



Solvency  
and financial  
condition report

2025

Always around

# EXECUTIVE SUMMARY

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

It provides the solvency capital disclosures and other information about Arundo Re's reinsurance business in 2025 required by Solvency II.

Unless otherwise stated, all data in this report correspond to December 31, 2025 values and are expressed in euros.

The report may refer to additional information available on Arundo Re's website, <https://www.arundore.com>.

The Solvency and Financial Condition Report (SFCR) comprises the following chapters:

- Presentation, business and performance
- Governance system
- Risk profile
- Valuation of assets and liabilities
- Capital management

The additional disclosures required by Solvency II, as presented using the quantitative reporting templates (QRTs), are provided in the Appendices.

On November 14, 2025, CCR sold its remaining stake in Arundo Re to the consortium comprising SMABTP, SMAvie BTP, MACSF Assurances and MACSF Épargne Retraite. Following this transaction, the consortium now owns the entire share capital, with the MACSF Group holding 30% and the SMABTP Group holding 70%.

Arundo Re is a global, multi-specialist reinsurer whose business spans over 100 countries and all major insurance lines (Life, Non-Life, Specialty lines).

Arundo Re has a highly centralized business model. While rare in the reinsurance industry, this type of model is remarkably efficient. Its operations throughout the world are run from its headquarters in France, supported by branches in Canada (Toronto) and Malaysia (Labuan) and a representative office in Lebanon (Beirut).

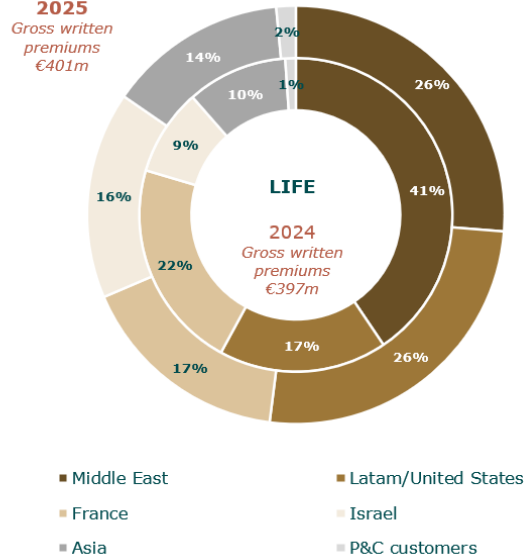
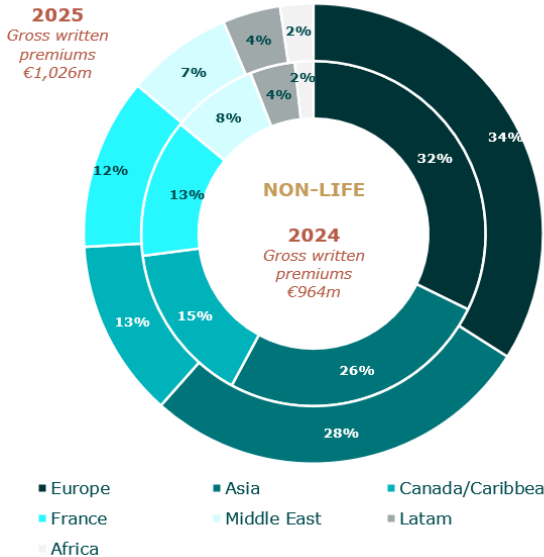
Arundo Re owns 100% of Caisrelux, a reinsurance captive based in Luxembourg, and real estate subsidiaries organized as *sociétés par actions simplifiées immobilières*, Rochefort 25 and Civry 22.

For the purposes of regulatory reporting under Solvency II, Arundo Re uses the standard formula. Its solvency coverage ratio stood at 225.3% at end-2025, based on €1,842 million in regulatory own funds and an SCR of €818 million. This ratio was higher than the optimal 180%-220% range defined by Arundo Re's risk appetite framework, in view of three main factors:

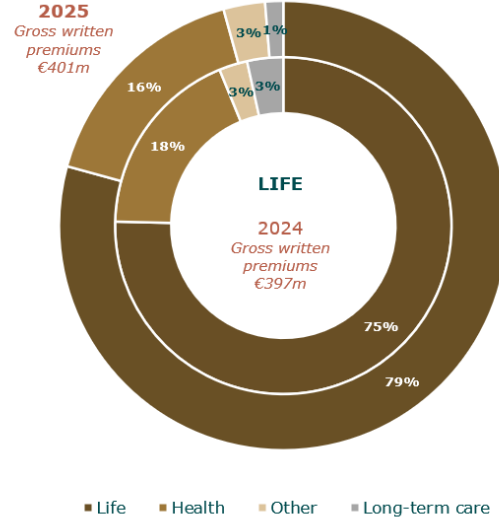
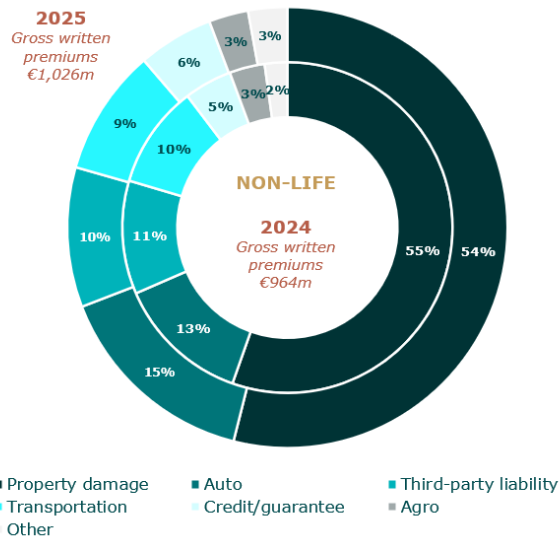
- the purchase of more extensive retrocession coverage, driven by a favourable market environment;
- the decline in the US dollar against the euro;
- the absence of major disasters in 2025.

Arundo Re's gross written premiums came to €1,427 million in 2025, up 5% on 2024 as reported and up 11% at constant exchange rates<sup>1</sup>. The business mix is as follows:

**Breakdown by geographic area**



**Breakdown by class of business**



EBITDAER (Earnings Before Interest, Taxes, Depreciation and Amortization, and transfers to the Equalization Reserve) increased to €192.1 million in 2025, compared to €108.7 million in 2024.

Arundo Re's net income was up on 2024 at €100.9 million.

<sup>1</sup> Changes at constant exchange rates correspond to the difference between 2024 premiums converted at the December 31, 2024 exchange rate and 2025 premiums converted at the December 31, 2024 exchange rate.

<b>(in millions of euros)</b>	<b>2025</b>	<b>2024</b>
Gross written premiums	1,427	1,361
% change	+5%	+15%
Cost ratio	5.0%	5.2%
Life reinsurance margin	5.1%	1.5%
Non-Life combined ratio	88.8%	94.7%
Return on invested assets	2.7%	2.6%
EBITDAER	192	109
Net income	101	64
<b>SOLVENCY II COVERAGE RATIO</b>	<b>225.3%</b>	<b>211.0%</b>

In last year's downward market cycle, Arundo Re maintained a disciplined approach to new business, designed to improve the quality and profitability of the reinsurance book.

At the same time, a controlled investment environment supported strategies to prudently optimize the asset allocation, consolidating the portfolio's liquidity and resilience while retaining the ability to create value. As a result, the undertaking is currently well placed to seize investment opportunities arising in 2026, particularly in equities if market conditions permit.

On the operational side, in 2025, Arundo Re consolidated several major projects to improve the management of operational risks.

Over the year, Arundo Re continued to strengthen its operational resilience, making significant advances in the areas of Digital Operational Resilience Act (DORA) compliance, cybersecurity, data quality and business continuity. These projects have helped establish more structured processes, consolidate control mechanisms and improve the undertaking's operational reliability. The continuous improvement process will be pursued in 2026, with initiatives to achieve even higher levels of compliance, complete the documentation of key processes and embed increasingly mature practices.

Arundo Re has a structured and transparent system of governance, built around a supervisory body, the Board of Directors supported by the Audit, Accounts and Risks Committee, a management body comprising a Chief Executive Officer and a Deputy Chief Executive Officer, and the four key functions defined in Solvency II.

During 2025 several positive developments took place. As part of Arundo Re's gradual integration into the SMABTP Group following CCR's exit from its capital on November 14, 2025, the governance structure was reviewed and aligned with SMABTP Group practices. Processes, decision-making circuits and management approaches were harmonized and are now fully operational. The Committee system was also strengthened to support cross-functional risk management, with the creation in 2025 of three specialized sub-committees reporting to the Risks Committee:

- the Data Governance committee, dedicated to data quality, control and enhancement;
- the DORA committee, responsible for overseeing compliance with the European Digital Operational Resilience Act;
- the Business Continuity committee, responsible for the structured management of business continuity plans and related drills.

These new bodies are helping to drive improved internal coordination, responsiveness and control of emerging risks.

Arundo Re now boasts a robust and mature risk management system based on a tried and tested identification, assessment, monitoring and control framework, which embraces the principle of continuous improvement. In 2025, risk management tools were revised to support the business's integration within the SMABTP Group. The operational risk management system was upgraded to align practices, centralize risks, controls, incidents and action plans in a single environment, and improve the consistency and quality of the related reports. The upgrades have made the system clearer and more efficient, while also facilitating cooperation between the business lines, internal control and the risk teams.

Arundo Re conducts regular in-depth reviews of its risks.

The main exposures concern **Non-Life underwriting risks** and **market risks**, which are managed through internal analyses, underwriting processes, ORSA exercises and the use of risk mitigation tools such as retrocession.

The main processes used to manage these risks include:

- adoption of an overall risk budget and a natural disaster sub-budget by the Board of Directors;
- construction of a portfolio from a strict risk/reward perspective and according to a specific decision-making process;
- verification and validation of strict underwriting rules;
- use of reports prepared by the key functions to adjust risk profiles, especially those of the Actuarial & Risk Management functions, and use of any Risks Division analyses to support decisions to increase outward reinsurance or other measures.

The Solvency Capital Requirement is assessed using the **Standard Formula** and is checked regularly to ensure that the assessments are adequate, particularly for Reserving and Natural Disaster risks.

There were **no major changes in Arundo Re's risk profile in 2025**. However, a number of key developments improved the resilience of its systems to manage operational and technological risks.

## Significant events of 2025

### **No significant natural disasters reinsured by Arundo Re**

In 2025, no major natural events occurred in the markets covered by Arundo Re and its disaster losses were therefore limited. The undertaking took advantage of the more favorable risk environment created by this temporary lull to step up the monitoring of cumulative losses and improve its resilience to persistent unpredictable climate hazards.

### **Significant forex impact**

Currency markets were extremely volatile in 2025, with the depreciation of the dollar and the yen and the appreciation of the yuan against the euro affecting the value in euros of Arundo Re's foreign-currency-denominated business. However, the currency effect on net income and equity was limited, thanks to close matching of foreign currency assets and liabilities, combined with an increase in hedging programs. Currency risk monitoring was

also stepped up, in order to ensure that the reliability of performance indicators was not affected by the heightened exchange rate volatility.

### **CCR's exit from Arundo Re's capital**

In 2023, the SMABTP and MACSF groups acquired a 75% stake in CCR Re (now Arundo Re) from CCR, which retained a 25% stake to ensure a smooth operational transition. On November 14, 2025, CCR sold its remaining stake in Arundo Re to the consortium comprising SMABTP, SMAvie BTP, MACSF Assurances and MACSF Épargne Retraite. Following this transaction, the consortium now owns the entire share capital, with the MACSF Group holding 30% and the SMABTP Group holding 70%.

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# I. PRESENTATION, BUSINESS AND PERFORMANCE

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

One of these reports is the Solvency and Financial Condition Report (SFCR) for public disclosure, which is published each year.

In accordance with Article R.355-1 of the French Insurance Code, this narrative report was approved by the Board of Directors of Arundo Re, prior to its submission to the ACPR and its publication.

## I.1. PRESENTATION

### I.1.1. NAME AND LEGAL FORM

The change in the undertaking's name, from CCR Re to Arundo Re, was announced in the "Journal d'Annonces Légales" (JAL) on January 16, 2025. Arundo Re is organized as a "société anonyme" (joint stock company).

Arundo Re's ownership structure is as follows (based on voting rights):

- SMABTP: 59.50%,
- SMA Vie BTP: 10.50%
- MACSF Assurances: 13.78%
- MACSF Épargne Retraite: 16.22%

Pursuant to Article L.321-1-1 of the French Insurance Code, Arundo Re is a licensed reinsurer in the Non-Life and Life segments referred to in Article R.321-5-1 of the French Insurance Code, following ACPR ruling no. 2016-C-46 of September 16, 2016 published in the Official Journal of the French Republic (JORF) no. 0262 of November 10, 2016.

In 2025, Arundo Re had an average of 210.7 employees.

### I.1.2. ARUNDO RE'S BUSINESS

Arundo Re has been an independent, full-fledged reinsurance undertaking since January 1, 2017.

It provides reinsurance cover in more than 100 countries across all Property & Casualty, Life, Death/Disability & Health reinsurance classes. Its operations throughout the world are run from its headquarters in France.

### I.1.3. BRANCHES AND REPRESENTATIVE OFFICE

Arundo Re operates as a branch in Canada and Malaysia (Labuan) and has a representative office in Lebanon.

### I.1.4. SUBSIDIARIES AND AFFILIATES

Arundo Re holds the entire share capital of Caisrelux, a reinsurance captive based in Luxembourg.

It also owns real estate subsidiaries Rochefort 25 and Civry 22 (organized as *sociétés par actions simplifiées*).

### I.1.5. SUPERVISORY AUTHORITY AND STATUTORY AUDITORS

The supervisory authority providing financial supervision of Arundo Re is:

#### **Autorité de Contrôle Prudentiel et de Résolution (ACPR)**

Secteur Assurance  
4, Place de Budapest, 75436 Paris Cedex 09 (France)  
Direction du Contrôle 2, Brigade 7

The statutory auditors responsible for auditing Arundo Re's financial statements are:

#### **DELOITTE & ASSOCIÉS**

Statutory auditor  
6 Place de la Pyramide, 92800 Puteaux (France)  
and

#### **FORVIS MAZARS**

Statutory auditor  
45, rue Kléber, 92300 Levallois-Perret

### I.1.6. ASSESSMENT OF ARUNDO RE'S SOLVENCY STANDING AND EXECUTIVE SUMMARY

For the purposes of regulatory reporting under Solvency II, Arundo Re uses the standard formula for all of its businesses.

In accordance with Arundo Re's strategy, its risk profile did not significantly evolve in 2025 and reflects its exposure to the risks described later in section III of this report, arising on its traditional open market reinsurance and asset management business activities.

The SCR coverage ratio stood at 225.3% at December 31, 2025 based on €1,842 million in Solvency II own funds, all eligible for inclusion in the SCR, which amounted to €818 million. This ratio was higher than the optimal 180%-220% range defined by the undertaking's risk

appetite framework, in view of three main factors:

- the purchase of more extensive retrocession coverage, driven by a favourable market environment;
- the decline in the US dollar against the euro;
- the absence of major disasters in 2025.

## I.2. BUSINESS AND PERFORMANCE

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

*(Extracted from the Arundo Re management report for the year ended December 31, 2025.)*

### I.2.1. BUSINESS ENVIRONMENT

Reinsurance conditions began to ease in 2025, after several favorable years for reinsurers, although the picture was still mixed depending on the region and the class of risk.

Although there were many large-scale weather events and claims, they generally remained within the ceding companies' retentions, thanks to increases in excesses and rates obtained in previous years. Arundo Re's broad business base, covering many countries and classes of risk, enabled it to take full advantage of this market trend to improve its profitability.

The underwriting teams continued to face a changing political and regulatory environment, which had a direct and indirect impact on the risks ceded to reinsurers.

**Political changes:**

- **Collaterals in India:** cross-border reinsurers must provide collateral equivalent to at least 50% of premiums, a requirement that influences the structure and cost of the treaties, and related technical discussions;
- **Statutory transfer of business in Saudi Arabia:** The requirement to cede 30% of reinsurance cover to the domestic market has forced insurers in the Middle East/North Africa region to modify their portfolio structures, shifting the balance of underwriting capacity in favor of local insurers.

**Regulatory changes:**

- **Ogden discount rate in the UK:** The increase in the Ogden discount rate at the end of 2024 automatically led to a fall in auto liability reinsurance premiums in 2025.
- **In Asia,** several markets introduced or tightened the rules covering solvency capital, policy terms or outward reinsurance, necessitating pricing adjustments and amendments to contractual documents.

In this environment, Arundo Re posted double-digit revenue growth for the tenth year running, combined with a further improvement in profitability.

**I.2.2. FINANCIAL ENVIRONMENT**

Last year, Arundo Re's budget assumptions included an increase in European long-term interest rates, GDP growth of just under 1%, a potential trade war with the United States and a tense geopolitical environment. This scenario turned out to be broadly correct. There were various areas of concern, but contrary to expectations, financial market volatility remained low overall in 2025, despite a few spikes (notably in April 2025 following "Liberation Day").

According to OECD estimates, the global economy grew by just over 3% in 2025,

led by the technology sector. These estimates include 1.3% growth in Europe and 2% in the United States. In November, inflation in the United States stood at 2.7%, compared with 2.2% in Europe. In other words, 2025 was a year of relative stability, in terms of both growth and inflation, but also a year of tension on the geopolitical front.

This geopolitical environment, coupled with sharp rises in public debt burdens in the major countries (United States, France, United Kingdom, China, Japan), encouraged investors to migrate to safe-haven assets such as gold, which rose by around 65% in value in 2025.

Against all expectations, the financial markets proved to be resilient in 2025, reflecting high bond yields and a degree of optimism among market players. The favorable climate surrounding Artificial Intelligence and soaring valuations for AI stocks as well as tighter credit spreads created a buoyant, even euphoric environment.

Questions remain however. Will US interest rates be cut while inflation remains high? Is artificial intelligence already driving productivity gains or are we witnessing the beginnings of a bubble? Will the major tech companies' business models generate sufficient cash to fulfill the obligations arising from their recent debt issues; and how long will it take them to turn a profit?

In addition, following the downgrades to the US and French credit ratings, the markets are also concerned about the sustainability of rising public debt. France is having great difficulty reducing its public spending and deficit. Germany's stimulus plan, which includes major investments in infrastructure and defense, will support European growth, but will also lead to an increase in the country's debt issuance in 2026.

On the other side of the Atlantic, a different logic applies. The colossal investments required to win the AI race are fueling the debt bubble. With non-

resident (mainly Asian) investors showing less appetite for local-currency US debt in 2025, the adjustment shifted to the dollar, which fell sharply against the euro in 2025, going from USD 1.035 at the end of 2024 to USD 1.175 at the end of 2025. However, the steep tariff increases and US Treasury-backed stablecoins could help finance this debt. At the same time, the fall in the dollar seen in 2025 could help to revitalize US growth.

On the geopolitical front, while there was little prospect of an early end to the war in Ukraine, the ceasefire in the Middle East helped to temporarily ease some of the tension. However, since the beginning of 2026, the US government's stated intention – reaffirmed after the capture of Maduro in Venezuela and the launch of the war in Iran – to intervene militarily on several other fronts (Colombia, Cuba, Greenland, etc.) has rekindled the fears of heads of state and will probably have a major impact on commodity prices.

