

# **Solvency II narrative reports:**

## **2021 SFCR**

on the period to 31st December 2021

**Credit Agricole Life Greece**  
**July 2022**

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## **INTRODUCTION**

This report encompasses such information which is necessary for the purpose of supervision and as such it has been prepared in accordance with the Commission Delegated Regulations (EU) 2015/35 and 2015/2452, Greek Law 4364/05.02.2016 in conjunction with Decision of Bank of Greece 77/12.2.2016.

Since the enforcement of Solvency II regulatory framework at 1st January 2016 and especially within the Pillar 3 guidelines related to the notification of information to public, this report of Credit Agricole Life Greece, a 100% subsidiary of Credit Agricole Assurances S.A., refers to the year 2021. This report as well as the annual quantitative reporting templates (QRT) attached, present and provide information on the activity and performance of the Company, the appropriate governance system, gap analysis valuation between the statutory and the Solvency II accounts, as well as assessment of the solvency position of the Company.

This report has been presented and approved by the Board of Directors of the Company on July 25<sup>th</sup> 2022. Due to the late submission of the respective annual report for 2020, which led to the deferred timing of the production of the respective data for the year 2021 as well as the necessary audit work required by the regulatory framework the publication of this year report has been published in delay with respect to the regulatory deadline the 8<sup>th</sup> of April 2022. This situation has been notified to the regulatory authorities and the public through a public note which replaced this report until its official publication. Nevertheless, that the Department of Private Insurance Supervision of the Bank of Greece, as the Supervisory Authority, in accordance with Law 4364/2016, may request the modification or revision of the published Company report or the publication of additional information, as well as other actions taken by the management.

### **Activity and results**

CA Life Greece is in a run-off situation since the beginning of 2014. It manages an existing portfolio which consists of Life Insurance business lines exclusively distributed in Greece such as: Life insurance with profit Participation, Unit Linked and Other Life which includes protection products (individual and group). Finally, the Company recorded € 8.089 K in written premiums for 2021 in relation to €9.440 K in 2020 which reflects the run-off business operation.

### **Governance system**

The Company has a governance system in line with the Crédit Agricole Assurances Group (herein “the Group”) guidelines but tailored to the Company’s business configuration and needs in order to comply with the Solvency II requirements in the most effective way.

In the heart of this system, the Board of Directors defines the strategic orientations of the Company’s activity, monitors, ensures their implementation and assumes responsibility at local level for compliance with the legal, regulatory and administrative requirements adopted under Solvency II. The Board of Directors closely relates with the General management, the management body and the responsible persons of the four key functions. This system although restricted within the run-off configuration, still contributes to the realisation of the current strategic objectives of the Company and guarantees the effective management of their risks in relation to their nature, scope and complexity.

### **Risk Profile**

The basic risk exposure of the Company refers to the market and underwriting risks due to its predominant business activity in life insurance with profit participation and the other life insurance portfolio including Term Life Insurance and Credit Life. Given its risk profile, the Company is using the standard formula in the calculation of its solvency capital requirements. For the risks which are not captured by the standard formula, an appropriate management mechanism is in place including its

identification and monitoring as well as an alert system to allow for the prompt activation of the governance system for its mitigation if there is material deviation from its set up risk tolerance levels.

### **Evaluation of the Economic Balance sheet**

The solvency accounts of the Company refer to financial year ending at 31<sup>st</sup> of December 2021.

The general principles for the valuation of the solvency accounts are those of the economic valuation of the liabilities and assets:

- a. The Assets are valued at the amount for which they could be exchanged in a transaction concluded, under normal conditions of competition, between informed and willing parties;
- b. The Liabilities are valued at the amount for which they could be transferred or settled in a transaction entered into, under normal conditions of competition, between informed and willing parties

In most cases, IFRS allows for a fair value valuation in accordance with the principles of Solvency II. However, certain valuation methods such as amortized cost cannot be used to calculate the economic balance sheet.

### **Capital Management**

The Company has a capital management policy in place. It sets out the method of managing, monitoring and overseeing own funds.

The Company covers its regulatory capital requirements wholly through Tier 1 capital. As at 31<sup>st</sup> December 2021, the available capital amounts to €11.295 K and the capital requirement (SCR) of € 8.545 K. No transitional measure has been adopted by the Company to calculate its solvency ratio except for the Volatility Adjustment as described below in section D.3.5.9. At the end of 2021, the solvency ratio of the company is at 132% increased in comparison to year end 2020 (119%), in excess of the risk appetite framework of the relevant Company policy. In addition, the Minimum Capital Requirements ratio is still at strong levels at 294% in 2021, as in 2020 (265%).

## **A. BUSINESS AND PERFORMANCE**

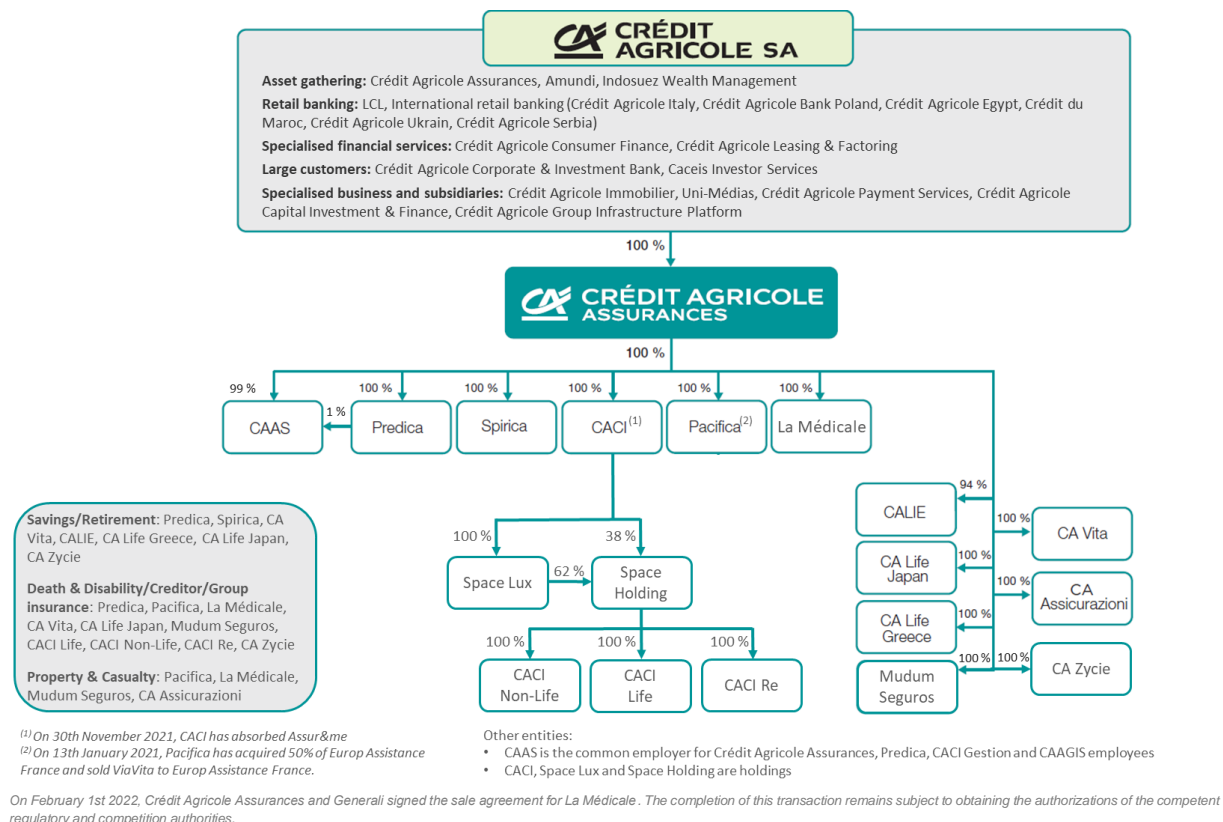
### **A.1 Business**

Credit Agricole Life is a Greek Société Anonyme with share capital of €13,100 K, which operates in the life insurance business exclusively in Greece. The Company's registered office is in Athens, Attica Area in the address 45, Mitropoleos Street, PC 105 56.

The statutory audit of Credit Agricole Life financial statements as of 31<sup>st</sup> December 2021 is being currently conducted by PricewaterhouseCoopers S.A., with registered offices at 268 Kifissias Avenue 15232 Halandri Greece, but not finalized at the date of the validation of this report. No particular deviations are expected to appear between the publication of the two reports.

The Company was established in September 2001 and initially incorporated under the corporate name Emporiki Life Insurance Company with the distinctive title "Emporiki Life", constituting a joint venture between the former Emporiki Bank and Predica (Life insurance company of Credit Agricole Assurances S.A.) each of which held 50% of the original shareholder capital. Since 2010, Credit Agricole Assurances S.A., a member of the Credit Agricole S.A. Group, has been the sole shareholder of the Company holding the 100% of shares and the name has been changed to Credit Agricole Life Insurance Company with the distinctive "Credit Agricole Life".

Credit Agricole Assurances is a 100% subsidiary of Credit Agricole S.A. based in France and is fully consolidated in the financial statements of Credit Agricole S.A. The legal structure of the Credit Agricole S.A. Group and the Credit Agricole Assurances Group is presented below:



The Company, since its inception, has been operating in a bancassurance model, producing insurance products which are distributed exclusively through the branch network of the former Emporiki Bank (now Alpha Bank), providing mainly integrated savings and investment solutions for individuals, protection products for family & professionals on individual basis as well as credit life insurance coverage on group basis (mortgage loans protection).

The Company had entered as early as in late 2013 in a transitional stage following the merger through acquisition of its unique distribution channel, Emporiki Bank, by a different banking institution in Greece, Alpha Bank. This resulted in the cancellation of the existing distribution agreement in early 2014 while following the pausing of the discussions with Alpha Bank for its renewal in mid-2014 concerning the distribution of new business. The Company has been operating since then in a run-off basis as validated by its Board of Directors and will continue to operate under this status in the long run under the management of CAA Group.

### A.1.1. Significant events of the year, subsequent events and outlook

In 2021 the Covid-19 pandemic continued to have a significant impact of business and economic activity in Greece. The Company maintained its teleworking organisation throughout the year with the most of its staff working full-time from home and only the minimum necessary staff coming to the office on certain working days. From the autumn of 2021 the Company implemented a gradual return to more work from the office while keeping a strict control on the numbers of employees present on any given day. The Company experienced no particular operational issues and maintained its usual levels of customer service with no complaints regarding a drop in service registered. The Company was therefore able to keep managing the business in run-off mode without material impact. In addition, the Company did not experience any additional mortality claims experience from the pandemic.

As mentioned in its 2020 SFCR, in November 2020 the company was a victim of a cyber-attack. While its customer service operations returned to normal levels in a short time, additional work was carried out in 2021 to catch up on delays in regulatory reporting. The Company confirms that there was no loss of customer data, while at the same time there was no significant number of complaints from customers regarding service issues. The incident was fully reported to the Hellenic Personal Data Protection Authority and the Bank of Greece. These bodies have not raised further questions and no additional actions have been taken on their part related to the incident. The Company has had an audit of its IT security undertaken by a third party and implemented a plan with the support of the group, to enhance security in information systems as a safeguard against possible future attacks.

At the end of February 2022, tensions between Russia and Ukraine led to an armed conflict. The scale and duration of this war, as well as its economic and financial impacts, are obviously difficult to predict. In addition to its immediate financial consequences (risk aversion, falling equity markets, falling rates on the safest bonds including the United States and Germany, rising volatility), the Russian-Ukrainian conflict has resulted in a significant rise in commodity prices for the production of which the belligerents are major players<sup>1</sup>. In a context of very high uncertainty and faltering of confidence, the downturn effect on activity and the increase in already significant inflationary pressures will complicate the task of central banks, especially that of the ECB.

The Company monitors the developments in Ukraine and plans the corresponding actions. It considers these events as non-corrective after the reporting period and their possible effect on the financial statements cannot be estimated at this time. Nevertheless, based on a relevant assessment, it does not appear to be exposed to significant risks from the conflict between Russia and Ukraine, as it has no parent or affiliated companies based in Russia or Ukraine, nor transactions with related parties from these countries. It also has no customers or suppliers or partners from Russia or Ukraine, nor does it maintain accounts in Russian banks. In addition, the Company does not own financial instruments of issuers based in the involved parties of Russia-Ukraine. At this time, the Company is unable to estimate the potential indirect impact from potentially affected sectors and the impact from energy increases, inflation, fuel and supply chain disruptions. However, the Management closely monitors the developments in order to assess the effect of these events on the financial statements of the Company.

Finally, in March 2022, the Company's shareholder (Credit Agricole Assurances) took the decision not to proceed with the sale of the Company or its portfolio at this time and to continue the operation of the Company servicing the existing portfolio until its expiration (Run-off basis). In the context of the above decision, which is not binding for future actions of selling the Company or transferring its portfolio, the Company carried out a revaluation of its insurance reserves based on new assumptions, which resulted in the need to form an additional reserve amounting to twenty three [23] million Euro, with the result that the eligible own funds of the Company do not cover both the required and the minimum capital requirements based on Solvency II requirements. The Credit Agricole Group has officially assured the Company's management that it will take the necessary actions to strengthen the Company's capital and restore the respective solvency ratio to their current levels, until the end of 2022.

## **A.2 Performance associated with contract portfolios**

All business has been operated in Greece.

The underwriting performance is based on segmentation by main "Lines of Business" (LOB) according to Solvency II and does not take into account the financial products of which the performance will be developed in the dedicated section A3. Investments' performance.

