all types of reinsurance treaties covering all classes of risks. Its business is governed by the French Insurance Code (*Code des Assurances*).

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.

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 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.

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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 in 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, a provision of €3.2 million was recorded for other-than-temporary impairment in the balance sheet at December 31, 2023.

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 Re 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.

Forward financial instruments

Currency risks are hedged using forward foreign exchange contracts or non-deliverable forwards for non-convertible currencies.

These instruments are accounted for in accordance with Regulation CRC 2002-09 (amended). The respective legs of the transaction are initially recorded in commitments given or received for their notional amount. The related transaction costs are recorded as an expense for the period.

Realized and unrealized gains and losses on forward financial instruments used in yield strategies are recorded directly in the income statement, as allowed under paragraph 3012-3 of Regulation CRC 2002-09 for forward contracts.

The results of the hedging strategy are presented in notes 2.8 and 3.4.

1.3 Intangible assets, property and equipment

Intangible assets

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

The costs of internally-developed software packages and systems developments are capitalized and amortized over five years or ten years from the time they are put into operation, according to whether they are considered as having a medium-term or long-term useful life.

Property and equipment

Property and equipment are initially recognized at historical cost.

Equipment, furniture and 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.

1.4 Accrual accounts

Deferred acquisition costs

Business acquisition costs include commissions due under reinsurance treaties to the ceding insurers. They are recognized over the insured period in the same way as the unearned premiums on the policies concerned.

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.

1.5 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, the Company recorded a net exchange gain of €880 thousand.

1.6 Subordinated debt

Subordinated debt is recorded in liabilities at the nominal amount.

The related issuance costs are amortized over ten years.

1.7 Provisions

The following provisions are determined based on the terms of the CCR Re employee benefits agreement dated January 5, 2018 which came into effect on April 1, 2018.

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 15-17 table and are 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+ (3.11% 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 (3.06% 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.

Outstanding claims reserves and mathematical reserves

Technical reserving control and governance environment

The process for calculating technical reserves is the responsibility of the Actuarial and Risks Department.

Technical Reserves committees have been set up to examine specific risks such as liability and other long-tail risks. The committees' members include actuaries responsible for determining technical reserves, Underwriting Department actuaries responsible for setting premium rates and underwriters and loss adjusters who discuss the reserving methods to be applied and the adequacy of technical reserves.

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 December 15, 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 accounting data provided by ceding insurers, which are used to produce premium and claim development triangles. All data used to prepare actuarial estimates are based on statistical euro exchange rates for the underwriting year. In line with this method, data in foreign currencies are converted into euros at the exchange rate on December 31 of the year preceding the start of the underwriting year.

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

- liquidation of premium and claim triangles using the Development Factor Model;
- the Bornhuetter Ferguson method;
- underwriters' loss ratios;
- quotation loss ratios;
- average historical loss ratios.

The method used is the one that is considered the most appropriate for the analyzed risk.

Equalization reserve

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

Escalating risk reserve

This reserve may be required for reinsurance treaties covering disease and disability risks. It is determined in accordance with Article R.343-8 of the French Insurance Code and corresponds to the difference between the present value of the respective obligations of the reinsurer and the insurer. It is reported in the balance sheet under "Other technical reserves".

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. Its amount is determined in accordance with Article R.343-5 of the French Insurance Code.

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

NET (in thousands of euros)	DECEMBER 31, 2022	Movements		DECEMBER 31, 2023
		Additions	Disposals	
Software licenses and development costs	144	1,838	1	1,981
Developments in progress	1,125	1,849	1,125	1,849
TOTAL INTANGIBLE ASSETS	**1,269**	**3,687**	**1,126**	**3,830**
Investment property	133,479	102		133,581
Owner-occupied property	6,309	33		6,342
Assets under construction	18		18	
Shares in unlisted real estate companies	38,059			38,059
TOTAL REAL ESTATE INVESTMENTS	**177,865**	**135**	**18**	**177,982**
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**14,700**			**14,700**
CASH DEPOSITS WITH CEDING INSURERS	**354,126**	**642,042**	**608,930**	**387,239**