### I.2.3. SIGNIFICANT EVENTS OF 2025

#### **No significant natural disasters reinsured by Arundo Re**

In 2025, there was a noteworthy absence of large-scale natural disasters in the markets covered by Arundo Re, in stark contrast to previous years which saw an increase in the frequency of medium and large-scale weather events. This relative lull, observed across all of Arundo Re's regions, resulted in a considerably lower volume of natural disaster claims compared with initial expectations at the start of the year. While not affecting the underlying trend towards a growing incidence of weather events, which has been extensively documented in recent years, the lull nonetheless enabled Arundo Re to benefit temporarily from a more favorable risk environment. Against this backdrop, the undertaking continued to refine its exposure, notably by

improving the monitoring of cumulative natural disaster losses, in order to strengthen its resilience in a market environment where unpredictable secondary perils are likely to occur in the coming years.

#### **Significant forex impact**

Currency markets were extremely volatile in 2025, with the depreciation of the dollar and the yen and the appreciation of the yuan against the euro. These movements had a significant impact on the measurement of business performance by affecting the value in euros of foreign-currency-denominated premiums, commitments and income.

However, the currency effect on net income and equity was limited, thanks to close matching of foreign currency assets and liabilities, combined with an increase in hedging programs. Currency risk monitoring was also stepped up, in order to ensure that published performance data was not distorted by the increased exchange rate volatility.

#### **CCR's exit from Arundo Re's capital**

In 2023, the SMABTP and MACSF groups acquired a 75% stake in CCR Re (now Arundo Re) from CCR, which retained a 25% stake to ensure a smooth operational transition. On November 14, 2025, CCR sold its remaining stake in Arundo Re to the consortium comprising SMABTP, SMAvie BTP, MACSF Assurances and MACSF Épargne Retraite. Following this transaction, the consortium now owns the entire share capital, with the MACSF Group holding 30% and the SMABTP Group holding 70%.

## I.2.4. POST BALANCE SHEET EVENTS

### Conflict in Iran

Following the strikes launched on Iran by the United States and Israel on **February 28, 2026** and the subsequent retaliatory strikes hitting several countries in the region, Arundo Re initiated a specific review of its potential exposures as of March 6, 2026. So far, no significant impact has been identified.

Concerning risks to people, no Arundo Re employees are traveling in the area and the teams in Beirut are based in a secure zone.

At this stage, Arundo Re's exposure to the potential consequences of the conflict remains generally under control. Some reinsurance treaties explicitly exclude war risks and no vulnerability associated with particular treaties has been identified so far. However, an analysis of indirect exposures is underway.

For other treaties, exposure remains limited and particular attention is being paid to situations that could lead to accidental or collateral damage. Arundo Re is continuing to monitor geopolitical developments in order to anticipate any further impact, particularly in the event of escalation or extension of the conflict.

Concerning the investment portfolios, recent market volatility has automatically reinforced the protective overlay, limiting already moderate equity risk, while the assets in the bond portfolio have short maturities and for the most part are rated investment grade.

A close eye is being kept on the situation and no material impact is currently expected.

## I.2.5. FINANCIAL REVIEW

### Written premiums

Arundo Re's gross written premiums for the year amounted to €1,427 million, up 5% as reported versus 2024 (up 11% at constant exchange rates <sup>2</sup>). Premium income breaks down as follows:

- Non-Life written premiums totaled €1,026 million, up 6% as reported versus 2024 (up 13% at constant exchange rates), and accounted for 72% of total premiums. The €62 million increase stemmed mainly from new Auto and Property business written for the most part in Asia and Latin America.
- Life written premiums amounted to €401 million, up 1% as reported versus 2024 (up 6% at constant exchange rates), and accounted for 28% of total premiums. The modest €4 million increase versus 2024 corresponded mainly to new business written in Latin America.

### Ceded premiums

Ceded earned premiums stood at €99.8 million (2024: €101.7 million), including €11.6 million in fronted premiums (2024: €12.4 million) and €57.3 million in natural disaster premiums (2024: €62.0 million).

### Non-Life combined ratio and Life technical margin

#### Non-Life reinsurance business

The Non-Life combined ratio was 88.8% in 2025 versus 94.7% the previous year, breaking down as:

<sup>2</sup> Changes at constant exchange rates correspond to the difference between 2024 premiums converted at

the December 31, 2024 exchange rate and 2025 premiums converted at the December 31, 2024 exchange rate.

- A loss ratio <sup>3</sup> of 58.6% (2024: 65.4%), as follows:
  - Attritional losses (including all previous effects) represented 50.0 points of the loss ratio (2024: 48.7 points).
  - Natural disaster losses after reinsurance represented €47 million (2024: €106.6 million). These losses contributed 5.3 points to the loss ratio (2024: 13.2 points).
  - In 2025, major man-made disaster claims represented losses of €29 million after reinsurance (2024: €28.8 million after reinsurance) and contributed 3.2 points to the loss ratio (slightly down from 2024).
- An expense ratio <sup>4</sup> of 30.2% (2024: 29.3%).

### Life reinsurance business

The Life reinsurance business's technical margin <sup>5</sup> rose to 5.1% in 2025 (2024: 1.5%), an increase that was in line with the expected growth in the reinsurance book.

### Management expenses

Management expenses came to €71.0 million in 2025 (2024: €70.2 million). The cost ratio <sup>6</sup> was down slightly, at 5.0% (2024: 5.2%).

<sup>3</sup> 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.

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

<sup>5</sup> The Life technical margin corresponds to the ratio between (a) the sum of the reinsurance underwriting 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

### Net investment income

Net investment income amounted to €83 million (2024: €72 million), comprising:

- investment revenue of €75 million, up €9 million on 2024, reflecting the full benefit of the buoyant interest rate environment of recent years;
- interest expense on subordinated debt for €13 million, stable versus 2024; and
- net realized capital gains of €20 million, up €1 million compared to 2024.

Changing financial market conditions did not lead to any material adjustments to provisions for other-than-temporary impairment in value (with just €1.5 million added to these provisions in 2025) and no transfers to the liquidity risk reserve were necessary.

Arundo Re's return on invested assets <sup>7</sup> was 2.7% in 2025 (2024: 2.6%). The improved return was driven by growth in investment revenue.

### Management of financial and real estate investments

**Reinsurance investments** <sup>8</sup> had a net book value of €3,572 million at December 31, 2025 (December 31, 2024: €3,510 million), including €340 million in assets deposited with ceding insurers.

Net unrealized gains rose to €370 million at December 31, 2025 (December 31, 2024: €310 million), reflecting conditions in the financial and real estate markets

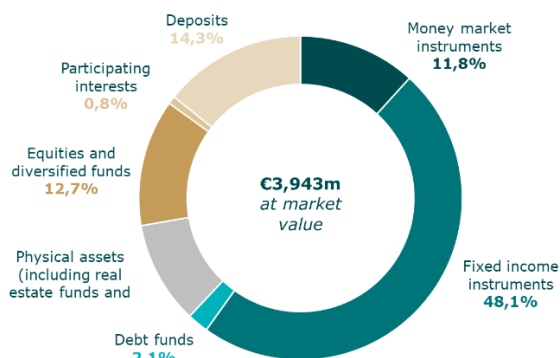
into account expenses analyzed by function and investment income allocated to the Life technical account.

<sup>6</sup> Net technical expenses and investment expenses as a percentage of written premiums before reinsurance.

<sup>7</sup> Ratio of net investment income (excluding interest on subordinated debt) to average reinsurance investments, excluding shares in and an advance to the Luxembourg subsidiary, ceding insurer deposits and owner-occupied property.

<sup>8</sup> Arundo Re's financial and real estate investments, including cash but excluding effect of the Canadian trust fund look-through.

and asset sales carried out during the year. The market value of financial and real estate investments was €3,943 million at December 31, 2025, an increase of 3.2% compared with end-2024.



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

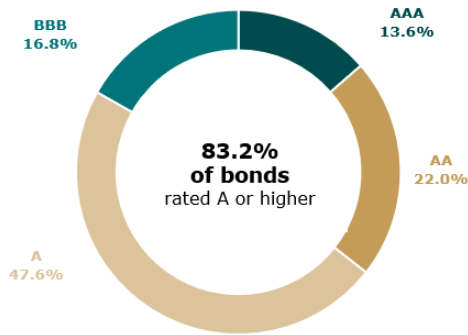
In millions of euros	12/31/24			12/31/25			Change			
	NBV	MV	% (at MV)	NBV	MV	% (at MV)	NBV	%	MV	%
Money market instruments	376.2	376.5	9.9%	463.4	463.4	11.8%	87.2	23.2%	86.9	23.1%
Fixed income instruments	1,765.7	1,762.2	46.1%	1,867.2	1,898.0	48.1%	101.6	5.8%	135.8	7.7%
Debt funds	81.0	90.9	2.4%	72.9	83.7	2.1%	-8.0	-9.8%	-7.3	-8.0%
Physical assets (including real estate funds and infrastructure funds)	180.6	414.0	10.8%	165.6	404.8	10.3%	-15.0	-8.3%	-9.2	-2.2%
Equities and diversified funds	420.1	486.5	12.7%	415.5	499.5	12.7%	-4.6	-1.1%	13.0	2.7%
Participating interests	24.7	27.9	0.7%	24.7	30.9	0.8%	0.0	0.1%	3.0	10.7%
Deposits (ceding insurer deposits and Canadian Trust Fund)	662.0	662.0	17.3%	562.8	562.8	14.3%	-99.2	-15.0%	-99.1	-15.0%
<b>TOTAL</b>	<b>3,510.2</b>	<b>3,820.0</b>	<b>100%</b>	<b>3,572.3</b>	<b>3,943.2</b>	<b>100%</b>	<b>62.0</b>		<b>123.2</b>	<b>3.2%</b>

The portfolio's market value grew at a slightly faster rate than its net book value (with increases of 3.2% and 1.8% respectively from 2024), albeit with disparities between asset classes.

As shown in the above table, changes in the structure of the reinsurance investment portfolio in 2025 were as follows:

- Investments in **money market instruments** amounted to €463.4 million, a 23.1% increase in market value compared with end-2024. This portfolio represented 11.8% of total investments at market value compared with 9.9% in 2024.

- Investments in **fixed income instruments**, excluding the Canada trust fund, increased by 7.7% from December 31, 2024 to €1,898 million at market value, representing 48.1% of total reinsurance investments at December 31, 2025. The portfolio comprised directly-held bonds for 62.5% and bond funds for 37.5%. Substantially all directly-held bonds (99.6%) were at fixed rates of interest. At December 31, 2025, 83.2% of the bonds in the portfolio were rated A or higher (issuer ratings) (December 31, 2024: 79%). The breakdown of the portfolio by rating is as follows:

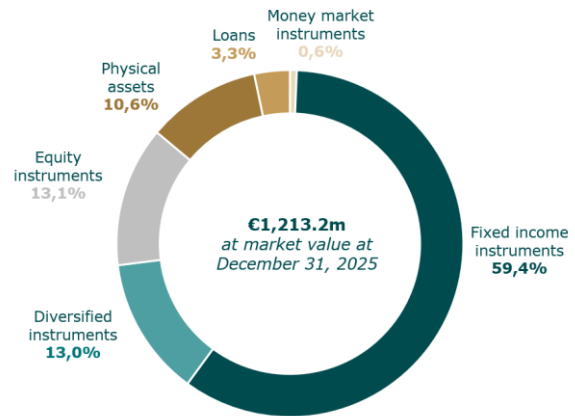


- Investments in **debt funds** amounted to €83.7 million at market value, representing 2.1% of the total portfolio (slightly down from 2.4% in 2024).
- Investments in **physical assets** contracted slightly (down 0.5%) to €404.8 million at market value, representing 10.3% of total reinsurance investments (December 31, 2024: 10.8%).  
The main reason for this dip was the universal transmission of assets of real estate company SAS Pompe. The operation had no impact on the real estate asset allocation, as SAS Pompe’s assets consisted solely of money-market instruments. Arundo Re’s real estate portfolio continued to mainly comprise office and residential properties in central Paris. The decline in investments in physical assets was partly offset by a €4.2 million increase in investments in infrastructure funds, primarily reflecting capital calls.
- The **equities and diversified funds** portfolio, including the protection fund which is invested in diversified funds, amounted to €499.5 million at market value, representing 12.7% of total investments, an increase on 2024 (€486.5 million, but a stable weight at 12.7%).
- Deposits** comprise cash deposits with ceding insurers (8.6% of the portfolio) and Canadian branch securities deposited with Fiducie Desjardins (5.7% of the portfolio). The Canadian branch's portfolio consists exclusively of fixed income instruments and money market

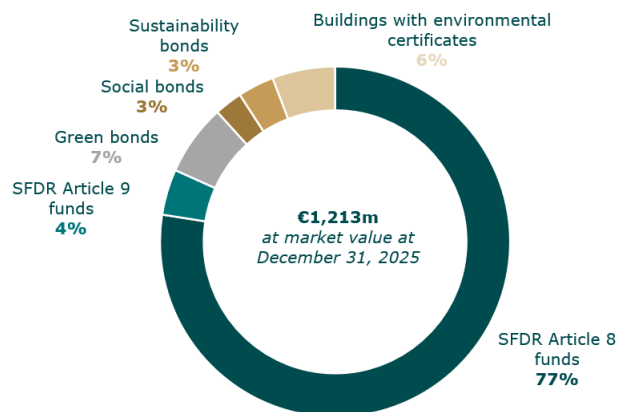
instruments denominated in Canadian dollars.

- Participating interests** at market value stood at €30.9 million at December 31, 2025 (December 31, 2024: €27.9 million). The year-on-year increase reflected the interests’ higher market values at December 31, 2025.

At December 31, 2025, financial investments meeting **environmental, social and governance (ESG)** criteria stood at €1,213.2 million at market value (December 31, 2024: €1,180.4 million), representing 30.8% of total reinsurance investments (December 31, 2024: 30.9%). The portfolio breaks down as follows by asset class:



ESG investments include funds classified as Article 8 and 9 under the Sustainable Finance Disclosure Regulation (SFDR), sustainable bonds and buildings with environmental certificates. A large proportion of Article 8 funds are dedicated funds that integrate the SRI policy in terms of exclusion and engagement.



## EBITDAER<sup>9</sup>

The items discussed above drove an increase in EBITAER to €192.1 million from €108.7 million in 2024.

## Net income for the year

Arundo Re's net income for the year amounted to €100.9 million (2024: €64.1 million), breaking down as follows:

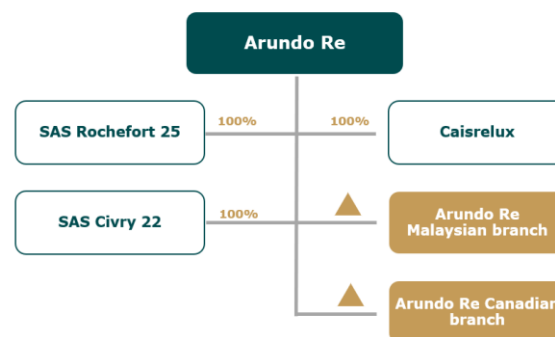
- EBITDAER for €192.1 million (2024: €108.7 million);
- less a €13.4 million charge to the equalization reserve (2024: less a net charge of €9.5 million). The tax-deductible transfer to the reserve will help to offset exceptional future costs on certain classes of reinsurance business, strengthening Arundo Re's financial position by limiting earnings volatility;
- less cost of debt for €12.7 million (stable compared with 2024);
- plus/less net non-recurring income/expense of €0 million (2024: net non-recurring expense of €0.2 million);
- less employee profit-sharing of €2.0 million (2024: €0.3 million);
- less income tax expense of €60.8 million (2024: €21.0 million), representing an effective tax rate of 37.6% that reflects the 2025 exceptional surtax and the absence of tax relief from tax loss carryforwards, which was utilized in full as of end-2024.

## Subsidiaries and affiliates

As shown in the chart below, part of the real estate investment portfolio is managed through two simplified joint stock corporations with combined equity of €22.8 million at December 31, 2025. The three companies contributed €2.6 million to Arundo Re's investment revenue for the year. On December 19, 2025, SAS

Pompe 179, a wholly-owned subsidiary of Arundo Re, transferred all its assets and liabilities to Arundo Re in a merger transaction leading to the recognition of a merger surplus of €1.8 million.

Arundo Re also has a reinsurance subsidiary in Luxembourg, Caisrelux, which had share capital of €16.2 million at December 31, 2025. This undertaking operates exclusively as a captive reinsurance company. Arundo Re granted a €15 million 10-year loan to Caisrelux on December 22, 2022. At December 31, 2025, €8.5 million of this amount had been drawn down.



## I.2.6. 2026 OUTLOOK

### Business environment

Treaties representing around 70% of the total portfolio were rolled over during the January 2026 renewal campaign. The campaign also served as a means of taking the pulse of the primary and secondary markets, in order to anticipate future changes for the 30% of treaties still to be renewed (mainly in Asia and Latin America)

and confirmed that the reinsurance market is moving into a downward cycle.

This trend reversal has prompted a marked deterioration in conditions for reinsurers, in a period of high economic, political and climate uncertainty.

The main factors behind the reversal include:

<sup>9</sup> EBITDAER: Earnings Before Interest, Taxes, Depreciation, Amortization and transfers to the

Equalization Reserve. Also excludes non-recurring items and employee profit-sharing.

- a considerable excess of supply over demand;
- moderate natural disaster loss ratios and the absence of extreme losses in 2025;
- several years of robust underwriting results enjoyed by reinsurers.

In this unfavorable environment, Arundo Re continued to improve the underlying profitability of the reinsurance book by applying a disciplined approach:

- treaties that were insufficiently profitable or exceeded risk appetite have been terminated;
- long-term partnerships have been strengthened across all reinsurance classes to support selective growth focused on the most strategic clients;
- a dynamic underwriting policy has been adopted that positions Arundo Re at an appropriate level of risk (by applying high excesses, transfers from proportional to non-proportional, etc.).

### Financial environment

Concerning 10-year treasury yields, France's OAT rate increased by 37 bps over 2025 to 3.56% at the year end, while the German rate rose by 49 bps to 2.85%

and the Italian rate remained relatively stable at 3.55%.

The Euro Stoxx 600 index, including reinvested dividends, gained 20.7% in 2025, outperforming the S&P 500 index in local currency, including reinvested dividends, which gained 17.9% over the year. This performance was all the more remarkable given that the US dollar fell sharply against the euro in 2025.

At their current level, European long-term rates offer attractive yields in view of the eurozone's potential growth and inflation rates. For this reason, as in 2025, Arundo Re intends to increase the weighting of investment grade bonds in the bond portfolio. Companies on both sides of the Atlantic posted solid performances last year, in an economic environment supported by the central banks' loose monetary policies. However, stock market prices are fairly high and exposure to equities will only be increased on market weakness.

Various concerns are encouraging a prudent approach to asset allocation in 2026, including rising interest rates, sluggish economic growth in Europe, forecast at around 1%, relations with the United States that are close to a trade war, and the tense geopolitical climate.

## II. GOVERNANCE SYSTEM

Arundo Re has a transparent, structured governance system based around its administrative, management and supervisory bodies, including:

- a Board of Directors and three Board committees: an Audit, Accounts & Risks Committee, an Appointments & Compensation Committee and a Strategy Committee;
- an executive body comprising the Chief Executive Officer and the Deputy Chief Executive Officer, who are the two persons that effectively run the undertaking (*dirigeants effectifs*);

four key functions ensuring optimal conduct of its business.

### II.1. STRUCTURE OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODY OF THE UNDERTAKING

#### II.1.1. BOARD OF DIRECTORS

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

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

##### Board Chairman and Chief Executive Officer

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.