Below we present the performance of the portfolio per LoB between 2021 and 2020:

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<sup>1</sup> Oil, gas, cereals in the first place but also coal, platinum, aluminum, copper, nickel, silver, gold, palladium.



FY 2021 (K Euro)	Life Insurance with profit participation				Total
	Life Insurance with profit participation	Unit Linked	Other Life	Other LoBs	
Written premiums	5.821	21	2.248		8.089
Earned premiums	5.824	21	2.253		8.097
Claims incurred	18.052	7.209	-	23	25.238
Change in technical provisions	10.163	7.696	22		17.881
Expenses incurred	1.637	363	1.560		3.560
Ceded reinsurance	3	-	2.030		2.033

FY 2020 (K Euro)	Life Insurance with profit participation				Total
	Life Insurance with profit participation	Unit Linked	Other Life	Other LoBs	
Written premiums	6.833	34	2.573	-	9.440
Earned premiums	6.852	34	2.583	-	9.469
Claims incurred	41.685	3.726	852	-	46.263
Change in technical provisions	28.786	12.098	51	-	40.935
Expenses incurred (excluding investment expenses)	1.544	879	1.584	-	4.007
Ceded reinsurance	4	-	2.150	-	2.153

The Company manages an existing portfolio which consists of Life Insurance business lines exclusively distributed in Greece such as: Life insurance with profit Participation, Unit Linked and Other Life which includes Protection products (individual and group). Finally, the company continues to report a decreasing level of written premiums at end-2021 compared with previous year as the company manages its activities in a run-off basis.

No changes in the underwriting performance have been observed since year 2020, while we continue to observe as expected within the run-off operational mode increase in outflows from Life Insurance with profit participation and Unit-Linked products due to the arrival at maturity of policies.

### A.3 Performance associated with investment activities

After a year of unprecedented economic crisis in 2020, and while the COVID-19 outbreak has once again dominated the year's news, 2021 has seen a return to economic growth. The progress of vaccination has allowed a gradual normalization of activity, although at very variable rates depending on the country, and not without temporary episodes of new restrictions related to the pandemic. The cumulative effect of a recovery in demand and supply turmoil has pushed inflation to very high levels almost everywhere. At the end of the year, the major Central Banks of advanced economies announced a gradual easing of their support measures, as those of emerging economies have already tightened their monetary policies.

On the economic front, in Europe, after a first quarter severely impacted by the epidemic and its consequences, a very clear recovery in the economic climate was achieved thanks to the reopening of many sectors, made possible in particular thanks to the progress of vaccination. At the end of the year, the resurgence of contamination and uncertainties related to the Omicron variant eventually led to a further slowdown in activity. Disruptions in global industrial chains, strong rises in energy prices, base effects and strong demand generated by the reopening of the economy have generated a very strong rise in inflation across the area. The labour market has also improved despite the easing of support arrangements. In this context, the ECB, which maintained a very accommodative attitude, announced at the end of the year the adjustment of its monetary arsenal in 2022.

At the end of December 2021, financial income generated by the Company's portfolio amounts to € 2,290 K. The table below illustrates the income from investments net of expenses in IFRS for years 2021 and 2020:

(K€)	2021	2020
Bonds, structured products and securitizations	1.850	2.432
Shares	345	-400
Investment funds	230	641
Real Estate	0	0
Cash and cash equivalents	0	0
Investment management fees	-135	-165
<b>TOTAL</b>	<b>2.290</b>	<b>2.509</b>

The main factor of the decrease in the investment income of 2021 in comparison to 2020 is the run-off impact which resulted in the decrease of the bond portfolio and therefore the much lower fixed interest income.

#### **A.4 Other revenue and charges**

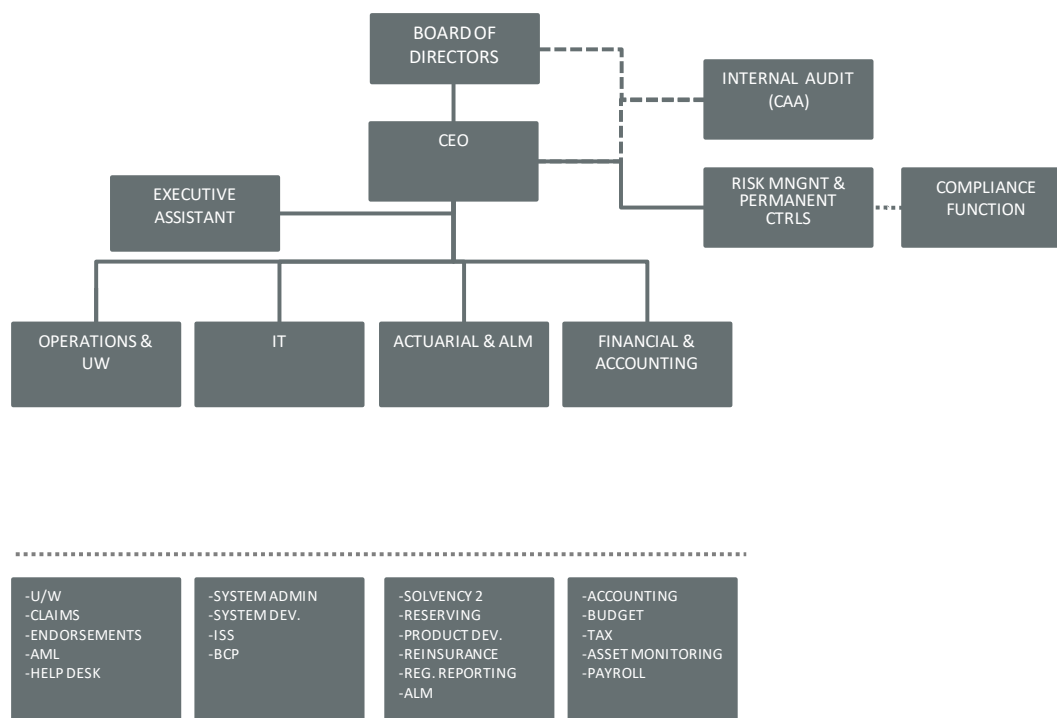
There are no other revenues and charges.

## B. SYSTEM OF GOVERNANCE

### B.1 General information on the system of governance

#### B.1.1. Organizational structure

The organization structure as of 31<sup>st</sup> December 2021 is presented in the following diagram:



In line with the company's strategic objective's the company retained the structure set-up in 2020 intact for 2021.

#### B.1.2. Roles and responsibilities

##### B.1.2.1. Board of Directors

The **Board of Directors** has responsibility for compliance with the legal, regulatory and administrative requirements pursuant to the Solvency II directive. The Board meets four times per annum with a standard agenda and on ad-hoc basis as many times as required and is comprised by the following members:

Board member	Status	Date of appointment/ duty renewal
Guillaume <b>ORECKIN</b>	Executive member and Chairman of the Board	5 September 2019

Jean-Luc, Claude, Michel <b>FRANÇOIS</b>	Non-executive member and Vice-Chairman of the Board	5 September 2019
Richard <b>SUTTON</b>	Executive member, Managing Director and General Manager	5 September 2019
Pierre <b>GENTER</b>	Non-executive member	5 September 2019
Mehdi <b>BEN YOUSSEF</b>	Non-executive member	5 September 2019

The Board is responsible for the effectiveness of the system of risk governance, setting the risk appetite and risk tolerance limits and approving the principal risk management policies for the Company as a whole. To this end, it determines the Company's strategy and approves its general materializes, its system of risk governance and management, and its internal control framework. It ensures that these are appropriate for the nature, scale and complexity of operations and assesses them at regular intervals to guarantee sound and prudent management of the business. It is thus involved in understanding the principal risks incurred by the Company and in setting limits and is kept informed on a regular basis as to whether these are observed through relevant reporting process. It ensures that the system of risk governance introduced at Company level provides integrated, consistent and effective management. Finally, the Board makes sure that an Own Risk and Solvency Assessment is performed at Company level.

The Board interacts with General Management and is responsible of key functions overseeing its stewardship, as well as with the heads of the key functions, who, of their own responsibility keep the board informed of business trends and the results of the internal control system within the Company.

### **B.1.2.2. Committees under the responsibility of the Board of Directors**

#### **B.1.2.2.1. Audit Committee**

As already declared in last year's report, the Company, accounting for its continuing operation under the run-off status and the latest evolutions with respect its future operation, hasn't still formed an Audit Committee as prescribed by provisions of the L.4449/2019, while at the same time its works have been integrated at the relevant committee at Group level utilizing the exemption offered in par.2 of article 44.

Nevertheless, according to the existing governance structure, the Company regards that the Committees (e.g. ICC- see below) already formed and operating, satisfy the spirit of the law for prudent governance at the great extent although not formally complying with the letter of it. This is ensured by the inclusion of the main items of the audit function within the responsibilities of the ICC and therefore the appropriate communication of the results of this committee to the BoD for its necessary decision making process.

#### **B.1.2.2.2. Ad-hoc Committees**

The Board may decide to set up committees responsible for considering specific matters falling within its jurisdiction. Such committees operate under its responsibility. Nevertheless, none is currently operating.

#### **B.1.2.2.3. General Management**

The Company's General Management, represented by the CEO **Mr. Richard SUTTON**, sets the operational arrangements for implementation of the strategy decided upon by the Board of Directors

and reports to the latter on its actions. The CEO supervises and oversees operation of the risk governance system put in place within the Company, proposes strategic priorities to the Board and signs-off policies that the Board officially approves for the Company at large. The CEO establishes effective decision-making procedures, an organisational structure clearly stating reporting lines, assigns internal control roles and responsibilities and allocates adequate resources.

In addition, the CEO is directly involved in the organisation and operation of the risk management and control and internal control systems and ensures that the risk management strategies and limits are compatible with the financial position (level of own funds, earnings) and strategies set for the Company. The CEO makes sure that key information about the Company is reported regularly and correctly documented, the main system failings are identified, and remedial measures implemented and interacts appropriately with the committees implemented within the Company, and in particular the key function managers.

### **B.1.2.3. Structure operating under the responsibility of the General Management**

On a day-to-day basis, the Company is run by the general Management with the support of the management team through an unofficial Management meeting. The Management meeting chaired by the CEO is the Company's body responsible for:

- Identification of the strategic priorities for the Company,
- Key strategic decisions brought before the BoD,
- Analysis and decisions on cross-functional issues,
- Pass on to group level the solo priorities that have an impact on the Group,
- Ensure that Group decisions are transposed at entity level

Below we present the structure of the 4 key functions operating under the overall responsibility of the General Management with a global reporting line for all significant items to BoD for their consideration and final validation.

### **B.1.2.4. Key functions**

The Company, in line with the Solvency II framework has set up the 4 key functions which consists of the Risk Management, the Actuarial, the Compliance and the Internal Audit function which are briefly presented in the sections below.

#### **1. Risk Management function**

##### Roles and responsibilities

The Risk Management function aims to meet the Company's following goals:

- Possessing a **risk management framework** and risk management strategy,
- Implementing a **risk management system** (detection, measurement, control, management and reporting),
- Meeting the **steering and communication needs**,
- Meeting **requests for analysis of the risks** originating from the various parties involved.

The roles and responsibilities of the Responsible for Risk Management function, who is the head of Risk & Permanent Controls (RCPR) and reports directly to the General Management and Board of Directors and functionally to the Head of Risk & Permanent Controls (RCPR) of the Group's International Division are as follows:

- Implements a set of insurance risk management guidelines within the Company.
- Organises and coordinates the business line in cooperation with the RCPR of Group's International Division,

- Analyses and manages risks at the level of the Company using appropriate risk management tools (risk dashboard, risk mapping and internal control reports),
- Implements risk monitoring/management tools in line with the guidelines from the Group,
- Represents the Company in respect of the risk management function vis-à-vis regulators,
- Supports cross-functional risk management projects from a business perspective (Risk Governance workstream for Solvency II implementation).

#### Organisation of the function and relationship with other divisions

The Company's Risk Management function incorporates the following structure:

- The Group International Division Senior Risk Management and Permanent Controls Officer (Group RCPR)
- The Company's Head of Risk & Permanent Controls (local RCPR).
- Committees operating under the responsibility of the governance bodies,
- Organisation of the relationship between Group and the Company through the local Internal Control Committee coordinating the risk management business line at Company level.
- Company's risk management system under the supervision of the Group RCPR.

## **2. Actuarial function**

#### Roles and responsibilities

The Actuarial function is formed by the local actuarial department, the Appointed actuary (externally outsourced) and the Group International Division Actuarial team. The Actuarial function is under the responsibility of the local Appointed Actuary (external) who reports directly to the General Management and the Board of Directors. It is organised in accordance with the requirements of the Solvency II framework.

The mission of the actuarial function is to ensure the reliability and adequacy of technical provisions to inform the Board about it. To express an opinion of the overall underwriting policy and to contribute to the effective implementation of the risk-management system in particular with respect to the risk modelling underlying the calculation of the capital requirements. The Company's Actuarial function formally records all of its work and findings in an annual actuarial report for submission to the BoD.

#### Organisation of the function and relationship with other divisions

The Company's Actuarial Function provides input to the Risk Management Function in accordance with the Group's standards. In general, the function is responsible for:

- forming an opinion on reserving policy, on underwriting policy and reinsurance arrangements. Ensuring that these are consistent with the Solvency II requirements.
- annual external and internal reporting on the above.
- contributes to the effective implementation of Risk Management System.

No changes have been implemented in the structure of the actuarial function in the year 2021.

