SOGECAP GROUP 2020

Solvency and Financial Condition Report

SOCIETE GENERALE Assurances

SOLVENCY AND FINANCIAL CONDITION REPORT

Financial Year 2020

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LIST OF ABBREVIATIONS

The following table lists this document's frequently-used acronyms:

Acronym	Description
ACPR	*Autorité de Contrôle Prudentiel et de Résolution* (the French Prudential Supervisory Authority)
ALM	Asset Liability Management
AMSB	Administrative, Management or Supervisory Body
AVM	Alternative Valuation Method
ECB	European Central Bank
BE	Best Estimate: best estimate technical provisions under Solvency 2
BSCR	Basic Solvency Capital Requirement
CACIR	*Comité d'Audit, de Contrôle Interne et des Risques* (the Audit, Internal Control and Risk Committee)
CIC	*Complementary Identification Code*: EIOPA code used for classifying securities under Solvency 2
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ESG	Economic Scenario Generator
IAS / IFRS	International Accounting Standards / International Financial Reporting Standards
IBNR	Incurred But Not yet Reported
KPI	Key Performance Indicators
LAT	Liability Adequacy Test as specified by IFRS standards
LoB	Line of Business: defined according to the Solvency 2 standard
MCR	Minimum Capital Requirement

Acronym	Description
REITS	Real Estate Investment Trust
UCITS	Undertaking for Collective Investment in Transferable Securities
ORSA	Own Risk and Solvency Assessment
PERP	Plan d'Epargne Retraite Populaire (Individual retirement plan – French legislation)
QMP	Quoted Market Price
QRT	Quantitative Reporting Template: Solvency 2 quantitative reporting template
RFF	Ring Fenced Fund: as defined by the Solvency 2 Directive
RM	Risk Margin
SCR	Solvency Capital Requirement
C/P	Ratio of claims costs to premiums
SST	Solvency and Stress Test
SII	Solvabilité 2
UL	Unit-Linked contracts
VA	Volatility Adjustment

SUMMARY

The Solvency 2 regulation, which entered into force on 1 January 2016, applies to all insurance groups and companies established within the European Union. The purpose of the solvency and financial condition report is to present all the public prudential and financial information required. It consists of the five parts specified by the regulation.

The report was presented to the Audit Committee and approved by Sogecap's Board of Directors.

COVID-19 IMPACTS

The public health crisis triggered by the worldwide spread of the Covid-19 virus at the beginning of 2020, quickly morphed into a global crisis with strong impacts on financial markets and real economy. The outcome of this crisis is still genuinely uncertain and its financial and social impacts remain difficult to quantify in the long-run.

In this unprecedented situation, Sogecap group has ensured continuity of all activities and pursued its business development strategy despite the broad-based economic slowdown. In Savings life insurance business, the level of premiums decreased by 32% in 2020 compared with 2019 and reached € 9.5 billion, with as sharp increase (+7 pts) in the share of unit-linked policies to 44%. Net inflows were negative in 2020 (€ -697 milllion), following the overall trend observed throughout the market, both in France and abroad. In Protection business, activity growth has been dampened by the health crisis consequences and the level of premiums at group level remained stable compared with 2019 at € 1.8 billion. In France, activity increased by 5% on personal protection and by 9% on property & casualty insurance, when abroad personal protection business decreased by 23%.

From the beginning of the crisis, Sogecap group has demonstrated its commitment of responsible insurer being fully mobilised to support stakeholders affected by the crisis. In France, to support its policyholders and the French economy, the group has adopted a series of exceptional measures, thus asserting its willingness to contribute to the national solidarity effort. All these measures are the following:

- contribution of €14 million to the solidarity funds implemented by the public authorities, dedicated to VSB and SMB, artisans and shopkeepers
- package of extra-contractual and supportive measures for its most impacted clients, in particular to support its professionals' policyholders (€ 3.6 million) as well as medical staff
- participation up to € 75 million to the insurers Investments program to the benefit of ETIs and SMB and of the health and tourism sectors to support the French economy recovery.

In terms of solvency, brutal economic slowdown had significant impacts on financial markets, notably during first half of 2020, deteriorating the unfavorable environment due to persisting low, even negative interest rates. In this context, Sogecap group's solvency ratio reaches 195% at year-end 2020, down 46 pts compared with year-end 2019.

Business and Performance

Sogecap group is a core component of the Société Générale Group's strategy, in synergy with all the retail banking, private banking and financial services business lines, in France and abroad. Sogecap group also pursues the expansion of its distribution model through the development of external partnerships.

Operating in France with Sogecap, Antarius, Sogessur and Oradéa Vie, and in eight countries outside France, the Sogecap Group offers a complete range of products and services meeting the needs of individual, professional and corporate clients with regard to Savings life insurance, Retirement Savings, Personal Protection and Property & Casualty.

The following table presents the key business indicators from the Sogecap Group's consolidated financial statements:

(In millions of Euros)	2020	2019
Revenue	11,353	15,736
Technical result	783	776
Net income group share	470	432
Financial investments (fair value)	165,123	162,157
Consolidated own funds	3,604	3,460
SII available own funds	**9,073**	**9,475**

The Sogecap group's revenue amounted to € 11.3 billion at 31 December 2020, down 28% compared with 2019 (€15.7 billion).

- **in Savings life insurance**, group revenue decreased by 32% en 2020 compared with 2019 to € 9.5 billion. In France, gross written premiums amount to € 7.3 billion, down 34%, but the share of unit-linked policies increases by 7 pts to 41%. Abroad, gross written premiums amount to € 2.2 billion, decreasing by 24% compared with 2019 where Sogelife, main foreign entity of the group on this line of business, recorded a significant net inflow.
- **in Personal protection**, turnover was € 1.1 billion and decreased by 5% compared with 2019. In France, activity has grown up by 4% to €0.8 billion. Growth was driven by credit life insurance and individual personal protection with premiums increasing respectively by 3% and 4%. However, turnover of foreign entities decreased by 23% compared with 2019 to € 0.3 billion. Activity slowdown notably impacted Russian subsidiary (-24%) and Sogecap branches (-9%).
- **in Property & Casualty insurance,** turnover reached € 0.7 billion, up 9% compared with 2019. In France, Sogessur earned premiums represent € 540 million in 2020, increasing by 12% compared with 2019. This growth notably arises from the good momentum of contracts distributed by partners within Société Générale group (CGI Finance and ALD) and to fleet car insurance with external partners and to home insurance. Abroad, earned premiums remained stable.

Net result - group share reached € 470 million, up € 38 million in comparison with 2019 year-end.

Governance

Sogecap Group's system of governance is tailored to its entities' lines of business both in France and abroad. In order to properly manage the risks to which the group and its entities are exposed, a comprehensive risk management and internal control system is implemented. It allows a regular and responsive management of significant risks. This system is based on information and tools which are likely to provide appropriate risk management and analysis.

No major changes were made during 2020 to the Sogecap group and to its subsidiaries' systems of governance.

Risk profile

Sogecap Group pursues its insurance activity through distribution and inward reinsurance of a wide range of savings life insurance, personal protection and property & casualty contracts. Savings life insurance business being predominant within the activity and balance sheet of Sogecap Group, market risks arising from investments backing related insurance liabilities are the most significant risk exposure. Among market risks, Sogecap Group is sensitive to shocks on interest rates, equity and credit spread. Still related to savings life insurance business, the lapse risk, part of life underwriting risk, is also significant.

At 2020 year-end, the impacts of public health crisis on the activities of Sogecap group have not led to material change on its risk profile compared with 2019 year-end.

Valuation of the economic balance sheet

General principles applied for the valuation of assets and liabilities comply with Solvency 2 Directive, Delegated Acts 2015/35 and the ACPR guidelines. Thus, assets and liabilities are valued at their economic value.

Group's Solvency 2 balance sheet, drawn up from the consolidated statutory balance sheet, is the core component of Solvency 2 prudential environment. It provides the basis for determining level of own funds and calculating the capital requirements (SCR and MCR). The difference between net asset value of Solvency 2 balance sheet and net asset value of statutory balance sheet mainly correspond to unrealized gains and losses on financial investments, valuation differences of insurance liabilities and cancellation of goodwill and value of purchased business in force.

The Delegated Acts 2019/981 of March 8, 2019 resulting from the first revision of Solvency 2, introduced notably some simplification measures, corrections of technical errors and new measures aiming at removing major constraints to the financing of the economy. For Sogecap group's entities, these new measures had no impact on the valuation of the economic balance sheet compared with previous year.

Capital management

Sogecap group manages the level of its Solvency 2 own funds in order to comply permanently with its solvency capital requirements.

To assess its capital requirements, Sogecap group applies the EIOPA Standard formula and the consolidation method 1 (recognition of the diversification benefits at group level).

At 2020 year-end and at 2019 year-end, group's available own funds include statutory capital of Sogecap, reconciliation reserve (retained earnings and future margins, net of foreseeable dividends), subordinated debts, surplus funds and minority interests available at group level. At 2020 year-end, available own funds also include Sogecap's deferred tax assets recognized in the Solvency 2 balance sheet.

All available own funds are eligible to cover the SCR at 2020 year-end. However, €1,130 million of Tier 2 subordinated debts are not eligible to cover the MCR due to the application of limitation rules by tier.

(In millions of Euros, other than %)	2020	2019
Eligible own funds to meet the SCR	9,073	9,475
SCR	4,651	3,939
SCR coverage ratio	**195%**	**241%**
Eligible own funds to meet the MCR	7,301	8,308
MCR	2,204	1,882
MCR coverage ratio	**331%**	**441%**

With a SCR coverage ratio of 195% at December 31, 2020, down 46 points compared with 2019 year-end, Sogecap group complies with regulatory solvency requirements. In 2020, even more than in 2019, significantly low or negative interest rates environment strongly weighs in on own funds as well as on group's capital requirements, determined in application of Solvency 2 standard formula.

In this context, eligible own funds decrease by € 402 million compared with previous closing. This evolution is mainly due to the decrease of future margins and to a dividend payout at the end of 2020, partially offset by surplus funds' increase. The SCR increases by € 712 million and reaches € 4,651 million at 2020 year-end, reflecting unfavourable market conditions which lead to an increase in capital requirements, particularly for market and life underwriting risks.

A – BUSINESS AND PERFORMANCE

1 – BUSINESS

1.1 GENERAL INFORMATION ABOUT THE PARENT COMPANY

Sogecap, the parent company of the Sogecap Group, is a wholly-owned subsidiary of the Société Générale Group. It is a French-law Life Insurance limited liability company with paid-up share capital of 1,518,491,700 Euros. Its registered office is at Tour D2 - 17 bis place des Reflets – 92919 Paris La Défense Cedex – France. Sogecap is registered with the Nanterre Register of Business and Companies under number 086 380 730.

1.2 SUPERVISORY AUTHORITY

The Sogecap group is subject to supervision by the French Prudential Supervisory Authority (ACPR), whose registered office is at 4, place de Budapest, 75009 Paris, France.

1.3 EXTERNAL AUDITORS

The Sogecap Group's financial statements are the subject of a legal audit by two statutory auditors. These are appointed by the General Shareholders' Meeting for 6-year terms.

Deloitte & Associés	6 place de la Pyramide 92908 – Paris La Défense
Ernst &Young Audit	1/2, place des Saisons 92400 Courbevoie – Paris-La-Défense 1
Deputy: Picarle et Associés	1, place des Saisons 92400 Courbevoie – Paris-La-Défense 1

1.4 CONSOLIDATION SCOPE OF SOGECAP GROUP

Sogecap is the parent company of the Sogecap group, which comprises the Société Générale group's insurance companies. Each of Sogecap's international subsidiaries is held jointly by Sogecap and the Société Générale group's local retail bank. Sogecap and Sogessur also operate through their respective branches in Germany, Italy, Poland and Romania.

The following table lists the insurance companies consolidated in the Sogecap prudential group as of 31 December 2020:

Companies	Country	% interest 2020	% interest 2019
Sogecap	France	100,00%	100,00%
Branch: Société Générale Insurance Germany	Germany		
Branch: Société Générale Insurance Italy	Italy		
Branch: Société Générale Insurance Poland	Poland		
Antarius	France	50,00%	50,00%
Oradéa Vie	France	100,00%	100,00%
Sogessur	France	100,00%	100,00%
Branch: Société Générale Insurance Germany	Germany		
Branch: Société Générale Insurance Italy	Italy		
Branch: Société Générale Insurance Poland	Poland		
Branch: Société Générale Insurance Romania	Romania		

Companies	Country	% interest 2020	% interest 2019
Sogelife	Luxembourg	60,14%	60,14%
La Marocaine Vie	Morocco	50,98%	50,98%
Komercni Pojistovna	Czech Rep.	51,00%	51,00%
BRD Asigurari de Viata	Romania	51,00%	51,00%
Société Générale Strakhovanie CSJC	Russia	81,00%	81,00%
Société Générale Strakhovanie Zhizni LLC	Russia	81,00%	81,00%
UIB Assurances [1]	Tunisia	51,00%	-

(1) Subsidiary created in 2020. Underwriting activity not yet launched.

The scope of the Sogecap prudential group, as of 31 December 2020, differs from the group's consolidated scope for the consolidated financial statements prepared according to French accounting standards. The main differences are as follows:

- The companies consolidated by full integration in the consolidated financial statements that do not exercise an insurance activity are consolidated using the equity method in the group prudential balance sheet. These are the real estate companies SGI Holding SIS, BG1 SA and the pension fund company in Romania (BRD societate de administrare a fondurilor de pensii Private SA).