##### 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.

Since July 3, 2023, the members of Arundo Re's Board of Directors have been as follows:

- Patrick Bernasconi, Chairman
- Édouard Vieillefond, Representative of CCR
- Laurence Daziano

- Monica Cramer
- Sandrine Turquetil Delacour
- Stéphane Dessirier
- Jacques Chanut
- Pierre Esparbes, Representative of SMABTP
- Xavier Touzé, Representative of SMA SA
- Agnès Auberty, Representative of SMAvie BTP
- Sylvie Van Viet
- John Conan, director representing employees elected by employees pursuant to Article L.225-27 of the French Commercial Code

On November 14, 2025, CCR withdrew from the capital of Arundo Re and the Board of Directors was modified as follows:

- Patrick Bernasconi, Chairman
- Sandrine Turquetil Delacour
- Stéphane Dessirier
- Pierre-Francois Marcastel
- Jacques Chanut
- Bruno Cavagne
- Pierre Esparbes, Representative of SMABTP
- Xavier Touze
- Philippe Desurmont, Representative of 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.

### **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;
- the undertaking's multi-year business plan;
- the undertaking'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.

The Board exercises the responsibilities as described in the Solvency II Directive and the associated regulations.

In this respect, it approves the reports and policies submitted for its approval pursuant to the Directive.

### **Solvency II policies adopted by the Board of Directors**

In line with the requirements of Solvency II, the Board of Directors has adopted the following 16 policies:

- General risk management policy
- Underwriting policy
- Reserving policy
- Operational risk policy
- Outward reinsurance and risk mitigation policy
- Investment risk management policy
- Asset-liability management (ALM) policy
- Liquidity risk policy
- Outsourcing policy
- Internal control policy
- Internal audit policy
- Compliance policy
- Compensation policy
- Fit and proper policy
- Actuarial policy
- Policy concerning communications with the insurance supervisor

Since the end of 2024, the Board is also responsible for approving the information system security policy.

All these Solvency II policies are consistent with the Group's internal policies.

In 2026, the scope will be extended, with the submission for Board approval of the policies on own funds management, deferred taxes, data governance and business continuity.

### **Board of Directors' practices and procedures**

#### **Internal rules**

The Board of Directors' internal rules set out its practices and procedures. Various changes were made to the internal rules in 2025.

The appendix to the internal rules includes the internal rules applicable to the Board committees: the Audit, Accounts and Risks Committee, the Strategy Committee and the Appointments and Compensation Committee.

The Board of Directors also has a "Director's Charter" which defines the guiding principles to which the directors adhere and which they undertake to respect in exercising their duties as directors. The Director's Charter is appended to the Board of Directors' internal rules

#### **Board meetings**

Board meetings are convened in writing and take place at Arundo Re's registered office. Approximately one week before the date of the meeting, an e-mail is sent to Board members to inform them that the meeting file is available on a secure site. The file includes the agenda of the meeting and briefing notes for the main agenda items. These files for meetings of the Board and Committees of the Board

are available exclusively in electronic form on a secure dedicated website.

### **II.1.2. AUDIT, ACCOUNTS & RISKS COMMITTEE**

An Audit, Accounts & Risks Committee was set up by the Board of Directors on January 23, 2017.

It has three members, all of whom are directors.

Since July 3, 2023, the Audit, Accounts and Risks Committee has been chaired by Sandrine Turquetil Delacour. At least one member must have specific financial, accounting or statutory audit expertise and qualify as independent based on the criteria adopted by the Board. Sandrine Turquetil Delacour fulfills these criteria.

The committee is tasked with assisting the Board of Directors in fulfilling its role concerning the annual financial statements, by monitoring (a) the effectiveness of internal control and risk management systems, and the Internal Audit function if applicable, with regard to the procedures for the preparation and processing of accounting and financial information, and (b) the work of the statutory auditors. It also expresses an opinion on the auditor selection process and issues a recommendation concerning the accounting firm to be proposed for appointment as auditor at the Shareholders' Meeting.

It considers the Actuarial function's report and monitors implementation of legal and regulatory compliance procedures, especially Solvency II compliance, notably by examining the Compliance function's report.

It meets with the head of the Internal Audit function, reviews and approves the internal audit plan, analyzes the internal auditors' main recommendations and their implementation.

It reviews the Regular Supervisory Report (RSR), the Solvency and Financial

Condition Report (SFCR) and the written policies falling within the committee's terms of reference.

It is also tasked with monitoring risk management indicators, overseeing the Own Risk and Solvency Assessment (ORSA) based on the ORSA report, and meeting with the holder of the Risk Management function.

The Committee reports regularly on its activities to the Board.

### II.1.3. APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee created in July 2023, has three members, all of whom are directors. It is chaired by Sylvie Van Viet.

The role of the Appointments 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 policies, assesses the policies' consistency with CCR Re's strategy and performance targets, and analyzes the key determinants of increases in the total payroll.

### II.1.4. STRATEGY COMMITTEE

The Strategy Committee, created in July 2023, is made up of three members, all of

whom are directors. It 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.

The Committee reports regularly on its activities to the Board.

### II.1.5. EXECUTIVE BODY

#### Executive management

The members of Arundo Re's executive management are Bertrand Labilloy, Chief Executive Officer, and Laurent Montador, Deputy Chief Executive Officer.

#### Persons who effectively run Arundo Re

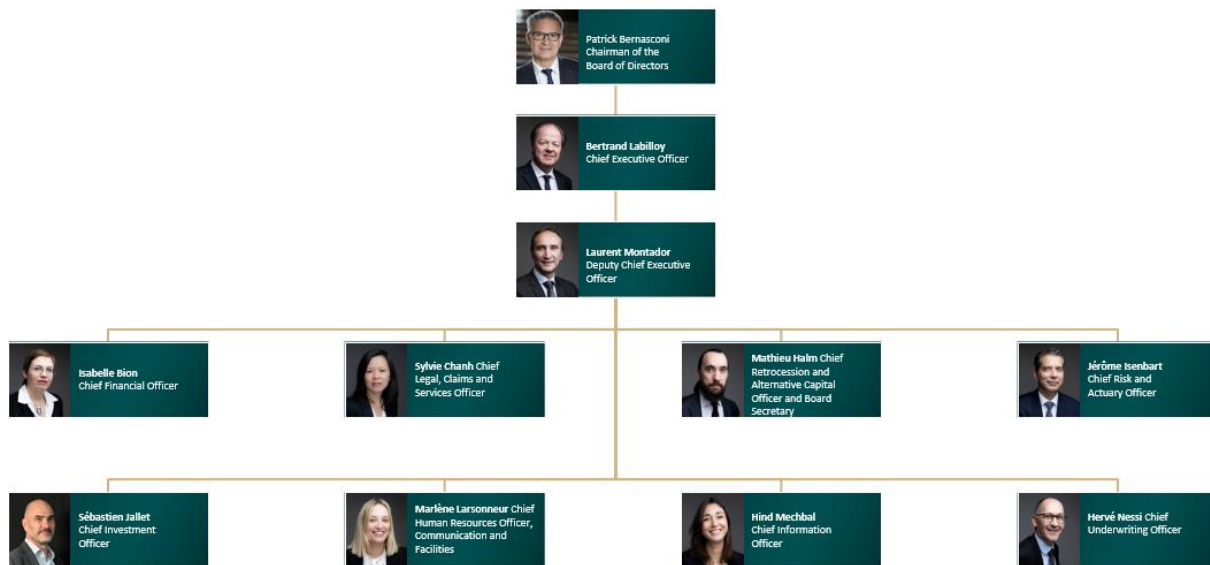
Following their appointment by the Board of Directors as Chief Executive Officer and Deputy Chief Executive Officer, respectively, on May 10, 2021 and June 2, 2022, Bertrand Labilloy and Laurent Montador were automatically designated as the persons who effectively run the undertaking, both with the same powers and responsibilities. The ACPR received notification of their appointment, which it approved.

#### Role of Arundo Re's key internal divisions

As of December 31, 2025, Arundo Re was organized around eight divisions, with the following main responsibilities:

*Organization as of December 31, 2025*

**Leadership & Executive Committee**



**Underwriting Division**

The Underwriting Division is tasked with building a profitable portfolio of reinsurance treaties with ceding insurers:

- that are committed to developing long-term partnerships with their reinsurers;
- that view reinsurance as a comprehensive risk transfer and capital management service;
- such that Arundo Re can negotiate the terms and conditions of reinsurance cover from a position of strength.

It is made up of eight Underwriting Departments and the Contract Management Department.

The Division is also responsible for developing and leveraging its technical expertise across a broad spectrum of risks. Its main remit therefore includes performing analyses, making underwriting decisions, managing the customer relationship as a whole, and managing the reinsurance treaties.

**Finance Division**

The role of the Finance Division is to prepare Arundo Re’s financial information and support the undertaking’s management.

To this end, it is responsible for:

- performing profitability analyses and contributing to the undertaking’s management processes;
- preparing business plans and monitoring their implementation;
- liaising with rating agencies;
- preparing the undertaking’s financial and tax reports in compliance with the law;
- producing various reports for the supervisory authorities (French GAAP or Solvency II);
- processing reinsurance technical accounts and producing statements for the undertaking’s reinsurers;
- cash management.

It is made up of seven departments:

- Budget Control and Financial Communication;

- Technical accounting – Inward and outward reinsurance;
- Receivables and Payables Accounting;
- Cash Management, General Ledger Accounting and Reinsurance Reporting;
- Subsidiary Ledger Accounting;
- Finance Project Management Support;
- Accounting and Tax Standards.

### Actuarial & Risks Division

The role of the Actuarial & Risks Division is to lead the qualitative and quantitative aspects of Arundo Re's risk management system aligned with the scale of the undertaking, according to a pragmatic approach focused on driving continuous improvement.

The Division defines risk management methods, obtains assurance concerning the undertaking's solvency (particularly the adequacy of its technical reserves, based on actuarial research), prices the risks associated with the treaties in the reinsurance portfolio, identifies key risks and ensures that Arundo Re complies with the principles of Solvency II.

It promotes a risk culture across the organization and evaluates the internal control system to ensure that risks are managed appropriately.

More generally, the Division coordinates and helps manage the three pillars of Solvency II. It provides day-to-day oversight of risk management and risk-led value creation.

It is composed of three departments:

- The Risk Pricing & Natural Disaster Department is responsible for determining premium rates for new reinsurance treaties, performing technical analyses of in-force reinsurance business and modeling natural disaster exposures.
- The Risk Management & Internal Control Department is tasked with leading the risk management system,

preparing internal control reports, overseeing the risk identification and measurement system and coordinating the regulatory reporting process.

- The Reserving, Regulatory Capital and ALM Department is responsible for calculating Arundo Re's technical reserves, performing the analyses required for regulatory compliance purposes, such as for the application of pillar 1 of the Solvency II directive, implementing and optimizing the business model and conducting Asset/Liability Management (ALM) activities.

The Information Systems Security Officer reports directly to the Chief Actuary & Risk Officer and is responsible for maintaining an adequate level of information systems security.

### Retrocession – Alternative Capital and Board Secretariat Division

This Division is responsible for:

- finding and placing appropriate reinsurance cover;
- structuring and placing of securitization solutions;
- assisting executive management with corporate actions;
- overseeing the undertaking's governance processes;
- examining alternative sources of capital.

It is organized around three departments: Retrocession, Alternative Capital and Board Secretariat Division.

### Investment Division

This Division is responsible for:

- defining the investment policy and submitting it to the Board of Directors;
- managing the application of tactical asset allocation techniques based on financial market trends, in line with

- the investment policy approved by the Board of Directors;
- supervising investment management processes and compliance with agreements between Arundo Re and its investment management services provider, SMABTP;
- contributing to the preparation of regulatory reports and updating management agreements;
- providing financial expertise for business projects as and when required (capital management, insurance-linked securities issues, business plans, etc.).

### Legal, Claims & Services Division

This Division is responsible for securing Arundo Re's legal operations, claims management, technical studies and medical underwriting for aggravated Life insurance risks.

It is organized around five departments:

- Claims management;
- Medical underwriting;
- Medical advisory;
- Services and studies;
- Legal and compliance.

### Information Systems Division

The Information Systems Division (ISD) plays a crucial role within the undertaking, by managing and upgrading its information systems. It is organized around four additional departments, each specialized to respond effectively to the undertaking's technological and strategic needs:

- The Project Management Office (PMO) monitors cross-functional issues, including budgets, governance and project portfolios, to ensure that IT initiatives are efficiently coordinated.
- The Digital Factory is organized around two major strategies:
  - data life-cycle value enhancement, including through

the data catalog and data quality, visualization and reporting (operations and management dashboards) tools;

- data-driven innovation, with the development of new digital solutions, based on AI where necessary, to automate processes, increase efficiency and create value.
- The Applications Department manages IT applications, ensuring that they run smoothly and that they are upgraded and modernized to meet the business's needs.
- The Infrastructure and Security Service Department is tasked with providing assurance concerning the reliability, performance and security of the IT infrastructure and the quality of IT user services that are essential to support the efficient execution of business transactions.

### Human Resources, Communications and Facilities Division

This Division oversees all of CCR Re's HR, communications and facilities-related activities, in line with the objectives set by Executive Management.

The main tasks of the Human Resources Department are to:

- define and monitor HR and compensation strategies and policies;
- design HR projects in line with Arundo Re's overall strategy to develop the undertaking;
- prepare, manage and control the HR budget;
- act as the interface between employees, managers and directors, promoting communication and social dialog;
- negotiate corporate agreements with employee representatives;
- define and monitor CCR Re's corporate social responsibility (CSR) policy.

The main roles of the Communications and Events Department are to:

- promote the internal and external brand identity and image;
- draw up a communications strategy in agreement with Executive Management;
- define communication initiatives to promote CCR Re and the various divisions' operational projects;
- steer and implement Arundo Re's presence on social networks, press relations, the public relations program, and internal and external events;
- draw up, manage and control communications, events and facilities budgets.

The main responsibilities of the Facilities Department are to determine, manage and monitor business travel and all facilities-related services (maintenance, management of supplies and work areas, reception, security, miscellaneous work).

## II.1.6. ACTIVITIES OUTSOURCED TO SMABTP IN 2025

To support its operations, in 2025 Arundo Re outsourced to SMABTP certain support activities and the management of its financial and real estate assets.

The following critical or major activities have been outsourced:

- financial and real estate asset management, outsourced to SMABTP since June 2024;
- information systems management, outsourced to SMABTP since July 2024.

### Outsourced financial and real estate asset management

Management of Arundo Re's financial and real estate portfolios has been outsourced to SMABTP's Investment Division since June 1, 2024. These investment management services are governed by agreements which set out the restrictions

and limits for each asset class, describe the investment committee's governance role (by means of monthly meetings) and Arundo Re's reporting and tracking requirements. Management of the securities portfolio is part of an investment process comprising several different phases, as described below:

**Economic and financial analyses are updated on a regular basis and designed to describe the overall environment in which investment decisions are approved.**

Key priorities in terms of economic growth, inflation, economic policy and debt are summarized. A multi-pronged analysis incorporating an assessment of the various asset classes and of the market environment, and technical factors such as inflows/outflows and investor behavior, helps to determine the potential profitability and risk associated with each asset category.

**A strategic asset allocation serves as the basic framework for managing assets.**

The strategic asset allocation is supervised by Arundo Re's ALM teams and is part of the risk budget adopted by Arundo Re's Board of Directors. It subsequently rolls down into a tactical asset allocation with a 12-24 month investment horizon and a much more detailed level of analysis for the assets concerned (asset classes and sub-classes). A decision is made whether to fully or partly hedge the portfolio risk at this stage. This asset allocation is regularly reviewed in light of liability-related constraints, risk tolerance and compliance with own fund requirements, taking into account the desired profitability and the risk associated with the different asset classes. In the bond and money market portfolios, the gap between the term of assets and that of liabilities is regularly tested to ensure that

interest rate risk is managed appropriately. Similarly, currency risk resulting from a mismatch between assets and liabilities in a given foreign currency is actively managed. CCR Re seeks to have a sufficient level of liquidity at all times, in step with the characteristics and volatility of its technical liabilities.

**Financial and real estate investments are selected by the management teams in SMABTP's Investment and Real Estate Departments.**

For directly-held bonds and money market instruments, investments must be on a list of approved investment grade issuers compiled by one of the main rating agencies (S&P, Moody's). Broad diversification of signature risk is sought in the portfolios.

For directly held real estate assets, each proposed acquisition or disposal is presented to the Investment Committee for approval. Proposed acquisitions concern real estate assets in prime locations that are of a high architectural quality.

Investments in equity, bond and real estate investment funds are made following a selection process that starts with an analysis of the strengths and weakness of the management companies concerned. The main criteria taken into account are the relevance of the strategy, the match between resources and objectives, the quality of risk management and procedures, and the ability to serve corporate customers. A specific analysis is then performed on the funds that may be chosen as an investment vehicle. Decisive factors when selecting funds include the volume of assets under management, the experience of the management team, the consistency of the management style, whether a clear definition of roles and responsibilities exists, the stability of the management team, the transparency of

the management strategy and the alignment with investors' interests. Meetings are regularly organized with the managers of the funds held in the portfolio, and frequent telephone contact is maintained. A quantitative performance analysis (analysis of a fund's actual versus expected behavior in light of its profile, comparison of the fund against benchmark indices and against groups of similar funds set up internally) enables results to be verified and warnings to be issued where necessary.

**Various tools are used to send financial and non-financial management and activity reports to Arundo Re.**

A monthly asset allocation schedule shows the risk exposure of the portfolios under management based on a detailed asset typology. As appropriate, weekly or monthly performance calculations enable the results of management to be determined for the different investment horizons and asset scopes, in line with the desired level of detail. Reports are drawn up on the main financial risks (interest rate, currency, credit and real estate risks). A model is run simulating financial shocks on the portfolios, helping to calibrate the risk budgets. Lastly, one-off analyses focused on particular areas (particularly bond issuers, investment funds and exchange rates) are used to determine changes in risks and expected profitability. Investment committees discuss changes in the management of financial and real estate asset portfolios, the risk situation, the results obtained and the main economic and financial priorities. Specific briefings may be held at Arundo Re's request on all aspects concerning financial asset management.

In addition to this investment process, an ESG report is drawn up in accordance with current regulations, including Decree no. 2021-663 of May 27, 2021 ("29 LEC Decree"), issued in application of Article 29 of the French Energy and Climate Change Act.

## Outsourced information systems management

The outsourcing agreement for the management of Arundo Re's information system by its majority shareholder SMABTP comprises the main agreement signed in May 2024 and an addendum signed in July 2024. Under the terms of this agreement, SMABTP is responsible for the efficient operation and security of Arundo Re's information system, including in the following areas:

- user support and equipment;
- network and telephony services;
- use of collaborative applications (including messaging) and file sharing;
- software-as-a-service (SAAS) applications;
- application infrastructure delivery services.

The agreement is regularly monitored to check service quality and to confirm that the outsourcing arrangement is operating smoothly.

## II.2. KEY FUNCTIONS

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

The term "function" is defined as follows in Article 13, paragraph 29, of the Directive: "*within a system of governance, [...] an internal capacity to undertake practical tasks*"; "*a system of governance includes the risk management function, the compliance function, the internal audit function and the actuarial function.*"

Arundo Re's management structure ensures that all responsibilities essential to effective holistic risk management are fulfilled. The key function holders have been identified and their respective roles and responsibilities have been defined. The ACPR received notification of their appointment, which it approved.

At December 31, 2025, the holders of the key functions were:

<b>Risk management function</b>	Isabelle Grubic	Actuarial & Risks Division
<b>Compliance function</b>	Élodie Desset	Legal, Claims & Services Division
<b>Internal audit function</b>	Alexandre Sokolowski	Executive management
<b>Actuarial function</b>	Gwenaëlle Gibert	Finance Division

### II.2.1. KEY FUNCTION GOVERNANCE STRUCTURE

Arundo Re's key function holders report directly to the Chief Executive Officer and meet with him whenever necessary. They

may also meet with the Board of Directors of Arundo Re as often as needed.

The current committee structure allows any necessary exchanges to take place with the Board of Directors and the Audit, Accounts & Risks Committee.