## **3. Compliance function**

#### Roles and responsibilities

The Compliance function, overseen at local level by a function head designated by and functionally reporting to the Company's General Management and board of directors, aims to protect the Company against the risk of non-compliance with the law, regulations and internal standards of the Crédit Agricole S.A. Its organisational principles are predicated on:

- the organisational principles of the Crédit Agricole S.A. Compliance business line

The principal goals for the Company's compliance function are to:

- Implement consistent and clear cooperation between the Company, the CAA Group and the Crédit Agricole Group,
- Incorporate compliance risk in the scope covered by the Company as part of its operational activities. As with the other risk factors, the goal is to obtain an integrated view of the compliance risks and to demonstrate that they are under control at Company level,
- Facilitate sharing of the best practices applicable more specifically to the Insurance business for the prevention of compliance risks,
- Monitor the compliance risks specific to the Company level and ensure the mitigation in particular the contagion and reputational risks at Group level,
- Handle the financial communications associated with compliance risks,
- Represent the Company vis-à-vis the local regulator.

#### Organisation of the function and relationship with other divisions

The Company's compliance function is organised based on:

- Committee operating under the responsibility of CEO,
- The Head of the company's compliance function,
- CAA's Group Head of Compliance,
- Organisation of the relationship between the Group and the entities through a coordination committee,
- Company's compliance risk management system.

In fact, the Company's Head of Compliance works under the functional authority of Group's Head of Compliance Function, who is then reporting to the Head of Credit Agricole Group Compliance.

#### **4. Internal Audit function**

##### Roles and responsibilities

The Internal Audit function is under the responsibility of the Group's Internal Audit supervisor, who reports directly to the General Management and Board of Directors and acts as a third-level control across the entire Company which aims to:

- Provide the governance bodies with reasonable assurance that the risk management and control systems are functioning properly,
- Ensure compliance with the external and internal regulations,
- Assess the security and effectiveness of the operational procedures,
- Check the adequacy of the measurement and monitoring frameworks for risks of all kinds and verify the reliability of accounting data.

The duties performed ensure the compliance of operations, conformity with procedures, control and level of risks actually incurred (identification, logging, oversight, hedging) or assess the quality and effectiveness of the system put in place.

These duties help to provide the Company's Chief Executive Officer and the Board of Directors with a professional and independent opinion on the Company's operations and internal control.

##### Organisation of the function and relationship with other divisions

The Company's internal audit function is built around:

- The Credit Agricole S.A. Group General Inspection
- The Insurance Audit Division (DAA) at group level
- Organisation of the relationship between Group and the Company through the Risk Management and Internal Control Committee
- Group internal audit framework

Maintaining its independence from the operational units, the central internal audit team is based in France (DAA). Crédit Agricole Assurances' Head of Internal Audit, has a hierarchical reporting line to the Head of Credit Agricole S.A. Group General Inspection (accordingly to the organization defined by Credit Agricole S.A. Group Internal Audit) and also reports to the Credit Agricole Assurances' CEO (functional reporting line). The Head of Internal Audit also regularly interacts with the Company's CEO to discuss internal control issues

### **B.1.3. Material changes in the system of governance in the course of the reporting period**

During the 2021 financial year, there were no changes in terms of committee procedures or governance structure.

#### **B.1.4. Remuneration policy**

##### **B.1.4.1. General principles, objectives and governance framework**

###### **General principles**

The Company's remuneration policy is directly integrated with the Group remuneration policy laid down by the Company's General Management.

###### **Objectives**

The Company follows a responsible remuneration policy that strives to promote its values in a manner that is fair for all stakeholders—employees, customers and shareholder. It aims to reward individual and collective performance over the long term.

Taking into account the specific characteristics of its business lines, the local legislation, the Company aims to develop a remuneration system providing employees with rewards in keeping with those customary in their reference markets to attract and retain the talent that the Company needs. Remuneration is linked to individual performance always in relation to the collective performance of the Company.

###### **Governance**

The Company's remuneration policy and practice are also covered by the Group governance framework. Each year, the Company makes all the relevant information available through its Finance & Accounting Department and the CEO to Group's International Division General Management so as to get its official validation. If needed, the remuneration details (salary increases and bonus scheme) for the Risk & Compliance responsible are notified to the Head of Group Compliance for the final approval with the scope to ensure appropriate remuneration in relation to the risks undertaken.

##### **B.1.4.2. Members of Board of Directors and General Management**

###### **Board of Directors**

No remuneration or fee is paid to members of the Board of Directors for undertaking their duty and participating in the Boards meetings.



## Chief Executive officer

The general principles outlined below in relation to the Company's remuneration policy also apply to the CEO. Decisions on any changes to remuneration and on the level of bonus are made by the head of International of the Group following an annual performance review in relation to the achievement of qualitative and quantitative objectives as well as taking into account the Company results and those of the Group.

### B.1.4.3. Senior executives & Employees

#### Senior executives

##### *Individual variable remuneration*

Division managers or other essential employees may be entitled to extra benefits based on their positions, which support them in fulfilling their essential role and responsibilities.

#### Employees

Employee rewards consist of the following items:

- Basic salary
- Bonus scheme
- Ancillary benefit (Group Life Insurance cover)

**Bonus scheme:** All employees may be eligible for an annual performance bonus either as per their employment contract or upon Management decision. Within the framework stipulated in employment contracts, the bonus scheme is determined by the Company's Management in its sole discretion.

As a general principle, individual bonuses will reflect both the Company's and individual employee's performance. Individual performance will be assessed by measuring employees' achievements towards the goals set at the beginning of the year as part of their annual evaluation.

### B.1.5. Material transactions with shareholders, management body members or any other person with significant influence on the undertaking

There were no material transactions during the 2021 financial year by the sole shareholder, Credit Agricole Assurances S.A., that has impacted the financial and solvency situation of the Company.

## **B.2 Fit & Proper**

### **B.2.1. Regulatory requirements**

#### **Regulatory fitness requirements**

The Company in line with the group standards and respective policy “Fit & Proper policy for the Crédit Agricole Group’s insurance companies” which comply with the regulatory prescriptions has formed its management bodies and key function ensuring the following main principles are met:

- i) Key persons possess the adequate professional qualifications, knowledge and experience in order to fulfil their duties related to the Company’s sound and prudent management (fit)
- ii) Key persons possess good reputation and integrity (proper)

#### **Collective fitness of the Boards of Directors**

Collective fitness is assessed based on all the qualifications, knowledge and experience of its members. It reflects the various duties allocated to each of these individual members to ensure appropriate diversity of qualifications, knowledge and relevant experience. The ultimate goal is to guarantee that the undertaking is managed and supervised in a professional manner.

#### **Individual fitness of the effective managers and key function-holders**

In specific, the Company has chosen the persons in the relevant positions of the five areas of competence set out in Solvency II, namely insurance, management, finance, accounting and actuarial, based on the following main criteria:

- a) the statutory requirements for specific positions qualifications, e.g. head of accounting has a license as 1<sup>st</sup> class accountant and the head of actuarial department possesses a certificate as an actuary from the competent Ministry,
- b) their relevant academic qualifications and
- c) the working experience such persons possess during their professional life and or within the Company or the Group

#### **Regulatory appropriateness requirements**

##### **Principles**

Appropriateness is assessed by ensuring that each individual has not been convicted of an offence related to money-laundering, corruption, misappropriation of corporate assets, drug trafficking, tax fraud, personal bankruptcy, etc. Individuals’ reputation and integrity are also taken into account in the assessment.

##### **Unfit persons**

Individuals who are convicted of such an offence must leave office within one month of the court’s definitive ruling.

##### **Evidence**

Evidence is required to support appropriateness and consists, at the very least:

- certifications of no criminal convictions through the copy of the person’s criminal record and

- certification of non-bankruptcy

### **Regulatory requirements to notify the supervisory authority**

The supervisory authority must be notified of all active effective managers and key function-holders and of all appointments and reappointments. The Company's Compliance Function is responsible to identify the required information for preparing notifications submitted to Bank of Greece. Integral part of such documentation is a dedicated questionnaire which should accompany the above documents for the appropriateness certifications.

## **B.2.2. Arrangements for assessing fitness**

### **Individual fitness**

The assessment is based predominantly on the experience gained (current duties, previous appointments, etc.), and the assessment principles adopted reflect:

- **For effective managers and key function-holders:** the assessment of their skills, in all five areas for effective managers and in their particular area of responsibility for key function-holders, which will be based on their qualifications, previous appointments, experience, training attended, which will be presented in detail in the submissions sent to the BoG in respect of the duties they perform within an insurance company.
- **For directors:** the assessment of their fitness in all five areas, which is based on their qualifications, previous appointments and experience and authorisations in the management role they perform.

### **Collective fitness**

The collective fitness of the Board of Directors is assessed based on consideration of all directors' individual skills. The qualifications, appointments and experience should all be brought to bear and the level of competence in the five areas required by the Solvency II Directive verified to establish and offer training plans for directors.

### **Training plan**

The results of the skills evaluations are analysed to determine the training plans that need to be implemented.

- **Effective managers and key function-holders:** upon their appointment and depending on the needs identified, training plans may be arranged and followed by effective managers and key function-holders on an individual basis
- **Directors:** the training plan proposed is identical for all the members of the same board. Even so, particular points may be focused on at the request of one director, either backing up the collective training plan or taking place in sessions arranged specially for one individual.

## **B.2.3. Arrangements for assessing appropriateness**

The Company's Compliance Function must furnish proof of the appropriateness of directors, effective managers and key function-holders and supply documentary evidence that they have not received judicial or criminal convictions or penalties.

To this end, the relevant certifications recorded above have been requested from all directors, effective managers and key function-holders, which have been received to prove their appropriateness.

## **B.3 Risk management system including ORSA**

### **B.3.1. Risk management system**

The CA Life's risk management system is part of a common and unified framework established in the Company's risk strategy and in the operating principles of the Insurance risk management business line at group level. As such this system has a matrix structure, with entity-level organisation on one axis and the Group approaches by type of risk on the other.

To make sure it meets its objectives, the Company is responsible for its own risk strategy control and monitoring framework for the various risks to which it is exposed through implementation of the relevant risk strategy (including financial risks, technical risks and operational risks management) and in particular the corresponding aggregate limits and early warning triggers. The risk strategy is reviewed at least on an annual basis, submitted for approval by the Company's Board of Directors, following its formulation by the Risk Management Function with the support of the Actuarial Function and the sign-off by the Company's General Management. The Company's Head of Risk Management and Permanent Controls monitors whenever a limit is exceeded, or a warning level breached together with the relevant corrective measures taken and he is responsible for the escalation of the matters as appropriate to the Company's CEO and or the group's RCPR. Changes to any aspects of the risk strategy require the approval of Board of Directors after seeking the opinion of Group's Risk Management Division (DRG).

The Company's Head of Risk Management and Permanent Controls is responsible for overall supervision of the risks. He, with the support by the Group, integrates in the Company's risk management system the risk measurement, monitoring and control processes and frameworks within his/her area of responsibility, in compliance with the Group's standards and operating rules.

Under the authority of the CEO, financial risk management is steered by the RCPR in co-operation with the Financial Committee operation. S/he keeps up to date the CA Life's Financial Risk Management framework, which consists of risk management policies and ensures its distribution to the asset management operation entrusted to Amundi, the asset management company of the Crédit Agricole S.A. Group, and Crédit Agricole Assurances Group's Investment Department for its compliance in relation to the investment strategy.

Other types of risk are also handled from a Company perspective, drawing on its combined expertise, coordinating cross-functional measures (information systems security and business continuity planning, for example) and at the very least ensuring best practices shared by the Group are integrated in the Company's system.

A quarterly Risk dashboard, produced including standardised risk management indicators, is used to monitor the Company's risk profile and detect any deviations from it and the Company's risk strategy. To this end, the CA Life's financial risks and compliance with the relevant consolidated limits are monitored on a monthly basis using standardised reporting.

To tighten up the Company's risk monitoring, an at least annual Internal Control committee, elaborates on all risk management aspects within the Company risk management framework. All decisions concerning the risk mitigating processes and appropriate corrective action plans are validated and monitored through this committee to ensure their adequacy and timely completion. Summary of the works and decisions of the ICC are competently notified to the Board of Directors for its overview and validation.

### **B.3.2. ORSA framework**

The Own Risk and Solvency Assessment (ORSA) is organised at Company level and on a consolidated basis at Group level. It is overseen by the Risk management function, with a special contribution from

the Actuarial function, and is predicated on the existing risk management framework (Risk Strategy in particular).

The ORSA approach is embedded in the Company's procedures and involved in decision-making process at three levels:

- At strategic level: submission for approval to the governing body of the strategic priorities and the risk appetite framework (approved annually by the BoD), with reference to the solvency, profitability and value objectives, translated into the Risk Strategy in the form of risk tolerance limits.
- At steering level through synchronisation with the Medium-Term Plan process.
- At operational level, via allocation studies, pricing, etc. incorporating ORSA economic criteria.

CA Life's ORSA is carried out annually but may be updated during the year in the event of a major change in the environment or risk profile. It is kept updated using calculations and information produced at solo level based on use of the standard formula, the overall consistency of which is safeguarded by the reference guidance framework established by the Group:

- Forward-looking ORSA guidelines setting out key points of methodology;
- Group ORSA scenarios are applied at Company level and established in line with the Group consolidated risk profile. However, the Company may apply additional scenarios capturing significant risks at its level and not reflected in Group's scenarios;
- A set of common indicators shared at group level used as input for the minimum common base of the Company's ORSA risk dashboard and thus facilitating assessment of the risk profile at its level, the aggregation of the indicators and their analysis.