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NET (in thousands of euros)	DECEMBER 31, 2023			DECEMBER 31, 2022
	Gross	Amortization, depreciation & provisions	Net	Net
Software licenses and development costs	1,981	156	1,825	50
Developments in progress	1,849		1,849	1,125
TOTAL INTANGIBLE ASSETS	**3,830**	**156**	**3,674**	**1,175**
Investment property	133,581	41,649	91,932	94,102
Owner-occupied property	6,342	2,678	3,664	3,864
Assets under construction				18
Shares in unlisted real estate companies	38,059		38,059	38,059
TOTAL REAL ESTATE INVESTMENTS	**177,982**	**44,327**	**133,655**	**136,043**
INVESTMENTS IN AFFILIATES AND PARTICIPATING INTERESTS	**14,700**		**14,700**	**14,700**
CASH DEPOSITS WITH CEDING INSURERS	**387,239**		**387,239**	**354,126**

2.2 Information about investments

(in thousands of euros)	DECEMBER 31, 2023 Gross	DECEMBER 31, 2023 Amortization & provisions	DECEMBER 31, 2023 Net	DECEMBER 31, 2022 Net
Equities and other variable income securities[1]	1,214,991	3,190	1,211,801	1,208,472
Bonds and other fixed-income securities	989,324		989,324	742,447
Employee loans	185		185	44
Bank deposits	109,339		109,339	56,092
Other investments	210,147		210,147	195,313
TOTAL	2,523,986	3,190	2,520,796	2,202,368

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1 Including Caisrelux shares.

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	177,982	133,655	378,445	244,790
2	Equities and other variable income securities (other than investment funds)[2]	120,792	117,602	142,817	25,215
3	Investment funds (other than those in 4)[3]	1,100,399	1,100,399	1,141,250	40,851
4	Investment funds invested solely in fixed-income securities	-	-	-	-
5	Bonds and other fixed-income securities	989,324	992,139	972,283	19,856
6	Mortgage loans	-	-	-	-
7	Other loans	8,685	8,685	8,685	-
8	Deposits with ceding insurers	387,239	387,239	387,239	-
9	Cash deposits (other than those in 8) and guarantees	319,486	319,486	319,486	-
10	Unit-linked portfolios	-	-	-	-
SUB-TOTAL		3,103,907	3,059,205	3,350,205	291,000
11	Other forward financial instruments				
	a) Investment or divestment strategy	-	-	-	-
	b) Yield strategy	59,801	59,801	57,027	2,774
	c) Other strategies	-	-	-	-
12	TOTAL, LINES 1 TO 11	3,163,708	3,119,006	3,407,232	288,226
a	of which:				
	Investments measured in accordance with Article R.343-9	989,324	992,139	972,283	19,856
	Investments measured in accordance with Article R.343-10	1,727,344	1,679,827	1,990,684	310,857
	Investments measured in accordance with Article R.343-13	-	-	-	-
	Investments measured in accordance with Article R.343-11	-	-	-	-
	Forward financial instruments	59,801	59,801	57,027	2,774
b	of which:				
	OECD member country issuers	3,057,666	3,012,930	3,300,457	287,527
	Non-OECD issuers	46,241	46,275	49,748	3,473

1 Including the unamortized portion of redemption premiums on securities measured in accordance with Article R.343-9, for a positive €2.8 million.
2 Including Caisrelux shares.
3 Including Caisrelux shares.

2

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	139,177	603	138,574	118,786	19,788		138,574
Prepaid payroll costs	2		2	2			2
Prepaid and recoverable taxes	1,542		1,542	1,542			1,542
Other receivables	4,082		4,082	4,082			4,082
TOTAL	**144,803**	**603**	**144,200**	**124,412**	**19,788**		**144,200**

Other receivables include:
- €0.8 million in receivables from property companies;
- a €0.2 million receivable from CCR.

OTHER PAYABLES (in thousands of euros)	Net	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
CASH DEPOSITS RECEIVED FROM REINSURERS	**3,143**	**3,143**			**3,143**
Reinsurance payables	47,653	42,356	5,297		47,653
Other borrowings, deposits and guarantees received	920	920			920
Accrued payroll costs	8,546	8,546			8,546
Accrued taxes	13,861	13,861			13,861
Other payables	53,691	53,691			53,691
OTHER LIABILITIES	**124,671**	**119,374**	**5,297**		**124,671**
TOTAL	**127,814**	**122,517**	**5,297**		**127,814**

Reinsurance payables include €0.2 million payable to CCR which is due within one year.