1.5 SIGNIFICANT INTRA-GROUP TRANSACTIONS AND OPERATIONS

The significant intra-group transactions and operations carried out within the Sogecap group are as follows:

- financing the subsidiaries through subordinated debts subscribed by Sogecap. As of 31 December 2020, the subordinated debts issued by Sogessur, Sogelife Luxembourg, Oradea Vie and Antarius, and contracted by Sogecap amounted to €527 million;
- dividends paid to Sogecap by its subsidiaries for profits from the previous financial year or on an exceptional basis;
- internal re-invoicing relating in particular to cost sharing;
- proportional reinsurance treaties concluded between some entities in the group. As of 31 December 2020, the major treaties were:

Cedant	Reinsurer	Object of the treaty
Sogelife Luxembourg	Sogecap	Saving commitments in euros
Oradéa Vie	Sogecap	Saving commitments in euros
Komercni Pojistovna	Sogelife Luxembourg	Saving commitments in USD
Komercni Pojistovna	Sogecap	Saving commitments in euros
Sogecap	Oradéa Vie	Death, Permanent/Temporary Disability Cover in borrower policies

1.6 BUSINESS OF THE SOGECAP GROUP

Through its French and international subsidiaries, the Sogecap group offers a complete range of products in two large business sectors, namely savings life insurance and protection, in order to meet the needs of its private, professional and business clients.

SAVING LIFE INSURANCE	**SAVING LIFE INSURANCE** • Life insurance • Capitalisation	**PENSION SAVINGS** • Annuities • Corporate retirement schemes • Pension funds
PROTECTION	**PERSONAL PROTECTION** • Term life insurance • Funeral insurance • Dependency insurance • Life accident insurance **PROPERTY & CASUALTY** • Car insurance • Home insurance • Multi-risk insurance for professionals	**HEALTH INSURANCE** • Individual health insurance • Group health insurance **CREDIT LIFE INSURANCE** **GROUP LIFE INSURANCE** **OTHER RISKS** • Legal expenses insurance • Loss of employment insurance • Means of payment insurance

The subsidiaries of the Sogecap group distribute their products in synergy with the various Société Générale group business lines and with their partners from outside the group.

The French and international distribution partners within the Société Générale group are:

- retail banks;
- private banks;
- financial services companies, such as consumer credit institutions or fleet managers.

The French and international distribution partners external to the Société Générale group are mainly:

- platforms and groups of independent wealth management advisors;
- private banks;
- investment platforms;
- brokers-wholesalers;
- financial services companies;
- real estate loan and borrowers' insurance brokers.

The Sogecap Group holds strong positions in its main markets:

- 6th largest life insurer and 5th largest bancassurer in France;
- 9th largest life insurer in Luxembourg;
- 1st largest life insurer in the Czech Republic;
- 3rd largest life insurer in Morocco;
- 3rd largest life insurer in Romania.

The following table gives the revenue (excluding intra-group inwards) of the entities consolidated by full integration in the prudential balance sheet by business segment for 2020 and 2019:

	2020			2019		
(In millions of Euros)	Savings	Protection	Total	Savings	Protection	Total
Sogecap	5,409	777	6,186	8,614	791	9,405
Antarius	1,006	44	1,050	1,464	44	1,508
Oradea Vie	936	20	955	984	16	1,000
Sogessur	-	747	747	-	672	672
Sogelife Luxembourg	1,716	-	1,716	2,328	-	2,328
Komercni Pojistovna	235	47	283	275	48	323
La Marocaine Vie	165	34	199	176	34	210
Société Générale Strakhovanie Zhizni	42	112	154	59	148	207
Société Générale Strakhovanie CSJC	-	12	12	-	21	21
BRD Asigurari de viata	25	25	51	36	26	62
Total prudential group scope	**9,534**	**1,818**	**11,353**	**13,936**	**1,800**	**15,736**

2 – UNDERWRITING PERFORMANCE

The following table gives the technical result of the Sogecap group, for the reference financial year and the previous financial year, drawn up in accordance with the consolidation and presentation rules laid out in regulation no. 2000-05 of the French Accounting Regulation Committee (*Comité de la Réglementation Comptable:* CRC) of 7 December 2000.

The technical result comprises all the elements contributing to the underwriting performance, particularly investment revenues, whereas it is not the case in the QRT S.05.01.02 – Premiums, claims and expenses by line of business, presented in an appendix to this report.

	2020	2019
(In millions of euros)	Consolidated financial statements	Consolidated financial statements
Gross written premiums	**11,417**	**15,846**
Gross premiums earned	**11,353**	**15,736**
Net financial income	2,636	2,844
Unit-linked value adjustment	498	4,388
Net financial income	**3,134**	**7,232**
Claims charges	-11,101	-10,236
Change in other technical provisions	534	-8,550
Policyholders 'participation	-1,730	-1,996
Insurance services expenses	**-12,296**	**-20,782**
Acquisition and administration expenses	-1,457	-1,435
Costs and income net of reinsurance cessions	-41	-54
Other technical income and expenses	89	79
Net technical result	**783**	**776**

The technical result presented in this table corresponds to the consolidated financial statement of the Sogecap group, in which all the group's entities are consolidated by full integration.

Sogecap group's turnover reaches € 11.3 billion at 31 December 2020, down 28% compared with 2019 (€15.7 billion). In 2020, the contribution of international operations within the group represents 27% in Personal Protection , 26% in Property & Casualty insurance and 23% in Savings Life insurance.

Savings life insurance activity

In France, gross written premiums amount to € 7.3 billion in 2020, down 34% compared with 2019. In the context of uncertainty due to public health crisis coupled with lockdown periods, new inflows in savings life insurance were significantly dampened. For the three life insurance entities, premiums on euro denominated policies decreased by 40% to € 4.3 billion. Premiums related to unit-linked policies decreased to a lesser extent (-18%) to €3.0 billion. The share of unit-linked policies in premiums written increased by 7 pts compared with 2019 to 41%. The decline of activity results both from the slowdown of production with retail banking partners of Société Générale group and from the decrease of premiums on corporate contracts (one-off exceptional net inflow related to a new contract underwritten in 2019).

On the scope of foreign entities, none of domestic markets was spared by crisis impacts, leading to a decrease of 24% of premiums written in savings life insurance, to € 2.2 billion at 2020 year-end. For Sogelife, main foreign entity of the group on this line of business, turnover decreased by 26% compared with 2019, where the company recorded a significant net inflow. However, the share of unit-linked policies in the total turnover increased by 6 pts to 57%.

Personal Protection activity

In France, Personal Protect premiums grew by +4% compared with 2019 to reach €0,8 billion. Growth was driven by credit life insurance and individual personal protection with premiums increasing respectively by 3% and 4%.

Abroad, the activity decreased by 23% compared with 2019 to € 0.3 billion. Activity slowdown notably impacted Russian subsidiary (-24%) and Sogecap branches (-9%).

Property & Casualty Insurance activity

In France, Property & Casualty insurance is borne exclusively by Sogessur. Earned premiums reached € 540 million at the end of 2020, up 12% compared with 2019. This growth notably arises from the good momentum of contracts distributed by partners within Société Générale group (CGI Finance and ALD) and to fleet car insurance with external partners and to home insurance.

Outside France, turnover remained stable at € 187 million. The sharp decrease of activity in Russia (-53%) was offset by growth in other countries (Germany, Czech Republic, Poland and Italy).

Insurance services expenses were €12,3 billion in 2020, up €8,5 billion compared with the previous year. This change is primarily attributable to the variation of technical provisions notably related to savings life insurance. While in 2019, activity growth and rise in financial markets were significant, mathematical reserves of both euro denominated and unit-linked policies significantly increased (+ € 8.5 billion). In 2020, reserves decreased by € 0.5 billion, reflecting notably negative net inflows.

Net financial income for the Sogecap group was €3.1 billion in 2020, €4 billion lower than in 2019. This change mainly is mainly due to the revaluation impact of investments backing unit-linked contracts, which was particularly significant in 2019 with the rise of stock markets.

Acquisition and administration expenses were €1.4 billion in 2020 and remained stable compared with 2019.

Consequently, Sogecap group's technical result was €783 million for 2020, up €7 million compared with the previous year.

3 – INVESTMENT PERFORMANCE

3.1 BREAKDOWN OF THE SOGECAP GROUP'S INVESTMENTS BY ASSET CATEGORY

The following tables show the investments held by the Sogecap group by asset category, as shown in the consolidated financial statements and in the prudential balance sheet as of 31 December 2020.

(In millions of Euros)	2020			2019
	Solvency 2 balance sheet value [1]	Statutory balance sheet value [2]	Statutory balance sheet value %	Solvency 2 balance sheet value [1]
General account assets	**124,765**	**113,083**	**73,7%**	**125,357**
Sovereign bonds	39,817	34,281	22,4%	40,871
Corporate bonds	50,318	47,046	30,7%	49,839
Participations	2,133	1,555	1,0%	1,926
Equities	2,471	4,065	2,7%	2,658
Investment funds	18,868	15,301	10,0%	18,613
Structured notes	7,348	7,101	4,6%	7,712
Collateralised securities	61	61	0,0%	43
Cash and deposits	1,763	1,821	1,2%	1,780
Loans and mortgages	116	116	0,1%	129
Property	820	1,243	0,8%	870
Derivative instruments (net)	1,051	492	0,3%	916
Assets backing unit-linked contracts	**40,358**	**40,261**	**26,3%**	**36,800**
Total	**165,123**	**153,344**	**100,0%**	**162,157**

(1) Economic value
(2) Net book value

3.2 INCOME AND EXPENSES GENERATED BY THE GROUP'S INVESTMENTS

The following table presents the Sogecap group's financial result as shown in the consolidated financial statements for the current financial year and for the previous financial year.

(In millions of Euros)	2020 Consolidated financial statements	2019 Consolidated financial statements
Income from investments	3,405	3,433
Income and losses on the realization of investments	3	108
Other investment income and expenses	-767	-692
Net UL value adjustment	498	4,388
Financial income net of costs	**3,139**	**7,237**

The following table presents, by asset category for 2020 and 2019, the income generated by the investments held by the entities consolidated by full integration in the Sogecap group's Solvency 2 balance sheet:

(In millions of Euros)	2020	2019
Sovereign bonds	1,021	1,109
Corporate bonds	847	895
Equities	139	142
Investment funds	587	618
Structured notes	173	187
Collateralised securities	1	1
Cash and deposits	9	12
Loans and mortgages	4	4
Property	34	37
Derivatives	60	56
Total	**2,875**	**3,060**

The difference between the investment income figures shown in this table and those published in the consolidated financial statements comes from the accounting impacts not accounted for under Solvency 2. These consist principally of amortised discounts on bonds.

3.3 UNREALISED GAINS AND LOSSES BY ASSET CATEGORY

The following table discloses the unrealised capital gains and losses for the Sogecap group's investments by asset category. These investments are held by the insurance entities consolidated by full integration (after eliminating intra-group assets) in the group Solvency 2 balance sheet:

(in millions of Euros)	2020	2019
Sovereign bonds	5,536	5,379
Corporate bonds	3,272	2,838
Participations	578	195
Equities	- 1,595	412
Investment funds	3,567	1,335
Structured notes	247	229
Collateralised securities	- 0	-0
Cash and deposits	- 58	-
Loans and mortgages	- 0	0
Property	- 424	301
Derivatives	559	487
Total	**11,682**	**11,176**

3.4 INVESTMENT IN SECURITISATIONS

None of the Sogecap group entities held investments in securitisations as of December 31, 2020.

4 – PERFORMANCE OF THE OTHER ACTIVITIES

The following table presents the other non-technical income and costs contributing to the net result of the Sogecap group's financial statements for the preceding financial year and the previous financial year.

(In millions of Euros)	2020 Consolidated financial statements	2019 Consolidated financial statements
Technical result	**783**	**776**
Non-technical financial result	5	5
Result from other activities	6	4
Other non-technical costs and income	0	-0
Extraordinary result	-3	3
Employee profit-sharing	-13	-7
Corporate income tax	-225	-263
Amortisation of intangible assets	-28	-28
Net result for the consolidated group	**525**	**491**
Minority interest	-54	-58
Net income – group share	**470**	**432**

The net income – group share was up €38 million in 2020 compared with 2019. This change is mainly explained by the increase of the technical result and the decrease of corporate income tax resulting from the decrease of corporate income tax rate in 2020.

5 – OTHER INFORMATION

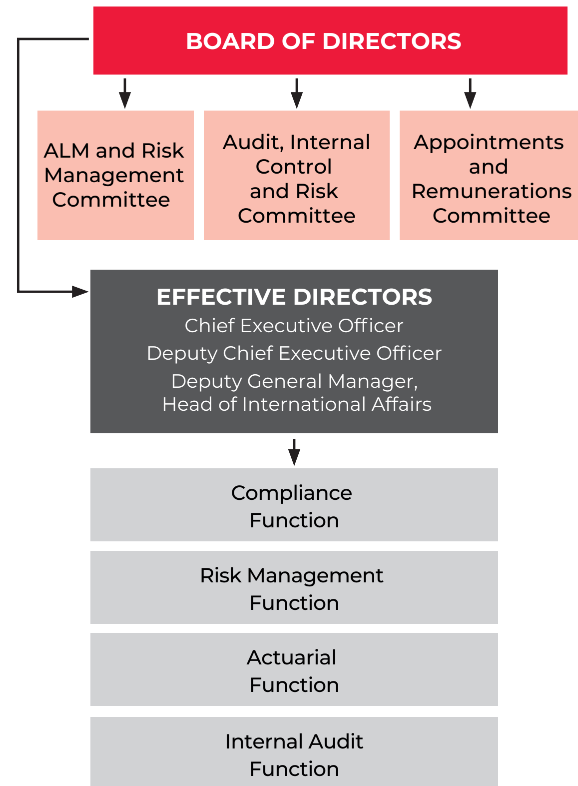
None.

B – SYSTEM OF GOVERNANCE

1 – GENERAL INFORMATION ABOUT THE SYSTEM OF GOVERNANCE

The information published in this report concerns Sogecap as the parent company of the Sogecap group.

Sogecap also, itself, exercises a life insurance business. The processes and procedures implemented as part of the system of governance are identical and equally applicable to the entity and to the group.



1.1 GOVERNANCE BODY AND KEY FUNCTIONS

1.1.1 Presentation of Sogecap's system of governance

Sogecap is a life insurance company in the form of a French limited liability company [société anonyme] with a Board of Directors.