Accordingly, during the ORSA exercise conducted in 2020, which covered the three regulatory assessments of overall solvency needs, continuous compliance and appropriateness of the standard formula assumptions for the risk profile, the scenarios for the forward-looking ORSA were geared chiefly towards predominant financial risks impacting the Group and at entity level as well including risks not covered by the standard formula. Those scenarios aimed to analyse the implications of either a heavy decrease of equities, a bond market or an environment of persistently low interest rates and finally a scenario of widening in sovereign spreads. The Company's sensitivity to the risk of low interest rates and widening of credit spreads makes the solvency ratio volatile, even though the solvency capital requirement is still covered.

## **B.4 Internal control system**

Internal control is defined as a set of measures implemented to keep a grip on activities and risks of any kind to which the entity is exposed, ensuring compliance (with the regulations), security and efficiency of operations and of Information Systems.

The Company makes sure that there is an adequate internal control framework in place organised along the lines of the following common principles:

- integrated coverage of participants' activities, roles and responsibilities, with the Company's general management directly involved in the organisation and operation of the internal control framework;
- clear definition of tasks, effective segregation of commitment and control functions, decision-making processes based on formal and up-to-date delegations of authority;
- formal and up-to-date standards and procedures, especially from an accounting perspective;
- control system consisting of permanent controls embedded in the processing of operations (1<sup>st</sup> line) or performed by operational staff who did not set in motion the operations being controlled (2<sup>nd</sup> line – 1<sup>st</sup> level) or by dedicated staff (2<sup>nd</sup> line – 2<sup>nd</sup> level), and periodic controls (3<sup>rd</sup> line)

performed by Internal Audit Function under the functional supervision of the Group's General Inspection;

- notification of the management body reviewing the risk strategy and monitoring its application (including the limits set and their use), the results of internal control and implementation of the relevant measures as part of a corrective approach.

The permanent control plan is built around a local control plan consisting of controls geared to the criticality of processes and the most significant risks identified in the risk mapping, level 1, 2.1 (set with the process managers) and 2.2, and a level 2.2 key control framework established by the Crédit Agricole S.A. Group Risk Management Division, covering the quality and smooth operation of the risk monitoring and control framework.

Two distinct process participants ensure the consistency and efficiency of the internal control framework and compliance with these principles, right across the entire scope of the Company's internal control framework:

- The Company's Head of Risk Management, who is responsible for both permanent control and risk management and compliance function at Company's level, reporting to the Group's RCPR and the CEO;
- Periodic control (internal audit), which takes action across the entire company's internal control scope (including the Risk Management and Permanent Control, and Compliance functions), based on an operating method governed by an Audit Charter.

Regular exchanges also take place with internal audit during the preparation of assignments and, at the reporting stage, with the findings and recommendations issued forming the basis for action plans and used, as appropriate, to update the risk mapping.

The Compliance function handles mainly the Compliance areas covered at Crédit Agricole S.A. Group level by the FIDES corpus applicable to Insurance and more specifically those applicable to its own activities. It transposes the guidelines, set up in the FIDES corpus, into operational procedures and establishes a permanent control plan to ensure that the procedures are complied with the guidelines and control the compliance risks detected during the risk mapping process and included in the risk register. Coordination of the compliance measures also includes training, employee and management information initiatives, plus preparation of compliance notices, in particular when new activities or new products are launched with the backing of the New Activities and New Products Committees (NAP) in place.

## **B.5 Internal audit function**

### **B.5.1. General principles**

The Internal Audit function conducts its activities in accordance with the Internal Audit Policy approved in 2021 by the Board of Directors of the Crédit Agricole Assurances Group and CACI. This policy – firmly embedded in the framework laid down in the Solvency II Directive – is reviewed on an annual basis. It also complies with the principles and standards laid down by the Crédit Agricole Group's Audit-Inspection business line (LMAI).

The Internal Audit function has operated centrally since 2010 within Crédit Agricole Assurances' Internal Audit Division (hereafter called "DAA" – Direction de l'Audit des Assurances). It has 28 employees in Paris and also draws on LMAI's methodological resources and standards. DAA covers the entire scope of the Crédit Agricole Assurances Group's internal control perimeter.

### **B.5.2. Role of the Internal Audit function**

DAA is responsible for discharging the Crédit Agricole Assurances Group's Internal Audit function as defined in the Solvency II Directive and "Periodic control" as defined in Article 17 of the French decree of 3 November 2014 modified by the decree of 25<sup>th</sup> February 2021. DAA conducts off- and on-site audit



assignments in order to cover all the entities, activities, processes and functions falling within the scope of the Crédit Agricole Assurances Group's internal control perimeter in France and across the international network (no "sanctuaries"). It also encompasses governance and the activities of the three other key functions defined in the Solvency II Directive. Lastly, it also extends to the outsourcing of services or of critical or important operational functions as defined in the French decree of 3 November 2014 and EBA guidelines on outsourcing arrangements.

The annual audit plan is prepared using a risk-based approach. It also employs a risk mapping across the full breadth of activities and the entire system of governance, as well as expected changes in the activities. Both the Crédit Agricole Assurances Group and each of its subsidiaries individually are involved in its design. At these levels (Group and subsidiaries), it gives rise to the formulation of a multi-year audit plan providing an extensive review of activities over a period not exceeding 5 years (reviews may be more frequent, depending on the risk assessment). The audit plan is reviewed annually by the Audit and Accounts Committee for approval by the Board of Directors.

The duties performed by DAA represent assurance rather than advisory duties as defined by the professional standards. They aim to ensure the risk management system and internal control system are both appropriate and effective. This specifically covers:

- accurate risk measurement and proper risk management and control at the activities conducted by the Crédit Agricole Assurances Group (identification, recording, control, hedging),
- appropriate and effective control measures to ensure the reliability and accuracy of financial information, management and operation of the domains audited, in accordance with the framework of standards and procedures in force,
- proper implementation of the remedial measures formulated (including after assignments by the Supervisory Authorities or by the Crédit Agricole Group's General Inspection),
- assessing the quality and efficacy of the organisation general operations.

DAA thus provides to the administration, management or supervisory body (AMSB) members of the Crédit Agricole Assurances Group or of its entities and the Crédit Agricole Group's Audit-Inspection business line (conglomerate) with an independent professional and objective opinion on the operations, risk management system and internal control system of the Crédit Agricole Assurances Group entities.

## **B.6 Actuarial function**

The actuarial function is organised in accordance with the regulatory requirements of Solvency II. It ensures the coordination and the management of the function and is based on the principle of subsidiarity: each entity of the Group organises its actuarial function based on its own specific features and according to the expectations of local regulators. In that sense, the Actuarial function is required to:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the Board of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions in cases where there is insufficient data quality;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements; and  
contributes to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the Own Risk and Solvency Assessment.

### B.6.1. Work performed by the Actuarial function during the financial year

The main work produced by the actuarial function in the reporting are outlined below:

1. Production of the quantitative solvency reports (QRTs) on a quarterly basis and annual basis,
2. Performed sensitivity analysis on the financial aspects of the SCR calculations,
3. Performed of the quantitative calculations for the prospective solvency needs under the ORSA process and contribute to the drafting of the ORSA report validated by the BOD,
4. Performed the LAT exercise to and produce the report in relation to the adequacy of the technical provisions for the annual financial statements,
5. Performed an ALM analysis to value any mismatches between liabilities and assets cashflows and define the next year's investment objectives so as to adequately meet the company's liquidity and income needs.

In addition, the function prepares the **actuarial report**, which is presented to the Board of Directors. The report's goal was to:

- lay out in detail the **conclusions about technical provisions**,
- providing a "second pair of eyes" scrutinising the **underwriting policy**, making sure that the Company has defined and implements an appropriate underwriting policy,
- providing a "second pair of eyes" scrutinising the **reinsurance policy**,
- contributing to the risk management system (contribution to ORSA processes, risk appetite, capital requirement, etc.).

The Actuarial function also introduces **action plans to address observations made by the statutory auditors on last year's solvency audit review** and ensures that they are followed up.

## B.7 Outsourcing

### B.7.1. General principles and objective of the Group's outsourcing policy

The outsourcing:

- Establishes what is considered as falling under the outsourcing heading, especially with regard to Solvency II obligations,
- Establishes criteria used to classify an Outsourced Essential Activity (OEA) based on the Solvency II framework, and in line with the group guidelines as prescribed by the FIDES Policy,
- Lays down the general principles and main stages that apply to the outsourcing process,
- Identifies the associated responsibilities,
- Outlines the monitoring and control arrangements for outsourcing.

### B.7.2. Scope

The outsourcing policy governs all aspects of the Company's outsourcing, no matter which division decides to make use of it. The policy consists of a set of guidelines applying to the entire Group as described in the Compliance Policy.

### B.7.3. Relations between the Group and the Company

The outsourcing policy follows the Group policy and is adapted by the Company's Head of Risk and Compliance to fit the Company's respective area of responsibility. The Company's outsourcing policy is approved by the Company General Management as part of its own governance process and is presented to the Board of Directors.



The Group acts as a coordinator, formulating common principles to supplement the outsourcing policy. This aims to ensure a unified approach at Group level to the establishment of qualification criteria for a new service (in particular the qualification criteria for “critical or important” activities) and also for monitoring joint services on a daily basis.

#### **B.7.4. Critical or important activities**

The Company outsources four (4) critical or important activities:

- **Amundi** (the Crédit Agricole S.A. Group’s asset management company) has been entrusted with a management agreement for its investment portfolio: it is a leading asset manager in France and Europe, providing a full range of products across all asset classes and the principal currencies. The Risks Committee is held on a monthly basis to monitor the risks arising from outsourced activities. Other committees have also been set up, including one bringing together the investments division with the portfolio managers to track the various asset classes.
- **DIV/CAA** is the Department of Investments of the Group which has been outsourced to provide investment solicitation and to be the liaison between the Company and the asset manager within the asset management structure operated for Company. A Financial Committee is held on a monthly basis to elaborate on the investment activities and performance of the portfolio as well as to monitor any deviation from the risk limits framework and propose possible risk mitigation actions to the general management and the BoD.
- **Lux Actuaries & Consultants** provides actuarial services and has been outsourced to assign the Appointed Actuary at Company level as part of the actuarial function structure operated with the Company. Lux Actuaries are an international actuarial services group of companies holding a diversified portfolio of clients in different geographical and regulatory jurisdictions.
- **The Group’s Audit Division** provides Internal Audit services and has been assigned the responsibility of the internal audit function at local level exercising the right given by the Solvency II regulation.

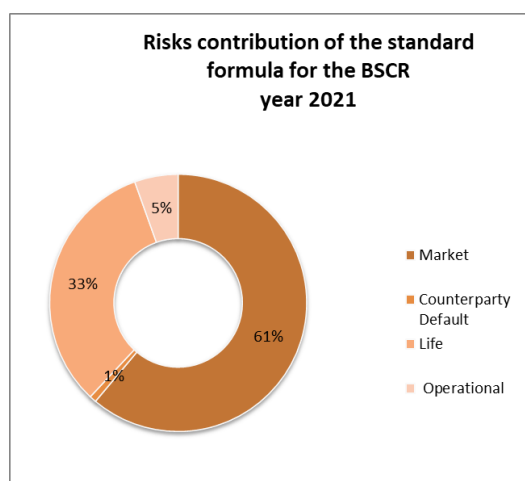
## C. RISKS PROFILE

### C.1 Introduction

The risk profile of Crédit Agricole described later in this section is based on the major risk identification process, which is the tool for identifying and assessing the risks to which the company is exposed. This risk profile is used as basis for the calculation of the capital requirement of the Company and will be analysed later in the Section E of the report.

In line with the Company business profile, the principal risks – market and life underwriting (mainly through lapse risk) – arising from the predominant existence of the savings and pension activities, are covered by the standard formula. This also covers the other technical-underwriting risks to which exposure is also material for the Company as well as operational risks. Risks that are not represented in the standard formula are, like all the risk factors identified, managed and monitored to provide an early warning for the governance body should deviation from the usual management framework be observed, or may even be analysed by means of stress scenarios (liquidity risk, sovereign issuer spread risks, reputational risks, etc.).

The Company's risks exposure<sup>2</sup> is mainly composed of market risks (61%) and, to a lesser extent, the underwriting risks (33%) as well as the Counterparty default risk (1%) and the Operational risk (5%).



### C.2 Underwriting risk

In terms of underwriting risk, the main contributor refers to the Insurance with Profit participation LoB which as at the end of 2021 represents 85% of the total Best Estimate Liabilities followed by the Unit Linked LoB.

Through its Savings business, the Company is exposed to expenses risk, mortality and, above all, surrender risk. In case this risk materialises in unfavourable market conditions, it could have an impact on the Company's results and solvency

In Death & Disability and creditor insurance, the Company has particular exposure to biometric risks (mortality & disability). The "catastrophe" risk linked to a mortality shock (pandemic, for example) would

<sup>2</sup> Risks exposure is defined as BSCR before diversification net of the loss absorbing capacity of technical provisions and integrating the operational risk

be likely to affect the results of the individual or group death & disability business. The Company has not however seen an increase in this risk factor during the Covid-19 pandemic.

The Life underwriting risk represents the second-largest risk to which the Company is exposed and accounted for 33% of the Company's total risks exposure at year-end 2021 while its decrease since 2020 is due to the run-off operational mode and the better economic conditions.

### **C.2.1. Exposure to underwriting risk**

Through its savings business, the Company is mainly exposed to lapse risk expense risk and, at much lower level to biometrical risk like mortality. Nevertheless, even if the exposure in traditional products (i.e. Life term insurance) is low, the weight of biometrical risks (mortality/ longevity) and catastrophic is proportionally high. For this reason, the company is covered with reinsurance on this line of business.