Other payables include:
- €39.8 million payable to property companies.

2

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 by the Company (including interim dividend)
				GROSS	NET				
CAISRELUX 534, rue de Neudorf L-2220 Luxembourg	6,200	0	100.00%	6,200	6,200	8,500	8,329	0	0
SAS Rochefort 25 157, Boulevard Haussmann 75008 Paris	14,940	1,134	100.00%	14,932	14,932	-	2,569	1,237	668
SAS Pompe 179 157, Boulevard Haussmann 75008 Paris	15,270	576	100.00%	15,268	15,268	-	96	40,461	38,508
SAS Civry 22 157, Boulevard Haussmann 75008 Paris	7,860	218	100.00%	7,859	7,859	-	1,165	216	44

2.6 Property and equipment

GROSS (in thousands of euros)	DECEMBER 31, 2022	Movements		DECEMBER 31, 2023
		+	-	
Deposits and guarantees	40			40
Computer and other equipment	280	11	6	285
Vehicles	69		2	67
Office furniture and equipment	168	27	3	193
Fixtures and fittings	59		1	57
TOTAL	**616**	**38**	**12**	**642**

DEPRECIATION (in thousands of euros)	DECEMBER 31, 2022	Increases	Decreases	DECEMBER 31, 2023
		+	-	
Computer and other equipment	251	13	8	256
Vehicles	69		2	67
Office furniture and equipment	162	2	2	162
Fixtures and fittings	58		1	57
TOTAL	**540**	**15**	**13**	**542**

2.7 Accrual accounts

(in thousands of euros)	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Reinsurance adjustments	516,885	40,489	446,000	24,512
Deferred acquisition costs	91,465	4	73,700	85
Accrued interest	12,530		5,074	
Bond issuance costs	2,162		2,472	
Amortization of redemption premiums	5,614	2,799	2,777	2,491
Prepaid expenses and deferred revenue	460		58	
TOTAL	**629,116**	**43,292**	**530,081**	**27,088**

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**
US dollar	324,019	266,434	57,585	46,462
Canadian dollar	254,933	166,928	88,005	79,777
Euro	2,686,104	2,566,120	119,984	150,295
South Korean won	19,512	48,473	(28,961)	(29,472)
Yuan renminbi	64,157	90,787	(26,630)	(17,243)
Indian rupee	25,378	50,008	(24,630)	(20,569)
Malaysian ringgit	4,853	19,433	(14,580)	(18,194)
Kuwaiti dinar	30,491	44,423	(13,932)	(16,998)
UAE dirham	24,767	37,801	(13,034)	(10,316)
Hong Kong dollar	6,345	17,936	(11,591)	(11,755)
Jordanian dinar	30,380	39,762	(9,382)	(3,331)
Chilean Unit of Account (Unidad de fomento)	21,900	30,368	(8,468)	(4,556)
Taiwan dollar	12,354	20,565	(8,211)	(11,628)
Saudi riyal	70,020	77,732	(7,712)	(23,170)
South African rand	5,563	12,590	(7,027)	(10,990)
New Mexican peso	12,511	19,401	(6,890)	(2,458)
Colombian peso	30,669	36,300	(5,631)	(3,524)
Qatari riyal	14,701	19,787	(5,086)	(4,166)
Other currencies	553,793	571,328	(17,535)	(46,136)
TOTAL	**4,192,450**	**4,136,176**	**56,274**	**42,027**

Hedging instruments are used to reduce or neutralize the currency risk arising from differences between the net carrying amounts of assets and liabilities in each currency.

Hedging instruments comprise forward foreign exchange contracts for convertible currencies and non-deliverable forwards for non-convertible currencies.