The four key function holders meet periodically to ensure that they communicate with each other and have a good knowledge of the undertaking. These meetings facilitate discussions of major strategic projects and any problems encountered in managing operations.

### II.2.2. RISK MANAGEMENT FUNCTION

Within the Actuarial & Risks Division, the holder of the Risk Management function is responsible for:

- identifying, assessing and monitoring risks;
- ensuring that risk management procedures are in place;
- ensuring that complete and consistent reporting systems exist for the audited activity, primarily for risks qualified as important.

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

- pillar 1 of the Solvency II process;
- asset-liability management;
- monitoring of natural disaster risk exposure;
- pricing;
- analyses of the retrocession program.

The Chief Risk Officer and Actuary leads the Risks Committee ("CORI", see section 3.3) alongside the holder of the Risk Management function.

Since 2025, the Risk Management function has also been responsible for coordinating business continuity and data quality assurance systems. To this end, the function holder works closely with the IT Department, and guides the business units in implementing these two systems.

#### Function holder

In 2025, the Risk Management key function was held by the head of Arundo Re's Risk Management & Internal Control

Department (part of the Actuarial & Risks Division),

This organization places the function at the center of the undertaking.

As of December 31, 2025, the holder of the Risk Management function was supported by a network of 15 Permanent Control Managers (PCMs) working in the various operating divisions and the function's own four-member team.

### II.2.3. COMPLIANCE FUNCTION

The Compliance function holder, who reports directly to Arundo Re's Chief Executive Officer, is responsible for all compliance issues. The work of the Compliance function is based on the compliance risks identified in Arundo Re's risk map, which is reviewed annually.

The controls performed by the function are reviewed annually by the internal control teams to assess the level of control over compliance risks and help drive the process of continuous improvement.

#### Function holder

Since May 1, 2023, the Compliance function has been held by Arundo Re's General Counsel and Compliance Officer, who is a member of its Legal, Claims and Services Division.

### II.2.4. INTERNAL AUDIT FUNCTION

The holder of the Internal Audit function reports directly to Arundo Re's Chief Executive Officer and performs this function objectively and independently of all of Arundo Re's other activities.

Internal Audit strengthens the organization's ability to create value and protect and sustain the value creation process, by providing independent, objective, risk-based assurance, advice, insight and foresight to the Board of Directors and management.

## Function holder

A Head of Internal Audit joined Arundo Re on January 15, 2024, to assume the responsibilities associated with the key internal audit function. The ACPR was notified of this appointment, which it approved.

### II.2.5. ACTUARIAL FUNCTION

The holder of the Actuarial function reports directly to Arundo Re's Chief Executive Officer. The function's purpose is to express an opinion on:

- the quality of Arundo Re's reinsurance book;
- the appropriateness of the retrocession program;
- the adequacy of technical reserves.

## Function holder

The Actuarial function is supported by the Head of Budget Control and Financial Communications within Arundo Re's Finance Division.

### II.3. COMMITTEE STRUCTURE

Arundo Re has set up a committee-based organization to ensure that risks are properly managed. The main committees are described in this section.

#### II.3.1. EXECUTIVE COMMITTEE

Arundo Re's Executive Committee is responsible for implementing the undertaking's strategy and for making the necessary operational and organizational decisions in this regard. The Executive Committee ensures that operations managers are duly informed of strategic objectives and rules.

#### II.3.2. RISKS COMMITTEE ("CORI")

The Risks Committee's role is to manage risks, based around three main themes:

Solvency II governance, risk management and compliance and procedures.

Its responsibilities include:

- identifying potential events that could affect the organization;
- defining risk management procedures, so as to:
  - limit residual risks within the risk appetite framework;
  - provide reasonable assurance as to the achievement of objectives.

The Risks Committee uses the work of the following five operational committees in the areas of disaster, cyber, data protection (GDPR), data quality and business continuity risks.

#### CAT Committee

This committee is responsible for defining the methodology for assessing Arundo Re's exposure to natural disaster risk. It is also tasked with monitoring cumulative Life and Non-Life natural disaster exposures on behalf of the Risks Committee.

#### Security Committee

This committee is responsible for monitoring the implementation of information systems security in accordance with the workload plan validated by the Risks Committee.

Its responsibilities include:

- facilitating the implementation of the security strategy by monitoring the rollout of the security measures set out in the workload plan validated by the Risks Committee;
- proposing an information systems security policy to be approved by executive management;
- following up on major security alerts and recommending any additional measures that may be necessary;
- tracking the emerging new technologies monitored by the security manager and information

systems security (RSSI) in order to continuously improve the undertaking's security measures.

### Data Protection Committee

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

Its responsibilities include:

- reviewing Arundo Re's GDPR compliance system and recommending any measures needed to ensure operational compliance with this regulation;
- examining GDPR issues relating to all or some of the personal data processing operations of Arundo Re entities;
- deciding the action to be taken to comply with new domestic or European data protection regulations, including France's CNIL guidance.

### Data Governance Committee

The Data Governance Committee is an operational committee specifically dedicated to data governance. It assists the Risks Committee in managing data risk.

### Business Continuity Committee

This committee is responsible for defining and monitoring the business continuity plan. It assists the Risks Committee in managing business interruption and operational failure risks.

In 2026, the **DORA Project Steering Committee** will become a sub-committee of the Risks Committee to guarantee effective DORA compliance monitoring and management and the control of risks linked to suppliers of Information Communication Technologies (ICT).

## II.3.3. INVESTMENT-RELATED COMMITTEES

Asset management is outsourced to SMABTP. Various committees were set up to monitor the execution of the outsourced activities and the delivery of expected services.

The five committees are as follows:

- ALM and Asset Allocation Committee;
- Investment Committee;
- Real Estate Committee;
- ESG Committee;
- Outsourcing committee.

### ALM and Asset Allocation Committee

The purpose of this committee is to:

- present the target strategic asset allocation for the current year and the overlay hedging policy for the following year, as validated in advance by Arundo Re's Board of Directors;
- report on changes in the ALM policy decided by Arundo Re and its entities;
- make any necessary adjustments to the allocation restrictions and investment universe defined in the investment policy (duration strategy, congruence rules, etc.);
- share budgets and accounting performance targets for the coming year.

### Investment Committee

The Investment Committee is responsible for monitoring Arundo Re's investment policy. To this end, it oversees the investment portfolio and the implementation of the investment strategy.

The contributions to investment performance are assessed on the basis of reports covering:

- the economic and financial environment;

- purchases and sales of directly-held assets and investments in funds carried out since the previous Investment Committee meeting; performance monitoring procedures;
- investment policy monitoring activities;
- planned asset purchases and sales that are subject to prior approval by Arundo Re;
- purchases and sales of illiquid or relatively illiquid assets;
- exemptions from the application of investment limits;
- financial results and planned profit-taking (or loss realization) transactions;
- the asset management and investment outlook.

### Real Estate Committee

The purpose of this committee is to:

- take stock of the property rental and investment market as a whole;
- monitor changes in the book yields delivered by the various real estate assets;
- present trends in vacancy rates and tenant arrears;
- present trends in rents and occupancy costs;
- report on maintenance operations and costs relating to the administration of the real estate portfolio;
- propose purchase or sale transactions to rotate the real estate portfolio of Arundo Re and its entities, in line with the objectives defined each year by the ALM & Asset Allocation Committee, prior to presenting the transactions for approval by the Investment Committee or the Board of Directors;
- initiate and monitor independent property appraisals at intervals and by the methods proposed by the Asset Manager and approved by Arundo Re.

### ESG Committee

The purpose of this committee is to:

- define the main ESG and climate indicators used for portfolio management purposes;
- discuss Arundo Re's voting policy at general meetings of the companies in the portfolio;
- suggest changes to the portfolio's sustainability KPIs, recommend climate initiatives that Arundo Re should support, change the methodologies used to determine climate or biodiversity trajectories, determine the areas in which the Asset Manager's expertise will be sought.

### Outsourcing committee

The purpose of this committee is to:

- review the existence and analysis of outsourcing KPIs;
- ensure that the outsourced services are correctly identified and examine possible changes;
- examine any disputes arising during the execution of the outsourced services and attempt to find a mutually acceptable solution.

In addition to the work performed during regular meetings of the Committee, other meetings are organized periodically to monitor cash positions. During these meetings, the participants examine cash forecasts in euros and foreign currencies, changes in currency risk exposures, and any other factors likely to affect the value of listed financial assets.

### II.3.4. UNDERWRITING COMMITTEE

The Underwriting Committee meets when treaties are up for renewal, to decide whether or not to accept level 3 and 4 risks, as described in the underwriting guidelines.

### II.3.5. CLAIMS COMMITTEE

This committee is responsible for facilitating the flow of information between the Legal, Claims & Services Division and the Underwriting Departments, and for developing a holistic vision of outstanding claims. Meetings are held separately for each Underwriting Department or group of Underwriting Departments, to:

- provide a technical overview of each department's major claims;
- discuss technical or commercial issues arising in relation to the claims or in the reinsurance accounts;
- identify any need to adjust management procedures;
- identify potential commutation opportunities;
- draw up a ceding insurer/treaty watchlist.

### II.3.6. RESERVING COMMITTEE

This committee conducts in-depth analyses of current reserve levels and fine-tunes estimates of ultimate reserves whenever necessary. In particular, it checks the quality of the data input into the models to determine technical reserves.

### II.3.7. INVENTORY COMMITTEE

This committee is responsible for validating the results of the inventory work.

## II.4. COMPENSATION POLICY AND PRACTICES

Since 2017, Arundo Re has had a formal compensation policy covering all employees, executives and members of the Board of Directors. This policy was updated in 2025.

### II.4.1. COMPENSATION POLICY

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

- reward employee performance and build loyalty in line with corporate strategy;
- offer innovative and motivating compensation packages, so as to attract key resources that are clearly defined, particularly for executives;
- devise fair and consistent compensation systems that do not encourage risk-taking (bonus rates are set according to grade, not business line).

There are three pillars of the compensation policy:

- a fixed portion which accounts for the bulk of employee compensation;
- a variable "bonus" portion linked to the individual performance of each employee; The targets set by managers must be measurable and realistic, enabling the individual performance of each employee to be assessed and discouraging risk-taking;
- a variable portion (profit-sharing, incentives and employer contribution) linked to employees' performance as a whole.

### II.4.2. COMPENSATION AWARDED TO CORPORATE OFFICERS

#### **Chairman of the Board of Directors' compensation**

The Chairman of the Board of Directors receives fixed and variable compensation.

The amount is set by the Annual Shareholders' Meeting, on the recommendation of the Compensation, Appointments & Governance Committee and the Board of Directors.

The variable portion is based on his attendance rate at Board and Strategy Committee meetings.

### Chief Executive Officer's compensation

Arundo Re's Board of Directors sets the total annual compensation of the Chief Executive Officer, based on the recommendation of its Compensation, Appointments & Governance Committee.

The Chief Executive Officer receives fixed and variable compensation.

The variable portion is based on criteria set annually by the Board, which decides whether the criteria have been met, if necessary on the recommendation of its Compensation, Appointment & Governance Committee.

### Directors' compensation

The total annual compensation payable to the directors is decided by the Annual Shareholders' Meeting, based on the recommendation of the Board of Directors.

The Board of Directors, based on a proposal from the Chairman, freely determines how this total amount will be allocated among the directors based on their attendance at meetings of the Board of Directors and any Committees of the Board.

## II.5. MATERIAL TRANSACTIONS

With the exception of the outsourcing agreements between Arundo Re and SMABTP covering asset management services (including the related mandates) and IT services, no material transactions were entered into during the reporting period with any shareholders, parties exercising significant influence over the undertaking, or members of the administrative, management or supervisory bodies.

## II.6. FIT AND PROPER POLICY

A revised fit and proper policy was adopted by Arundo Re's Board of Directors on June 24, 2025.

It formally sets down fit and proper requirements for those effectively running the undertaking (*dirigeants effectifs*), key function holders and members of the Board of Directors.

The fit and proper requirements were assessed on the bases set out in the policy.

## II.7. RISK MANAGEMENT SYSTEM (INCLUDING ORSA)

Arundo Re's risk management system is based on the COSO II risk framework.

The system is structured around:

- An Actuarial & Risks Division at the heart of the undertaking;
- A risk appetite framework;
- Risk tolerance limits aligned with the risk appetite;

### II.7.1. AN OPERATIONAL RISK MANAGEMENT AND CONTROL SYSTEM. ORGANIZATION OF RISK MANAGEMENT

Risk management at Arundo Re concerns all employees.

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

The different parties involved in the risk management process are described hereafter, along with their role

and responsibilities in terms of managing risks:

### Board of Directors

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

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

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

### Executive management

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

- defines the internal control and risk management policy;
- monitors the implementation of action plans using reports presented to the Risks Committee;
- informs the Board of Directors of the results of the overall risk management system.

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

### Risks Committee (CORI)

See section II.3.2 for a description of this committee.

### Actuarial & Risks Division

The Actuarial & Risks Division reports to executive management and is in charge of the overall coordination of the risk management and internal control systems.

It defines the risk management approach, ensures the undertaking's solvency (particularly the adequacy of its technical reserves), conducts actuarial research, identifies key risks and coordinates work

carried out to implement the requirements of Solvency II.

It promotes a risk culture across the organization and ensures that risks are managed appropriately.

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

Actuaries from the Actuarial & Risks Division support the Risk Management key function, particularly in terms of asset-liability management, development of the economic capital model, reserving, monitoring of natural disaster risk exposure, supervision of emerging risks, development of the outward reinsurance program and exposure analyses before and after reinsurance. Actuaries also coordinate construction of the risk appetite budget and Solvency II, pillar 1 work.

### Risk Management key function

The Risk Management key function reports to executive management.

The function supports the Board of Directors, the Board committee and executive management in implementing an effective risk management system. It monitors the risk management system and the overall risk profile for Arundo Re. It conducts in-depth analyses of risk exposures and advises the Board of Directors, the Board committee and executive management on risk management matters, including those arising in connection with strategic issues such as the undertaking's strategy, mergers and acquisitions and major projects and investments.

The Risk Management function assists the Actuarial & Risks Division in defining the risk management framework. It is responsible for identifying, assessing and monitoring risk assessments together with the operational departments.

It is also responsible for the Risk Management & Internal Control

Department, providing risk management support, defining the methodological framework for comprehensive risk mapping and monitoring, issuing alerts where applicable, and ensuring that the undertaking has sufficient capital available relative to the risks taken.

As head of the Risk Management & Internal Control Department, the holder of the Risk Management function is responsible for overseeing the effectiveness of the internal control system.

Since 2025, she has been the contact person for the supervisory authority and, as such, has been responsible for coordinating the undertaking's responses to all ACPR requests.

In the event that critical issues are detected, which could for example call Arundo Re's risk profile into question, the Risk Management function has a direct and independent line to executive management and/or the Audit, Accounts & Risks Committee, which is notably responsible for ensuring an effective risk management and internal control system.

### Head of Information Systems Security

The Head of Information Systems Security (ISS), who is a member of the Actuarial and Risks Division, assists Executive Management in defining and steering the overall cyber risk management system, and ensures that the information system is properly protected.

She updates Arundo Re's security policy on an annual basis, taking into account the undertaking's needs and SMABTP Group policy.

She contributes to identifying and assessing digital risks, supports the business units in complying with

applicable regulatory requirements, and leads cybersecurity awareness-raising initiatives.

She coordinates internal ISS monitoring structures and liaises regularly with the relevant stakeholders within the SMABTP Group.

### Compliance function

The Compliance function ensures that compliance risks<sup>10</sup> are kept under control, including at offices outside France with the help of local contacts where necessary. This organization provides a cross-functional, consolidated view of compliance imperatives, and also ensures that the compliance programs defined in the annual plan are implemented consistently.

The ultimate purpose of the Compliance function is to implement controls to provide assurance concerning the effective management of all risks of legal, administrative or disciplinary sanctions, reputational damage and financial loss resulting from regulatory breaches.

### Internal audit

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

To provide this assurance, the Internal Audit function assesses and reports on the effectiveness of governance and risk management and internal control processes designed to help the organization to meet its strategic, business, financial and compliance objectives. Based on their observations, the internal auditors recommend improvements to these processes and monitor their implementation.

<sup>10</sup> For more information on the role and responsibilities of the Compliance function, see the compliance policy.

The Internal Audit function therefore makes a critical contribution to internal control by assessing the system's efficiency and effectiveness.

The Internal Audit function proposes the multi-year internal audit plan and performs the audits.

### Permanent Control Managers (PCMs)

The Permanent Control Managers act as the Risk Management & Internal Control Department's correspondent in each Arundo Re Division.

This organization around Permanent Control Managers ensures that controls are performed as close as possible to operational risks, thereby optimizing the management of these risks. It facilitates the establishment of a consistent, shared risk culture through local correspondents capable of passing on best practices and motivating teams in support of an internal control culture.

The Permanent Control Managers:

- represent the undertaking in matters of internal control and risk management;
- ensure that processes and controls are duly documented;
- regularly inform the Risk Management & Internal Control Department of any changes to processes or internal controls, and any emerging risks arising from the entity's operations;
- help improve controls;
- follow up on action plans;
- monitor incidents;
- assist the entity manager in improving processes and controls;
- perform tier 2 controls for low and medium operational risks and report their findings to the internal control teams for inclusion in overall assessments of the internal control system.

### Entity managers

The entity managers are responsible for managing their entity's risks.

They help to invigorate the risk management system and define the undertaking's first line of defense. They ensure that controls are duly implemented.

They are responsible for establishing the rules, procedures, organization and information system needed to manage risks within their area of responsibility, in compliance with the risk tolerance limits assigned to them in the policies, guidelines and other internal documents governing their activities.

### Control managers

Control managers are operations staff who perform first-tier controls. They are appointed by the manager.

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

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

### Employees

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

They are responsible for:

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

- assisting in the drafting of control procedures.

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

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

## II.7.2. PRESENTATION OF THE RISK MANAGEMENT SYSTEM

The risk management system is essentially based on:

- the definition of the undertaking's risk appetite, as rolled down to the various levels in the organization in the form of risk tolerance limits;
- identification of all Arundo Re's risk exposures;
- continuous risk profile monitoring, Own Risk & Solvency Assessments (ORSA) and regular risk reporting;
- a process for drafting risk management policies;
- narrative annual reports and reports on the internal control system<sup>11</sup>.



## Risk Appetite

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

It is determined as part of the process for determining the risk budget and business plan.

This framework is defined in accordance with the following two principles:

- Arundo Re's corporate mission is to build a profitable portfolio at an acceptable level of risk.
- Consistent with the reverse "production cycle" specific to insurance and reinsurance undertakings, Arundo Re is also an asset manager and allocates a risk budget with a view to managing its asset portfolio in a prudent and informed manner.

Since 2024, the Board of Directors has set a risk appetite that enables Arundo 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;
- a financial crisis.

## Risk identification

Arundo 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 risk map is updated and expanded as new emerging risks are identified.

<sup>11</sup> See the internal control policy.

The process is as follows:



### Risk mapping

The Arundo Re risk map covers all of the risks that could affect the undertaking. It includes the risk classes referred to in Solvency II and has been adapted to suit Arundo Re’s risk profile.

It should be noted that the risk framework is reviewed each year as part of the Risks Committee’s (“CORI”) review of major risks, and every three years for all risks charted on the risk map.