### **C.2.2. Principal risk management/mitigation techniques**

The central management process to capture and manage technical risks is based on:

- Monitoring report of experience to identify change in the risk profile; weekly monitoring reports on surrenders and quarterly monitoring of the technical results through the risk dashboard.
- Studies and stress exercises to analyse the sensitivity of the Company in extreme scenarios in terms of solvency needs and other technical aspects like liquidity and asset/liability mismatches. Such study is the Asset Liability Management analysis that is produced on an annual basis and it is an integrated part of the Financial policy of the Company
- The Company, in line with Solvency II specifications, has formalized and adheres to dedicated risk policies, namely Reserving & Underwriting Risk Policies.

### **C.2.3. Principal type of concentration**

The exposure to the savings portfolio, which includes both a guaranteed feature as well as the profit sharing component, is the highest amongst the Lines of Business operated by the Company, both in terms of written premiums amounting to more than 70% of the total annual premiums for 2021, as well as in technical provisions which are also levelling up to more than 80% of the total technical provisions.

As the result of the above exposure, the main concentration amongst the sub-risks of the underwriting risk module is related to the risk of lapses on the savings portfolio.

### **C.2.4. Sensitivity**

The main underwriting risk incurred by the Company is the lapse risk due to its major exposure to the significant weight in terms of provisions in interest rate sensitive products (guaranteed with profit participation). Sensitivity to this risk is tested indirectly in sensitivity testing on the assets (bond yield curve). Due to company's run-off situation no additional sensitivity analysis has been performed in the specific risk domain.

## **C.3 Market risks**

Due to the importance of savings portfolio in the business, market risks are the main exposure, far ahead of other risk categories. Within the market risks, the Company is most sensitive to shocks in credit spreads and the stock prices and at the lower level in interest rates. Taking into account the diversification of the investments the main risks can arise from:

- Interest rate risk
- Equity risk
- Concentration risk
- Counterparty risk, from both the default risk and the trends of the spread reflecting issuer risk.

### **C.3.1. Risk Exposure**

In line with the financial policy of the Company and the strategic asset allocation, which has been set to achieve the adequate income required to pay the relevant guaranteed liabilities, the Company's investment portfolio contains mainly fixed rate assets (54% of total assets SII value) out of which 66% corporate bonds and 34% government bonds. Significant part of the portfolio includes Money Market funds at 29% and bond funds at 13% and the residual 4% of the portfolio consists of equity type of assets, through direct exposure or via funds.

At year-end 2021, the market risk derived mainly from spread risk due to the large allocation of corporate bond while the rest is allocated between equity risk and concentration.

### **C.3.2. Principal risk management/mitigation techniques**

The Company has a prudent investment policy. It is based on analyses produced by the Investment management structure in place comprised by the Investment Department of the Group and Amundi, the Asset Manager of the Credit Agricole S.A. Group, which take into account the company's risk appetite framework and information from external sources (financial institutions, asset managers, rating agencies). The various risk management and mitigation techniques described below are also based on this principle.

Furthermore, systems are in place to prevent conflicts of interest and ensure a reliable procedure for vetting new types of investment.

#### **Spread risk**

Counterparty risk – and trends in the spread reflecting this risk – is controlled through limits set on the allocation of issues within the various rating brackets.

The analysis of issuer risk is carried out by the Risk department of Amundi (asset manager) in cooperation of the Risk Department of CA S.A. Group. The findings of these portfolio reviews feed the Group list of restricted issuers (DND list) which is then communicated to asset management team and the Company for monitoring and actions. Counterparty risk and the evolution of the spread used in the evaluation of this type of risk are monitored through limits on the allocation of issuers in different rating levels. The risk limit framework which incorporates all constraints used at the investment and asset management process is included in the Financial Policy.

On top of the above and in relation with the established risk appetite framework, the Company has defined a global risk budget to cover the default risk or the risk of a loss in the event of disposals

#### **Interest-rate risk**

The Company can address sustained upward or downward movements in interest rates in various different ways. Such actions could entail:

- a suitable commercial policy
- asset portfolio duration adjustments to match the expected run-off of liabilities,

- retention of cash or marketable fixed-income assets with a modest impact on capital gains and losses.

CA Life, as the other entities of Crédit Agricole Assurances' group has indicators and committees to monitor these techniques.

### **Diversification asset risk**

Overall limits are set for diversification assets and individual limits for each asset class (equities, property, private equity and infrastructure, alternative investments). These assets, which although likely to generate better returns and provide decorrelation, involve a valuation and accounting provisioning risk (impairment provision, with potential impact on policyholder returns).

### **Concentration risk**

The risk of concentration on a single (financial or non-financial) counterparty is controlled by limits (based on total in force portfolio value) on total fixed-income and equity exposures structured according to the issuer's rating.

Concentration on sovereign and related issuers is subject to individual limits reflecting the debt to GDP ratio and country rating, with controls applying on a case-by-case basis to sovereign issuers from peripheral euro-zone countries.

In addition to the reporting produced by the asset manager, the company monitors the performance in relation to this risk limit framework through monthly reporting on financial risks which is notified to the relevant committee in order to take the necessary corrective measures in case any breach of the limits occurs.

### **C.3.3. Concentration**

Taking these management measures into account, the concentration SCR is relatively low.

### **C.3.4. Sensitivity**

Stress scenarios for financial risks are drawn up on annual basis within the ORSA process which provide a forward-looking vision over the planning horizon of the solvency requirement, including the dividend pay-out and financing assumptions underpinning the plan.

In the 2020 ORSA, the scenarios incorporating stress factors for the medium-term period 2021-2023 include:

- **Stress budget** – widening of spreads and strong equity shock
- **Low rates** - long term low interest rates environment

The stress budget scenario, reflecting the reduced investment margin achieved on the Savings portfolio, has the greatest impact on the company's solvency ratio, which could even potentially result in compromising the coverage of the regulatory coverage ratio in the MTP if no mitigating actions were taken.

The Company's solvency ratio is also sensitive to fluctuations in interest rates, with a deterioration expected should there be a rate cut. In this scenario, however, the regulatory ratio is comfortably met.

## **C.4 Counterparty risk**

### **C.4.1. Risk exposure**

Counterparty default risk represents a minor risk for the Company, accounting for 1% of the total risk exposure at year-end 2021.

#### **The exposure derives from:**

- Bank deposits/cash holdings (bank running the deposit account default on its obligations).
- Reinsurance counterparties (default by a reinsurer resulting in its no longer being able to cover the cost of a portion of the claims presented to it).

### **C.4.2. Principal risk management/mitigation techniques**

#### **Financial counterparties**

Cash is not generally left in current accounts but invested in money market mutual funds to avoid significant capital charge due to counterparty risk.

#### **Reinsurance counterparties:**

Within the framework of management of underwriting risk, the Company uses reinsurance agreement with several counterparties. The main treaties refer to i. Risk and Protection coverages including analogic coverages of individual and group products (Individual and Group Surplus) and ii. reinsurance coverage of catastrophic risk (Catastrophe Treaty).

Tight control on reinsurers' default risk is founded on the Group's internal standards, according to which the financial strength of the reinsurers selected: A- or higher (based on a conservative approach of using the lowest financial strength rating awarded by S&P, Moody's and Fitch). The ratings of the reinsurers with which the Group deals are tracked on a monthly basis.

### **C.4.3. Concentration**

With respect to the counterparty default risk the main concentration refers to the cash deposits in Greek banks. Nevertheless, this situation is managed through the financial policy according to which any liquidity available from inflows is directed to money market funds managed by Amundi in order to avoid the excessive capital charges related to the high default risk of the Greek banking system.

## **C.5 Liquidity risk**

### **C.5.1. Risk exposure**

The liquidity risk is highly linked to the level of surrenders of savings in combination to the premium income. This risk has become even more significant the last years due to the run-off situation of the Company. The Company has already incorporated in its Financial Policy the component of liquidity in both the Strategic Asset Allocation through specified minimum exposure in Money Market instruments and in the risk framework through the reactivity ratio limits (which measures the ability to use assets with limiting impacts in terms of capital charges).

### **C.5.2. Principal risk management/mitigation techniques**

On the one hand, liquidity is an investment selection criterion (more on listed securities in regulated markets, limited on less liquid assets such as, for example, private equity, internal rated bonds, hedge funds etc.).

On the other hand, the liquidity management system is defined as part of the Company's asset / liability management process.

The Company manages and mitigates its liquidity risk through three mechanisms:

- Long-term liquidity: monitoring of and limits on annual liquidity gaps, estimated on a portfolio run-off basis so as to match asset and liability maturities under normal and stressed conditions (wave of surrenders/deaths);
- Medium-term liquidity: calculation of a "2-year responsiveness" indicator, which measures the capacity to mobilise short or floating-rate assets while limiting the impacts in terms of capital loss. It is compared with a minimum threshold required to absorb a wave of surrenders;
- Short-term liquidity: in case of uncertainty regarding net inflows, minimum one-week and one-month liquidity amounts are set and surrenders monitored daily;

The Company analyses its liquidity gaps to identify maturities to be addressed in priority or, conversely, avoided (surplus liquidity falling due, with an interest rate risk upon reinvestment). It monitors its responsiveness ratio monthly and compares it with the threshold set, through its reporting dashboard. It also regularly monitors surrender rates so that it can swiftly introduce very frequent monitoring should a stress scenario materialise.

### **C.5.3. Sensitivity**

The liquidity risk is important component in the ALM analysis to ensure that investment strategy is adequate to accommodate increased liquidity needs with the scenario of double surrenders rate applied on the savings portfolio. The Company is exposed to liquidity risk in case of increase in lapse and increase in rates. Nevertheless, at this stage, the liquidity bucket remains sufficient to cover the gap.

## **C.6 Operational risks**

### **C.6.1. Risk exposure**

Operational risk, calculated according to the methodology of the standard formula as a standard rate on the activity amounted to € 591 K in 2021.

From a process execution perspective, the most sensitive risk areas are linked to intermediation risk, the production of financial and accounting information, with a major emphasis on data quality and fraud (contracts, claims). Another material risk exposure refers to the IT systems sustainability and assurance against malfunctions and external attacks. Adding to this, and most significantly following the virus incident impacted the company's IT infrastructure, the ability to restore systems and data so as to resume operability is also a crucial component of the operational risk exposure.

Compliance risks (identified primarily in the customer, product and commercial practices category) also represent a major point of emphasis from a reputational risk perspective, possibly even triggering sanctions, against the backdrop of a growing number of increasingly stringent regulations. The main themes relate to efforts to combat money laundering and terrorist financing (international sanctions), customer protection (complaint handling). The Company has paid much focus in the past to control the distribution of its products by its banking network, especially since unit-linked products were made the priority.

### **C.6.2. Principal risk management/mitigation techniques**

The management process includes the following contributors:

- Risk mapping analysis which at minimum updated on an annual basis. Any risk that following the risk mapping analysis is considered significant is then subject to an action plan.



- Data Loss Collection report to monitor the (financial) impact of the realised operational incidents. This is monitored on a quarterly basis through the risk dashboard
- Warning procedure which incorporates the levels of consideration and the process of escalation when alerts are materialized.
- Business Continuity and disaster recovery plans to ensure the readiness of the company against IT related risks (cyber risks) or other which could compromise its operationality.

All the above is subject to a follow-up process through the Internal Control Committee (ICC) and dedicated Permanent Controls reporting on an annual basis due to the company's operational mode.

### **C.6.3. Sensitivity**

CA Life does not apply a sensitivity-based approach for operational risks.

The impact of operational risks is measured in terms of image or financial impacts via operational risk mapping. This helps to identify critical processes carrying substantial risks and the action plans needed to enhance the degree of control they provide.

## **C.7 Other significant risks**

### **C.7.1. Risk exposure**

#### **Reputational risk**

The Company's exposure to reputational risk is mainly related to product design and marketing and treatment of customers (demands and complaints).

- Mishandling of conflicts of interest (between two customers, between the Company and a customer, etc.)
- Problems relating to the business line (ill-suited products, non-compliant invoicing, "forced" sales, etc.)
- Legal or tax issues
- Shortcomings in human resources management
- Incorrectly applied market rules
- Sanctions by regulatory and oversight bodies
- Money laundering, embezzlement, and fraud

### **C.7.2. Principal risk management/mitigation techniques**

The Company has incorporated to its compliance manual and follows procedures, in line with the guidelines of the CASA as presented in the existing Corpus FIDES. These procedures constitute the risk management system through which the Company ensures the mitigation of the reputational risk. Such procedures are:

- Compliance function organization and Opinions
- Complaints Handling
- Fraud Prevention
- Personal Data Protection
- New products and activities (through the relevant NAPCo)
- Financial Security (AML/FT)



In order for the Company to detect and prevent any situation that may cause reputational risk to itself and consequently to the Group it applies the following processes:

- Analyses media coverage, websites, etc. where reputational risk might originate
- Has appointed the responsibility of communications issues to the CEO as the only responsible for responding to questions from the press
- Makes use of the legal advisor and the compliance officer opinions to all requests from regulators and oversight bodies
- Addresses in the NAPCO reputational risk issues and ascertain the implementation of a control system towards them

### **Risk of changes in the regulatory environment**

The monitoring activities conducted by the Legal and Compliance functions on regulatory changes, which are also backed up by the Crédit Agricole Group's watch, are used to predict the likely impact and to prepare for the changes that they may cause.