Hedged positions at December 31, 2023 were as follows (in millions of currency units):

CURRENCY (in millions of currency units)		Asset in original currency at Dec. 31, 2023	Liability in original currency at Dec. 31, 2023	Gain/Loss at Dec. 31, 2023	Hedge in original currency
UAE dirham	AED	99	152	53	41
Canadian dollar	CAD	373	244	(129)	(114)
Yuan renminbi	CNY	504	713	209	158
Indonesian rupiah	IDR	52,546	56,332	3,786	20,000
INDIAN RUPEE	INR	2,309	4,572	2,264	2,036
South Korean won	KRW	27,974	69,493	41,519	41,500
Kuwaiti dinar	KWD	10	15	5	5
Malaysian ringgit	MYR	24	98	74	65
Norwegian krone	NOK	27	48	21	14
Philippine peso	PHP	287	482	195	223
Swedish krona	SEK	30	84	55	38
New Turkish lira	TRY	6	43	50	(46)
Taiwan dollar	TWD	419	697	278	393
South African rand	ZAR	88	231	143	159

2.9 Shareholders' equity

2023 (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]	90,082		19,025	109,107
Additional paid-in capital			180,975	180,975
Revaluation reserves				
Other reserves and retained earnings	404,871	25,218		430,088
Retained earnings				
2022 net income	42,027	(42,027)		
Dividend		16,809	(16,809)	
Net income for the year			56,274	56,274
TOTAL	**536,980**		**239,465**	**776,444**

1 The share capital comprises 1,091,069 shares with a par value of €100.

2.10 Subordinated debt

2

The Company has obtained a €75 million subordinated loan from CCR. The notes' main features are as follows:

- Date obtained: December 30, 2016
- Amount: €75,000,000
- Interest: 5% per year
- First call date: December 30, 2026
- Maturity: December 30, 2046

CCR Re carried out a €300 million subordinated notes issue. The notes' main features are as follows:

- Issue date: July 15, 2020
- Nominal amount: €300,000,000
- Interest: 2.875% per year
- First call date: April 15, 2030
- Maturity: July 15, 2040

The debt issuance costs (including the issue premium), in the amount of €3.1 million, have been recorded in prepaid expenses on the assets side of the balance sheet and are being amortized over ten years. As of December 31, 2023, the unamortized balance amounted to €2.5 million.

2.11 Breakdown of provisions

(in thousands of euros)	2022	Movements for the year Increases +	 Decreases –	2023
Special revaluation reserve	112		2	110
Other provisions				
Provision for length-of-service awards	956		73	883
Provision for long-service awards	199	1		200
Provision for extra paid vacation for retirees	305	44		349
Provisions for non-recurring expenses	250		150	100
Provisions for major repairs	1,772	166		1,938
TOTAL	**3,594**	**211**	**225**	**3,580**

2.12 Commitments received and given

(in thousands of euros)	2023	2022
1 - COMMITMENTS RECEIVED	**10,738**	**9,807**
2 - COMMITMENTS GIVEN	**34,016**	**9,084**
2a Loan guarantees, other guarantees and bonds issued	11,756	9,084
2b Securities and other assets purchased under resale agreements		
2c Other commitments concerning securities, other assets or revenues	22,260	
2d Guarantee fund drawdown rights		
2e Other commitments given		
3 - RECIPROCAL COMMITMENTS	**361**	**389**
3a Assets received as collateral from cedents and reinsurers	361	389
3b Assets received from companies for substitution transactions		
3c Other reciprocal commitments		
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	(2,688)	1,572
- Other strategies		
5b **Forward financial instruments by market:**		
- Over-the-counter market	(2,688)	1,572
- Regulated market		
5c **Forward financial instruments by type of market risk and instrument:**		
- Interest rate risk		
- Currency risk	(2,688)	1,572
- Equity risk		
5d **Forward financial instruments by type of instrument:**		
- Swaps		
- Forward rate agreements		
- Forward contracts	(2,688)	1,572
- Options		
5e **Forward financial instruments by remaining term of the strategy:**		
- 0 to 1 year		
- 1 to 5 years	(2,688)	1,572
- More than 5 years		

* At December 31, 2022, the positive net position of €1,572 thousand corresponded to €236,893 thousand in commitments received and €235,321 thousand in commitments given in connection with hedging transactions.

At December 31, 2023, the negative net position of €2,688 thousand corresponded to €217,679 thousand in commitments received and €220,367 thousand in commitments given in connection with hedging transactions.