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

- the **first level** of risk is a macro structure of four large risk families relating to Arundo Re’s businesses:
  - financial risks, broken down between market risks and credit risks;
  - underwriting risks;
  - strategic risks, representing a subset of operational risks;
  - other operational risks.
- the **second level** provides an additional level of detail for these large risk families, to enable certain families to be monitored more closely;
- where appropriate, the **third level** rolls down risks classified in the second level to provide a more in-depth analysis of certain risk families such as human risk. Human risk notably includes the risk of error, internal fraud risk, or the risk of failure to comply with procedures. This level is mainly used to manage operational risks.
- The risk repository is built in such a way as to reflect the organization of risk monitoring processes, and is aligned with the reporting requirements of both Arundo Re and the SMABTP Group

The Arundo Re risk repository is organized around five risk families:



**Strategic risks**

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

Strategic risks may result from:

- external factors: an unfavorable economic environment, increased competition from a similar product or business, new or revised laws or regulations with a direct or indirect impact on the undertaking;
- an inappropriate strategy or an inappropriate policy for implementing that strategy: poorly defined target markets, inadequate communication;
- poor strategic implementation, inadequate management of activities and subsidiaries, budgetary risk;
- an organization misaligned with strategic objectives: inadequate or poorly defined committee/governance structure, inadequate or poorly defined policies and procedures, key person risk;
- a major risk scenario such as a rating downgrade;
- failure to plan for systemic and endogenous risks: political, economic, social, technological, climate and emerging risks that may also prevent the undertaking from meeting its objectives and cause the strategy to fail.

**Financial risks – Market risks:**

Market risk may be defined as the risk of losses due to an unfavorable change in financial markets, asset/liability management or financial management. Market risks correspond to the risk of losses or of an adverse change in financial position resulting, directly or indirectly, from fluctuations in market volatility or market prices for assets, liabilities and financial instruments due to changes in market values or in the macro-economic environment.

They may be influenced by political, macro-economic, fiscal, social, environmental or other factors. Environmental factors include sustainability risks, including the consequences of climate change, that may affect the other market risks listed above. Climate risk corresponds to the risk of asset values being adversely affected by physical risks and the risks associated with the transition to a low-carbon economy, as well as by the potential reputational damage that may be caused by the undertaking's investment choices.

**Financial risks – Credit risks**

Credit risk may be defined as the risk of losses or an adverse change in the undertaking's financial position or regulatory ratios resulting from fluctuations that affect the credit quality (probability of default, loss given default, spread or rating) of securities issuers, counterparties or any debtor, to which an insurance or reinsurance undertaking may be exposed.

**Arundo Re's main financial risk exposures**

Arundo 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 would adversely affect Arundo 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 Arundo Re had significant liquidity needs;

- stock market volatility also represents an important risk factor for Arundo 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 Arundo Re had significant liquidity needs;
- a possible lasting fall in real estate prices represents an additional risk factor;
- Arundo Re is also exposed to the risk of failure by a banking partner.

### **Underwriting risks**

Underwriting risk is the risk of significant loss or of an adverse change in the value of insurance liabilities, due to the occurrence of one-off events or inadequate pricing and reserving assumptions relating to Arundo Re reinsurance.

This mainly concerns:

- Non-Life: long-term development risks, such as liability, natural disasters, terrorism-related risks, systemic risks and cyclical impacts;
- Life: pandemic, longevity, negative deviation of mortality, and morbidity risks.

### **Arundo Re's main underwriting risk exposures**

Arundo 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 open market reinsurance activities expose Arundo Re to the following main risks: global natural disaster risks, terrorism risks affecting Life reinsurance results, the risk of higher-than-expected Liability

reinsurance losses and higher attritional losses.

### **Operational risks**

All of the undertaking's activities are exposed to operational risks, that may be caused by either internal or external factors.

- Internal operational risk may be defined as the risk of losses resulting from (i) inadequate or ineffective processes, procedures, employee behaviors, systems or premises, and (ii) failure to comply with applicable laws and regulations or the standards of good conduct defined by Arundo Re, the Group or the insurance industry.
- External operational risk may be defined as the risk of losses resulting from external events (cyber attacks, external fraud, failures by external service providers, security breaches, etc.).

They are defined in detail by entity, so that any control failures can be targeted more effectively.

### **Presentation of the undertaking's exposure to operational risks**

The undertaking's main operational risk exposures are as follows:

- **pricing risk**, resulting from misjudgment of the frequency, severity or development of claims, including both attritional losses and event-related or catastrophic exposures;
- **selection risk**, due to information mismatches with ceding insurers, or to the poor quality or misinterpretation of data provided;
- **contractual commitment risk**, due to misunderstanding or misinterpretation of the scope of cover, exclusions, limits, excesses or trigger mechanisms likely to result in greater-than-expected actual exposure;

- **estimation risk** concerning cumulative losses and correlations between insurance classes, geographic areas or types of event;
- **scenario projection or documentation risk**, including scenarios covering emerging risks, structural changes in the economic, legal, climate or societal environment, and more generally "unknown" risks likely to generate loss patterns not observed historically.

To limit the impact of these risks on its overall profile, Arundo Re applies a **policy of diversification by class of business and geographic area and close monitoring of cumulative losses** aimed at reducing concentration and balancing exposures between short- and long-term, people and damage, frequency and intensity, etc.

This approach is backed up by a **retrocession strategy** designed to limit earnings volatility and exposure to extreme events, while also helping to maintain a stable risk profile and solvency capital requirement.

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;
- process/risk/control mapping;
- internal controls;
- internal audits.

During 2025, discussions were held to identify new KRIs to improve data quality and cumulative loss monitoring.

### Own Risk & Solvency Assessment (ORSA)

To have better visibility over its risk profile and ensure risk management is best adapted to the specificities of its profile, Arundo Re has opted for a more in-depth analysis and closer management of certain risks covered by the standard

formula, i.e., risks to which it is particularly exposed and which may prove challenging to manage. This primarily concerns natural disaster and financial risks.

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

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

The ORSA process enables an ongoing monitoring of the risk profile. The exercise is conducted at least once a year, and whenever a significant event is reported.

#### ORSA policy

The requirement to perform regular ORSA exercises is specified in the risk management policy, and the process is described in internal documents that list the stages and deliverables. The process is based on the system described above, which incorporates all strategic management processes.

Five processes are concerned :

- **calculation of own solvency**, including non-quantifiable risks or risks outside the standard formula;
- calculation of overall solvency needs (prospective solvency);
- definition of a quantitative supervisory framework with comfort zones;
- **ongoing supervision** through risk reporting;
- exceptional ORSA procedure.

The ORSA policy is approved by the Board of Directors on an annual basis.

### **ORSA report**

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

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

The latest ORSA report covered the year ended December 31, 2024. It was approved by the Board of Directors in December 2025.

## **II.8. INTERNAL CONTROL SYSTEM**

### **II.8.1. OBJECTIVES**

Arundo Re has adopted the internal control objectives defined by the AMF. The objectives of the internal control system are therefore to ensure:

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

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

### **II.8.2. INTERNAL CONTROL APPROACH AND ORGANIZATION**

The internal control approach reflects Arundo Re's goal of closely managing risk and meeting its regulatory requirements. This is in line with the EU's Solvency II Directive, which states that insurance and reinsurance undertakings must have an effective internal control system in place. That system must at least include administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the undertaking and a compliance function.

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

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

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

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

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

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

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

### II.8.3. CHARTERS

Arundo Re has four charters:

#### Internal control charter

The purpose of this charter is to describe and inform staff about the undertaking's internal control system.

#### IT charter

This charter defines the conditions for ensuring that the information systems are secure while also providing the required levels of data quality and systems performance to fulfill the undertaking's obligations and service commitments to customers, as well as guaranteeing respect for the rights and freedoms of its employees. Under the terms of this charter, Arundo Re commits to transparently defining and executing its IT security procedures, and its employees undertake to respect the charter when using the IT tools made available to them.

An AI charter was drawn up in 2025 to promote the fair, responsible and secure use of artificial intelligence within the undertaking. Published internally, it has been communicated to all employees to ensure consistent and informed adoption of these technologies.

#### The Socially Responsible Investment (SRI) charter

The SRI charter is based on three main pillars that reflect Arundo Re's commitment to the climate and the ESG challenges relating to the energy, ecological and social transition:

- Pillar 1: Prevention of transition risks;
- Pillar 2: Adaptation to physical risks resulting from climate change;
- Pillar 3: Supporting the social transition.

Arundo Re has chosen to adopt a two-tiered approach for each of these pillars. This approach involves (i) strengthening risk management (for transition risk,

physical risk and ESG risk), measuring the financial impact of these risks on the portfolio and incorporating them in its investment policy, and (ii) helping to finance issuers that are well positioned to respond to the challenges identified.

For each of the three pillars in its SRI charter, Arundo Re has chosen a number of Sustainable Development Goals (SDGs) in order to position its strategy in the energy, ecological and social transition and direct its investments towards the gradual achievement of these goals.

#### Archive charter

This charter formally sets down the rules for archiving documents that are required to be kept over the long term, specifies roles and responsibilities and helps achieve compliance with applicable legal and industry regulations.

### II.8.4. INTERNAL CONTROL INDEPENDENCE AND EFFECTIVENESS

The Internal Audit Department, the Actuarial & Risks Division's Risk Management & Internal Control Department and the statutory auditors draft recommendations when they identify a weakness in the internal control system. These recommendations are put to the Audit, Accounts & Risks Committee.

Implementation of the recommendations is followed up by the Internal Audit department when the recommendations result from internal audits and by the Risk Management & Internal Control Department when they result from this department or the statutory auditors' report. The statutory auditors report periodically to executive management and to the Audit, Accounts & Risks Committee. The commitment of the executive management team and senior managers helps ensure that action plans are put in place to act on these recommendations.

### II.8.5. BUSINESS CONTINUITY PLAN

The business continuity plan aims to ensure that Arundo Re's critical business operations can continue after a serious accident or major disaster affecting Arundo Re. The risks covered by this plan include the risk that Arundo Re's premises will be destroyed or will no longer be accessible, that certain files will be destroyed, or that all IT (underwriting, accounting and finance) or communication systems will become unavailable for a sustained period of time.

The business continuity plan sets out:

- the business continuity strategy;
- the crisis management system (crisis structure, escalation procedures, decision-making processes, HR management, crisis communication, etc.);
- the IT back-up plan;
- the business recovery and safe-mode operating plans.

User contingency measures are no longer required following the introduction of home-working arrangements. Three priorities have been identified by Arundo Re to ensure that business operations can be pursued without interruption and to mitigate the unacceptable impacts of these major risks:

- contacts with customers and the SGAMBTP Group must be maintained;
- sensitive documents and data must be protected;
- IT applications must continue to be available.

### II.8.6. INTERNAL RULES AND PROCEDURES

Arundo Re also has internal rules and procedures that enable it to successfully pursue its business operations while managing its risk. These rules and/or procedures notably concern:

- compliance of the undertaking's business operations with the policies and strategies defined by the management bodies and compliance of its reinsurance operations with applicable laws and regulations;
- valuation and supervision of investments;
- identification, assessment, management and control of the risks to which Arundo Re is exposed;
- compliance of inward reinsurance and pricing, outward reinsurance and reserving for regulated liabilities with the undertaking's policy in these areas;
- supervision of claims management;
- supervision of subsidiaries;
- management of outsourced operations and the marketing approach used for the undertaking's products;
- preparation and verification of accounting, non-financial and financial information.

### II.9. OUTSOURCING

Arundo Re's main outsourced activities are described in section II.1.6.

Since 2024, Arundo Re has outsourced two major or critical activities to SMABTP: asset management, information systems management and security processes. The ACPR was notified of this change. The outsourced activities are now governed by management agreements between SMABTP and Arundo Re. As the activities concerned are classified as major, committees have been set up and a reporting system has been defined to monitor the associated risks. This organization is now up and running.

As a general principle, outsourcing is governed by the outsourcing policy approved by the Board of Directors. The current policy was validated in December 2025. It is reviewed annually.

## II.1. ADDITIONAL INFORMATION

There are no other matters to report for this period.

### III. RISK PROFILE

Arundo Re's risk profile is based on its underwriting, investment and operational activities. It now has full responsibility internally for monitoring its risk profile and for the resulting decision-making process.

#### III.1. UNDERWRITING RISK

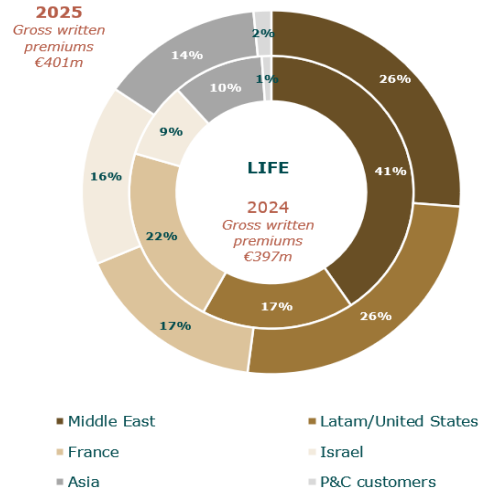
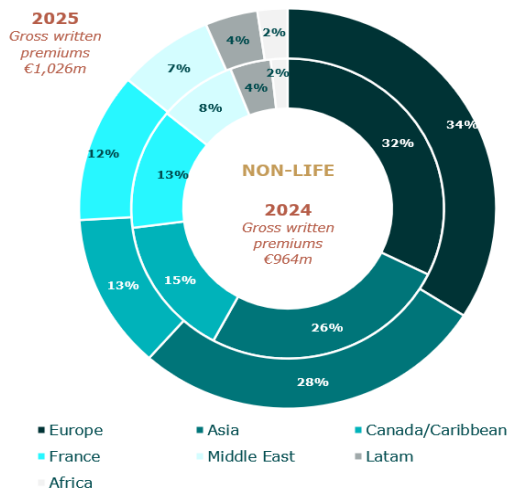
##### III.1.1. BACKGROUND

Arundo Re is a multi-specialist reinsurer with a worldwide presence.

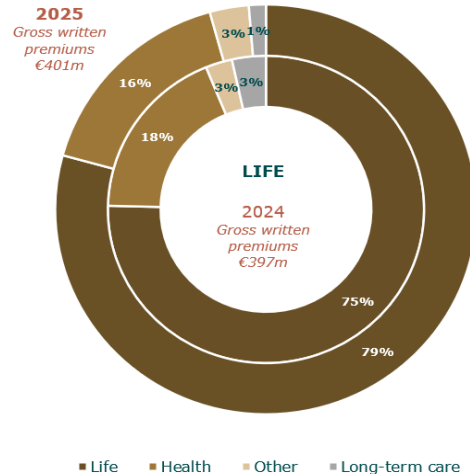
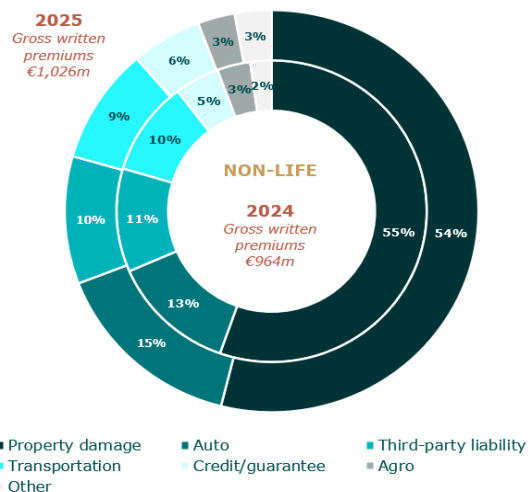
In 2024, Arundo Re generated gross written premiums of €1,427 million (of which €1,026 million related to the Non-Life business and €401 million to the Life

business), deriving from over 100 countries and most main classes of insurance (Life, Non-Life, Specialty lines). The following charts illustrate the breakdown of gross written premiums for the last two underwriting years:

#### Breakdown by geographic area



#### Breakdown by class of business



The underwriting policy is based on rigorous risk selection and disciplined portfolio management. Arundo Re has a targeted growth strategy focused on the high quality business relationships established and ensuring that commitments are consistent with its risk appetite. This approach helps maintain appropriate exposure that is compatible with long-term performance objectives.

### III.1.2. CAISRELUX SUBSIDIARY

At December 31, 2025, Caisrelux's SCR coverage ratio stood at 444.34%.

### III.1.3. RISKS IDENTIFIED FOR SCR PURPOSES

Based on its risk profile under the standard formula, Arundo Re's most significant exposures concern Non-Life and market risks. These are followed in declining order of significance by the Life SCR, Health SCR, Counterparty SCR and Operational SCR.

The Non-Life underwriting SCR results for the most part from premium and reserving risks, followed by natural disaster risks to a lesser extent.

Both of these risks are managed by Arundo Re using analyses, underwriting strategies and ORSA processes, and through risk mitigation tools such as outward reinsurance.

The main processes used to manage these risks are:

- adoption of an overall risk budget by the Board of Directors;
- adoption of a sub-budget for natural disaster risk by the Board of Directors;
- construction of a portfolio from a strict risk/reward perspective and according to a specific decision-making process;
- verification and validation of strict underwriting rules;

- use of reports prepared by the key functions to adjust risk profiles, especially those of the Actuarial & Risk Management functions, and use of any Risks Division analyses to support decisions to increase outward reinsurance or other measures.

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

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

## III.2. ASSET MANAGEMENT

### III.2.1. GENERAL PRINCIPLES

The general guidelines of the investment strategy are approved by the Board of Directors in December each year for the following financial period.

They cover (i) the maximum investment risk that can be taken by Arundo Re and (ii) the objectives and upper and lower investment limits in the different asset classes.

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

The Board notably receives:

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

- details of specific investments (such as derivatives contracted to directly manage risk), together with any authorization requests regarding these products.

### III.2.2. ANALYTICAL FRAMEWORK FOR THE ASSET ALLOCATION STRATEGY

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

#### Risk

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

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

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

#### Liquidity

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

#### Estimated returns

Returns can be identified in one of two categories:

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

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

### III.2.3. STRUCTURE OF ARUNDO RE'S ASSETS

Assets are diversified and structured in accordance with the investment risk management policy and the asset management outsourcing agreement, based on the prudent person principle.

Financial assets (in millions of euros)	31 décembre 2025		
	TOTAL		
	Cost	Net capital gain/(loss)	%
A - MONEY MARKET INSTRUMENTS	463	0	11.8%
B - FIXED-INCOME INSTRUMENTS	1867	31	48.1%
C - DIVERSIFIED INVESTMENTS	198	40	6.0%
D - EQUITIES	164	52	5.5%
E - PHYSICAL ASSETS	166	239	10.3%
F - LOANS	73	11	2.1%
G - INVESTMENTS IN	25	6	0.8%
H - PROTECTION	53	-7	1.2%
I - DEPOSITS	563	0	14.3%
<b>Total</b>	<b>3572</b>	<b>371</b>	<b>100.0%</b>
		<b>3943</b>	

All amounts are converted at the exchange rates prevailing on December 31, 2025.

Measures are taken to identify sources of risk, such as credit, interest rate, currency and concentration risk.

### **Money market investments**

Money market instruments represent a significant portion of total investments. They include instruments denominated in euros and in foreign currencies.

### **Bond and credit investments**

These fixed income investments account for a significant portion of total investments.

The quality of bond investments is high in relation to credit risk.

### **Diversified investments**

Diversified investments fall into one of three categories: hybrid securities; alternative investments; and other diversified funds. They concern only investment funds managed under discretionary mandates. Diversified investments account for a significant proportion of total investments.

### **Real estate investments**

Real estate investments account for a comparable proportion of the portfolio as money market investments. They comprise residential and office buildings located in prime locations in Paris and the Paris region, which are either held directly or through affiliates (French simplified joint stock companies). The properties are an important source of unrealized capital gains. Their architectural quality and locations make them attractive for both rental and sale. They also include an investment in a tax-efficient OPPCI real

estate investment fund that contributes to diversifying the portfolio.

### **Equities**

The equities portfolio represents a comparable proportion of the total portfolio than diversified investments; the majority of the portfolio is invested in listed equities with investments in private equity making up the balance.