As a French-law limited liability company, Sogecap has:

- a Board of Directors, responsible for defining the strategic directions of the company and monitoring their implementation, assisted by three specialist committees mainly comprised of Sogecap directors. Their mission consists of providing information to help the members of Sogecap's Board of Directors in their decision-making;
- an Executive Management, responsible for implementing the strategic directions decided on by the Board of Directors, and ensuring that the risks generated by the Sogecap's business activity are controlled. Executive Management of Sogecap is entrusted to two corporate officers, a Chief Executive Officer and a Deputy Chief Executive Officer.

As a company governed by the French Insurance Code [Code des assurances], and in accordance with provisions laid down with regard to governance by the Solvency 2 directive, Sogecap has appointed, for both itself and its group:

- three effective directors to satisfy the "four eyes" principle (the requirement that insurance companies are effectively managed by at least two persons);
- and four key functions.

1.1.2 The Board of Directors

Missions and duties

The Board of Directors defines the strategic directions of the Sogecap group. These directions will be implemented, under its control, by the Executive Management.

Subject to the duties expressly granted to meetings of shareholders and within the limit of the company's objects, it may deal with all questions relating to the proper running of the Sogecap group and, through its decisions, settle all matters concerning it. In this regard, the Board of Directors:

- appoints the Chairman of the Board of Directors, the Chief Executive Officer and, based on the Chief Executive Officer's recommendation, the Deputy Chief Executive Office;
- appoints the Effective Directors of Sogecap and of the Sogecap group;
- approves Sogecap's company accounts and the Sogecap group's consolidated accounts;
- proposes the allocation of the result;
- draws up the management report, including the report on the corporate governance, which will be presented to the General Shareholders' Meeting;
- approves the Own Risk and Solvency Assessment report, the Solvency and Financial Condition Report, the Regular Supervisory Report of Sogecap and of the Sogecap group, the report on the internal control on anti-money laundering and terrorist financing of Sogecap and of the Sogecap group and the report on the procedures for preparing and controlling Sogecap's accounting and financial information;
- acknowledge the Actuarial Report for Sogecap and the Sogecap group;
- validate Sogecap's risk appetite framework;
- once a year, re-examines the written policies relating to the risk management, internal control systems, as well as the fit and proper requirements policy and the remuneration policy of Sogecap and Sogecap group;
- guarantees the independence of the key functions, and, at least once a year, holds a meeting with the heads of these functions;
- convenes the Shareholders' Meetings.

Operational procedures

The Chairman of the Board of Directors organises and directs the work of the Board, whose operation is governed by rules of procedure adopted by the Board of Directors on 8 March 2012. These rules of procedure are updated as often as necessary. Last update was made on 24 April 2018.

Sogecap's Board of Directors meets when the interests of the company or its group require this, and at least four times a year, usually in April, July, October and December. Thus, in addition to the mandatory meeting to approve the annual accounts and the prudential reports, there are also meetings that are required for the development or supervision of the Sogecap group's activity.

These meetings, whose schedule is set at the end of the year, are used by the Executive Management to provide the members of the Board of Directors with information relating to the Sogecap group's strategy, development and results.

An invitation to attend, together with the meeting agenda, is sent to the directors, staff representatives and, when applicable, to the statutory auditors and the key functions.

Each participant receives a file containing the documents related to the main topics on the agenda.

Sogecap's General Secretariat is responsible for the procedures for holding the Board of Directors meetings and for producing the minutes of these meetings. The minutes of each meeting are then approved by the Chairman, who submits them for approval at the next Board meeting. They are transcribed into the minutes register and signed by the Chairman and a Director.

Composition of the Board

On 31 December 2020, Sogecap's Board of Directors had twelve members all individuals. The Board of Directors comprised seven women, accounting for 58% of the total board, and five men, accounting for 42% of the total board.

Each director is appointed for a 4-year term.

Specialised committees established by the Board of Directors

Sogecap's Board of Directors is helped in its tasks by three specialised committees, comprised mainly of directors.

Through their expertise, these committees help the Board's decision-making in accordance with the principles of risk management and good governance. These committees are:

- the **ALM and Risk Management Committee**, most of whose members are appointed for their specific expertise related to the function they exercise within the Société Générale group. This committee's main missions and powers are described in section 3.2.1;
- the **Audit, Internal Control and Risk Committee (CACIR).** This committee's main missions and duties are described in section 3.2.1;
- the **Appointments and Remunerations Committee (CONOREM).** This committee's main missions and duties are described in section 1.2.

1.1.3 Executive Management, Effective Directors and Key Functions

Executive Management

Executive Management of Sogecap is composed of:

- a **Chief Executive Officer**, Mr Philippe Perret, who is responsible for managing the company, and is vested with the broadest powers to act in all circumstances in the company's name and represent it in its relationships with third parties;
- a **Deputy Chief Executive Officer**, Mrs Mai Nguyen, whose role is to assist the Chief Executive Officer.

Effective Directors

To meet the "four eyes" principle specified by the Solvency 2 directive, Sogecap's Board of Directors appointed the following persons as effective directors:

- the two members of its Executive Management, corporate officers, namely:
  - Mr Philippe Perret, CEO of Sogecap;
  - and Mrs Mai Nguyen, Deputy CEO of Sogecap;
- and, the Deputy General Manager and Head of International activities of Sogecap. Mr Laurent Doubrovine, appointed to this position since November 2017.

Key Functions

A major component of the company's system of governance, holders of the Key Functions are appointed by the Executive Management because of their expertise and because the managerial position they exercise within the Sogecap group matches the Key Function. As a consequence, holders of the Key Functions have the authority; resources and operational independence required to successfully carry out the tasks required of them.

The Key Function Heads take part in and contribute to the various committees set up by the Board of Directors and Executive Management, and regularly attend the Board of Directors meetings to report on their work.

Thus, the Board of Directors established four Key Functions in accordance with Article L. 354-1 of the Insurance Code, and took note of the appointment by Sogecap's Executive Management of:

- Mr Daniel Jost, responsible of the Compliance Function;
- Mr Sébastien Simon, responsible of the Risk Management Function;
- Mr Antoine Taveneaux, responsible of the Actuarial Function;
- and Mr Michel Noury, responsible of the Internal Audit Function.

The following table lists the main duties assigned to the Heads of the Key Functions within the Sogecap group:

ACTUARIAL FUNCTION	RISK MANAGEMENT FUNCTION
HOLDER: ACTUARIAL SUPERVISION DIRECTOR	**HOLDER: RISKS DIRECTOR**
• Issue an opinion about the overall underwriting policy. • Issue an opinion about the suitability of the measures taken with regard to reinsurance and the risk profile. • Coordinate the calculation of the technical provisions. • Produce an actuarial report, at least yearly, for the Board of Directors covering the previous points. • Contribute to the effective implementation of the risk management system, in particular the modelling of SCR risks and the ORSA assessment. • Assess the adequacy and quality of the data used for calculating the technical provisions.	• Assist the governance bodies in implementing, running, coordinating and monitoring the risk management system. • Provide *detail* reporting on the risk exposure. • Provide monitoring of the risk profile. • Manage the ORSA procedure and include the ORSA results in the consolidated view of the risks reported to the governance body. • Identify and assess the emerging risks. • Define risk appetite framework.

INTERNAL AUDIT FUNCTION	COMPLIANCE FUNCTION
HOLDER: INTERNAL AUDIT DIRECTOR • Define the multi-year audit plan in conjunction with the CACIR. • Coordinate the internal audit activity within the Sogecap group ensure compliance with the internal audit requirements at Société Générale group level. • Present the conclusions of the internal audit missions to the governance body and notify it of the time-scales envisaged for remedying any inadequacies noted. • Monitor and implement the recommendations from prior audits.	**HOLDER: GENERAL SECRETARY** • Implement broad-spectrum standards monitoring of the insurance activities. • Identify and assess the risk of non-compliance (mapping). • Organise the compliance stream (compliance plan, monitoring incidents and actions). • Provide advice to the Board of Directors and the Executive Management.

Committees reporting to the Executive Management

Sogecap's Executive Management has five committees with specific expertise, which are an integral part of the risk management system or internal control system. These committees, which meet regularly, are composed of the members of the Executive Management, the Key Functions, and members of the company management. They are:

- Finance, Investments and Risks Committee;
- Technical Committee;
- Internal Control;
- Compliance Committee;
- Life Insurance Model Committee.

The missions of these various committees are described in greater detail in the presentations of the risk management system and internal control system (see B.3 and B.4).

1.2 REMUNERATION POLICY AND PRACTICES

Remuneration is attributed to Sogecap's Board members since 2018. The principles of allocation of this remuneration were defined by the Appointments and Remuneration Committee of Sogecap on 20 July 2018, in accordance with the Article 8 of the internal rules and procedure of the Board of Directors of the company.

The Sogecap group has also, in compliance with the Solvency 2 Directive, adopted a remuneration policy.

The objective of this policy is to make the remuneration an effective lever for attracting and retaining staff, contributing to the undertaking's long-term performance and at the same time ensuring appropriate risk management and that employees respect compliance.

It takes into account the provisions relating to remuneration laid out in the Solvency 2 Directive. This Directive requires the implementation of a remuneration policy in accordance with the risk management and business strategies, including measures to prevent conflicts of interest, promote sound and effective risk management and discourage the taking of risks exceeding the level tolerated by the entity. It specifies a balance between fixed and variable components, and deferred payment of a substantial part of the variable component for employees having a significant impact on the entity's risk profile.

More specifically, it aims to:

- set out the general framework and main principles guiding action with regard to remuneration and employee benefits;
- describe the roles and responsibilities of each player, formalise transparent, effective rules of governance;
- describe the remuneration principles specific to the Sogecap group in respect of the Solvency 2 Directive to prevent risk-taking behaviour and ensure that the remuneration system implemented encourages the alignment of the personal goals of all employees with the undertaking's long-term interests.

This policy applies to all Sogecap group employees, including the members of Sogecap's Executive Management.

Appointments and Remunerations Committee

The Appointments and Remunerations Committee established by the Board of Directors meets when a subject beyond its remit has to be reviewed by the Board. Its main missions include:

- qualified opinion of the directors' and committees' members appointment;
- qualified opinion on the CEO appointment, and if appropriate, the appointment of the Deputy CEO, Effective Directors and key Functions;
- review of the remuneration policy;
- allocation of board members' remuneration.

1.3 OTHER INFORMATION

During the reference period, the Sogecap group has not concluded significant transactions with shareholders, persons exercising significant influence, or members of the administrative, management and supervisory body.

2 – FIT AND PROPER REQUIREMENTS

The policy relating to the fit and proper requirements makes it possible to ensure, prior to any notification and throughout the functions exercised, that the persons who effectively run the Sogecap group, or occupy key functions in the company:

- have the appropriate qualifications, knowledge and professional experience to enable them to supervise and manage in a sound, prudent and professional way the activity of the entity in which they exercise their functions;
- are of good repute and integrity.

By extension this policy is applicable to:

- all relevant members of the group's staff;
- and to each director whose competence is assessed individually and also in the light of the competence, experience and powers of the other members of the Board, so as to provide a diversity of qualifications, knowledge and experience to ensure professional supervision and management of the undertaking.

3 – RISK MANAGEMENT SYSTEM, INCLUDING OWN-RISK AND SOLVENCY ASSESSMENT

3.1 RISK MANAGEMENT SYSTEM

The objective of the Sogecap group's risk management system is to continually identify, measure, control, manage and declare the main risks, individually or at the macro level, that the Sogecap group is, or may be, exposed to in pursuing its strategic objectives, namely the following risks.

The Sogecap Group's risk management system is controlled by governance structures (Board of Directors, Executive Management and Key Functions) and is based on the following main components:

- the bodies presided over by the Sogecap Group's Executive Management (Finance Investments and Risks Committee, Technical Committee, Life Insurance Model Committee and Property and Casualty Model Committee) or established by Sogecap Board of Directors (ALM and Risk Management Committee and Audit, Internal Control and Risk Committee) to provide cross-functional management of risks and suitable reporting for informed decision-making;
- the risk management tools helping with decision-making: mapping, written policies, monitoring indicators, risk management procedures, internal risks and solvency assessment.

To meet these objectives, the risk management system is integrated into Sogecap's organisational structure and into the decision-making procedures. It is based on the following principles in particular:

- active involvement of the Executive Management and Board of Directors;
- embodiment of the key functions and cooperation between the Actuarial and Risk Management Key Functions;
- integration of the system into the organisational structure and into the decision-making procedures;
- cooperation with the internal control system;
- clear separation of roles and responsibilities to avoid potential conflicts of interest: "The persons responsible for carrying out tasks must not be responsible for monitoring and supervising these tasks";
- close cooperation between the group- and solo-level risk management systems;
- consistent implementation of these principles at group and solo level;
- the possibility of subcontracting the solo-level Key Functions to the group;
- functional attachment of the solo-level Key Functions to the group-level Key Functions.

3.2 IMPLEMENTATION OF THE RISK MANAGEMENT SYSTEM

Implementing the risk management system is the responsibility of the Sogecap group's governance bodies and Key Functions, through the use of risk management tools and the decisions taken by the various committees established. This section presents the missions assigned to the bodies and the main risk management policies. The internal risks and solvency assessment is presented in section 3.3 below.

3.2.1 The bodies

ALM and Risk Management committee:

The ALM and Risk Management Committee, supervises, on behalf of the Board of Directors, the assets/liabilities management and risk management of Sogecap group. Its main missions include:

- monitoring the key priorities for investments and ALM and technical risks;
- approving the counterparty and exchange thresholds and limits;
- approving the strategic allocation by main asset categories and key directions in terms of asset/liability management;
- approving the ALM and technical risks coverage;
- reviewing the studies and proposals for asset/liability management from the ALM teams or for allocation;
- approving threshold overruns;
- performing solvency analysis (stress test);
- issuing a regular report on these topics to the Board of Directors.