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)	2023	2022
Equity fund commitments	14,227	17,874
Debt fund commitments	22,223	23,419
Physical asset investment fund commitments	38,802	40,403

NOTE 3

NOTES TO THE INCOME STATEMENT

3.1 Gross written premiums by operating segment

(in thousands of euros)	2023	2022
Inward Life reinsurance	216,347	191,223
Inward Non-Life reinsurance	969,498	795,810
TOTAL	1,185,845	987,033

In line with Article 410-1 of Regulation ANC 2015-11 dated November 26, 2015, inward Non-Life reinsurance includes reinsurance written by the Non-Life business unit and the accident and disease-related bodily injury reinsurance written by the Life business unit.

3.2 Portfolio movements

2023 (in thousands of euros)	Non-Life		Life	
	Gross	Net	Gross	Net
NEW BUSINESS				
Premiums	16,429	16,429	210	210
Paid claims and expenses	30,316	30,078	18,584	18,584
CANCELLATIONS AND TERMINATIONS				
Premiums	(18,102)	(18,102)	(210)	(210)
Paid claims and expenses	(29,529)	(14,488)	(18,584)	(18,584)

3.3 Reinsurance commissions and brokerage fees

(in thousands of euros)	2023		2022	
	Gross	Net	Gross	Net
Life	12,666	12,070	13,517	13,212
Non-Life	188,978	177,601	162,357	157,411
TOTAL	201,644	189,671	175,874	170,623

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	39,220	11,118	50,338
Revenue from other investments		41,756	41,756
Interest income on loans to related companies	510		510
Interest on cash deposits and technical accounts		4,287	4,287
TOTAL INVESTMENT REVENUE	**39,730**	**57,161**	**96,891**
Other investment income		3,620	3,620
Realized gains from investments		49,762	49,762
TOTAL INVESTMENT INCOME	**39,730**	**110,543**	**150,273**
Interest on subordinated debt	(3,750)	(8,614)	(12,364)
Amortization of subordinated debt issuance costs		(178)	(178)
External investment management expenses		(4,091)	(4,091)
Internal investment management expenses		(4,700)	(4,700)
Other investment expenses		(6,774)	(6,774)
Realized losses from investments		(65,650)	(65,650)
TOTAL INVESTMENT EXPENSES AND FINANCE COSTS	**(3,750)**	**(90,007)**	**(93,757)**
TOTAL INVESTMENT INCOME, NET OF EXPENSES	**35,980**	**20,536**	**56,516**

In 2023, the Company recorded a net exchange gain of €880 thousand versus a €3,737 thousand net loss in 2022.

3.5 Underwriting expenses by type and by function

The expenses presented below for 2023 include the Company's share of common expenses incurred by CCR on behalf of CCR Re.

A - Expense breakdown

EXPENSES BY TYPE (in thousands of euros)	2023	2022
External expenses	26,684	10,454
Other external expenses	2,626	3,167
Taxes other than on income	3,725	4,217
Payroll costs	26,737	24,846
Other management expenses	(20)	53
SUB-TOTAL	59,752	42,737
Depreciation of property and equipment	84	1,882
Theoretical rent on the Company's registered office	419	1,099
TOTAL	60,255	45,718

2

EXPENSES BY FUNCTION (in thousands of euros)	2023	2022
Claims management expenses	3,339	2,869
Acquisition costs	23,849	18,998
Management expenses	20,185	14,427
Other underwriting expenses	8,218	5,682
Investment management expenses	4,664	3,742
TOTAL	60,255	45,718

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

(in thousands of euros)	2023	2022
Payroll costs:		
Wages and salaries	17,688	17,565
Payroll taxes	6,494	6,950
Other expenses	2,591	366
TOTAL	26,773	24,881
Average number of employees:		
Headquarters	149	125
Managers	*149*	*124*
Non-managerial staff	*0*	*1*
Canadian branch	11	9
Lebanese branch	3	3
TOTAL	163	137

C - Compensation paid to the Company's administrative bodies

(in thousands of euros)	2023	2022
Directors' compensation [1]	321	60

1 Excluding expenses reimbursed upon presentation of supporting documents.

3.6 Other underwriting income and expenses

2023 (in thousands of euros)	Other underwriting expenses	Other underwriting income
Profit from flow-through entities	961	1,220
Provisions for impairment of ceding insurers' accounts	337	90
Underwriting gains and losses	(102)	0
General management expenses allocated to technical accounts	8,218	0
Other underwriting income and expenses	402	854
TOTAL	9,816	2,164

3.7 Non-recurring items

2023 (in thousands of euros)	Non-recurring expenses	Non-recurring income
Reversals from the special revaluation reserve		3
Reversals from other contingency reserves		150
Other non-recurring income		12
Other non-recurring expenses	4	
TOTAL	4	165

3.8 Employee profit-sharing

The income statement does not include any employee profit-sharing expenses.