## D. VALUATION FOR ECONOMIC BALANCESHEET

### D.1 Introduction

#### Reporting date

CA Life's economic balance sheet is prepared in compliance with article 75 of S2 Directive. It is drawn up at 31st December.

#### Valuation principle

The general valuation principle for the economic balance sheet is an economic valuation of assets and liabilities;

- a. assets are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction (market value);
- b. liabilities are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction (fair value).

As recommended in Article 9 of the Delegated Regulation, the Company has adopted IFRS as the valuation basis for its economic balance sheet.

The assets covered by paragraph a. are stated at their economic value based on the following hierarchy of levels:

- **Level 1:** Quoted prices in an active market for an identical asset: a market is considered as active if prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis;
- **Level 2:** Quoted prices in an active market for a similar asset adjusted to take its specific characteristics into account;
- **Level 3:** If no quoted price in an active market is available, undertakings should make use of valuation techniques based on a model (mark-to-model); alternative values obtained should be compared, extrapolated or otherwise calculated, as far as possible, using market data. This may be a method based on:
  - transactions involving similar assets,
  - a method based on discounted future income generated by the asset, or
  - a method based on calculation of the asset's replacement cost.

No adjustment to take account of the change in own credit standing is made to the valuation of the liabilities referred to in paragraph b.

#### D.1.1. Currency transactions

CA Life reporting currency is EURO, which is also the currency in which the Company's consolidated financial statements are prepared.

#### D.1.2. Offsetting of assets and liabilities

In accordance with paragraph 4 of Article 9 of the Delegated Regulation, the Company can offset the DTA with DTL. In general, the Company offsets a financial asset and liability and shows a net balance if and only if it has a legally enforceable right to set off the amounts recognised and has the intention to settle net or realise the asset and liability simultaneously. The Company applies the same rule under Solvency II framework.

### **D.1.3. Use of estimates and judgement of expert**

The valuations needed to prepare the financial statements may require the use of estimates, assumptions and judgements which carry risks and uncertainties as to whether or not they will be realised. They form the basis for management to use the requisite judgement to determine the carrying amount of assets and liabilities that cannot be obtained directly from other sources.

Future events may be influenced by numerous factors, including:

- national and international capital markets activities,
- economic and political conditions in certain sectors of activity or countries,
- changes in the regulations or legislation,
- policyholder behavior,
- demographic changes.

## D.2 Assets

### Table presenting assets in Solvency II values

(K €)	2021
Goodwill	0
Deferred acquisition costs	0
Intangibles assets	0
Deferred tax assets	0
Pension benefit surplus	0
Property, plant & equipment held for own use	70
Investments (other than assets held for index-linked and unit-linked funds)	129.222
Property	0
Participations	0
Equities	2.201
Bonds	69.899
Investment funds	57.122
Derivatives	0
Deposits other than cash equivalents	0
Other investments	0
Assets held for index-linked and unit-linked funds	7.732
Loans & mortgages (except loans on policies)	0
Ceded technical provisions	1.186
Deposits to cedants	0
Insurance & intermediaries receivables	340
Reinsurance receivables	2.591
Receivables ( trade, not insurance)	63
Own shares	0
Amounts due in respect of own fund it items or initial fund called up but not yet paid in	0
Cash and cash equivalents	71
Any other assets, not elsewhere shown	76
<b>Total Assets</b>	<b>141.353</b>

The main variations between IFRS and Solvency II accounts refer to the following:

- i. Deferred acquisitions costs and intangible assets are eliminated under Solvency II
- ii. Under Solvency II the ceded technical provisions are offset by the future BE of reinsurance recoverable
- iii. Policyholders' balances are less under Solvency II due to the elimination of amounts beyond 90 days by the company for prudency reasons.

The main contributor of the movement between 2020 and 2021 (from € € 161.045 K to € 141,353 K) is mainly the decrease of the investment portfolio (from € 141.093K to 129.222 K€) and the decrease of assets linked to UL products (from € 15.389 K to €7.732 K) due to the impact of the run-off operation of the company.

### D.2.2. Intangible assets and deferred expenses

Intangible assets are identifiable non-monetary assets without physical substance. Software is a type of intangible assets.

The Company's main intangibles is software. The Company has invested in various software to promote its day-to-day business.

#### **Intangibles (including goodwill)**

Intangible assets are valued at zero on the economic balance sheet. Intangible assets (other than goodwill) may, however, be recognised on the economic balance sheet at a non-zero value where:

- they are identifiable
- the undertaking can obtain the future economic benefits from these assets, and
- they have a value available in an active market.

In this case only, they are stated at fair value on the economic balance sheet.

Restatements between the local (IFRS) balance sheet and the economic balance sheet are as follows:

- elimination of other intangible assets, unless they can be valued at fair value based on observations in an active market.

The Company does not have a goodwill exposure.

#### **Deferred acquisition costs**

Deferred acquisition costs (DAC) of the Company are limited to the unearned commissions and fees within one year horizon which is linked to the unearned premium. The DAC is zero under Solvency II environment.

### **D.2.3. Property, plant and equipment**

Property held for own use consists of land, buildings, and fixtures and fittings used by the Company in the course of its business, i.e. producing or supplying goods and services, administrative tasks. It is defined by opposition to investment properties which could be held by the undertaking to generate returns and a capital gain when they are sold again.

#### **Investment property**

The Company does not hold any property for own use nor as an investment property.

### **D.2.4. Financial instruments**

Under Commission Implementing Regulation (EU) 2015/2450, Annex I, the Company's investments are shown by nature on the economic balance sheet (equipment -property, equities, bonds, and investment funds, assets held in respect of unit-linked contracts).

The Company does not carry any participation and did not enter into repos or securities lending transactions

#### **Investments consisting of unit-linked contracts**

As in the IFRS, these investments are shown on a separate line of the economic balance sheet. They are valued at fair value.

### **D.2.5. Technical provisions ceded**

The valuation rules for technical provisions ceded are presented in technical provisions section below.

### **D.2.6. Deferred taxes**

Deferred taxes are recognised and valued in the economic balance sheet in line with IFRS. The Company is in a run-off situation so the DTA from the PSI loss was not presented in the economic balance sheet. In addition, the Company didn't present any deferred taxes for Solvency II purposes on a line by line basis on temporary differences between EBS and tax base amounts due to the continuation of the run-off operation mode again in 2021 and for undetermined period of time, as well as the change in the tax law (ministerial circular POL1059/2015) according to which the income from bonds is not taxed.

### **D.2.7. Cash and cash equivalents**

On the economic balance sheet, cash and cash equivalents are stated at fair value.

Cash comprises cash on hand and demand deposits. Cash equivalents consist of short-term deposits that are readily convertible to a known amount of cash. For the company this account comprises only cash and sight deposits.

No revaluation takes place between the local (IFRS) balance sheet and the economic balance sheet.

## D.3 Technical provisions

### D.3.1. Summary of the Company's technical provisions

#### Summary of the technical provisions under Solvency II

The Total TP as of 2021 are presented in the below:

(K€)	2021
Technical provisions - life (excluding health and index-linked and unit-linked)	112.223
Technical provisions - index-linked and unit-linked	14.103
Other technical provisions	0
<b>Total technical provisions</b>	<b>126.326</b>

The year to year movement of the Gross BEL (from € 147.764K in 2020 to €126.326 K) is mainly due to the run-off situation (maturities of the policies). In addition, the technical provisions above include an amount of € 845 K which refers to the unmodelled liability portfolio.

In the table below we present the constitution of the total TP per LoB:

(K€)	2021			
	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Total
Gross BEL	106.995	14.019	4.223	125.237
Ceded BEL			1.186	1.186
<b>Net BEL</b>	<b>106.995</b>	<b>14.019</b>	<b>3.036</b>	<b>124.050</b>
Risk Margin	1.005	84	0	1.089
<b>Total Technical provisions excl reins recoverables</b>	<b>108.000</b>	<b>14.103</b>	<b>4.223</b>	<b>126.326</b>

The main components of the movement in a y-to-y basis are mainly the run-off impact.

In terms of variation with IFRS valuation, the main factor relates to the revaluation of the technical provisions for the Solvency II which amounts to €9.633 K in 2021, the biggest part referring to the life insurance portfolio excluding the Unit Linked portfolio (at €9.537 K).

### D.3.2. Valuation principles

The value of technical provisions under Solvency II is the sum of the Best Estimate (BE) of the provisions plus a risk margin (RM).

The BE gross of reinsurance is calculated as the present value of probability-weighted future cash flows arising from payouts to policyholders and management costs incurred in administration of these commitments through to their maturity, less any premium receivable under portfolio contracts.

The Risk Margin is the provision amount in addition to the Best Estimate, calculated in such a way that the total amount of provisions shown on the balance sheet matches that which a benchmark entity would

require to meet the insurer's obligations (cost of capital approach). The RM is calculated directly net of reinsurance.

Accordingly, Solvency II provisions differ from statutory provisions in that cash flows are discounted systematically and options and financial guarantees are valued (guaranteed rates, profit participation, surrenders, etc.).

### **D.3.3. Segmentation**

The assignment of an insurance obligation to a line of business reflects the nature of the risks arising from the obligation. The legal form of the obligation is not necessarily determinative of the nature of the risk.

Where a policy covers insurance obligations in several lines of business, the assignment to each line of business is not required if only one of the lines of business is material.

### **D.3.4. Initial recognition**

Obligations are recognised based on the insurer's obligation, either because a contract has been signed or because the contract cannot be ceased by the insurer.

### **D.3.5. General valuation principles**

#### **D.3.5.1. Valuation – Cash flows**

The BE gross of reinsurance is calculated as the present value of probability-weighted future cash flows arising from payouts to policyholders and management costs incurred in administration of these commitments through to their maturity, less any premiums receivable under portfolio contracts. The projection horizon of the cash flows used from the company is 30 years.

The cash flow projections are predicated on assumptions concerning policyholders' behaviour and management actions. These assumptions cover in particular surrenders, the profit participation policy and the asset allocation policy.

All these assumptions are documented by the actuarial function and approved by the Company management.

#### **D.3.5.2. Valuation – Granularity of projections**

Contracts are analysed on a policy-by-policy basis, then pooled into homogeneous risk groups for modelling purposes. The segmentation is defined on a product basis to value technical provisions.

#### **D.3.5.3. Valuation – Contract boundaries**

The boundary date of the contract is defined as the first date on which:

- The insurer has the unilateral right for the first time to terminate the contract,
- The insurer has the unilateral right for the first time to reject premiums, or
- The insurer has the unilateral right for the first time to amend premiums or guarantees in such a way that the premiums fully reflect the risks.

The premiums paid after the boundary date of an insurance/reinsurance contract and the associated obligations are not taken into account when calculating the Best Estimate.

Irrespective of the previous provisions, no future premium is taken into account in the calculation of the Best Estimate where a contract:

- Does not provide for indemnification of an event adversely affecting the policyholder to a material extent,



- Does not provide for a material financial guarantee.

Future premiums on insurance-related products are recognised for:

- Multi-year contracts under which the insurer does not have the right to amend the premium, refuse it or terminate the contract prior to expiry of the contract,
- For annually renewable risk contracts, periodic premiums will be projected through to the policy's first anniversary following the valuation date of the BE.

Future premiums on savings products are projected using the annual premium paid for each policy in the previous period and a premium reduction rate, based on BE lapse assumptions, to be applied on an annual basis to the amount of the premium in the previous period.

#### **D.3.5.4. Valuation – Participation in profit**

Profit participation (PP) is incorporated in the cash flows modelled to value the Best Estimate of provisions.

The PPs modelled comply with the regulatory and contractual constraints and are subject to strategic assumptions reviewed by management of The Company.

#### **D.3.5.5. Valuation - Options and guarantees**

Life insurance contracts include options and financial guarantees. The value of the Best Estimate includes the impact of these options and guarantees where they have a material impact.

Stochastic modelling methods are used for this valuation.

The principal options valued by The Company are:

- The surrender option in savings and pension contracts
- The guaranteed minimum rates and technical rates
- The contractual profit participation clauses

#### **D.3.5.6. Valuation – Expenses**

The cash flow projection used to calculate the BE takes into account all the following expenses:

- Administrative expenses,
- Investment management expenses,
- Claims management expenses,
- Acquisition expenses.

General expenses incurred in servicing insurance and reinsurance obligations are taken into account.

Expenses are projected on the assumption that the unit cost represents the undertaking on an ongoing concern basis (i.e. assuming no new business in the future). The excess cost written under the current run-off situation has been considered in the relevant calculation.

Expenses are allotted at the level of homogeneous risk Company's segmented using at the very least the lines of business (LoB) adopted in the segmentation of insurance obligations.

Exceptional expenses and any other justifiable restatement are deducted from the base of expenses used to determine unit costs.

Administrative expenses are adjusted by the inflation rate in the projection.

The level of commission payments used in the calculations reflects all the commission agreements in force at the valuation date. All contractual commission cashflows are modelled separately than the rest of the expenses.

#### **D.3.5.7. Valuation – discounting**

The reference yield curve used to project and discount cash flows is based on the swap rates adjusted by credit risk plus a risk premium, where appropriate.

The risk premium is based on the Volatility Adjustment (VA) as defined by EIOPA. For each accounting period, the VA is set in line with EIOPA release for Greece.

The matching adjustment and other transitional measures proposed for Solvency II purposes on the yield curve are not used by the Company.

#### **D.3.5.8. Valuation – Non-economic Assumptions**

The Company in the valuation of technical provisions uses non-economic assumptions which determination is derived using experience studies. Such assumptions are presented below as well as the methodology for their valuation:

##### **Mortality assumption**

The Company in order to evaluate the underwriting effect on mortality rates conducts a study based on data at the reporting date (this effect is reflected in the model as a percentage of the Greek valuation mortality table GR1990). Based on this study and its trend over the past years, the Company defines its mortality assumption as the average experience over the last 3 years.