Audit, Internal Control and Risk Committee (CACIR):

This committee, established by the Board of Directors, meets three times a year. Its main responsibilities are as follows:

- monitoring the financial and prudential information;
- monitoring the internal control;
- monitoring the risk management;
- monitoring the legal audit of the annual financial statements and the independence of the statutory auditors;
- examining the entity's periodic control programme;
- monitoring the achievement of mission of Statutory Auditors;
- approving services other than the certification of accounts (SACC).

Finance, Investments and Risks Committee

The Finance, Investments and Risks Committee, reporting to Sogecap's Executive Management, meets approximately eight times a year. Its main missions comprise all topics in relation with assets/liabilities management, investments limits and financial and economical perspectives which are likely to impact on the asset management, notably:

- preparing the ALM and Risk Management Committee;
- examining the financial market condition;
- approving investment proposals in accordance with the strategic allocation approved by the ALM and Risk Management Committee [(1)];
- monitoring the reporting of investments made and assets [(1)];
- examining and approving asset exposures in relation to the limits defined by the ALM Committee [(1)];
- monitoring the financial management reporting by the subsidiaries [(1)];
- approving the procedures associated to the investment of assets defined by the ALM and Risk Management Committee;
- presenting the results of ALM studies.

Technical Committee

This committee, belonging to Sogecap's Executive Management, meets about six times a year and covers all topics in relation with personal protection insurance and P&C insurance. Its main missions are the following:

- monitoring the implementation of the risk policies related to underwriting, reserving and reinsuring;
- monitoring the trends related to reinsurance, monitoring of underwriting and pricing;
- approving provisions, including the additional provisions.

The Technical Committee may be convened in the event of exceptional circumstances such as a drift of the claims experience or any other event.

Life insurance Model Committee

This Committee, reporting to Sogecap's Executive Management, meets at least once a year and validates the significant changes in calculation methods, assumptions and settings used in Sogecap group's ALM and Solvency 2 tools for savings life insurance and personal protection.

(1) These elements make it possible to examine the levels of security, quality, liquidity and profitability assigned to the asset portfolio

This committee notably approves significant modelling evolutions related to the following items:

- policyholders' behaviour, including: surrenders and lapses, new business, biometric laws, claims and arbitrages;
- Insurer's behaviour including: rates credited to policyholders, use of policyholders' benefits reserves, realized capital gains and losses, asset allocation, tariff changes, reinsurance, patterns for claims settlements and overheads;
- contract boundaries;
- risk margin calculation methods;
- economic scenarios generator: main settings.

Property and Casualty Model Committee

This Committee approves the significant changes in calculation methods, assumptions and settings used by Sogecap group's ALM and Solvency 2 tools for Property and Casualty.

This committee notably approves significant modelling evolutions related to the following items:

- policyholders' behaviour, including: terminations and lapses, new business, claims;
- Insurer's behaviour including: anticipated tariff changes, reinsurance, patterns for claims settlements and overheads;
- contract boundaries;
- risk margin calculation methods.

3.2.2 Supervision of the subsidiaries

The subsidiaries have committees described in their own risk management policies.

Within Sogecap's subsidiaries, according to the materiality and/or complexity of the risks, the members of the Sogecap group's management are members of these committees.

Depending on the materiality and/or complexity of its underwriting risks, a prior decision by the Sogecap group's bodies and/or a report to these bodies may be required.

3.2.3 Risk management tools

ALM tools

To calculate the own-funds requirements coming from all of its business activities, the Sogecap group has ALM stochastic modelling tools. These tools are also used for the management of the savings life insurance business activities.

Risk management policies

The main risks inherent in the business activity of the companies in the Sogecap group are covered by risk management policies. These policies formalise the principles, processes and procedures implemented by the companies to control its risks.

To adjust these policies to the internal and external factors influencing the risks that the companies of the Sogecap group are exposed to, they are updated at least yearly.

Formalisation of the risks management policies of the Sogecap group and the group's entities

A manager is appointed at the Sogecap group level for each of the risk management policies:

POLICY	GROUP POLICY OWNER
Global risk management policy	Risks Director
Investment risk policy	Investment Director
ALM risk policy	Group ALM and Management Director
Capital management policy	Financial Director
Underwriting risk policy	Non-life and Protection Cover Technical Director
Reserving risk policy	Group ALM and Management Director
Reinsurance risk policy	Group ALM and Management Director
Operational risk control policy	Corporate Secretary
ORSA policy	Risks Director

Roles and responsibilities in preparing and reviewing policies:

GROUP POLICY OWNER	SOGECAP GROUP SUBSIDIARIES
• Define the risk management principles applicable to each Sogecap group entity. • Review the compliance of each entity's policy to the risk management principles defined.	• Draw up each of the policies in accordance with the risk management principles defined by the group Manager. • Take into account specific local requirements (regulations, products, etc) in drawing up the policies. • Approval of the policy.

Each entity's policies are approved by at least the entity's Executive Management or its Board of Directors if necessary.

Summary of the risk management policies

RISK MANAGEMENT POLICIES
GLOBAL RISK MANAGEMENT POLICY The purpose of this document is to describe Sogecap's global risk management policy, in particular by explaining the risk management strategy. This strategy is based notably on objectives, key risk management principles, risk appetite framework and segregation of duty within the company.
INVESTMENT RISK MANAGEMENT POLICY The policy specifies the principles to be respected, in particular during investments in complex assets (derivatives, structured products, alternative management, loans, etc). All the thresholds and limits approved by the governance bodies for this risk are also detailed. The objective of all these provisions is to comply with the "prudent person" principle.
ALM RISK MANAGEMENT POLICY The policy details the principles and thresholds to be complied with, studies and reports to be produced with a view in particular to the long-term management of the group.
CAPITAL MANAGEMENT POLICY The policy defines the governance, the processes and the controls implemented for the capital management: valuation of capital requirements, following the compliance with regulatory requirements applicable to own funds and alert thresholds on capital requirements coverage ratio.
UNDERWRITING RISK MANAGEMENT POLICY The underwriting risk is regulated by rules that cover the definition of product development condition (risks, coverage, product families), underwriting conditions to be complied with (underwriting process, thresholds and limits to be complied with), reporting and monitoring the risks underwritten and controls.
RESERVING RISK MANAGEMENT POLICY The objective of the reserving policy is to make sure that the Sogecap group presents a faithful image of the commitments made on all the risks covered, in compliance with the statutory, IFRS and prudential accounting standards. The policy therefore defines the framework for calculating the technical provisions in the various standards under which they must be produced.
REINSURANCE RISK MANAGEMENT POLICY The policy details all the processes for implementing a reinsurance plan (expression of need, thresholds and limits, and selection of the reinsurer, including the required financial soundness criteria, etc) and the reporting and monitoring procedures.
INTERNAL RISKS AND SOLVENCY ASSESSMENT (ORSA) POLICY This policy describes the processes and procedures implemented to carry out the internal risks and solvency assessment with regard to the Sogecap group's risk profile, risk tolerance limits and the overall solvency needs. It also includes a description of the methods and methodologies applied within the Sogecap group for carrying out the ORSA.
OPERATIONAL RISK CONTROL POLICY The framework implemented must make it possible to identify the operational risks, to measure their potential impacts on the financial results, and to implement and verify the effectiveness of the controls or frameworks allowing these to be reduced.

3.3 OWN-RISK AND SOLVENCY ASSESSMENT (ORSA) POLICY

The own-risk and solvency assessment in carried out within a framework defined by Sogecap's Executive Management.

This assessment is based on calculating the own-funds requirements and normative results [(1)], for each year of the business plan. These calculations are performed in a framework of a central scenario and adverse scenarios.

The ORSA enables the Executive Management and Board of Directors to have a prospective assessment of the risks that the Sogecap group is exposed to with a view to achieving its short- and medium-term strategic objectives. ORSA is a key element of the risk management framework.

The group ORSA report is presented for approval by the Sogecap group's risk management function to the Board of Directors before submission to the Supervisory Authority.

The key steps in the group ORSA process are implemented in the following sequence:

- defining the risk profile;
- analysing the risk profile's adequacy with the standard formula;
- defining the risk appetite;
- defining stress scenarios;
- overall solvency assessment;
- defining management actions;
- presenting the ORSA report to the Board of Directors;
- submission to the regulator in accordance with Article L. 355-1 of the French Insurance Code.

Frequency

The overall solvency requirement is calculated at least once a year. If necessary, an ad-hoc ORSA may be performed in the event of an unfavourable change in solvency detected by the mechanism monitoring own-funds requirements coverage ratio, or in the event of a significant acquisition or sale of an activity.

Solvency requirement

This requirement is measured prospectively for at least the horizon of the business plan, using several scenarios (central and adverse) determined based on the risk profile.

The risk profile makes it possible to determine the main risks the group or company is exposed to. Analysis of the Sogecap group's risk profile shows its compatibility with the standard formula for calculating own-funds requirements. The Sogecap group therefore uses the regulatory capital requirement (SCR) as the measure of the overall solvency requirement.

Specific requirements related to the Sogecap group's ORSA

The Sogecap Group's ORSA takes all the group's entities into account. The non-material entities mentioned in A.1.4 are consolidated using the equity method in the group's Solvency 2 balance sheet and treated as strategic holdings in the group SCR calculation.

The group ORSA takes the group's risk profile and its overall solvency requirement into account.

4 – INTERNAL CONTROL SYSTEM

4.1 GENERAL PRESENTATION OF THE INTERNAL CONTROL SYSTEM

4.1.1 General presentation

Internal control is defined as all the resources mobilized permanently to make sure that the operations, the organisation and the procedures implemented comply with the legal and regulatory provisions, business and ethical practices, and the internal rules and directions defined by the undertaking's executive body.

It notably aims at:

- preventing malfunctions;
- controlling the adequacy and efficacy of internal processes, especially those identified as sensitive;
- ensuring the reliability, integrity and availability of financial and management information;
- assessing the quality of information and communication systems.

(1) Result in accordance with IFRS with tax rates and own-funds yield rates according to the Société Générale standard.

In the "three lines of defence" model on which the Sogecap group's supervisory framework is based, the internal control system represents the first two lines of defence:

- the 1st line of defence consists of the level-1 internal control scheme and is exercised by the business lines and the operational departments;
- and the 2nd line of defence consists of:
  - dedicated teams independent from the business lines and operational departments, who supervise the deployment and proper execution of the 1st line of defence, and continually assess its appropriateness for the organisation and processes and its effectiveness in exercising level-2 internal control,
  - dedicated supervisory functions and support functions heads from areas of expertise.

4.1.2 Organisation

The organisation and management of the internal control system is the responsibility of Sogecap's General Secretariat.

This consists of four departments and one service, who work in close coordination while maintaining strict independence:

- the Compliance Department, which is in charge to define, control, monitor, develop and run the compliance monitoring, to ensure the compliance risk management. The department includes in particular the data security feature embodied by the Data Protection Officer (DPO), and the financial security;
- the Compliance Department is the operational support of the compliance key function and is an integral part of the internal control system in application of Solvency 2 Directive;
- the Internal Control Department is in charge to ensure the internal control efficiency monitoring the internal control feature;
- the Valuation of Internal Control Service is in charge of the level-2 internal control;
- the Legal and Tax Affairs Department, whose mission is to:
  - ensure the legal and tax security of the Sogecap group's commitments,
  - perform the legal monitoring and measure the impact of any regulatory or legislative regulations,
  - advise the Sogecap group's management in the context of their activities, their investments and relationships with service providers;
- the Corporate Social Responsibility Department defines and implements the corporate social responsibility of Sogecap group.

4.2 IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEM

Implementing the internal control system is the responsibility of the Sogecap group's governance bodies and Key Functions, through the use of internal control tools and the decisions taken by the various committees established. This section presents the missions assigned to the bodies and the main Internal control system policies.

4.2.1 The bodies

Audit, Internal Control and Risk Committee (CACIR)

This committee, established by the Board of Directors, meets three times a year. Its main responsibilities are as follows:

- monitoring the financial and prudential information;
- monitoring the internal control;
- monitoring the risk management;
- monitoring the legal audit of the annual financial statements and the independence of the statutory auditors;
- examining the entity's periodic control programme;
- monitoring the achievement of mission of Statutory Auditors;
- approving services other than the certification of accounts (SACC).

Internal Control Committee

The Internal Control Committee brings together the Sogecap group's Executive Committee and the Internal Control Department in monthly meetings. Its mission is to:

- ensure the cross-functional consistency and effectiveness of the internal control;
- analyse controls' results and indicators;
- approve and coordinate the actions implemented to correct deficiencies in order to improve internal control efficiency.

Compliance Committee

The Compliance Committee brings together the Sogecap group's Executive Committee and the Compliance Department in monthly meetings. Its mission is to:

- inform of all significant evolution on legislation, rules and standards applicable likely to have an impact on compliance risk;
- validate and coordinate actions taken or to be taken, to solve the reported deficiencies and to improve the efficiency of compliance audit feature.

4.2.2 The tools of the internal control system

The internal control system policies

The internal control system policies formalise the principles, processes and procedures implemented by the Sogecap group.

To adjust these policies to the internal and external factors influencing the risks that of the Sogecap group are exposed to, they are updated at least yearly.

The following policies are incorporated in the internal control system:

INTERNAL CONTROL POLICIES
INTERNAL CONTROL POLICY The policy describes the internal control scheme and specifies its implementation procedures: principles, tools, responsibilities and missions.
COMPLIANCE POLICY The policy describes the framework for controlling non-compliance risks and specifies, in particular: • the responsibilities and missions of the Compliance Key Function; • the compliance verification tools.
OUTSOURCING POLICY (SEE B.7) The policy defines the main applications with regard to outsourcing (especially during the examination of a sub-contract project and monitoring a sub-contracted service), in particular for the operational functions or activities considered "important or critical".
REPUTE AND COMPETENCES POLICY (SEE B.2) The policy is mainly intended to guarantee that all the persons effectively running one of the Sogecap group's entities, or occupying key functions within the group, will at all times meet the requirements for competence and good repute (qualifications, knowledge, professional experience, reputation, integrity).