### **Overlay fund**

An overlay fund is used to manage the overall risk on the listed equities portfolio.

### **Infrastructure funds**

Infrastructure funds (equities) are an increasingly significant asset class in the allocation. They are gradually incorporating solutions that promote the energy transition and contribute to the development of low-carbon infrastructure aligned with net-zero emissions targets.

### **Loan funds**

Loan funds account for a small portion of total investments.

### **Deposits, participating interests and loans to subsidiaries**

Investments also include ceding insurer cash deposits, funds deposited in a Canadian trust fund and the undertaking's shares in its captive reinsurance company in Luxembourg.

The asset management process is designed to maintain a balanced, liquid portfolio in line with the internally-defined risk framework. Asset allocation is managed prudently, with particular attention paid to diversifying risks, monitoring asset values and maintaining the flexibility needed to adapt to changing market conditions. This framework enables Arundo Re to seize investment opportunities while preserving its financial strength.

### III.2.4. EXPOSURE TO KEY FINANCIAL RISKS

#### Currency risk

The undertaking's exposure to currency risk is calculated on the basis of net asset or liability positions by currency at December 31 and the related hedging positions are adjusted in January of the following year.

Its overall exposure to currency risk is fairly limited.

#### Interest rate risk

The sensitivity of the fixed-income portfolio to interest rate risk is fairly low compared to 2024.

#### Credit risk

The portfolio of directly-held bonds, including the bond portfolio managed through the Canadian trust fund, consists exclusively of investment grade securities. The portfolio has an average A+ rating. AAA/AA-rated bonds account for just over a third of the fixed-income portfolio.

#### Liquidity risk

Asset liquidity is excellent owing to the characteristics of the overall portfolio. The least liquid assets are real estate investments.

#### Impact of financial shocks

The impacts of financial shocks are analyzed in Arundo Re's ORSA report.

Inflation risk is factored into CCR Re's reserving approach. Higher-than-expected inflation is covered through a conservative approach to best estimate reserve levels. It involves adding the impacts of events not present in historical data to the best estimate calculation, which is otherwise determined on an actuarial and statistical basis.

### III.3. OPERATIONAL RISK

#### III.3.1. GENERAL PRINCIPLES

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

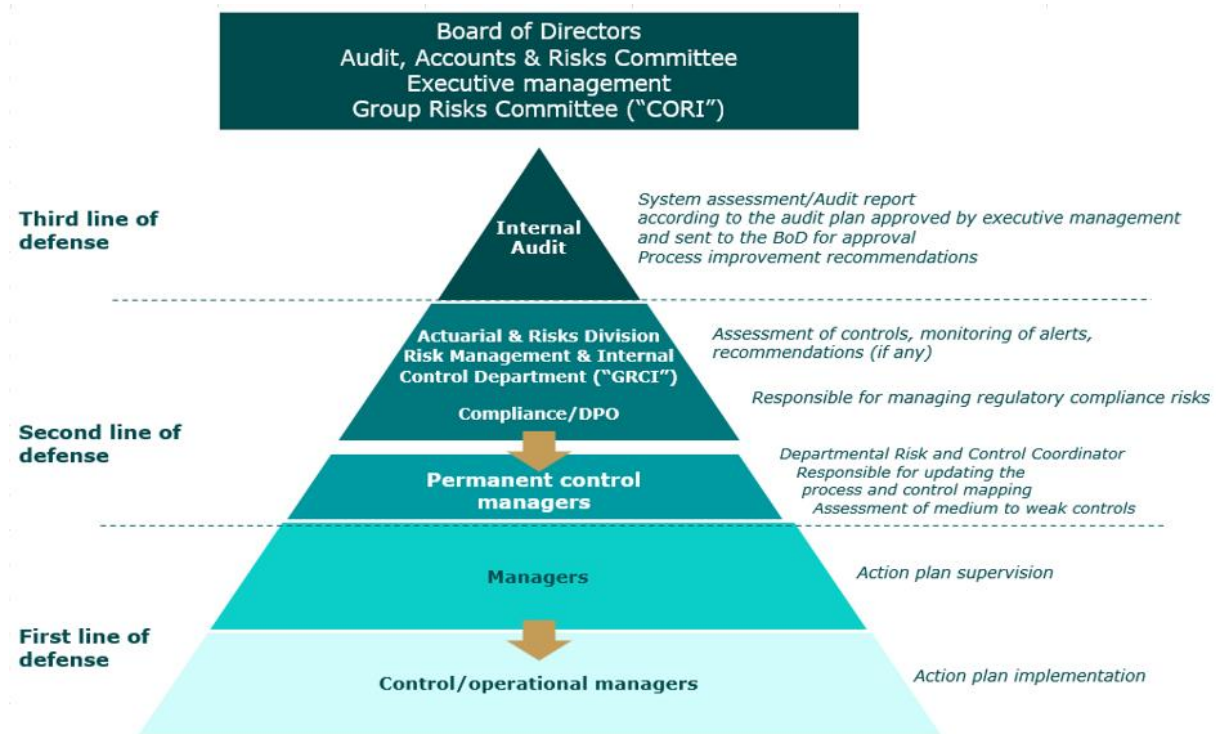
#### III.3.2. OPERATIONAL ROLLOUT

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

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

Arundo Re uses the COSO II framework to analyze its overall risk management system.

The diagram below illustrates the position of internal control within the undertaking:



Arundo Re is continually strengthening the operational risk management system. The system's robust framework includes regular assessments, structured internal controls, continuous process improvements and a reinforced resilience mechanism. The actions implemented focus on improving regulatory compliance, business continuity, data quality and process optimization to enhance operational efficiency.

### III.3.3. ICT RISK MANAGEMENT

According to the definition in Article 3(5) of the DORA Regulation, "ICT risk" means any reasonably identifiable circumstance in relation to the use of network and information systems which, if materialized, may compromise the security of the network and information systems, of any technology-dependent tool or process, of operations and processes or of the provision of services

by producing adverse effects in the digital or physical environment.

The new regulation has been applicable since January 2025.

The action needed to comply with the DORA regulation also represents a strategic challenge to strengthen operational resilience and control the risks associated with information systems.

As part of the risk management system, Arundo Re identifies ICT-related risks as an essential component of operational risk. These risks include threats to the security of information systems that are likely to affect the confidentiality, integrity or availability of data, as well as the continuity of digital services.

To respond to these risks a dedicated governance structure has been set up, bringing together the departments concerned to manage information systems security and digital resilience issues on a centralized basis. This

organization is based on a structured process that includes identifying and assessing risk, preventing and detecting incidents, defining appropriate action plans and regularly checking control systems.

ICT risk management is part of a process based on the principles of constant vigilance and continuous improvement, which includes raising team awareness, overseeing the activities of service providers and embedding digital security in all critical activities.

Arundo Re is also pursuing a continuous drive to ensure compliance with regulatory requirements applicable in the area of ICT, including the DORA regulation, by gradually strengthening its processes, documentation and control practices.

### III.3.4. CYBER RISK

Arundo Re considers cyber risk to be a major component of operational risk. In an environment shaped by constantly evolving threats, cyber risk can affect the confidentiality, integrity and availability of data, as well as the continuity of digital services.

To control this risk and guarantee the business's resilience, a cyber risk management system with a dedicated governance structure has been set up, to regularly identify and assess exposures, prevent and detect incidents, and define and monitor action plans.

The system is scalable. It is regularly updated through active monitoring of threats, vulnerabilities and emerging risks, combined with analyses of feedback from cybersecurity organizations, technology providers and professional networks.

This proactive approach enables Arundo Re to continuously adapt its practices to maintain a high level of security and

compliance, while also reinforcing its resistance to cyber threats.

The risk map is periodically updated to reflect changes in processes, organizations and digital usage. This helps prioritize risk management actions and ensure that the level of exposure remains compatible with the internally-defined risk appetite.

Compliance with applicable regulatory requirements, particularly in terms of data protection and digital resilience (GDPR, DORA), is monitored in a structured manner, with appropriate reporting to governance bodies.

### III.4. OTHER RISKS

At the date of this report, Arundo Re has not identified any other risks that may impact or enhance the risk view presented above.

### III.5. RISK EXPOSURE

#### III.5.1. RISK ASSESSMENT

The assessment follows the standard process for operational risk and is extended to all of the undertaking's risks. It should be recalled that this process is based on periodic risk maps, the emerging risks process, the "perceived major risks" process and all actuarial research and analyses carried out by Arundo Re.

#### III.5.2. MAJOR RISKS

Major risks are described above (underwriting, investment). The members of the Executive Committee and the Risk Management function contribute to the process of identifying "current perceived major risks".

The process for monitoring perceived major risks is based on a top-down approach and is carried out once a year. The approach has evolved to factor in a continuous vision of major risks and to set

up flexible, responsive and effective measures to mitigate and/or manage those risks.

This process is designed to identify, at a given date, major risks for which certain – often external – risk factors are increasing significantly and which therefore need to be monitored more closely.

The risks are severe enough to put the business in difficulty. Generally speaking, material risks concern financial, underwriting or strategy risks. However, they can also be an emerging or operational risk whose legal or reputational impact would have negative consequences on the undertaking's solidity.

Once identified, it is necessary to ensure that measures are in place to avoid or mitigate the risk. Closer supervision of these risks:

- may highlight the need for new remedial measures to ensure they are duly managed;
- will enable the undertaking to act more swiftly if they occur.

Identifying a perceived major risk does not mean that the risk is real for Arundo Re. This exercise involves thinking in terms of possible risks whose probability of occurrence or impact is increasing.

### III.5.3. INVESTMENT STRATEGY

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

Assets are invested in line with the investment risk management strategy adopted by Arundo Re’s Board of Directors.

### III.5.4. CONCENTRATION

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

### III.6. RISK MITIGATION

Arundo Re uses two main risk mitigation techniques: retrocession and hedging of the equities portfolio.

#### III.6.1. OUTWARD REINSURANCE

The outward reinsurance policy stipulates that reinsurance cover may only be purchased from carefully selected reinsurers.

#### III.6.2. HEDGING OF THE EQUITIES PORTFOLIO

Arundo Re has adopted a hedging strategy for its equities portfolio, with specific governance and risk monitoring arrangements.

### III.7. RISK SENSITIVITY

The ORSA report discloses the sensitivity of the risk profile to various adverse scenarios. The report includes a detailed description of the scenarios envisaged and the impacts of those scenarios. It shows extremely low sensitivity for Arundo Re, in line with its risk profile and the risk mitigation measures in place.

## IV. VALUATION OF ASSETS AND LIABILITIES

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

There was no change in the methodology used for the Solvency II asset and liability valuations at December 31, 2025. No methodological changes have been made for the calculation of technical reserves since December 31, 2021 when the quantile calculation method was revised.

### IV.1. VALUE OF ASSETS AT DECEMBER 31, 2025

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

#### IV.1.1. SOURCE, CONTROL AND USE OF DATA

Reports are produced regularly to monitor changes in financial investments. To guarantee the reliability and completeness of financial reporting, data is automatically extracted from the Chorus Institutionnels accounting software.

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

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

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

An automated control of Arundo Re's asset valuations compared to external valuations (based on data received from depositaries) is systematically performed at the end of each quarter.

In compliance with regulations, real estate appraisers estimate the fair value of each real estate asset every five years. This value is then discounted to present value on a yearly basis and sent to the ACPR. Since CCR Re has held prime real estate assets for many years, they represent substantial unrealized capital gains.

Currency transactions (forward sales and non-deliverable forwards) are included in Arundo Re's off-balance sheet commitments. The value of these commitments is systematically compared with the valuations received from financial intermediaries. Under the European Market Infrastructure Regulation (EMIR), intermediaries are asked to supply supporting documentation if there are any valuation discrepancies. These currency transactions are included in the Solvency II balance sheet.

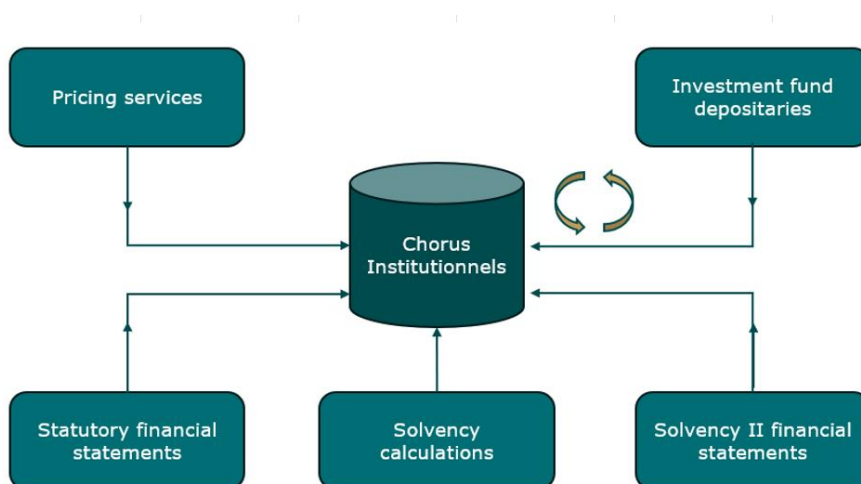
More generally, as part of their interim audit, the statutory auditors perform materiality tests on the value of the various investments held by the undertaking.

Data extracted from Chorus are used to calculate solvency for the statutory financial statements and the Solvency II

financial reports. The data/valuations are treated in the same way for each of these reports, in terms of both the assumptions used and the methods applied to make use of the information.

Accordingly, there are no quantitative or qualitative

differences between the bases, methods and key assumptions used by Arundo Re to value its assets for Solvency II purposes and those used to prepare the financial statements. Valuation differences between French GAAP and Solvency II are also tracked.



### IV.1.2. VALUE OF INVESTMENTS

Assets (in thousands of euros)	Solvency II value	
		C0010
Property, plant and equipment held for own use	R0060	265
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3,180,547
Property (other than for own use)	R0080	239,806
Holdings in related undertakings, including participations	R0090	22,263
Equities	R0100	109,345
Equities - listed	R0110	2,523
Equities - unlisted	R0120	106,822
Bonds	R0130	1,427,121
Government bonds	R0140	450,251
Corporate bonds	R0150	976,870
Structured notes	R0160	
Collateralized securities	R0170	
Collective investment undertakings	R0180	1,358,951
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	138
Other loans and mortgages	R0260	8,686
Deposits to cedants	R0350	339,641
Cash and cash equivalents	R0410	437,698

### IV.1.3. VALUE OF OTHER ASSETS

The value of other assets in the Solvency II balance sheet is as follows at the date of this report:

Assets (in thousands of euros)		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Derivatives	R0190	1 180
Deposits other than cash equivalents	R0200	21 880
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	8 824
Reinsurance recoverables from:	R0270	34 781
Non-Life and health similar to Non-Life	R0280	32 585
Non-Life (excluding health)	R0290	32 583
Health similar to Non-Life	R0300	1
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	2 197
Health similar to Life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	2 197
Life index-linked and unit-linked	R0340	
Insurance and intermediaries receivables	R0360	152 996
Reinsurance receivables	R0370	2 561
Receivables (trade, not insurance)	R0380	5 188
Own shares (held directly)	R0390	7 564
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Any other assets, not shown elsewhere	R0420	0

#### Reinsurance reserves

Reinsurance reserves in the statutory financial statements are determined in accordance with Solvency II, with the calculation of a best estimate including an adjustment factor for reinsurance default risk.

#### Reinsurance receivables and other receivables

These captions include all outstanding receivables.

#### Any other assets, not elsewhere shown

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

Valuation differences between the Solvency II and French GAAP accounts concern issuance costs for Arundo Re's subordinated debt issue, which are deferred over the life of the debt under French GAAP, but are not recognized under Solvency II.

### IV.2. VALUE OF LIABILITIES AT DECEMBER 31, 2025

#### IV.2.1. VALUE OF TECHNICAL RESERVES

#### Reserving process used for the statutory financial statements

##### Inward reinsurance

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

Reserves for the reinsurance business are calculated every quarter. The ALM & Reserving Department has been responsible for reinsurance reserving since July 2019. Its work is reviewed each year by Arundo Re's Actuarial function and every three years by external actuaries.

The reviews are conducted in close cooperation with the Technical Accounting and Underwriting teams.

Reinsurance agreements are categorized by actuarial tranche. An actuarial tranche is defined as a group of obligations with similar risk and settlement characteristics. Each tranche is characterized by:

- the risk covered: motor vehicle liability insurance, fire risk, etc.;
- the type of obligation: (management) x (Non-Life/Life) x (proportional/non-proportional).

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

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

- breakdown by algorithm of the 50-50 and 70-30 outstanding claims reserves for each relevant obligation of the actuarial tranche.

The 70-30 outstanding claims reserves are the reserves that are included in Arundo Re's statutory financial statements.

This process along with the actuarial tranches are reviewed by Arundo Re's statutory auditors on a yearly basis. This reserving process has been applied by Arundo Re since 2001.

The quality of reserving is also reviewed by an independent actuary every three years.

### Outward reinsurance

The reserving process for the Non-Life and Life outward reinsurance business is managed directly by the Reinsurance Department assisted by the Technical Accounting team. Ultimate premiums and claims for each policy are estimated each quarter by the Reinsurance Department. Based on this, the Technical Accounting team estimates outstanding claims reserves ceded and premiums to be ceded.

Outward reinsurance can be managed on a treaty-by-treaty basis, because volumes are much smaller and losses are rare.

In outward reinsurance, since there is less uncertainty surrounding ceded insurance liabilities and Arundo Re has little historical data, the 50-50 outstanding claims reserves ceded are the same as the 70-30 outstanding claims reserves ceded.

### Allocation of lines of business

At the date of this report, Arundo Re's portfolio covered the following lines of business (LoB):

**Lines of business**

- Medical expense P – Health NSLT
- Income protection P – Health NSLT
- Motor vehicle liability insurance
- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Credit and surety insurance
- Miscellaneous financial loss
- Health NSLT NP
- Non-proportional casualty reinsurance
- Non-proportional marine, aviation and transport reinsurance

- Non-proportional property reinsurance
- Health reinsurance SLT
- Life reinsurance

This list may evolve in the future in line with Arundo Re’s business strategy.

**Inward reinsurance**

The criteria for defining actuarial tranches are sufficiently precise to allow an appropriate allocation of each actuarial tranche to a given line of business. A reconciliation table has been drawn up and reviewed by external independent experts.

An extract from this table is provided below:

Actuarial tranche		Line of business	
Identifier	Description	Identifier	Description
LCINV04	Auto_RC_France_X	I000026	Reins TPL
LCINV05	Auto_RC_UK_X	I000026	Reins TPL
LCINV06	Auto_RC_X	I000026	Reins TPL
LCINV07	Auto_RC_P	I000016	Motor
LCINV08	CAT_Non_Vie	I000028	Reins Property

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

**Outward reinsurance**

As retrocession treaties can simultaneously cover several lines of business, ceded outstanding claims reserves and premiums are broken down by line of business based on the same proportion as the inward reinsurance amount, i.e., based on the breakdown by line of business of inward reinsurance outstanding claims reserves and premiums ceded under the retrocession treaty.

**Solvency II best estimate (BE) and risk margin valuation approach**

Arundo Re’s Actuarial & Risks Division is responsible for calculating the best estimate BE S2 of the liability and the risk margin.

**Best estimate**

**Inward reinsurance**

Inward reinsurance resulting from actuarial tranches is broken down by line of business (LoB). The criteria for defining actuarial tranches are sufficiently precise to allow an appropriate allocation of each actuarial tranche to a given line of business.

A pass-through table has been created and reviewed by an external actuary on a regular basis since 2015. Since any inward business is allocated to a given actuarial tranche, it is necessarily allocated to a single line of business. If required, the ALM & Reserving Manager can choose to manually assign a PVSE to a different LoB instead of to the default one. These modifications are recorded in a control file, and the modification is registered and logged in the OSCAR database management system.