##### **Disability assumption**

The disability assumption is determined based on the claims experience of the past years on the relevant products. For this reason, the Company performs an analysis to assess the actual experience factor on the portfolio in comparison with the factor applied in the reinsurance rate pricing for the average insured persons age.

##### **Lapsation**

A lapsation study is performed on annual basis per sub-portfolio and policy year based on data available as at the Reporting Date. In order to determine lapsation assumption, the Company uses (raw data) experience over the last years, and smooth results appropriately using Hoem methodology.

#### **D.3.5.9. Transitional measures**

The Company for the valuation of its technical provisions under Solvency II at the reporting year as well as the whole preparatory used only the transitional measure of the Volatility Adjustment (VA). For 2021, the level of the Volatility Adjustment as published by EIOPA is 3bp (lower than 2020).

Due to the value of the VA the company's Solvency position is not materially reduced when the Volatility adjustment is cancelled, as presented in QRT S.22.01.01, impacting both the Own Funds and the SCR.

#### **D.3.6. Risk margin**

The Risk Margin is the cost of capital that would be tied up by a third party assuming the Company's obligations.

The Risk Margin is calculated by discounting the annual cost (risk premium) of tying up capital equivalent to the reference SCR as defined in the regulations over the residual term to maturity of the obligations used to calculate the BE. The cost of capital is set at 6% p.a. in accordance with Article 39 of the Delegated Regulation. Simplification method 3 is used for the calculation of Risk margin.

The Risk Margin is calculated as an overall figure, then broken down by Solvency II Line of Business. This analysis is carried out in proportion to the contribution made by the segment to the reference SCR.

## D.4 Liabilities other than technical provisions

### Solvency II values for provisions other than technical provisions

(K€)	2021
Contingent liabilities	0
Provisions other than technical provisions	377
Pension benefit obligations	51
Deposits from reinsurers	0
Deferred tax liabilities	0
Derivatives	0
Debts owed to credit institutions	0
Financial liabilities other than debts owed to credit institutions	38
Insurance & intermediaries payables	399
Reinsurance payables	1.540
Payables (trade, not insurance)	394
Subordinated liabilities	0
Any other liabilities, not elsewhere shown	933
<b>Total other liabilities</b>	<b>3.733</b>

No differences exist on the above other provisions between Solvency II basis and IFRS.

#### D.4.1. Provisions and contingent liabilities

##### Provisions other than contingent liabilities

Provisions for liabilities and charges are accounted for in the Solvency II balance sheet and mainly refer to risks such as litigation risk, operational losses etc. IFRS provisions are adopted for the economic balance sheet.

#### D.4.2. Employee benefit obligations

The amount of 51 K Euros refers to the accumulated provision for compensation of personnel due to retirement, which is estimated based on an actuarial study in accordance with the Company's revised accounting policy.

#### D.4.3. Financial liabilities

The Company doesn't have any exposure to financial liabilities linked to medium-to-long term debt, i.e. subordinated debt and senior financing debt.

#### D.4.4. Other liabilities

With respect to any other liabilities the Company includes the following accounts

- **Insurance & intermediaries' payables** which includes the current account value for the payables to its distribution channel as at the end of the reporting date.
- **Reinsurance payables**, which includes the current account value for the payables to its reinsurer as at the end of the reporting date.
- **Payables (trade, not insurance)**, which includes mainly creditors and miscellaneous payments such current accounts of taxes and social security funds as at the end of the reporting date.
- **Any other liabilities, not elsewhere shown**, which includes accrued expenses

## **E. MANAGEMENT OF OWN FUNDS**

### **E.1 Own funds**

#### **E.1.1. Capital management policy**

The Company has implemented a policy for its own funds which are managed to respect the regulatory requirements over the long term and to ensure sufficient capital to cover future development needs, and own risks. It establishes the management, monitoring and control arrangements for own funds plus the financing process if required.

The policy is approved by the Board of Directors and reviewed on an annual basis. The capital management policy is part of CA Life's risk appetite framework.

In order to set the objectives to be pursued, the policies and the relating processes for Own Funds management, the Company has implemented a Capital Management Policy, in line with Crédit Agricole Assurances Group guidelines. This policy sets down the procedures to manage, monitor and classify the Company's own funds, as well as the Company's financing process.

The Capital Management Policy shall be approved by the Company's Board of Directors after being validated by the Internal Control Committee; the same approval procedure shall apply to every update to the policy, keeping track of all details of the changes made in the updated document.

The policy has been designed in accordance with the Group guidelines whereby consideration has been incorporated in relation to the regulations applicable for the insurance groups, the banking regulations, the regulations of financial conglomerates, the Credit Agricole S.A. Group's specific objectives and financial communication and market-related constraints. As such the company's own funds accommodate the following objectives:

- to comply with the regulatory solvency requirements;
- to comply with the Company's risk appetite, ensuring that the present and forward-looking capital adequacy is consistent with the set of risks overall taken by the Company;
- to optimize the structure of own funds, limiting the cost of financing and ensuring adequate financial flexibility;

The level of own funds relative to the capital required is geared to its risk profile, its insurance activity, the degree of maturity of its business, its geographical position and its size.

Every year, the Company's Capital management plan is approved by the Board of Directors as part of the process of steering own funds. This plan states the timetable for and nature of the financial transactions anticipated in the current year and over the horizon of the medium-term plan (3 years).

It draws on the capital management plans and establishes any issuance of capital or/and subordinated debts and projects the impact of the maturity of own-fund items, the dividend policy, the end of the transitional measures and any other changes affecting own-fund items.

The Company follows the capital management plan and monitors any significant deviation. The Company's solvency coverage of the SCR and the MCR is reported to the Regulator and to the Group on a quarterly basis.

#### **Sensitivity Analysis**

The Company, as part of its capital management policy includes the sensitivity exercises conducted in the MTP horizon through its ORSA as well as on an annual basis through the financial sensitivities exercise described above in paragraph C.3.4. above.

## E.1.2. Available Own Funds

### E.1.2.1. Composition of available capital

The Company covers its regulatory capital charge exclusively using Tier 1. All own funds items are denominated in Euros and reported in thousands below.

The amount of the Company's own funds in 2021 amounted to €11.295 K, consisting of share capital €13,100 K, share premium of €69,901 K and the other reserve including retained earnings of -€ 71.707K. All own funds are deemed to be Tier 1 not restricted. The main contributors to the increase of the own funds from 2021 (€10.855 K) is the better economic conditions which compensated the run-off impact.

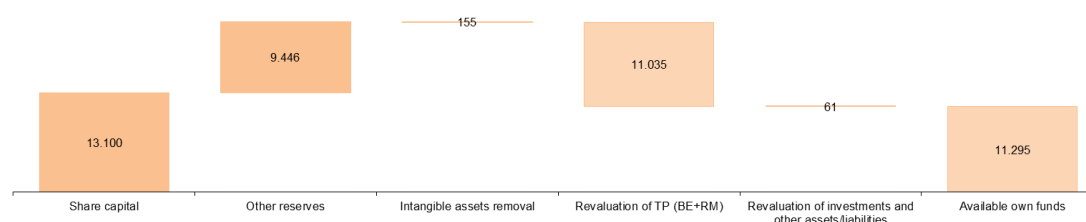
### E.1.2.2. Reconciliation reserve

The reconciliation reserve amounted to -€ 71.707K at 31st December 2021 mainly consists of the IFRS reserves -€60.456 K and the revaluation of the technical provisions -€ 11.035 K. The other components refer to the revaluation of assets (excluding technical provisions ceded) amounting to -€61K the elimination of intangibles at of 155 K Euro.

The main contributors to the decrease in comparison to the 2020 figure on the reconciliation reserve is the decrease in the IFRS reserves (-€60.456 K from -€ 56,750 K) as well as the drop in the revaluation of the technical provisions -€ 11.035 K from -€15,273 K).

### E.1.2.3. Reconciliation with IFRS equity

Differences between statutory own funds vs. Solvency own funds - FY2021  
K€

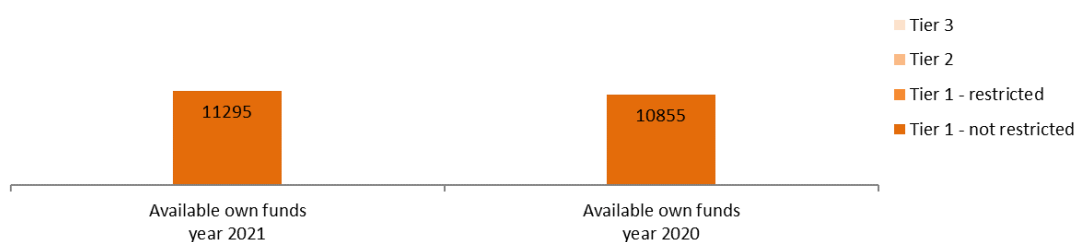


The main factors accounting for the difference between IFRS equity and Solvency II available capital are the components of the reconciliation reserve as presented in the previous section.

## E.1.3. Eligible Own Funds

There is no difference between available and eligible own funds to cover the SCR and MCR at 31st December 2021. Both amounted to €11.295 K.

Breakdown of available own funds by tier



## **E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)**

### **E.2.1. Solvency Capital Requirement**

The regulatory capital requirement (SCR) is assessed by the Company in line with Group guidelines by applying the standard formula laid down in the Solvency II Directive. As provided in the regulations, the calculations used to arrive at the SCR are based on the instructions sent out by the Group (“Credit Agricole Assurances Group’s SCR Guidelines”). It provided the principles governing implementation of the solo calculations using the standard formula, drawing on the Solvency II and Omnibus II European Directives, as transposed to the local regulatory framework formed by the Department of Private Insurance Supervision of BoG.

Coherently with the data provided by EIOPA, the interest rate curve used for the valuation of Technical Provisions takes into account the Credit Risk Adjustment (CRA of -10 bps) and the Volatility Adjustment (VA of +3 bps).

The Company’s SCR amounted to €8.545 K at 31st December 2021. Market risk is the main risk contributing to 65% of the risk exposure; underwriting risk and counterparty default contribute the remaining part.

Additional information in respect of the SCR:

- The Company does not use simplified calculations for the risk modules illustrated above.
- The Company does not use undertaking-specific parameters.

### **E.2.2. Minimum Capital Requirement**

The Company’s minimum capital requirement (MCR) amounted to €3.845 K at 31st December 2021. The MCR calculation is based on the net value of technical provisions and the capital at risk. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively.

## F. APPENDIX I – INDEPENDENT AUDITOR’S REPORT

Translation from the original text in Greek]

### Independent auditor’s report

To the Board of Directors of “Credit Agricole Life S.A.”

We have audited the following SII Regulatory Financial Information, the Quantitative Reporting Templates (QRT’s) prepared in accordance with the European Union Delegated Act 2015/2452 , which comprise of Balance sheet (template S.02.01.02), Technical provisions (template S.12.01.02), Own Funds (template S.23.01.01) and Other Information (templates S.25.01.21, S.28.02.01), (the “SII Regulatory Financial Information”), incorporated in the Solvency and Financial Condition Report (the “SFCR”) of “Credit Agricole Life S.A.” (the “Company”) as of 31 December 2021.

The SII Regulatory Financial Information is prepared by management in accordance with the regulatory requirements and the methodology as described in the Introduction, Chapter D and Chapter E sections E.1 and E.2 of the attached “Solvency and Financial Condition Report” and in accordance with Greek Law 4364/2016.

### Responsibilities of Management for the Solvency II Regulatory Financial Information

Management is responsible for the preparation and presentation of the SII Regulatory Financial Information in accordance with the regulatory requirements and the methodology, as described in the Introduction, Chapter D and Chapter E sections E.1 and E.2, of the attached “Solvency and Financial Condition Report” and in accordance with Greek Law 4364/2016, and for such internal control as management considers necessary to enable the preparation of SII Regulatory Financial Information that is free from material misstatement, whether due to fraud or error.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the SII Regulatory Financial Information. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B’/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the SII Regulatory Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts of the SII Regulatory Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the SII Regulatory Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the SII Regulatory Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of methodology used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the SII Regulatory Financial Information

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the SII Regulatory Financial Information as of 31 December 2021, incorporated in the Company's "Solvency and Financial Condition Report" as of 31 December 2021, has been prepared, in all material respects, in accordance with the provisions and requirements of Greek Law 4364/2016 and the methodology described in Introduction, Chapter D and Chapter E sections E.1 and E.2 in the "SFCR".

## Emphasis of Matter

Without qualifying our opinion, we draw your attention to the subsection A.1.1 of the attached 'Solvency Financial Condition Report' where it is referenced (a) to the 03 March 2022 decision of the shareholder of the Company (Credit Agricole Assurances) not to proceed at the time being, to further actions to sale the Company or transfer its portfolio, but to continue managing the Company on a runoff basis (b) to the estimated impact of the above decision to the insurance reserves, equity capital and solvency ratios of the Company and (c) to the actions of the shareholder until the end of 2022, in order to maintain the regulatory capital of the Company at a level higher than the minimum required according to Solvency II. The above denote the uncertainty that exists regarding the capital adequacy of the Company until the completion of the required actions from the shareholder.