Level-1 internal control

Level-1 internal control is defined as all measures permanently implemented at the operational level to ensure the compliance, validity and security of operations.

It concerns all the employees and is based on:

- constant compliance with the applicable regulations and procedures by each employee and for all operations they process;
- regular verification by the management of compliance with these procedures.

In application of these practices, the level-1 internal control distinguishes two types of controls:

- **operational controls**: procedures are designed in order to comply with internal control basic principles[1]. They include operational controls which aim at ensuring the proper application of the procedure and to alert the hierarchy if deficiencies or malfunctions occur. These operational controls (automated controls or "four eyes" cross controls), can be traced without necessarily being formalized;
- **managerial supervision**, which consists in a formalised verification by the management that operational controls are carried out properly. This supervision is applied to all processes, focusing in priority on the most sensitive processes and significant risks. Managerial supervision framework is based on a control library (which brings together the controls' objectives for operational departments and support functions). It is based on a tool shared between all Sogecap group's entities.

(1) Notably segregation of functions, immediate and irrevocable recording of any transaction, reconciliation between information from different sources.

Level-2 internal control

The purpose of the level-2 internal control is to supervise the deployment and proper execution of the level-1 internal control scheme and continually assess its appropriateness for the organisation and processes, and its effectiveness.

This review is carried out by a quantitative and qualitative analysis of the various elements of the level-1 internal control, in particular the managerial supervision (relevance, definition of operational methods, quality of realisation, presence of documentary proof, monitoring of corrective actions).

This work leads to the level-2 internal control teams producing a qualified opinion on the effectiveness of the level-1 internal control of the scope in question and, where necessary, recommendations.

The level-2 internal control is performed by teams who are independent from the operational staff and dedicated to this activity.

Monitoring compliance failings

The monitoring of compliance failings is based on a real-time alert system, implemented at Sogecap group level, and on a formalised quarterly report. In 2020, three malfunctions have been identified and have resulted in the implantation of corrective actions.

The approval procedure for new products

The procedure for approving new products is deployed and in force within the entire business line. The approval procedure is organised in a pyramid structure with different levels of assessment according to the strategic issues and risks.

Monitoring the missions and relationships with the regulators

The missions of the regulators and the relationships with them are followed-up centrally at Sogecap group level. Recommendations issued by the regulators are followed-up regularly and integrated in a dedicated report.

The mechanism to combat money laundering and terrorist financing

Sogecap group's scheme for prevention of money laundering and terrorism financing is compliant with the provisions of the 4th European Directive related to anti-money laundering and is based on the following principles:

- risks classification designed to fit with the activity;
- procedures dedicated to AML/TF, deployed in operational departments, which constitute the first line of defense of the system;
- customers due diligence procedures;
- monitoring system for unconventional operations;
- a declarative activity to TRACFIN in France. In 2020, 127 declarations of suspicious activity were made for Sogecap group's French entities;
- a filtering system in relation with listings of international financial sanctions and assets freezing;
- training and public awareness of exposed employees: in 2020, 100% of the employees concerned followed the Financial Security training;
- permanent and periodic controls.

5 – INTERNAL AUDIT FUNCTION

5.1 GENERAL PRESENTATION OF THE INTERNAL AUDIT FUNCTION

In the "three lines of defence" model which the Sogecap group has deployed, the 3rd line of defence consists internal audit, periodic control strictly independent from the business lines like the internal control.

5.1.1 Powers

This function is fulfilled by the Sogecap group's Internal Audit Director.

The Sogecap group's Internal Audit activities are sub-contracted to the Inspection and Audit Department (IGAD) of Société Générale based on an agreement signed on 27 January 2016 between IGAD and Sogecap, acting both on its behalf and on behalf of its subsidiary undertakings.

In this regard, IGAD performs the operational execution of the periodic control tasks for all of the Sogecap Group's activities for the main risk categories (operational risks, insurance risks, counterparty risks and market risks). IGAD uses its specialist audit teams for the particularly technical subjects (legal, tax, IT, modelling and accounting aspects).

The service provisions assumed by IGAD are subject to the outsourcing policy and are considered important or critical functions as defined by Article R 354-7 of the Insurance Code. The conditions for conducting and supervising this activity are formalised in the 27 January 2016 agreement mentioned above.

With regard to resources, coverage of the Sogecap scope is provided on the basis of the provisional budget for missions included in the audit plan in agreement with Sogecap's Executive Management and as validated by the Sogecap's Board of Directors. The work uses Société Générale group's audit methodology, implemented according to the areas reviewed. Each mission gives rise to a mission report containing a summary and recommendations, which are then the subject of regular monitoring.

5.1.2 Organisation of the internal audit missions

The Sogecap group's audit plan is drawn up on a multi-year basis. The missions covering the entire scope are determined after an assessment of the risks of each department or service of each entity of the Sogecap group and an estimate of a time budget to carry out the review; this assessment is completed by the pricing of the last mission and its completion data.

Special or 'off-plan' missions may also be performed at the request of the Sogecap group's Executive Management.

5.1.3 Reporting of the conclusions and monitoring

Each mission gives rise to a presentation to the Management of the entity concerned, observations and recommendations.

A report is given to this management for comments and establishment of the action plan and deadlines for implementing the recommendations.

The report, after being commented on, is distributed to the Sogecap group's entire Executive Committee. The recommendations are submitted to a regular follow-up.

The detailed audit plan for the financial year is presented to the Sogecap group's Audit, Internal Control and Risk Committee (CACIR) during its meeting for the end of the previous financial year.

The report on the work and observations of the internal audit and the monitoring of the implementation of the recommendations of the finalised audits are presented at the CACIR meeting.

5.2 INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT FUNCTION

Internal Audit function, provided by the Internal Sogecap group Audit Director and separated to the permanent monitoring, reports hierarchically to Sogecap's Executive Management, guaranteeing independence with regard to the management in the Sogecap group's entities.

The reports (dashboards, audit missions) are examined periodically by Sogecap's Executive Committee and in meetings of the various specialist committees.

In addition, the independence and effectiveness of the internal control are assessed and guaranteed by the Audit, Internal Control and Risk Committee, established by Sogecap's Board of Directors.

6 – ACTUARIAL FUNCTION

6.1 MISSION OF THE ACTUARIAL FUNCTION

The actuarial function is a key contributor to the Sogecap group's risk management system. Through its expertise, it contributes to the management of technical risks that are one of the main components of the company's risk profile. In this regard, the mission entrusted to the head of the actuarial function is organised around three main areas:

- coordinating and reviewing the calculation of technical provisions;

- reviewing the underwriting risk policy and the appropriateness of the reinsurance programme in the light of the company's risk profile;
- contributing to the implementation of the risk management system and to the ORSA.

The Head of the actuarial function reports to the Deputy General Manager in charge of Finance Investments and Risks. This provides the independence necessary to successfully carry out its missions.

6.2 IMPLEMENTATION OF THE ACTUARIAL FUNCTION

The actuarial function has access to all the resources required to carry out the missions assigned to it. The holder also participates in the various committees reporting to the Board of Directors and the Executive Management with regard to the issues falling within his/her scope of responsibility.

The actuarial function is involved in monitoring technical risks and in particular in reviewing the calculation of technical provisions, including monitoring the quality of the data, monitoring the underwriting risk and the compatibility of the reinsurance scheme with the company's risk profile.

It therefore contributes to the implementation of the risk management system through the analysis and monitoring of these technical risks, and also through the implementation of the group ORSA process.

The work carried out by the actuarial function in the framework of the above-mentioned missions, and the resulting conclusions and recommendations are formalised in an annual actuarial report presented to Sogecap's Board of Directors, the Audit, Internal Control and Risk Committee and the Executive Management.

7 – OUTSOURCING

The management principles for outsourcing are described in a dedicated policy ("Sogecap Policy of outsourcing"), updated in 2020 and approved by Sogecap's Board of Directors on October 16, 2020.

7.1 GENERAL PRINCIPLES

Outsourcing an operation to an external third party, another entity in the Société Générale group, or another entity in the Sogecap group is a standard practice. However, one of its consequences is to modify the "risk profile" associated with this service. Outsourcing:

- creates specific risks, such as dependency on third parties - for example, the concentration of some specialised activities with very few service providers for all entities;
- may increase operational risk when services are assigned to a third party subject to less stringent regulations or less robust internal controls than the outsourcing entity;
- may not comply with regulation applicable to Sogecap or its subsidiaries, or may incur the risk of non-compliance should the service provider fail to honour their commitment.

However, outsourcing may also lead to better risk control, for example if a service is assigned to a third party with greater expertise or methods of control superior to the outsourcing entity's.

In all cases, the entity outsourcing a service remains responsible for this service, as well as for the quality of the service provided.

Outsourcing is consequently subject to specific supervision in the framework of the internal control scheme. It must not lead to a deterioration in the control of risks.

7.2 FRAMEWORK IMPLEMENTED

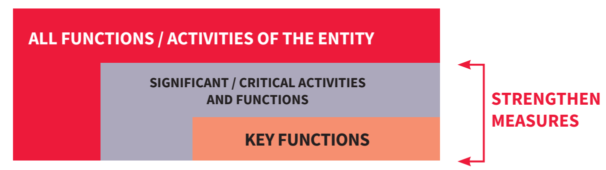
In general, all the outsourcing projects must be the subject of a prior formalised risk analysis, especially with a view to assessing the "important or critical" character of the service that would stem from it.

The sub-contracted activities must be monitored. The information collected must make it possible to identify any weaknesses, challenge the proposed palliative action plans, and monitor their implementation (within the limits permitted by the contractual relationship).

As the sub-contracted activity remains under the responsibility of the outsourcing entity, it therefore remains within the intervention scope of the Sogecap group's internal audit, like any other activity.

The measures applicable to all outsourcing operations are reinforced if the operation concerns:

- a function or activity considered "important or critical";
- a key function of the system of governance as defined in the Solvency 2 Directive.



In this case, specific provisions must be made regarding:

- informing the supervisory authorities;
- contractual obligations;
- reporting.

7.3 OUTSOURCED IMPORTANT OR CRITICAL OPERATIONAL FUNCTIONS OR ACTIVITIES

The main[3] outsourced important or critical functions or activities of the Sogecap group are:

PURPOSE OF THE OUTSOURCED SERVICE	ENTITY
Printing and sending mail to clients	SOGECAP SOGESSUR SOGELIFE LUXEMBOURG LA MAROCAINE VIE BRD AV
Asset management	ANTARIUS ORADEA-VIE SOGECAP SOGESSUR KOMERCNI POJISTOVNA
Conservation and management of documents	SOGECAP SOGESSUR LA MAROCAINE VIE SGII BRD AV BRD FP SGSR SGIP
Compliance, Risk Management, Actuarial, Internal Audit Key Functions	ANTARIUS ORADEA-VIE SOGELIFE LUXEMBOURG SOGESSUR
Internal audit Key Function	KOMERCNI POJISTOVNA
Actuarial Key Function	BRD AV
Dedicated Société Générale group team made available to the Internal Audit Key Function	SOGECAP SOGESSUR ANTARIUS ORADEA VIE

(1) See Article 359 – b – iii of Delegated Acts (EU) 2015/35.

PURPOSE OF THE OUTSOURCED SERVICE	ENTITY
IT services (infrastructure, network, workstations, servers, etc)	**KOMERCNI POJISTOVNA** **SOGECAP** **SOGELIFE LUXEMBOURG** **SOGESSUR** **SGIG** **SGII** **SGIP** **BRD AV** **BRD FP**
Contract management	**KOMERCNI POJISTOVNA** **SGIG** **SGII**
Investments accounting	**SOGELIFE LUXEMBOURG**
Regulatory calculations	**SOGELIFE LUXEMBOURG** **BRD AV**

These service providers are the subject of monitoring in the framework of the internal control system in order, in particular, to ensure their reliability, financial soundness and capacity for business continuity in the event of an emergency situation or business interruption.

Day-to-day operational monitoring is performed by the business line managers of the sub-contracted activities, in conjunction with Sogecap's Internal Control Department, in particular through indicators (of activities and risks), monitoring committees and, if necessary, audit missions.

8 – OTHER INFORMATION

All the useful information relating to the system of governance has been presented in sections B1 to B7.

C – RISK PROFILE

1 – INTRODUCTION

Sogecap group pursues its insurance activity through distribution and inward reinsurance of a wide range of savings life insurance, personal protection and property & casualty contracts. Savings life insurance business being predominant within the activity and balance sheet of Sogecap group, market risks arising from investments backing related insurance liabilities are the most significant risk exposure. Among market risks, Sogecap group is sensitive to shocks on interest rates, equity and credit spread. Still related to savings life insurance business, the lapse risk, part of life underwriting risk, is also significant.

Through its different components, the objective of the risk management system implemented within the Sogecap group is to ensure continuous control over all its risks. This system makes it possible to identify, measure, control, manage and declare in an appropriate way the risks that it is, or may be, exposed to, and to put in place suitable mitigation measures if necessary.

Policies, approved by the Board of Directors, define the risk-taking framework, in particular formalising the governance and the key metrics relating to each risk.

In the light of the Sogecap group's activities, its risk management policy is organised around the following risks, each of which is likely to affect its activity or its financial and prudential condition.

The main risks the Sogecap group is exposed to are:

- **the ALM risks** (asset/liability management), including the market, credit and liquidity risks;
- **the technical risks**, in particular the underwriting risk through its savings life insurance, personal protection and property & casualty contracts. These risks can be biometric - disability, longevity, mortality - or linked to the insurers' behaviour (surrender risk). To a lesser extent, the Sogecap group is also exposed to Non-life and Health surrender risks. In particular, these risks can arise from the pricing, selection, claims management or the disaster risk;
- **the operational risks and other risks**, including the strategic, reputational risks and the risk of loss or sanctions in particular because of failures in procedures and internal systems, human errors or exterior events.