Future flows used as inputs for the best estimate calculation are based on settlements of the 50-50 outstanding claims reserves for each actuarial tranche and the associated premiums not yet written (also on a 50-50 basis), plus settlements of provisions for claims management expenses, administrative costs, investment fees and overheads. Liquidation surpluses/deficits are determined using the formula "currency x actuarial tranche x underwriting year".

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

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

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

In terms of currencies, Arundo Re's financial statements include nearly 100 different currencies due to its international reinsurance business. For at least 99% of the data, the best estimate

is calculated and discounted for each currency, with different yield curves for each. The remaining data are discounted using the USD yield curve, as they give rise to financial flows essentially denominated in US dollars (e.g., HKD, MYR, etc.).

In terms of both inward and outward reinsurance, the best estimate of premiums and claims is separated upstream, on the undiscounted settlement flows included in the best estimates and at a "line of business x currency x underwriting year" level, by reference to quantities reported under French GAAP at this level. Reported claims reserves under French GAAP are calculated and broken down for each contract using the Arundo Group's OSCAR system, based on contractual information and representing the portion of claims arising after the recognition date. These reserves are combined at the "line of business x currency x underwriting year" level and applied to the corresponding flows in order to determine the premium portion and therefore the claims portion.

### Outward reinsurance

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

The best estimate of outward reinsurance liabilities is calculated in the same way as for inward reinsurance liabilities, based on reserves for outstanding claims and ceded premiums not yet written and taking into account settlement trajectories supplied by experts in the Reinsurance Department. The present value of premiums to be ceded is shown within liabilities in the Solvency II balance sheet. Tests are also built into the calculation process to verify that all of the above

items are included in the best estimate calculation.

### **Inward reinsurance net of outward reinsurance**

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

### **Independent audits of Best Estimate reserves**

The findings of an independent audit of reserving levels at December 31, 2025 and the analysis performed by the statutory auditors concurred with Arundo Re's best estimates.

### **Risk margin**

The risk margin is calculated on an aggregate basis using the simplified method set out in Article 58 (a) of Delegated Regulation 2015/35. The various "forward" SCR components are estimated for each future year until Arundo Re's liabilities have been settled.

These estimates are based on Solvency II results at the calculation date, on Arundo

Re's accounting data, and on documented processes that have been subject to several independent reviews since 2015. Aggregate forward SCRs are calculated by combining the forward components.

The overall risk margin is then determined by discounting these forward SCRs. Risk margins per line of business are inferred from the overall risk margin, in proportion to the best estimates per line of business.

### **Valuation for solvency and financial reporting purposes**

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

### **Change in assumptions used to calculate technical reserves**

Since 2020, a volatility adjustment has been applied for the calculation of Arundo Re's technical reserves. There have been no other changes to the assumptions used by Arundo Re to calculate technical reserves since December 31, 2023.

## Technical reserves and special purpose vehicles at the date of this report

### Best estimate of inward and outward reinsurance liabilities and the risk margin

Liabilities (in thousands of euros)		Solvency II value
		C0010
Non-Life technical reserves	R0510	1 493 102
Technical reserves – Non-Life (excluding health)	R0520	1 406 502
Technical reserves calculated as a whole	R0530	
Best estimate	R0540	1 285 364
Risk margin	R0550	121 138
Technical reserves – health (similar to Non-Life)	R0560	86 600
Technical reserves calculated as a whole	R0570	
Best estimate	R0580	79 141
Risk margin	R0590	7 459
Technical reserves – Life (excluding index-linked and unit-linked)	R0600	527 997
Technical reserves – health (similar to Life)	R0610	133 342
Technical reserves calculated as a whole	R0620	
Best estimate	R0630	121 858
Risk margin	R0640	11 484
Technical reserves – Life (excluding health and index-linked and unit-linked)	R0650	394 654
Technical reserves calculated as a whole	R0660	
Best estimate	R0670	360 664
Risk margin	R0680	33 990
Technical reserves – index-linked and unit-linked	R0690	
Technical reserves calculated as a whole	R0700	
Best estimate	R0710	
Risk margin	R0720	
Assets (in thousands of euros)		Solvency II value
		C0010
Reinsurance recoverables from:	R0270	34 781
Non-Life and health similar to Non-Life	R0280	32 585
Non-Life (excluding health)	R0290	32 583
Health similar to Non-Life	R0300	1
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	2 197
Health similar to Life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	2 197
Life index-linked and unit-linked	R0340	

### Special purpose vehicles (SPV)

At December 31, 2024, Arundo Re used a special purpose vehicle to transfer part of its natural disaster risk to financial investors. The SPV is carried in the Solvency II balance sheet at the best estimate of the transferred risks, as determined in part based on traditional outward reinsurance treaties and in part on the special purpose vehicle's accounts.

It is included in the calculation of the undertaking's SCR as a component of counterparty risk.

### Matching adjustment – volatility adjustment – transitional measures

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

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

At the date of this report, Arundo Re does not apply:

- the matching adjustment referred to in Article 77(b) of Directive 2009/138/EC (it applies the principle of singularity for its assets);
- the transitional risk-free interest rate term structure referred to in Article 308(c) of Directive 2009/138/EC;
- the transitional deduction referred to in Article 308(d) of Directive 2009/138/EC.

## IV.2.2. VALUE OF OTHER LIABILITIES

The value of other liabilities in the Solvency II balance sheet is as follows at the date of this report:

Liabilities (in thousands of euros)	Solvency II value	
		C0010
Contingent liabilities	R0740	
Reserves other than technical reserves	R0750	280
Pension benefit obligations	R0760	1 596
Deposits from reinsurers	R0770	2 860
Deferred tax liabilities	R0780	159 856
Derivatives	R0790	3 396
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance and intermediaries payables	R0820	45 424
Reinsurance payables	R0830	4 945
Payables (trade, not insurance)	R0840	39 724
Subordinated liabilities	R0850	366 100
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	366 100
Any other liabilities, not elsewhere shown	R0880	1 184
<b>Total liabilities</b>	<b>R0900</b>	<b>2 646 463</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>1 523 601</b>

### Other technical provisions

Other technical provisions solely comprise the Arundo Re equalization reserve. They are reported in the French GAAP balance sheet for an amount of €49 million. In the Solvency II balance sheet, there is no corresponding caption.

The equalization reserve is included directly in own funds, without any need to restate technical reserves.

### Contingent liabilities

The financial statements of Arundo Re at December 31, 2025 did not include any contingent liabilities.

### Provisions other than technical reserves

This caption includes miscellaneous provisions other than technical reserves.

### Pension benefit obligations

These items are already measured in accordance with IAS 19 in the statutory

balance sheet and are not therefore restated in the Solvency II balance sheet.

### Deferred tax liabilities

Up until December 31, 2023, a deferred tax asset was recorded for unrealized capital losses by balance sheet item, and a deferred tax liability was recorded for unrealized capital gains by balance sheet item. Since December 31, 2024, these deferred tax assets and liabilities have been netted off and recorded for their net amount.

Deferred tax liabilities mainly concern unrealized capital gains that are not yet taxable and the untaxed portion of the equalization reserve. They are calculated using a tax rate of 25.83%, plus the estimated exceptional contribution to be levied on the profits of large companies as provided for in Article 12 of the 2026 Finance Act. Given the amount of Arundo Re's premium income, it will be liable for the exceptional contribution at the rate of 20.6%.

The rate corresponds to that expected to apply when the temporary differences reverse, based on the latest information concerning corporate income tax rates available at December 31, 2025.

### Reinsurance payables

This caption includes outstanding outward reinsurance payables, particularly outstanding premiums subject to reinsurance.

### Other payables (trade, not insurance)

This caption corresponds to outstanding amounts payable to other Arundo Re debtors, particularly the French State. Income tax will be assigned to this account if any amount remains payable. The total value of this item in the statutory financial statements is discounted over one year using a fixed rate, with the assumption that, in a runoff scenario, it will be settled within one year.

### Any other liabilities, not elsewhere shown

This item includes guarantee deposits paid to the owner of Arundo Re's offices.

### Value for solvency and financial reporting purposes

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

## IV.3. OTHER KEY INFORMATION

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

## V. CAPITAL MANAGEMENT

### V.1. MANAGEMENT OF OWN FUNDS

#### V.1.1. OBJECTIVES

Arundo Re's capital management is designed to continually protect and earn a return on its own funds within the adopted risk appetite framework.

In a favorable insurance year, CCR Re sets aside amounts to its equalization and other reserves in order to meet its target return on capital.

Arundo Re has set profitability objectives for its:

- reinsurance activities;
- financial investments.

#### V.1.2. POLICY

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

Arundo Re has set itself the objective of a 150% solvency coverage ratio over the period covered by its business plan. The risk appetite strategy is discussed in further detail in the ORSA report.

The strategy enables:

- Arundo Re to maintain a level of capital in line with the risks underwritten and limits set;
- risk budgets to be assigned to reinsurance activities and financial investments each year.

These amounts can then be factored into the work of the Underwriting and Finance teams.

#### Protection of own funds:

To increase its financial strength, Arundo Re has developed a capital protection strategy. This is applied through:

- the reinsurance and financial risk mitigation policy;
- the risk management policy;
- the implementation of management initiatives where appropriate.

Details of these policies are provided in the corresponding documentation.

**Canadian branch:** to meet regulatory requirements in Canada, Arundo Re has put in place a capital management policy specifically for its Canadian branch. This policy is described in internal documentation.

#### V.1.3. PROCEDURES

Arundo Re implements the corporate strategy validated by its Board of Directors and follows the priorities set out in its three-year business plan.

The business plan is revised each year to reflect any market developments.

The following inputs are therefore recalculated each year and monitored on an ongoing basis:

- risk appetites and risk tolerance limits;
- risk budgets used – Open Market Reinsurance, Finance.

The calculations are made by the Actuarial & Risks Division.

This Division is also responsible for ensuring that risk budgets are respected.

Each year, the Board of Directors validates proposals for additional risk budgets put forward by the Actuarial & Risks Division, subject to the risk tolerance limits set.

After approval of the Board of Directors, any additional budgets are allocated to the Underwriting and Finance teams and used in accordance with existing policies and guidelines. They are rolled down into risk limits which are taken up in capital

protection policies and underwriting guides, and in the finance rules and regulations revised on a yearly basis.

Ongoing monitoring of the various activities rounds out this process and enables management initiatives to be set

in motion where necessary, for example changing the investment strategy, deciding not to renew loss-making or unprofitable businesses, and temporarily reducing or increasing underwriting capacity. These changes are made in compliance with the ORSA policy.

## V.2. SOLVENCY II OWN FUNDS AT DECEMBER 31, 2025

### V.2.1. STRUCTURE, QUALITY AND AMOUNT OF SOLVENCY II OWN FUNDS

Basic own funds	Excess of assets over liabilities (€m)	1,524
	Subordinated liabilities (€m)	366
	Treasury shares	- 8
Ancillary own funds		-
<b>Total Solvency own funds at December 31, 2025 before dividend</b>		<b>1,882</b>
Dividends (€m)		40
<b>Total Solvency own funds at December 31, 2025 after dividend</b>		<b>1,842</b>

Arundo Re's balance sheet at December 31, 2025 includes €366 million in subordinated debt, in the form of two subordinated loans: a €75 million loan issued in 2017 (December 31, 2025 market value: €74 million), which was assigned to SMABTP, SMAvie, MACSF Assurance and MACSF Épargne Retraite on November 14, 2025, and a €300 million loan issued in 2020 (December 31, 2025 market value: €292 million).

These subordinated loans are classified as Tier 2 own funds. All of Arundo Re's other Solvency II own funds are classified as Tier 1.

Arundo Re held €8 million worth of shares in treasury at December 31, 2025. It does not have any ancillary own funds.

### V.2.2. RECONCILIATION OF EQUITY IN THE STATUTORY FINANCIAL STATEMENTS WITH SOLVENCY II OWN FUNDS

Arundo Re's equity at December 31, 2025 amounted to €911 million before dividends in its French GAAP financial statements, compared to €1,842 million after dividends in the Solvency II balance sheet.

Solvency II own funds are much higher than equity in the statutory financial statements. This reflects the amount of unrealized capital gains on Arundo Re's investment portfolio (directly resulting from the long-term risks it reinsures) at December 31, 2024. It also reflects restatements of technical liabilities made for Solvency II purposes.

The €1,842 million in total Solvency II own funds after dividends are eligible for inclusion in the calculation of the SCR

coverage ratio. Details of own funds by tier and by eligibility/ineligibility for inclusion in the SCR coverage ratio are provided in the QRT S.23.01 (see Appendix).

### V.2.3. CHANGE IN SOLVENCY II OWN FUNDS BETWEEN DECEMBER 31, 2024 AND DECEMBER 31, 2025

Solvency II own funds after dividends rose by €141 million from €1,701 million at December 31, 2024 to €1,842 million at December 31, 2025.

### V.3. SCR AND MCR COVERAGE RATIOS AT DECEMBER 31, 2025

Solvency II own funds totaled €1,842 million. Due to their make-up, all Solvency II own funds are eligible for inclusion in the SCR coverage ratio. An amount of €1,539 million is eligible for inclusion in the MCR coverage ratio.

- the SCR came out at €818 million, representing an SCR coverage ratio of 225.3%.
- the MCR came out at €314 million, representing an MCR coverage ratio of 489.0%.

The SCR coverage ratio before the volatility adjustment stood at 221.0%.

<b>(in millions of euros)</b>	<b>After VA</b>	<b>Before VA</b>
Solvency II own funds after dividend payouts	<b>1 842</b>	1 826
Solvency II own funds eligible for inclusion in SCR	<b>1 842</b>	1 826
SCR	<b>818</b>	826
<b>SOLVENCY II MARGIN</b>	<b>225,3%</b>	<b>221,0%</b>

Applying the volatility adjustment at December 31, 2024 increased the SCR coverage ratio by 4.3%.

The impact was due to the risk profile of Arundo Re’s reinsurance portfolio (reflecting the relatively long duration of its reinsurance liabilities) and the material values on the date of the volatility adjustments by currency.

### V.4. OWN FUNDS AND TRANSITIONAL MEASURES

The transitional measures referred to in Article 308 (b), paragraphs 9 and 10 of

Directive 2009/138/EC do not apply to Arundo Re.

### V.5. DESCRIPTION OF ANCILLARY OWN FUNDS

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

### V.6. AVAILABILITY AND TRANSFERABILITY OF SOLVENCY II OWN FUNDS

All of Arundo Re’s own funds belong to Arundo Re and are deemed to be available and transferable.

The fungibility and transferability of the amounts held in the Canadian branch's trust fund (approximately MCAD 200 million worth of annual premiums) was analyzed in 2018 using the method recommended in regulatory texts.

## V.7. CALCULATION OF SCR, MCR AND ELIGIBLE OWN FUNDS

### V.7.1. METHOD AND OPTIONS USED

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

### V.7.2. LOSS-ABSORBING CAPACITY OF DEFERRED TAXES

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

Regarding the inclusion of future tax credits in the calculation of deferred taxes, Arundo Re believes, where appropriate and based on the visibility provided by its prudent business plan, that it could justify recognizing €109 million in deferred tax assets for tax credits, based on a 5-year post-stress projection period.

A project was launched in 2020 to produce a documented process for analyzing this amount.

Exclusion of the €109 million in deferred tax assets would increase Arundo Re's SCR to €927 million versus €818 million and reduce its SCR coverage ratio to 198.8% versus 225.3%.

### V.7.3. LOOK-THROUGH APPROACH

Arundo Re has adopted a line-by-line look-through approach covering 98% of the market value of its investments at the date of this report.

In the absence of detailed information, the estimated capital for the additional percentage of investments is prudent and based on the highest risk profile within the meaning of the technical specifications, i.e., a type 2 equities profile.

### V.7.4. RING-FENCED FUNDS

Arundo Re applies the principle of singularity for its assets and does not therefore hold any ring-fenced funds.

### V.7.5. SIMPLIFIED APPROACHES USED

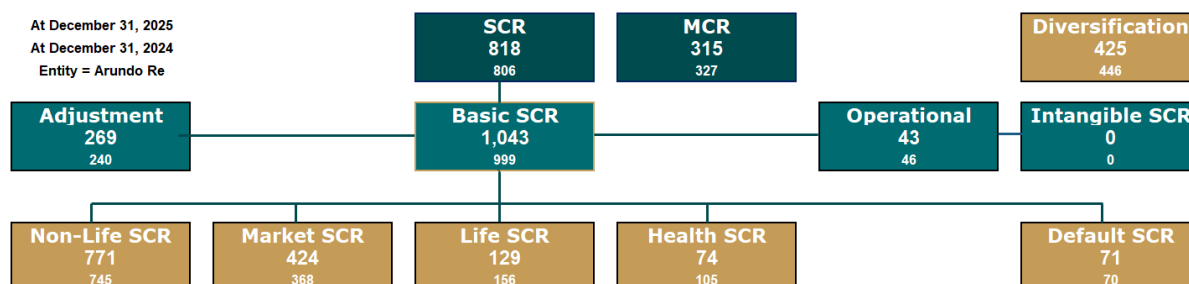
Arundo Re did not use any simplified approach in calculating its capital requirements.

### V.7.6. DIFFICULTIES ENCOUNTERED

As a reinsurer, it is fairly difficult for Arundo Re to determine its ultimate Life liabilities and to conduct the relevant Solvency II assessments, due to the absence of full data, insured-by-insured, for all of its treaties. The calculations are, however, performed for certain treaties.

## V.8. SCR AND MCR

At December 31, 2025, Arundo Re's SCR was estimated at €818 million versus €806 million at the previous year-end and its MCR was estimated at €315 million versus €327 million.



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

- growth in the Non-Life SCR, reflecting the combined impact of increases in:
  - the natural disaster SCR, due in particular to higher cumulative natural disaster losses, and
  - the premiums and reserves SCR resulting from growth in gross written premiums from the SCR-generating business lines, partly offset by currency effects in 2025;
- the higher adjustment resulting from an increase in deferred taxes;
- the increase in market risk SCR resulting from the rise in the market value of Arundo Re's portfolio;
- the decrease in the Life SCR due to the non-renewal of the AGPM Life natural disaster treaty and improvements to the SCR calculations;
- a decline in the Health SCR, due to the expiration of the MNT treaty.

## V.9. CHANGES IN THE SOLVENCY MARGIN SINCE DECEMBER 31, 2024

Valuation date	Solvency margin	MCR	UT1
December 31, 2024	211.0%	433.9%	€1,355m
December 31, 2025	225.3%	489.1%	€1,476m

# APPENDICES: QRT

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### The following schedules are not applicable to Arundo Re:

S25.02.21: Partial internal model

S25.03.21: Full internal model

N.B.: to provide readers with a better understanding of the schedules, the columns relating to lines of business for which Arundo Re has no commitments are not presented in certain schedules.