3.9 Income tax

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

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

NOTE 4
OTHER INFORMATION

4.1 Consolidated financial statements

CCR Re is included in the combined accounts of SGAM BTP, as a subsidiary of SMABTP, which is itself an affiliate of this mutual insurance group made up of SMABTP, CAM BTP, L'AUXILIAIRE and L'AUXILIAIRE VIE.

4.2 Fees paid to the Statutory Auditors

Fees recorded in expenses for the year comprised:
- €141 thousand in fees paid to Deloitte for the statutory audit of the accounts of CCR Re and its Canadian branch;
- €58 thousand in fees paid to Mazars for the statutory audit of CCR Re;
- €16 thousand in fees paid to Deloitte for the statutory audit of the Labuan branch.

4.3 Post balance sheet events

No material events occurred between the reporting date and the date of publication of this report.

3

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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 Re,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of CCR Re 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 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.

Mazars SA
Siège social : 61, rue Henri Regnault, 92400 Courbevoie
Société anonyme d'expertise comptable et de commissariat aux comptes
Capital de 8 320 000 euros — RCS Nanterre B 784 824 153
Sociéte de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles

Deloitte & Associés
Siège social : 6 place de la Pyramide,
92908 Paris-La Défense cedex
Société par actions simplifiées d'expertise comptable et de commissariat aux comptes
Capital de 2 188 160 euros — RCS 572 028 041
Sociéte de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

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

Key audit matters

Companies carrying out assumed reinsurance operations must, in accordance with the insurance code and accounting regulations, estimate the technical provisions 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 technical reserves of your company amount to EUR 187.7 million for Life reinsurance and EUR 2,105.7 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 provisions 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 provisions, the main methods of which are specified in note 1.8 to the annual financial statements: the provisions for claims declared by the ceding companies are recorded upon receipt of the ceding companies' accounts and these provisions 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 technical 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.

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Audit Responses

To cover the risk related to the technical reserves estimation, our audit approach was as follows:

- 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 provisions;
- 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 test 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 provisions 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 reinsurance premiums not received from ceding companies

Key audit matters

The technical reinsurance estimates recorded in the balance sheet amounts to 516.9 million euros in assets and 40.5 million euros in liabilities.

Gross earned premiums recognized as of December 31, 2023 consist of:

- the premiums appearing on the accounts received from ceding companies
- estimation of premiums not received;
- the change in unearned premiums reserve.

The company books the accounts received from ceding companies upon receipt. At the closing date, the accounts not received are subject to an estimate in order to recognize the situation closest to the reality of the reinsurance commitments taken by the company.

It is specific to the reinsurance activity to observe a significant proportion of estimates in the premiums issued for a financial year. The company periodically reviews its assumptions and estimates based on past experience and various other factors. Actual premiums may differ materially from company estimates.

In this context, we considered that the valuation of reinsurance premiums constituted a key point of the audit.

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 and tested the effectiveness of key controls relating to the underwriting of premiums and the processing of ceding accounts received;
- 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 premiums not received from the ceding companies, and tests on the source data;
- we performed an independent estimate of ultimate premiums on the main branches;
- we reviewed the liquidation of premiums not received recognized at the previous closing with regard to the premiums actually received.

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.

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 information

Appointment of the Statutory Auditors

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

As at December 31, 2023, Mazars and Deloitte were in the 2nd year of their 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 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.823-55 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:

- Identifies 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.

- Assesses the 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 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 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.821-27 to L.821-34 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 30th 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 person responsible

Bertrand Labilloy, Chief Executive Officer of CCR Re.

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 30th, 2024

Chief Executive Officer

Bertrand Labilloy

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Société anonyme. Share capital of €109,106,900. Registered in Paris, registration no. 817 446 511.
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