The Sogecap group uses the standard formula to assess its own-funds requirements. Sections 2 to 7 below detail, from the point of view of SCR calculation modules, the group's risk profile in terms of exposure, concentration and sensitivity, and the risk mitigation measures implemented.

The observed impacts of the Covid crisis on the Group's activities have not, to date, led to any material distortion of its risk profile and are therefore not such as to call the validity of the stress scenarios into question carried out within the framework of the ORSA.

The following table presents a summary of exposures to the Sogecap group's main risks assessed by means of their respective SCR modules for the reference financial year:

(In millions of Euros)	31 December 2020
Net SCR* by risk module included in the basic SCR	
Market risk	4,911
Counterparty risk	176
Life underwriting risk	1,452
Health underwriting risk	163
Non-life underwriting risk	252
Intangible assets risk	-
Diversification	**1,327**
Basic solvency capital requirement (net *)	**5,628**
Operational risk	507
Adjustment related to ring-fenced funds	9
Loss-absorbing capacity of deferred taxes	-1,493
Solvency capital requirement	**4,651**

* Net of the capacity of absorption bi the technical provisions

2 – UNDERWRITING RISK

2.1 EXPOSURE TO UNDERWRITING RISK AND MEASUREMENT

Underwriting risk corresponds to the risk of a loss of own funds arising from the variance between the costs linked to claims or services specified by the pricing and the actual costs induced by the unfavourable changes in one or more risk factors (surrender, longevity, mortality, expenses, catastrophe and premiums and reserves).

The underwriting risk is regulated by a Technical committee, chaired by the Executive Management. In particular, this committee monitors the implementation of the underwriting policy and the related indicators. Before its implementation, every new significant product or transformation of an existing product must undergo an approval process (new product process).

The main underwriting risks inherent in the Sogecap group's activities are summarised in the following table:

UNDERWRITING RISKS	DESCRIPTION OF THE RISKS
Surrender	The surrender risk is embodied by a variation in the level or volatility of the surrender rate having repercussions on the levels of financial products and charges collected on the surrendered policies. The risk of massive surrender exposes the group to a risk of losses generated by the disposal of assets in unrealised capital losses.
Mortality	Mortality risk reflects the risk of loss on savings life insurance and personal protection policies resulting from an underestimation and/or changes in the level, trend and volatility of the mortality rates.
Morbidity	Morbidity risk reflects the risk of loss on personal protection policies resulting from an underestimation and/or changes in the loss ratio level in terms of incapacity and disability.
Longevity	Longevity risk corresponds to the risk generated by an underestimation of the average life expectancy of the policyholders in the portfolio, generating the payment of annuities over a longer period than initially assessed.
Catastrophe	Catastrophe risk is the risk of loss on insurance policies linked to an exceptional event.
Expenses	Expense risk is the risk that the actual operating expenses (personnel, commissions to sales intermediaries, IT infrastructure, etc) are higher than the level estimated initially.
Premiums and reserves	The premiums and reserves risk is the risk of loss, or unfavourable change, in the value of insurance commitments, resulting from fluctuations affecting the date of occurrence, frequency and severity of the insured events, and the date and amount of claims payments.

2.2 UNDERWRITING RISK CONCENTRATION

The Sogecap group is mainly exposed to surrender risks through the preponderance of Euro-denominated vehicles for savings life insurance contracts and to early repayment risks for credit life insurance contracts as well as mortality risk, to a lesser extent.

2.3 UNDERWRITING RISK MITIGATION

Given its portfolio consisting mostly of savings life insurance policies with discretionary participating features, the Sogecap group is mainly exposed to lapse risk before inclusion of loss-absorbing capacity of technical provisions. For this category of policies, this capacity of absorption reflects the faculty of reducing the level of discretionary profit-sharing distributed to the policyholders, and therefore mitigates the lapse risk in a deteriorating economic environment.

The companies in the Sogecap group implement reinsurance programmes to mitigate:

- the mortality and longevity risks borne in the borrowers' insurance, individual protection cover, term life policies;
- the major risks and mass risks in the non-life insurance policies.

2.4 UNDERWRITING RISK SENSITIVITY

The Sogecap group measures its solvency ratio's sensitivity to its main risks through shocks impacting both its assets and its liabilities. The results of these analyses are presented in section 3.4 below.

3 – MARKET RISK

3.1 EXPOSURE TO MARKET RISK AND MEASUREMENT

Market risk is defined as the risk of losing own funds resulting from variations in the market parameters, the volatility of these parameters and correlations between these parameters on the value of the financial instruments. The parameters concerned are, in particular, exchange rates, interest rates, and the prices of securities (shares, bonds), derivatives and all other assets, such as property assets. The Sogecap group is exposed to market risk in particular through financial assets covering its savings life insurance commitments.

The allocation of the financial assets portfolio is presented in part D, Valuation for solvency purposes (paragraph 2.1.7).

The market risk is regulated by an ALM and Risk Management Committee, established by the Board of Directors, and by a Finance, Investments and Risks Committee, chaired by the Executive Management. Because of the composition of its portfolios, the Sogecap group is exposed to all the market risks taken into account in the standard formula (interest rate, equity, property, exchange, concentration and spread).

The main market risks inherent in the Sogecap group are summarised in the following table:

MARKET RISKS	DESCRIPTION OF THE RISKS
Interest rate	Rate risk is the risk that a fluctuation in the nominal rate curve creates a mismatch between the assets and liabilities leading to potential financial losses.
Equity	Equity risk is the risk of a loss of own funds linked to a variation in the level and volatility of share prices.
Property	Property risks is the risk of loss linked to a fluctuation in the market value of property assets held.
Exchange	Exchange risk corresponds to the risk of a loss of own funds resulting from fluctuations in exchange rates between the Euro and the foreign currencies in which the Sogecap group's portfolio investments are denominated.
Concentration	Concentration risk is the risk that portfolio of investments is insufficiently diversified, entailing a loss of own funds in the event of a counterparty's default.
Spread (1)	Spread risk is the risk of a loss of own funds linked to a rise in the level of credit risk arising in particular from a rating change or default of the issuer.

(1) The spread risk is included in the credit risk presented in section 4 below.

3.2 MARKET RISK CONCENTRATION

The main exposures are held by Sogecap in the form of Euro-denominated funds for Sogecap's policies and the reinsurance of Euro-denominated funds for the Oradea Vie and Sogelife Luxembourg policies, and by Antarius in respect of Euro-denominated funds for policies marketed by the entity.

The companies in the Sogecap group invest in the different types of financial products, in compliance with the investment risk management policy defined according to the prudent person principle. Within each type of security, exposures are diversified in terms of geography, issuers and sectors. The implementation is characterised by the definition of thresholds, limits and constraints. The main concentrations are monitored by the ALM and Risk Management Committee and taken into account in the standard formula in the SCR concentration risk sub-module (see paragraph 4 below).

3.3 MARKET RISK MITIGATION

In a context of persistently low level of interest rates, the strategic objective consists of limiting the dilutive effect of the savings life insurance inflows on the wealth of the assets in the portfolio, firstly by shifting the production towards the net inflow for unit-linked products, personal protection cover and property & casualty contracts, and secondly by diversifying the financial assets in compliance with the investment risk management policy.

The investment risk management policy covers the monitoring of financial risks linked to investments. These risks are monitored within ALM and Risk Management Committees, in compliance with the prudent person principle.

The market risk is attenuated in particular by means of financial hedges against the rate risk set up for Sogecap and Antarius.

3.4 MARKET RISK SENSITIVITY

These sensitivities to the solvency ratio have been determined in relation to the main financial risk factors analysed in isolation. They take into account the behaviour of the policyholders (especially surrenders) and are net of taxes and net of the profit-sharing allocated to the policyholders.

The sensitivities and the shocks adopted are summarised in the following table:

RISK FACTORS	SHOCK APPLIED	IMPACT ON THE COVERAGE RATE, IN POINTS
Increase in interest rates	+ 50 bp	+29 pts
Decrease in interest rates	- 50 bp	-62 pts
Decrease in market value of equity	-25%	-20 pts
Increase in spreads	+50 bp for Govies +100 bp for Corporates	-53 pts

Rate curve +/- 50 basis points: this sensitivity corresponds to a change of 50 basis points up or down in the swap rate curve.

25% fall in stock markets: this sensitivity makes it possible, as for the rates, to assess the impact on the coverage ratio of an immediate fall in the level of share and property indexes. This calculation takes into account a mitigation effect provided for in the legislation (dampener), which makes it possible to reduce the equity SCR amount in the event of an abrupt stock market fall.

Increase in spreads: this sensitivity makes it possible to assess the impact on the coverage ratio of an immediate rise of 50 bp in government bonds and 100 bp in corporate bonds. This sensitivity is calculated with no modification to the volatility adjustment (VA).

4 – CREDIT RISK

4.1 EXPOSURE TO CREDIT RISK AND MEASUREMENT

Credit risk is defined as the risk of losing own funds resulting from the inability of issuers or other counterparties of the Sogecap group to meet their financial commitments. Credit risk includes the spread risk and default risk. The credit risk can also be increased by the concentration risk (see section 3), resulting from high exposure to a specific risk or to one or more counterparties.

In the Sogecap group, credit risk management is based on the principle that every commitment bearing credit risks is based on extensive knowledge of the counterparty and the type of transaction (investment, reinsurance). Limits are set according to the quality of the counterparties or the type of securities.

In the standard formula, applied by the Sogecap group, two types of exposure are used to assess the counterparty risk:

- **Type 1 exposures**, which are linked to risk mitigation agreements (reinsurance, derivative instruments), bank deposits, deposits with ceding undertakings, and to legally-binding commitments which the undertaking has provided or agreed to and which are likely to generate payment obligations dependent on the credit or default quality of counterparty;
- **Type 2 exposures**, which correspond to all credit risks not covered in the spread risk sub-module and are not type 1, especially the amounts due from intermediaries and receivables from the policyholders.

4.2 CREDIT RISK CONCENTRATION

Credit risk concentration is regulated by thresholds and limits. Any breach of a threshold or limit is reported to the Board of Directors' ALM and Risk Management Committee.

4.3 CREDIT RISK MITIGATION

The implementation of thresholds and limits by counterparty allows this risk to be limited for financial assets. In addition, the reinsurers default risk is mitigated by guarantees received from reinsurers, in the form of cash deposits or pledges of high-quality securities.

4.4 CREDIT RISK SENSITIVITY

The impact of the credit risk has been taken into account into sensitivities presented previously (see section 3.4).

5 – LIQUIDITY RISK

5.1 EXPOSURE TO LIQUIDITY RISK AND MEASUREMENT

In the context of insurance operations, the liquidity risk corresponds to the Sogecap group's inability to honour its contractual obligations and to settle the claims declared (potential losses due to cases of forced asset sales or when the financial assets are invested in less liquid markets). Sogecap and Antarius are also exposed to daily margin calls linked to their hedging operations and weekly margin calls related to repurchase agreements.

The liquidity risk is regulated by the investment risk management policy and the ALM risk management policy approved by the Board of Directors. The investment risk management policy has been formalised to comply with the prudent person principle and especially the principle according to which all the assets are invested so as to ensure the security, quality, liquidity and profitability of the entire portfolio. In addition, the location of these assets must make it possible to ensure their availability. The ALM risk management policy specifies carrying out studies covering the liquidity risk (analysing the compatibility of the cash flows to the assets and liabilities, comparing the durations of the assets and liabilities, etc). The ALM and Risk Management Committee is in charge of approving the strategic allocation of assets, including the definition of investment envelopes assigned to low-liquidity asset categories (private equity, real estate, etc).

The total amount of the expected profit included in the future premiums and calculated in accordance with Article 260, paragraph 2 of the Delegated Acts, is €444 million.

5.2 LIQUIDITY RISK CONCENTRATION

Sogecap and Antarius concentrate the Sogecap group's liquidity risk because of the Euro-denominated funds for Antarius and Sogecap's policies and the reinsurance of Euro-denominated funds for the Oradéa Vie and Sogelife Luxembourg policies.

The strategic allocation of assets is mainly carried out for liquid assets (Government bond and/or international corporate bonds). Investments in asset categories considered less liquid are used only for diversification.

5.3 LIQUIDITY RISK MITIGATION

The ALM studies covering the liquidity risk makes it possible to ensure the compatibility of the structure of the Sogecap group's investments with its insurance commitments. Regulating the strategic allocation of assets also enables this risk to be limited.

5.4 LIQUIDITY RISK SENSITIVITY

The liquidity risk is the subject of special monitoring by the ALM and Risk Management Committee through ALM analyses which consist in particular of checking the compatibility between the durations of assets and liabilities, and to check the sensitivity with regard to interest rates, to protect against the lapse risk.

6 – OPERATIONAL RISKS

Operational risks are defined as the risk of loss or sanctions in particular because of failures in procedures and internal systems, human errors or exterior events. In this regard, the Sogecap group carries out a policy of active prevention through the securisation of the operational processes and also the spread of a risk culture in the organisation.

The internal control system consists of ensuring, for all the procedures, methods and measures established, their compliance with the applicable legislative and regulatory provisions. It also ensures the effectiveness and efficiency of the operations, and the availability, reliability and integrity of the financial and non-financial information. The Internal Control Department and the Compliance Department provide and maintain the framework of the internal control system required to control the operational risks.

Sogecap group uses the standard formula to estimate its operational risk.

7 – OTHER RISKS

All the significant risks that the Sogecap group is exposed to have been presented in sections C2 to C6 above.

D – VALUATION FOR SOLVENCY PURPOSES

1 – INTRODUCTION

1.1 CONSOLIDATION RULES AND METHODS

The Sogecap group's consolidated accounts are prepared in accordance with the consolidation and presentation rules laid out in regulation no. 2000-05 of the French Accounting Regulation Committee [Comité de la Réglementation Comptable: CRC] updated on 1 January 2017 for undertakings governed by the French Insurance Code, including the modifications introduced subsequently by other CRC and ANC regulations, (They are designated below as "statutory consolidated accounts" or "consolidated financial statements").