## 1 SE.02.01.02: Balance sheet

<b>Assets</b> <i>(in thousands of euros)</i>		<b>Solvency II value</b>
		<b>C0010</b>
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant and equipment held for own use	R0060	265
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3,180,547
Property (other than for own use)	R0080	239,806
Holdings in related undertakings, including participations	R0090	22,263
Equities	R0100	109,345
Equities – listed	R0110	2,523
Equities – unlisted	R0120	106,822
Bonds	R0130	1,427,121
Government bonds	R0140	450,251
Corporate bonds	R0150	976,870
Structured notes	R0160	
Collateralized securities	R0170	
Collective investment undertakings	R0180	1,358,951
Derivatives	R0190	1,180
Deposits other than cash equivalents	R0200	21,880
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	8,824
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	138
Other loans and mortgages	R0260	8,686
Reinsurance recoverables from:	R0270	34,781
Non-Life and health similar to Non-Life	R0280	32,585
Non-Life (excluding health)	R0290	32,583
Health similar to Non-Life	R0300	1
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	2,197
Health similar to Life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	2,197
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	339,641
Insurance and intermediaries receivables	R0360	152,996
Reinsurance receivables	R0370	2,561
Receivables (trade, not insurance)	R0380	5,188
Own shares (held directly)	R0390	7,564
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	437,698
Any other assets, not elsewhere shown	R0420	0
<b>Total assets</b>	<b>R0500</b>	<b>4,170,064</b>

<b>Liabilities</b> <i>(in thousands of euros)</i>		<b>Solvency II value</b>
		<b>C0010</b>
Non-Life technical reserves	R0510	1,493,102
Technical reserves – Non-Life (excluding health)	R0520	1,406,502
Technical reserves calculated as a whole	R0530	
Best estimate	R0540	1,285,364
Risk margin	R0550	121,138
Technical reserves – health (similar to Non-Life)	R0560	86,600
Technical reserves calculated as a whole	R0570	
Best estimate	R0580	79,141
Risk margin	R0590	7,459
Technical reserves – Life (excluding index-linked and unit-linked)	R0600	527,997
Technical reserves – health (similar to Life)	R0610	133,342
Technical reserves calculated as a whole	R0620	
Best estimate	R0630	121,858
Risk margin	R0640	11,484
Technical reserves – Life (excluding health and index-linked and unit-linked)	R0650	394,654
Technical reserves calculated as a whole	R0660	
Best estimate	R0670	360,664
Risk margin	R0680	33,990
Technical reserves – index-linked and unit-linked	R0690	
Technical reserves calculated as a whole	R0700	
Best estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Reserves other than technical reserves	R0750	280
Pension benefit obligations	R0760	1,596
Deposits from reinsurers	R0770	2,860
Deferred tax liabilities	R0780	159,856
Derivatives	R0790	3,396
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance and intermediaries payables	R0820	45,424
Reinsurance payables	R0830	4,945
Payables (trade, not insurance)	R0840	39,724
Subordinated liabilities	R0850	366,100
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	366,100
Any other liabilities, not elsewhere shown	R0880	1,184
<b>Total liabilities</b>	<b>R0900</b>	<b>2,646,463</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>1,523,601</b>

## 2 S.04.05.01-01: Non-Life – Premiums, claims and expenses by country

Country	R0010	Home country	Top five countries: Non-Life				
		C0010	C0020				
			CA	CN	IL	IN	GB
<b>Premiums written (gross)</b>							
Gross written premiums (direct business)	R0020						
Gross written premiums (proportional reinsurance)	R0021	74,481	39,808	39,965	39,623	40,286	15,905
Gross written premiums (non-proportional reinsurance)	R0022	72,035	55,950	13,234	6,310	4,929	26,665
<b>Premiums earned (gross)</b>							
Gross earned premiums (direct business)	R0030						
Gross earned premiums (proportional reinsurance)	R0031	73,066	35,664	37,138	37,899	23,606	15,411
Gross earned premiums (non-proportional reinsurance)	R0032	71,866	57,312	12,825	6,373	4,525	27,833
<b>Claims incurred (gross)</b>							
Claims incurred (direct business)	R0040						
Claims incurred (proportional reinsurance)	R0041	58,948	22,199	24,667	29,001	11,076	5,649
Claims incurred (non-proportional reinsurance)	R0042	16,811	24,263	5,766	175	2,513	12,616
<b>Gross expenses incurred</b>							
Gross expenses incurred (direct business)	R0050						
Gross expenses incurred (proportional reinsurance)	R0051	28,757	15,323	12,834	10,882	9,471	6,911
Gross expenses incurred (non-proportional reinsurance)	R0052	11,554	9,289	1,877	468	576	4,227

## 3 S.04.05.01-02: Life – Premiums, claims and expenses by country

Country	R1010	Home country	5 main countries – Life and Health Similar to Life				
		C0030	C0040				
			IL	CL	JO	CN	PE
Gross written premiums	R1020	43,579	56,635	37,030	24,181	23,428	20,720
Gross premiums earned	R1030	47,773	42,505	34,025	20,987	22,413	11,180
Claims incurred	R1040	27,825	27,859	33,886	19,213	15,591	10,217
Gross expenses incurred	R1050	17,148	8,552	2,398	2,735	7,168	1,025

#### 4 S.05.01.01 – 01: Non-Life – Premiums, claims and expenses by line of business

		Line of business for: Non-Life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellane ous financial loss	Total
		C0010	C0020	C0040	C0060	C0070	C0080	C0090	C0120	C0200
<b>Written premiums</b>										
Gross – direct business	R0110									0
Gross – proportional reinsurance accepted	R0120	24,694	30,726	40,690	95,418	399,729	40,693	45,445	11,644	689,040
Gross – non-proportional reinsurance	R0130									
Reinsurers' share	R0140	66	120	1,088	6,476	36,637	1,093	1,304	771	47,557
<b>Net</b>	R0200	24,628	30,607	39,601	88,942	363,092	39,600	44,140	10,873	641,483
<b>Premiums earned</b>										
Gross – direct business	R0210									
Gross – proportional reinsurance accepted	R0220	27,738	28,534	16,094	88,703	389,035	38,363	41,718	11,340	641,524
Gross – non-proportional reinsurance	R0230									
Reinsurers' share	R0240	79	189	451	6,251	36,438	1,081	1,258	763	46,510
<b>Net</b>	R0300	27,659	28,345	15,643	82,452	352,597	37,282	40,461	10,576	595,014
<b>Claims incurred</b>										
Gross – direct business	R0310									
Gross – proportional reinsurance accepted	R0320	28,772	18,201	20,675	41,559	236,665	22,065	13,117	4,008	385,062
Gross – non-proportional reinsurance	R0330									
Reinsurers' share	R0340		11	228	674	86	300	73	6	1,378
<b>Net</b>	R0400	28,772	18,190	20,448	40,885	236,579	21,765	13,044	4,002	383,684
<b>Expenses incurred</b>	R0550	3,810	10,654	6,472	28,110	146,985	13,498	21,425	6,290	237,245
<b>Balance – Other technical expenses/income</b>	R1210									
<b>Total technical expenses</b>	R1300									237,245

		Line of business for: non-proportional reinsurance accepted				
		Health	Casualty	Marine, aviation and transport insurance	Property	Total
		C0130	C0140	C0150	C0160	C0200
<b>Written premiums</b>						
Gross – direct business	R0110					0
Gross – proportional reinsurance accepted	R0120					0
Gross – non-proportional reinsurance	R0130	18,252	141,897	11,552	224,933	396,634
Reinsurers' share	R0140	139	12,059	270	33,628	46,096
<b>Net</b>	R0200	18,113	129,838	11,282	191,305	350,538
<b>Premiums earned</b>						
Gross – direct business	R0210					
Gross – proportional reinsurance accepted	R0220					0
Gross – non-proportional reinsurance	R0230	15,367	145,330	11,193	224,439	396,328
Reinsurers' share	R0240	149	12,561	275	33,953	46,938
<b>Net</b>	R0300	15,218	132,768	10,918	190,486	349,390
<b>Claims incurred</b>						
Gross – direct business	R0310					
Gross – proportional reinsurance accepted	R0320					0
Gross – non-proportional reinsurance	R0330	10,717	89,253	2,138	78,510	180,618
Reinsurers' share	R0340	6	516	9	2,365	2,896
<b>Net</b>	R0400	10,710	88,737	2,129	76,146	177,722
<b>Expenses incurred</b>	R0550	2,283	20,652	1,662	31,087	55,685
<b>Balance – Other technical expenses/income</b>	R1210					885
<b>Total technical expenses</b>	R1300					56,570

## 5 S.05.01.01 – 02: Life – Premiums, claims and expenses by line of business

		Life reinsurance liabilities		Total
		Health reinsurance	Life reinsurance	
		C0270	C0280	
<b>Written premiums</b>				
Gross	R1410	42,433	299,189	341,622
Reinsurers' share	R1420	453	6,148	6,601
<b>Net</b>	<b>R1500</b>	<b>41,980</b>	<b>293,041</b>	<b>335,021</b>
<b>Premiums earned</b>				
Gross	R1510	41,707	275,522	317,230
Reinsurers' share	R1520	1,174	5,151	6,325
<b>Net</b>	<b>R1600</b>	<b>40,534</b>	<b>270,372</b>	<b>310,905</b>
<b>Claims incurred</b>				
Gross	R1610	32,735	223,832	256,567
Reinsurers' share	R1620	55	2,196	2,251
<b>Net</b>	<b>R1700</b>	<b>32,680</b>	<b>221,636</b>	<b>254,316</b>
<b>Expenses incurred</b>	<b>R1900</b>	<b>11,187</b>	<b>46,066</b>	<b>57,253</b>
<b>Balance – Other technical expenses/income</b>	<b>R2510</b>			<b>0</b>
<b>Total technical expenses</b>	<b>R2600</b>			<b>57,253</b>
<b>Total amount of surrenders</b>	<b>R2700</b>			<b>0</b>

## 6 S.12.01.01: Life and health SLT technical provisions

		Accepted reinsurance	Total (Life other than health insurance, incl. unit-linked)	Health reinsurance (reinsurance accepted)	Total (health similar to Life)
		C0100	C0150	C0200	C0210
<b>Technical reserves calculated as a whole</b>	R0010				
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020				
<b>Technical reserves calculated as a sum of BE and RM</b>					
<b>Best estimate</b>					
<b>Gross best estimate</b>	R0030	360,664	360,664	121,858	121,858
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	2,197	2,197	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	358,467	358,467	121,858	121,858
<b>Risk margin</b>	R0100	33,990	33,990	11,484	11,484
<b>Technical reserves – total</b>	R0200	394,654	394,654	133,342	133,342

## 7 S.17.01.01: Technical provisions – Non-Life

		Direct business and accepted proportional reinsurance							Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0050	C0070	C0080	C0090	C0100	C0130	C0140	C0150	C0160		C0170
<b>Technical reserves calculated as a whole</b>	R0010													
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050													
<b>Technical reserves calculated as a sum of BE and RM</b>														
<b>Best estimate</b>														
Premium provisions														
Gross	R0060	2,666	(2,239)	(2,428)	(8,623)	(28,025)	(3,050)	(3,524)	(794)	1,303	(2,014)	(409)	(5,147)	(52,283)
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				(39)								1	(37)
Net best estimate of claims provisions	R0150	2,666	(2,239)	(2,428)	(8,584)	(28,025)	(3,050)	(3,524)	(794)	1,303	(2,014)	(409)	(5,148)	(52,246)
<b>Claims provisions</b>														
Gross	R0160	10,630	47,430	38,574	95,193	363,791	75,364	28,371	11,215	19,350	487,504	8,656	230,710	1,416,789
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	1	146	266	10,083	242	78	143	0	3,857	0	17,805	32,622
Net best estimate of claims provisions	R0250	10,630	47,429	38,427	94,927	353,708	75,122	28,293	11,073	19,350	483,648	8,656	212,905	1,384,167
<b>Total best estimate – gross</b>	R0260	13,297	45,191	36,146	86,571	335,766	72,313	24,847	10,421	20,654	485,490	8,246	225,563	1,364,505
<b>Total best estimate – net</b>	R0270	13,297	45,190	36,000	86,343	325,683	72,071	24,769	10,278	20,653	481,633	8,246	207,756	1,331,921
<b>Risk margin</b>	R0280	1,253	4,259	3,407	8,159	31,644	6,815	2,342	982	1,946	45,754	777	21,258	128,596
<b>Technical reserves – total</b>														
Technical reserves – total	R0320	14,550	49,450	39,553	94,729	367,410	79,128	27,189	11,403	22,600	531,244	9,024	246,821	1,493,102
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	0	1	146	227	10,083	242	78	143	0	3,857	0	17,807	32,585
Technical reserves minus recoverables from reinsurance/SPV and Finite Re – total	R0340	14,550	49,449	39,406	94,502	357,327	78,886	27,111	11,261	22,600	527,388	9,024	229,014	1,460,517

### 8 S.19.01.01 – 02: Non-Life insurance claims

Accident year/underwriting year **Z0020** 2

**Gross claims paid (non-cumulative)**

		0 1 2 3 4 5 6 7 8 9 10 & +											Current year	Sum of years (cumulative)	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
Prior	R0100											17,281	R0100	17,281	17,281
N-9	R0160	16,649	(110,508)	55,030	25,996	16,292	40,047	6,358	9,586	16,729	22,874		R0160	22,874	99,052
N-8	R0170	14,361	79,454	30,110	17,846	11,598	5,785	7,265	4,838	5,804			R0170	5,804	177,061
N-7	R0180	13,466	96,166	54,523	21,586	12,287	12,597	11,233	8,388				R0180	8,388	230,247
N-6	R0190	17,037	136,086	67,165	29,920	21,902	11,231	11,230					R0190	11,230	294,571
N-5	R0200	18,619	194,194	68,201	39,255	18,516	14,151						R0200	14,151	352,935
N-4	R0210	41,860	77,503	97,694	58,020	28,391							R0210	28,391	303,467
N-3	R0220	28,355	163,227	118,944	54,831								R0220	54,831	365,358
N-2	R0230	31,085	197,992	132,294									R0230	132,294	361,371
N-1	R0240	72,582	298,786										R0240	298,786	371,368
N	R0250	18,803											R0250	18,803	18,803
													R0260	612,831	2,591,514

**Gross undiscounted best estimate claims provisions**

													Year end (discounted data)	
		0	1	2	3	4	5	6	7	8	9	10 & +		
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
Prior	R0100											405,690	R0100	225,333
N-9	R0160	176,180	349,517	306,604	270,819	233,315	184,774	171,969	158,616	145,631	110,813		R0160	71,251
N-8	R0170	155,896	139,975	105,070	83,137	71,530	62,702	52,291	47,003	35,127			R0170	21,347
N-7	R0180	175,141	160,478	121,919	88,180	76,394	63,537	53,190	45,474				R0180	27,530
N-6	R0190	217,350	210,779	153,409	108,206	89,386	80,275	63,843					R0190	39,641
N-5	R0200	265,828	178,046	116,468	45,554	20,508	6,702						R0200	(7,239)
N-4	R0210	308,003	410,594	334,282	243,729	211,837							R0210	149,712
N-3	R0220	313,894	337,912	218,860	152,097								R0220	98,699
N-2	R0230	383,717	410,696	284,860									R0230	189,279
N-1	R0240	423,241	295,946										R0240	189,404
N	R0250	390,010											R0250	411,833
													R0260	1,416,789

**9 S.22.01.01: Impact of long-term guarantee measures and transitionals**

		Amount with long-term guarantee measures and transitionals	Impact of transitional on technical reserves	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical reserves	R0010	2,021,098	0	0	21,699	0
Basic own funds	R0020	1,841,769	0	0	(15,989)	0
Eligible own funds to meet the Solvency Capital Ratio	R0050	1,841,769	0	0	(15,989)	0
Solvency Capital Requirement	R0090	817,601	0	0	8,628	0
Eligible own funds to meet Minimum Capital Requirement	R0100	1,538,578	0	0	(21,218)	0
Minimum Capital Requirement	R0110	314,547	0	0	1,882	0

## 10 S.23.01.01 – 01: Own funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sectors, as provided for in Article 68 of Delegated Regulation 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	109,107	109,107			
Share premium account related to ordinary share capital	R0030	180,975	180,975			
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	1,185,586	1,185,586			
Subordinated liabilities	R0140	366,100			366,100	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	1,841,769	1,475,668		366,100	

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
<b>Eligible and available own funds</b>						
Total available own funds to meet the SCR	R0500	1,841,769	1,475,668		366,100	
Total available own funds to meet the MCR	R0510	1,841,769	1,475,668		366,100	
Total eligible own funds to meet the SCR	R0540	1,841,769	1,475,668		366,100	
Total eligible own funds to meet the MCR	R0550	1,538,578	1,475,668		62,909	
SCR	R0580	817,601				
MCR	R0600	314,547				
Ratio of eligible own funds to SCR	R0620	2.25				
Ratio of eligible own funds to MCR	R0640	4.891				

		C0060
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	1,523,601
Own shares (held directly and indirectly)	R0710	7,564
Foreseeable dividends, distributions and charges	R0720	40,369
Other basic own fund items	R0730	290,082
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	
<b>Expected profits</b>		
Expected profits included in future premiums (EPIFP) – Life business	R0770	(17,458)
Expected profits included in future premiums (EPIFP) – Non-Life business	R0780	(40,253)
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	(57,711)

## 11 S.25.01.01: Solvency Capital Requirement (SCR) – for undertakings on standard formula

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	423,633		
Counterparty default risk	R0020	70,624		
Life underwriting risk	R0030	129,305		
Health underwriting risk	R0040	74,357		
Non-Life underwriting risk	R0050	770,770		
Diversification	R0060	(425,337)		
Intangible asset risk	R0070			
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>1,043,351</b>		

<b>Calculation of Solvency Capital Requirement</b>		<b>C0100</b>
Operational risk	R0130	43,107
Loss-absorbing capacity of technical reserves	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(268,856)
Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC	R0160	
<b>Solvency Capital Requirement excluding capital add-on</b>	<b>R0200</b>	<b>817,601</b>
Capital add-on already set	R0210	
Of which capital add-on already set – Article 37, paragraph 1, type a)	R0211	
Of which capital add-on already set – Article 37, paragraph 1, type b)	R0212	
Of which capital add-on already set – Article 37, paragraph 1, type c)	R0213	
Of which capital add-on already set – Article 37, paragraph 1, type d)	R0214	
<b>Solvency Capital Requirement</b>	<b>R0220</b>	<b>817,601</b>

### Other information on SCR

Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for Article 304	R0440	

<b>Approach to tax rate</b>		<b>C0109</b>
Approach based on average tax rate	R0590	Yes

<b>Calculation of loss absorbing capacity of deferred taxes</b>		<b>C0130</b>
LAC DT	R0640	(268,856)
LAC DT justified by reversion of deferred tax liabilities	R0650	(159,856)
LAC DT justified by reference to probable future taxable economic profit	R0660	(109,000)
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	(280,632)

## 12 S.28.01.01-01: Minimum Capital Requirement (MCR) – Only Life or only Non-Life insurance or reinsurance activity

### Linear formula component for non-life insurance and reinsurance obligations

		C0010	
MCRNL Result	R0010	304,460	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	13,297	38,756
Income protection insurance and proportional reinsurance	R0030	45,190	39,524
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	36,000	13,923
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	86,343	83,638
Fire and other damage to property insurance and proportional reinsurance	R0080	325,683	365,103
General liability insurance and proportional reinsurance	R0090	72,071	35,641
Credit and suretyship insurance and proportional reinsurance	R0100	24,769	38,252
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	10,278	10,513
Non-proportional health reinsurance	R0140	20,653	11,725
Non-proportional casualty reinsurance	R0150	481,633	126,284
Non-proportional marine, aviation and transport reinsurance	R0160	8,246	8,881
Non-proportional property reinsurance	R0170	207,756	181,230

**Linear formula component for life insurance and reinsurance obligations**

		<b>C0040</b>	
MCRL Result	R0200	10,087	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		<b>C0050</b>	<b>C0060</b>
Obligations with profit participation – guaranteed benefits	R0210	0	
Obligations with profit participation – future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	480,325	
Total capital at risk for all Life (re)insurance obligations	R0250		0

**Overall MCR calculation**

		<b>C0070</b>
Linear MCR	R0300	314,547
SCR	R0310	817,601
MCR cap	R0320	367,921
MCR floor	R0330	204,400
Combined MCR	R0340	314,547
Absolute floor of the MCR	R0350	3,900
<b>Minimum Capital Requirement</b>	R0400	314,547

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