## Basis of Preparation and Restriction of use

We draw your attention to the Introduction, Chapter D and Chapter E sections E.1 and E.2 of the "Solvency and Financial Condition Report", which describes the regulatory provisions and methodology for the preparation of the SII Regulatory Financial Information, which have been prepared to assist the company's management in fulfilling its obligations in accordance with Law 4364/2016. As a result, the SII Regulatory Financial Statements and our Audit opinion on these may not be suitable for any other purpose. This Audit report is intended solely for use by the Company's management to fulfill its regulatory obligations and should therefore not be used by other parties.

## Other Matters

1. The Department of Private Insurance Supervision of the Bank of Greece, as the Supervisory Authority, in accordance to Law 4364/2016, may request the modification or revision of published Company reports or the publication of additional information, as well as other actions taken by management. The preparation of the "Solvency and Financial Condition Report", as well as our audit procedures, has been conducted on the assumption that there are no additional requirements by the Supervisory Authority.
2. Our audit of the "Solvency and Financial Condition Information" does not constitute a statutory audit of the Company's Financial Statements for the year ended 31 December 2021 and therefore we do not express an opinion on these Financial Statements.



3.

Athens, 25 July 2022

The Certified Auditor



## G. APPENDIX II – Quantitative Reporting Templates

<b>S.02.01.02</b>	
<b>Balance sheet</b>	
	<b>Solvency 2 value</b>
	<b>C0010</b>
<b>Assets</b>	
Intangible assets	R0030 0
Deferred tax assets	R0040 0
Pension benefit surplus	R0050 0
Property, plant & equipment held for own use	R0060 70
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 129.222
Property (other than for own use)	R0080 0
Holdings in related undertakings, including participations	R0090 0
Equities	R0100 2.201
Equities - listed	R0110 2.201
Equities - unlisted	R0120 0
Bonds	R0130 69.899
Government Bonds	R0140 23.906
Corporate Bonds	R0150 45.993
Structured notes	R0160 0
Collateralised securities	R0170 0
Collective Investments Undertakings	R0180 57.122
Derivatives	R0190 0
Deposits other than cash equivalents	R0200 0
Other investments	R0210 0
Assets held for index-linked and unit-linked contracts	R0220 7.732
Loans and mortgages	R0230 0
Loans on policies	R0240 0
Loans and mortgages to individuals	R0250 0
Other loans and mortgages	R0260 0
Reinsurance recoverables from:	R0270 1.186
Non-life and health similar to non-life	R0280 0
Non-life excluding health	R0290 0
Health similar to non-life	R0300 0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 1.186
Health similar to life	R0320 0
Life excluding health and index-linked and unit-linked	R0330 1.186
Life index-linked and unit-linked	R0340 0
Deposits to cedants	R0350 0
Insurance and intermediaries receivables	R0360 340
Reinsurance receivables	R0370 2.591
Receivables (trade, not insurance)	R0380 63
Own shares (held directly)	R0390 0
in	R0400 0
Cash and cash equivalents	R0410 71
Any other assets, not elsewhere shown	R0420 76
<b>Total assets</b>	<b>R0500 141.353</b>

	Solvency II value	
		C0010
<b>Liabilities</b>		
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	112.223
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	112.223
TP calculated as a whole	R0660	18.394
Best Estimate	R0670	92.824
Risk margin	R0680	1.005
Technical provisions – index-linked and unit-linked	R0690	14.103
TP calculated as a whole	R0700	6.276
Best Estimate	R0710	7.743
Risk margin	R0720	84
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	377
Pension benefit obligations	R0760	51
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	0
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	38
Insurance & intermediaries payables	R0820	399
Reinsurance payables	R0830	1.540
Payables (trade, not insurance)	R0840	394
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	933
<b>Total liabilities</b>	R0900	130.058
<b>Excess of assets over liabilities</b>	R1000	11.295

S.05.01.02										
Premiums, claims and expenses by line of business										
		Line of Business for: <b>non-life insurance and reinsurance obligations (direct business and accepted proportional</b>								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
<b>Premiums written</b>										
Gross - Direct Business	R0110									
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140									
Net	R0200									
<b>Premiums earned</b>										
Gross - Direct Business	R0210									
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240									
Net	R0300									
<b>Claims incurred</b>										
Gross - Direct Business	R0310									
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400									
<b>Changes in other technical provisions</b>										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers'share	R0440									
Net	R0500									
<b>Expenses incurred</b>	R0550									
<b>Other expenses</b>	R1200									
<b>Total expenses</b>	R1300									

		Line of Business for: <b>non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)</b>			Line of business for: <b>accepted non-proportional reinsurance</b>			Total	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
<b>Premiums written</b>									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
<b>Premiums earned</b>									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
<b>Claims incurred</b>									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								
Net	R0400								
<b>Changes in other technical provisions</b>									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers'share	R0440								
Net	R0500								
<b>Expenses incurred</b>	R0550								
<b>Other expenses</b>	R1200								
<b>Total expenses</b>	R1300								

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
<b>Premiums written</b>									
Gross	R1410	5.821	21	2.248					8.089
Reinsurers' share	R1420	3	0	2.030					2.033
Net	R1500	5.818	21	218					6.056
<b>Premiums earned</b>									
Gross	R1510	5.824	21	2.253					8.097
Reinsurers' share	R1520	3	0	2.030					2.033
Net	R1600	5.821	21	223					6.064
<b>Claims incurred</b>									
Gross	R1610	18.052	7.209	-23					25.238
Reinsurers' share	R1620	0	0	-172					-172
Net	R1700	18.052	7.209	149					25.410
<b>Changes in other technical provisions</b>									
Gross	R1710	10.163	7.696	22					17.881
Reinsurers' share	R1720	0	0	0					0
Net	R1800	10.163	7.696	22					17.881
<b>Expenses incurred</b>	R1900	1.637	363	1.560					3.560
<b>Other expenses</b>	R2500								
<b>Total expenses</b>	R2600								3.560

**S.05.02.01**
**Premiums, claims and expenses by country**

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		R0010	C0080	C0090	C0100	C0110	C0120	C0130
<b>Premiums written</b>								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200							
<b>Premiums earned</b>								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
<b>Claims incurred</b>								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400							
<b>Changes in other technical provisions</b>								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers'share	R0440							
Net	R0500							
<b>Expenses incurred</b>	R0550							
<b>Other expenses</b>	R1200							
<b>Total expenses</b>	R1300							
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		R1400	C0220	C0230	C0240	C0250	C0260	C0270
<b>Premiums written</b>								
Gross	R1410	8.089						8.089
Reinsurers' share	R1420	2.033						2.033
Net	R1500	6.056						6.056
<b>Premiums earned</b>								
Gross	R1510	8.097						8.097
Reinsurers' share	R1520	2.033						2.033
Net	R1600	6.064						6.064
<b>Claims incurred</b>								
Gross	R1610	25.238						25.238
Reinsurers' share	R1620	-172						-172
Net	R1700	25.410						25.410
<b>Changes in other technical provisions</b>								
Gross	R1710	17.881						17.881
Reinsurers' share	R1720	0						0
Net	R1800	17.881						17.881
<b>Expenses incurred</b>	R1900	3.560						3.560
<b>Other expenses</b>	R2500							0
<b>Total expenses</b>	R2600							3.560

**S.12.01.02**  
**Life and Health SLT Technical Provisions**

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)		
		Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees					
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
<b>Technical provisions calculated as a whole</b>	R0010	14.949	6.276			3.444				24.669
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020									
<b>Technical provisions calculated as a sum of BE and RM</b>										
<b>Best Estimate</b>										
<b>Gross Best Estimate</b>	R0030	92.046		7.743	0		778	0		100.567
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0					-1.402	0		-1.402
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	92.046		7.743			2.181	0		101.970
<b>Risk Margin</b>	R0100	1.005	84			0				1.089
<b>Amount of the transitional on Technical Provisions</b>										
Technical Provisions calculated as a whole	R0110	14.949	6.276			3.444				24.669
Best estimate	R0120	92.046		7.743	0		778	0		100.567
Risk margin	R0130	1.005	84			0				1.089
<b>Technical provisions - total</b>	R0200	108.000	14.103			4.223				128.326

	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	Contracts without options and guarantees	Contracts with options or guarantees				
	C0160	C0170	C0180	C0190	C0200	C0210
<b>Technical provisions calculated as a whole</b>	R0210					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0220					
<b>Technical provisions calculated as a sum of BE and RM</b>						
<b>Best Estimate</b>						
<b>Gross Best Estimate</b>	R0030					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080					
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090					
<b>Risk Margin</b>	R0100					
<b>Amount of the transitional on Technical Provisions</b>						
Technical Provisions calculated as a whole	R0110					
Best estimate	R0120					
Risk margin	R0130					
<b>Technical provisions - total</b>	R0200					

S.22.01.21

Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	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 provisions	R0010	126.326	0	0	130	0
Basic own funds	R0020	11.295	0	0	-132	0
Eligible own funds to meet Solvency Capital Requirement	R0050	11.295	0	0	-132	0
Solvency Capital Requirement	R0090	8.545	0	0	22	0
Eligible own funds to meet Minimum Capital Requirement	R0100	11.295	0	0	-132	0
Minimum Capital Requirement	R0110	3.845	0	0	10	0

S.23.01.01 Own funds		Total	Tier 1 - unrestrict ed	Tier 1 - restrict ed	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	13.100	13.100			
Share premium account related to ordinary share capital	R0030	69.901	69.901			
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	-71.707	-71.707			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	0				
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					
<b>Total basic own funds after deductions</b>	R0290	11.295	11.295			
<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 first subparagraph of 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					
<b>Total ancillary own funds</b>	R0400					
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	R0500	11.295	11.295			
Total available own funds to meet the MCR	R0510	11.295	11.295			
Total eligible own funds to meet the SCR	R0540	11.295	11.295			
Total eligible own funds to meet the MCR	R0550	11.295	11.295			
<b>SCR</b>						
	R0580	8.545				
<b>MCR</b>						
	R0600	3.845				
<b>Ratio of Eligible own funds to SCR</b>	R0620	1,32				
<b>Ratio of Eligible own funds to MCR</b>	R0640	2,94				
<b>Reconciliation reserve</b>						
Excess of assets over liabilities	R0700	11.295				
Own shares (held directly and indirectly)	R0710	0				
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	83.001				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0				
<b>Reconciliation reserve</b>	R0760	-71.707				
<b>Expected profits</b>						
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,49				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780					
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	1,49				



S.25.01.21			
Solvency Capital Requirement - for undertakings on Standard Formula			
	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0100
Market risk	R0010 6.594		
Counterparty default risk	R0020 93		
Life underwriting risk	R0030 3.510		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050		
Diversification	R0060 -1.960		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	<b>R0100 8.238</b>		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 591		
Loss-absorbing capacity of technical provisions	R0140 -284		
Loss-absorbing capacity of deferred taxes	R0150 0		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	<b>R0200 8.545</b>		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	<b>R0220 8.545</b>		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		

**S.28.02.01**
**Minimum capital Requirement - Both life and non-life insurance activity**

	Non-life activities		Life activities	
	MCR <sub>(NL,NL)</sub>	MCR <sub>(NL,L)</sub>		
	Result	Result		
	C0010	C0020		
<b>Linear formula component for non-life insurance and reinsurance obligations</b>	R0010	0		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0030	C0040
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0050	C0060
Medical expense insurance and proportional reinsurance			R0020	
Income protection insurance and proportional reinsurance			R0030	
Workers' compensation insurance and proportional reinsurance			R0040	
Motor vehicle liability insurance and proportional reinsurance			R0050	
Other motor insurance and proportional reinsurance			R0060	
Marine, aviation and transport insurance and proportional reinsurance			R0070	
Fire and other damage to property insurance and proportional reinsurance			R0080	
General liability insurance and proportional reinsurance			R0090	
Credit and suretyship insurance and proportional reinsurance			R0100	
Legal expenses insurance and proportional reinsurance			R0110	
Assistance and proportional reinsurance			R0120	
Miscellaneous financial loss insurance and proportional reinsurance			R0130	
Non-proportional health reinsurance			R0140	
Non-proportional casualty reinsurance			R0150	
Non-proportional marine, aviation and transport reinsurance			R0160	
Non-proportional property reinsurance			R0170	

	Non-life activities		Life activities	
	MCR <sub>(L,NL)</sub>	MCR <sub>(L,L)</sub>		
	Result	Result		
	C0070	C0080		
<b>Linear formula component for life insurance and reinsurance obligations</b>	R0200	4.277		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0090	C0100
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0110	C0120
Obligations with profit participation - guaranteed benefits			R0210	106.711
Obligations with profit participation - future discretionary benefits			R0220	284
Index-linked and unit-linked insurance obligations			R0230	14.019
Other life (re)insurance and health (re)insurance obligations			R0240	3.036
Total capital at risk for all life (re)insurance obligations			R0250	259.702
<b>Overall MCR calculation</b>		C0130		
Linear MCR	R0300	4.277		
SCR	R0310	8.545		
MCR cap	R0320	3.845		
MCR floor	R0330	2.136		
Combined MCR	R0340	3.845		
Absolute floor of the MCR	R0350	3.700		
<b>Minimum Capital Requirement</b>	R0400	3.845		
<b>Notional non-life and life MCR calculation</b>		Non-life activities	Life activities	
		C0140	C0150	
Notional linear MCR	R0500	0	4.277	
Notional SCR excluding add-on (annual or latest calculation)	R0510	0	8.545	
Notional MCR cap	R0520	0	3.845	
Notional MCR floor	R0530	0	2.136	
Notional Combined MCR	R0540	0	3.845	
Absolute floor of the notional MCR	R0550	2.500	3.700	
Notional MCR	R0560	2.500	3.845	

**Legal information**

**Crédit Agricole AAEZ.** with capital 13.099.996,00 Euro

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