To determine the Sogecap group's regulatory own-funds requirements (eligible own funds and SCR) under Solvency 2, the default method of consolidation (method 1 according to Solvency 2) has been adopted for the entities constituting the group Solvency 2 scope.

- the material entities (EEA and non-EEA) are consolidated in the group economic balance sheet by full integration, in accordance with the accounting consolidation rules for insurance companies;
- the other entities are consolidated using the equity method and shown under the holdings heading in the group economic balance sheet. They are taken into account in the group SCR calculation as strategic participations. These entities are:
  - the real estate companies SGI Holding SIS and BG1 SA, and the pension fund company in Romania, consolidated by full integration in the financial statements and the participation in Primonial, consolidated using the equity method.
  - the investment funds and shares held by Sogecap designated as strategic are also recognised as participations in the group's Solvency balance sheet and valued at fair value for the portion held by the group.

1.2 CONSOLIDATION SCOPE

The table presented in section A.1.4 provides detailed information about the entities of the prudential consolidation scope of the Sogecap group and highlights the differences with the consolidation methods used to prepare the consolidated financial statements. In sections D.2 to D.4 below, the balance sheet data presented in the "Book value" columns corresponds to the consolidated financial statements. Some variances in valuation with the data presented in the "economic value" columns result from differences in consolidation methods mentioned above.

1.3 FOREIGN CURRENCY OPERATIONS

The group economic balance sheet presented in this section is in Euros, the Sogecap group's accounts reporting currency. The foreign currency assets and liabilities, whether or not they come from the group's foreign subsidiaries, are converted into Euros at the closing rate.

1.4 INTRAGROUP TRANSACTIONS

The intra-group operations between the group's consolidated companies are fully eliminated in the prudential balance sheet using an approach similar to the one applied in the consolidated financial statements. The significant intra-group transactions between the Sogecap group's subsidiaries are detailed in section A.1.5.

1.5 AGGREGATED ECONOMIC BALANCE SHEET OF THE SOGECAP GROUP

(In millions of Euros)	2020	2019
Deferred tax – Assets	678	4
Real estate and equipment held for own use	27	27
Investments (other than held in unit- or index-linked funds)	123,656	124,487
Assets backing unit-linked contracts	40,358	36,800
Loans and mortgages	116	129
Reinsurance recoverables	841	749
Deposits to cedants	1,249	1,356
Insurers and intermediaries receivables	405	312
Reinsurers receivables	11	11
Other receivables (Non-insurance)	126	271
Cash and cash equivalents	1,073	875
Other assets	21	20
Total Assets	**168,561**	**165,041**

(In millions of Euros)	2020	2019
Technical Provisions - Non-Life	699	590
Technical provisions - Life (excluding unit- and index-linked)	102,853	103,823
Technical provisions - unit- or index-linked policies	40,324	36,212
Provisions other than technical provisions	25	32
Pension benefits obligations	14	8
Deposits from reinsurers	52	44
Deferred Tax – Liabilities	88	116
Derivative instruments	80	134
Debts owed to credit institutions	14,021	13,633
Insurers and intermediaries payables	341	233
Reinsurers payables	39	98
Other payables (Non-insurance)	406	514
Subordinated debts	2,534	2,498
Other liabilities	10	10
Total Liabilities	**161,486**	**157,945**
SII excess of assets over liabilities	**7,075**	**7,097**

2 – ASSETS

(In millions of Euros)	2020			
	Economic value	Book value	Difference	Notes
Goodwill	-	161	-161	D.2.1.1
Deferred acquisition costs	-	297	-297	D.2.1.2
Intangible assets	-	153	-153	D.2.1.2
Deferred taxes - assets	678	277	400	D.2.1.3
Real estate and equipment held for own use	27	27	0	D.2.1.4
Investments (other than held in UL funds)	123,656	111,934	11,722	
Real estate (other than for own use by the company)	820	1,243	-424	D.2.1.5
Participations	2,133	1,555	578	D.2.1.6
Equities	2,471	4,065	-1,595	D.2.1.7
Bonds	97,543	88,489	9,054	D.2.1.7
Investment funds	18,868	15,301	3,567	D.2.1.7
Derivative instruments	1,132	492	640	D.2.1.7
Deposits other than cash equivalents	690	685	4	D.2.1.7
Assets backing unit-linked policies	40,358	40,261	97	D.2.1.8
Loans and mortgages	116	116	-0	D.2.1.9
Reinsurance recoverables	841	797	44	D.2.1.10
Deposits to cedants	1,249	1,249	0	D.2.1.11
Insurers and intermediaries receivables	405	586	-182	D.2.1.12
Reinsurers receivables	11	13	-2	D.2.1.12
Other receivables (Non-insurance)	126	132	-6	D.2.1.13
Cash and cash equivalents	1,073	1,136	-63	D.2.1.14
Other assets	21	22	-1	D.2.1.15
Total Assets	**168,561**	**157,160**	**11,401**	

2.1 PRINCIPLES, METHODS AND MAIN ASSUMPTIONS USED FOR VALUING ASSETS

This section presents, for each asset item, the principles, methods and main assumptions used to determine the economic value of the Solvency 2 balance sheet assets.

The differences in valuation have as counterpart the reconciliation reserve in the SII own funds. When they are material, differences between the values included in the economic balance sheet and in the consolidated financial statements are commented on.

2.1.1 Goodwill

As goodwill cannot be exchanged in an active market, it is recorded at an economic value of zero in the Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	-	€161 M

- In the consolidated financial statements, goodwill corresponds to the difference between the acquisition cost of the securities of companies included in the consolidation scope and the valuation of their assets and liabilities on their acquisition date. They are amortised based on their duration of use. Their cancellation in the Solvency 2 balance sheet has an impact on the reconciliation reserve of €161 million, with no impact on the deferred taxes. In the consolidated financial statements, this item mainly comprises Antarius goodwill recognised during the company's integration in the scope of consolidation.

2.1.2 Intangible assets and Deferred acquisition costs

The intangible assets include software and software licences suitable for the environment of the Sogecap group and its subsidiaries, and the insurance portfolio values that cannot be sold. Under Solvency 2, they are recorded with an economic value of zero in the economic balance sheet.

The deferred acquisition costs correspond to the portion of commissions paid to intermediaries and the internal acquisition costs chargeable to subsequent financial years. Under Solvency 2, the premiums loading on the policyholders and the acquisition costs held by the group's insurance subsidiaries before the closing date are not reported. They are therefore immediately and fully added to or deducted from the prudential own funds and included with a value of zero in the Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	-	€450 M

- The intangible assets (software, licences) are included at the acquisition cost in the balance sheet, net of amortisations and any depreciations. The insurance portfolio values correspond to the actual value of the future profits generated by the insurance policies acquired. They are amortised according to the rate of emergence of future profits. The zero-value applied in the Solvency 2 balance sheet generated a variance of €153 million on this item and the recognition of a deferred tax asset.
- The deferred acquisition costs capitalised in the statutory balance sheet are amortised prorated to the residual term of the policies. The zero-value applied in the Solvency 2 balance sheet generated a variance of €297 million on this item and the recognition of a deferred tax asset.

2.1.3 Deferred tax assets

Deferred taxes are recorded in the Solvency 2 balance sheet based on IAS 12 principles.

The deferred taxes are determined from the most recent tax rates known according to the liability method, based on timing differences between the prudential value and the tax value of the assets and liabilities, taking into account the applicable tax regimes and the tax regulation applicable in each country.

The valuation of the deferred tax assets and liabilities reflect the tax consequences that may result from the way in which the Sogecap group is expected, on the closure date, to recover or settle the value of its assets or liabilities.

For the group's French entities, the deferred taxes of the economic balance sheet drawn up as of 31 December 2020 have been calculated taking into account tax provisions which specify a gradual reduction in the corporate tax rate to 25.83% (including additional contribution) by 2022 for all companies. The group's French entities are part of the Société Générale group's tax consolidation agreement.

For the other non-French entities, no change in terms of taxation in the countries concerned has been taken into account for determining the deferred taxes in the Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€678 M	€277 M

- In its consolidated financial statements, the Sogecap group has net deferred tax assets of €256 million (€ 277 million of deferred tax assets and € 21 million of deferred tax liabilities). All the restatements resulting from the economic valuation of the assets and liabilities generated an overall impact of €334 million of deferred taxes resulting in the Sogecap group having deferred tax assets of €590 million in the Solvency 2 balance sheet. In the economic balance sheet, the deferred tax positions of consolidated entities are not offset against each other. Consequently, at 2020 year-end, the deferred tax assets amount to € 678 million and the deferred tax liabilities to € 88 million.
- At 2020 year-end, this item amounts to € 678 million and it corresponds to the net deferred tax assets of Sogecap (€ 641 million) and Antarius (€ 36 million). Other consolidated entities are in a situation of net deferred tax liabilities.

2.1.4 Operating tangible assets and properties held for own use

The operating tangible assets are recorded at amortised cost, this being considered the best approximation of the price at which they could be sold.

Real estate properties used for operational purposes are valued based on the most recent appraised value available. This value is determined by a comparison with the sale price of similar property, incorporating quantitative and qualitative criteria, and discounting estimated future flows.

2.1.5 Investment property

Investment property held by the entities in the group are valued based on the most recent appraised value available. This value is determined by a comparison with the sale price of similar property, incorporating quantitative and qualitative criteria, and discounting estimated future flows.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€820 M	€1,243 M

The investment property assets are included in the statutory balance sheet at the amortised cost net of depreciation. The difference in valuation of -€424 million between the Solvency 2 balance sheet and the statutory balance sheet results from the following two effects:

- a difference in consolidation method between the group's balance sheets drawn up according to Solvency 2 and according to French accounting principles: the real estate companies SGI Holding SIS and BG1 SA are consolidated by full integration in the statutory balance sheet, whereas their securities are consolidated using the equity method in the Solvency 2 balance sheet, in the holdings heading;
- except for the property held by SGI Holding SIS and BG1 SA, the economic valuation of the investment property in the Solvency 2 balance sheet generated a revaluation increase of €276 million (€188 million net of deferred taxes).

2.1.6 Participations

The list of the Sogecap group's entities and their consolidation method are presented in part A, "Business and Performance" of this report and in the QRT S.32.01.22 disclosed in appendix of this report.

In the group's Solvency 2 balance sheet, this item comprises participations in the entities not consolidated by applying the full consolidation method (see D.1.1). The equity holdings of the solo-level insurance entities consolidated by full integration are eliminated.

In the Solvency 2 balance sheet, the valuation of the participations held is based on two methods, distinguishing between participations in insurance subsidiaries from other participations:

- the participations in non-insurance companies of the group are valued based on their accounting shareholders' equity, applying the materiality principle under Solvency 2.
- the investment funds and shares qualified as strategic are recorded at fair value in the economic balance sheet for the stake held by the Sogecap group.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€2,133 M	€1,555 M

The €578 million variance in valuation between the book value and the SII value of participations results from the following two effects:

- the differences in consolidation method between the group's S2 balance sheet and the consolidated financial statements. This concerns all the companies consolidated by full integration in the group's financial statements that are not consolidated using this method in the group SII balance sheet;
- the economic valuation of investment funds and equities qualified as strategic in the Solvency 2 balance sheet generated a positive revaluation of €178 million (€121 million net of deferred taxes).

2.1.7 Financial investments, including those backing unit-linked contracts

The financial investments are valued in the Solvency 2 balance sheet at fair value according to the valuation methods described below. The revaluation of the financial assets impacts the reconciliation reserve and leads to the recognition of deferred taxes.

Valuation method

The fair value utilised for valuing a financial product is, firstly, the quoted price when the financial instrument is listed on an active market. If there is no active market, the fair value is determined by means of valuation techniques.

A financial instrument is considered listed on an active market if prices are easily and regularly available from a Stock Market, broker, trader, business sector, pricing service or regulatory body, and these prices represent actual transactions occurring regularly in the market under conditions of normal competition.

The assessment of a market's inactive character is based on indicators such as a significant decrease in transaction volume and level of market activity, a significant price dispersion available over time and between the different market participants mentioned above, or the period length since the last transactions observed in the market under conditions of normal competition.

If the financial instrument is listed in several markets, and the Sogecap group has immediate access to these markets, then the fair value of the financial instrument is given by the most advantageous market price. When a given market instrument is unlisted but its components are listed, the fair value is equal to the sum of the listed prices of the various components of the financial instrument, taking into account the bid price and ask price for the net position in view of its direction.

When a financial instrument's market is not or is no longer considered active, its fair value is determined by means of valuation techniques (internal valuation models). Depending on the financial instrument, these include the use of data from recent transactions carried out under conditions of normal competition, fair values of substantially similar instruments, flow discounting and option pricing models, and valuation parameters.

If valuation techniques are regularly used by the market participants to value the instruments, and these techniques have been shown to produce reliable estimates of the prices obtained in transactions on the actual market, then the Sogecap group can use these techniques.

The use of internal assumptions relating to future cash flows and discount rates, appropriately adjusted for risks that any market participant would take into account, is authorised. These adjustments are performed in a correct and appropriate manner after assessing the information available. The internal assumptions take into account, in particular, the counterparty risk, non-performance risk, liquidity risk and model risk, as appropriate.

The observable data must be non-proprietary (independent data), available, publicly disclosed, based on narrow consensus, and supported by transaction prices.

For example, the consensus data provided by external counterparties is considered observable if the underlying market is liquid and the prices provided are confirmed by actual transactions.

The methods for determining the fair values of financial assets in the SII balance sheet are similar to those specified by IFRS 13. The valuation methods are ranked into 3 levels, which reflect the importance of the data used to perform the assessments:

- **Level 1**: instruments valued by prices (not adjusted) listed on active markets for identical assets or liabilities. This level mainly relates to equities, bonds, UCITS and derivatives;
- **Level 2**: instruments valued using data other than the listed prices referred to in level 1 which is observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. derived from prices). The prices published by an external source, derived from the assessment of similar instruments, are considered data derived from prices. This level mainly relates to financial instruments listed on markets considered insufficiently active and those traded on over-the-counter markets;
- **Level 3**: instruments for which the determination of the fair value is based on a valuation model that uses data not observable on a market. This level mainly relates to shares in property investment companies, property, private equity fund units, unlisted equities, bonds valued based on a model using extrapolated data, and structured products not listed on an active market for which the remuneration is indexed on indexes, baskets of shares, or rates.

In the Solvency 2 framework, levels 1 and 2 correspond to the notion of "QMP" (Quoted Market Price) and level 3 corresponds to the notion of "AVM" (Alternative Valuation Method).

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€161,062 M	€149,294 M

- The economic balance sheet is prepared from data recorded in the consolidated statutory balance sheet, which require replacing the value at amortised cost net of depreciation for all the financial assets (in application of the provisions of Articles R343-9 and R343-10 of the French Insurance Code) by their fair value.
- The valuation at fair value leads to:
  - writing-off impairments (financial assets falling within R343-10 and financial assets falling within R343-9),
  - writing-off the adjustment accounts for derivatives instruments (amortisation of premiums, amortisation of the unrealised capital gains or losses on derivatives linked to the yield strategies, etc).
- In addition, for the amortisable assets (R343-9), the economic valuation leads to:
  - cancelling the premiums and discounts (because taken into account in the market value)
  - reclassifying accrued interests.

The following table details the Sogecap group's financial investments, including those backing unit-linked contracts according to the method used for their valuation in the economic balance sheet as of 31 December 2020:

(In millions of Euros)	2020	
	SII valuation method S2 (2)	Group S2 balance sheet
Financial investments other than UL (1)		**120,703**
Sovereign bonds	QMP	39,446
	AVM	371
Corporate bonds	QMP	38,340
	AVM	11,978
Listed equities	QMP	93
Unlisted equities	AVM	2,376
Investment funds	QMP	12,539
	AVM	6,330
Structured notes	QMP	5,545
	AVM	1,803
Collateralised securities	AVM	61
Deposits other than cash equivalents	QMP	685
	AVM	5
Derivative instruments - assets	QMP	1,132
	AVM	-
Financial investments backing UL policies		**40,358**
Financial investments backing UL policies	QMP	36,326
	AVM	4,032
Total financial investments (1)		**161,062**

(1) Not including investment property, holdings and loans presented respectively in 2.1.5, 2.1.6 and 2.1.9.
(2) AVM: Alternative Valuation Method QMP: Quoted Market Price

2.1.8 Financial assets backing unit-linked contracts

The investments backing insurance contracts where financial risk is held by the policyholders are accounted for at their market value in a separate heading in the Solvency 2 balance sheet. In the statutory balance sheet, these assets are recorded for their market value, generating no difference between the two balance sheets. Valuation methods used for financial assets backing unit-linked contracts are presented in section 2.1.7 above.

2.1.9 Loans, mortgages and policy loans

Loans item of the economic balance sheet groups together the loans and mortgages, and the policy loans granted to savings life insurance policyholders. The economic value of the loans (€41 million at the end of 2020) is determined by discounting the future cash flows. The economic value of policy loans (€75 million at the end of 2020) is identical to the value used in the financial statements and includes the accrued interests.

2.1.10 Reinsurance recoverables

The technical provisions assigned are determined from a Best Estimate calculated using a statistical approach taking into account probable losses in the event of the reinsurer's default. The calculation methods are specified in section C.3.1, detailing the technical actuarial calculations.

The reinsurance program mainly concerns the protection cover for credit life insurance contracts, and the health and non-life insurance contracts. The reinsurance treaties are quota share or surplus basis treaties. The intra-group reinsurance treaties mentioned in A.1.5 are eliminated in the group Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€841 M	€797 M

- In the financial statements, the reinsurers' share of the technical provisions corresponds to the assigned technical commitments valued according to the provisions of the French Insurance Code and the ANC Regulation, without taking into account a probability of the reinsurer's default. The €44 million variance observed in this item between the Solvency 2 balance sheet and the statutory balance sheet results from the difference in the valuation method.

2.1.11 Deposits to cedants

The item 'deposits to cedants' (€1,396 million) relates almost entirely to the mechanism of co-insurance and reinsurance between Antarius and Cardif Assurance Vie (€1,388 million). This deposit is a liquid asset whose value is essentially not subject to potential variations in market value. Its valuation for solvency purposes remains identical to that included in the statutory balance sheet of Antarius, i.e. at its nominal value on the closing date.

2.1.12 Insurance and intermediaries receivables and Reinsurance receivable

Depending on their dating, the receivables are valued at amortised cost (less than one year) or by discounting future cash flows (greater than one year). For the Sogecap group, the proportion of receivables in more than one year old is not significant. The insurance and intermediaries receivables and reinsurance receivables are therefore valued at amortised cost, as for the financial statements.

The premiums earned but not written of the credit life insurance and P&C policies are cancelled because they are taken into account in the Best Estimate calculation models presented in the liabilities of the Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€416 M	€599 M

- In the statutory balance sheet, all of these items are recorded at amortised cost, net of any depreciation of doubtful receivables. The €184 million difference between the Solvency 2 balance sheet and the statutory balance sheet corresponds to the cancellation of provisions for premiums earned but not written, which are projected in the Best Estimates of the Solvency 2 balance sheet.

2.1.13 Other receivables

Depending on their dating, the other receivables are valued at amortised cost (less than one year) or by discounting future cash flows (greater than one year). In the group's entities, the proportion of receivables more than one year old is not significant. The other receivables are therefore valued at amortised cost, as for the financial statements.

The elements recorded in the financial statements in "other adjustment accounts" for derivatives, interest incurred and discounts on bond securities are cancelled for prudential purposes since they are already taken into account in the market valuation of the related financial assets.

2.1.14 Cash and cash equivalents

The cash balance includes cash on hand. The cash equivalents are the liquidity available in the current account and are valued at their nominal value, as for the financial statements.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€1,073 M	€1,136 M

- The difference in valuation of €63 million between the Solvency 2 balance sheet and the statutory balance sheet results from differences in consolidation methods. The non-insurance or non-material entities are consolidated using the equity method in the Solvency 2 balance sheet, whereas they are consolidated by full integration in the consolidated financial statements.

2.1.15 Other assets

The other assets item in the Solvency 2 balance sheet mainly includes adjustment accounts other than financial. Given their recent dating, these assets are kept at their book value in the Solvency 2 balance sheet.

3 – TECHNICAL PROVISIONS

(In millions of Euros)	2020			
	Economic value	Book value	Difference	Notes
Technical Provisions - Non-Life	**699**	**1,148**	**-450**	
Technical provisions - Non-Life (Health excluded)	645	1,136	-491	D.3.1.4
Technical provisions - Health (Similar to Non-Life)	**53**	**12**	**42**	D.3.1.5
Technical provisions - Life (excluding unit- and index-linked)	102,853	89,821	13,033	
Technical provisions - Health (Similar to Life)	243	460	-217	D.3.1.3
Technical provisions - Life (excluding health, unit- and index-linked)	**102,610**	**89,360**	**13,250**	D.3.1.2
Technical provisions - unit- and index-linked	**40,324**	**40,638**	**-314**	D.3.1.2
Total technical provisions	**143,876**	**131,607**	**12,269**	

The Solvency 2 provisions are calculated according to the type of insurance commitments, classified by homogenous risk group and, as a minimum, by Line of Business, the list of which is defined in the Delegated Acts 2015/35.

Breakdown of gross and ceded technical provisions by Solvency 2 line of business (in €M) as of 31 December 2020:

Solvency 2 lines of business	Type of cover	Gross technical provisions*		Ceded technical provisions*	
		S2	S1	S2	S1
Non-Life	P&C	645	1,136	185	222
Health similar to Non-Life	Medical expenses	53	12	4	1
Health similar to Life	Incapacity Invalidity	243	460	35	34
Life (excluding Health and UL)	Death Savings excluding UL	102,610	89,360	615	525
UL Life	UL Savings	40,324	40,638	2	16
Total		**143,876**	**131,607**	**841**	**797**

* SII: including risk margin.

3.1 PRINCIPLES, METHODS AND MAIN ASSUMPTIONS USED FOR VALUING TECHNICAL PROVISIONS

3.1.1 General principles for valuing technical commitments under Solvency 2

To prepare the economic balance sheet, the technical provisions determined for the requirements of the financial statements are cancelled and replaced by financial provisions.

The financial provisions are calculated as the sum of the Best Estimate of future flows of a risk margin.

The Best Estimate corresponds to the probabilised amount of future cash flows (inflows or outflows) linked to existing policies and discounted using the risk-free rate curve provided by EIOPA (based on the swap curve) to which a “volatility adjustment” is added, making it possible to reduce the effects of a volatility of rate spreads (this volatility adjustment is also provided by EIOPA). This volatility adjustment is not used for the Moroccan, Bulgarian or Romanian entity, or for the Russian entities, consolidated by full integration in the group Solvency 2 balance sheet.

The risk margin represents the cost of the capital that the assignee would have to raise to meet its capital requirements up to the extinguishment of liabilities.

Best Estimates

The cash flow projections used in assessing the Best Estimates take into account all the cash flows (inflows and outflows) necessary to fulfil the insurance and reinsurance commitments throughout the duration of these commitments.

The estimate of cash flows takes into account the value of financial guarantees and any contractual option included in the policies, and incorporates the effects of future actions by the management (policy-sharing policy, use of financial reserves, etc) and behaviour of the policyholders (terminations, surrenders, arbitrages, etc).

The projected cash flows therefore include in particular:

- payments to policyholders and beneficiaries, including discretionary profit-sharing that the company anticipates paying in the future;
- future costs and fees;
- premiums, within the limits of the existing policies (i.e. the premiums for the policies that will be signed in later financial periods are not taken into account).

Risk margin

The risk margin is valued net of reinsurance and according to a capital cost approach. It is based on the projection of the solvency capital requirement (SCR) linked to the underwriting risk of the existing portfolio, the operational risk and the reinsurers default risk. The effects of diversification between the risks are taken into account in the valuation of the risk margin, at the solo level and added individually for the group requirements.

The remuneration cost of future SCRs, used for the valuation of the capital cost, is set at 6% by the Delegated Acts 2015/35.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€143,876 M	€131,607 M

- In the consolidated financial statements, the technical provisions are valued in accordance with the French Insurance Code and the applicable accounting regulations (principle of prudence and sufficiency). In contrast the Solvency 2 reserving rules are mainly based on the projection of probabilised and discounted future flows (“Best Estimate” and risk margin).

3.1.2 Best Estimates calculation for the savings life insurance activity

This section concerns the LoBs “Life insurance with profit-sharing” and “unit-linked contracts”.

Models used

The assets/liabilities management model used for the calculations of the savings life insurance activity is implemented in a calculation engine developed by a leading publisher.

The economic scenarios generator, marketed by a leading publisher, makes it possible to generate the scenario tables necessary for the calculations of Best Estimate for the savings life insurance activity. These are valued stochastically over a multitude of economic scenarios. The asset/liability projection does not include future premiums within the limits of contract boundaries.

The models are used recurrently for the internal studies and for the purpose of preparing statutory and IFRS financial statements.

Best Estimate calculation

All the flows linked to the company’s liabilities are projected over the projection periods and over all the economic scenarios generated.

The Best Estimate is obtained as the average of the Best Estimates calculated for each scenario.

Calculation assumptions and principles

- **the stochastic scenarios** used for the Best Estimates calculation are based on the following models:
  - for the rate models: “Displaced Libor Market Model with stochastic volatility”,
  - for the equity model: “Stochastic Volatility Jump Diffusion”;
- **the economic assumptions** used to set parameters for these models are the following:
  - nominal rate curves provided by EIOPA on 31 December 2020,
  - volatilities of the Eurostoxx and CAC share indexes corresponding to implicit volatilities observed in the markets,

- volatilities of the other share indexes based on historic data and concerning the real estate index, the private equity index and the hedge fund index,
- volatilities of interest rates correspond to implied volatilities observed on the markets,
- average dividend rates of the various share indexes based on historic data,
- the correlations between these different economic indexes are issued from historical data.

Savings life insurance ALM model

The ALM model enables the modelling of asset/liability interactions. The following table presents the main components of the ALM model for the savings life insurance activity:

Behaviour of the insurer	The policy concerning the rates offered is managed through an algorithm making it possible to define a target rate, based on the rate of return for competitors' products and the rates offered in previous years, in line with the investment policy.
Standard behaviour of the policyholders (surrenders and deaths)	Surrenders and deaths are modelled based on the characteristics of homogenous risk groups.
Dynamic behaviour of the policyholders	If the policyholders are not satisfied, this stimulates additional surrenders and arbitrages.
Use of financial reserves	The variations in the various technical provisions (capitalisation reserve, policyholders benefits provision, provision for payment risk) are taken into account in the projections carried out by the ALM model.
Modelled costs	The company's costs are taken into account in the model based on the following three categories: ● claims management costs are expressed as unit costs; ● investment management costs are expressed as a percentage of the outstandings; ● the other costs include all the general costs that are not assigned (directly or by allocation key) to the two categories described above.
Commissions	The commission rules are taken into account in accordance with the agreements between the group's entities and the business providers concerning commissions on outstandings.

3.1.3 Best Estimates calculation for the Protection activity

The entities of the group in question, consolidated by full integration in the SII balance sheet, are:

- Sogecap;
- Antarius;
- Oradea Vie;
- Komercni Pojistovna;
- La Marocaine Vie;
- Societe Generale Strakhovanie Zhizni;
- BRD Asigurari de viata.

Models used

Projection of the commitments is performed on an individual basis for most policies, using appropriate calculation models.

The principles applied concerning the boundaries of the projected policies are the following:

- for multi-year policies (borrower and savings life insurance policies), the future premiums are taken into account. In this case, when the policy is taken out the insurer commits for several years to cover the various risks insured, at a premium level defined in advance. In addition, the tariff cannot be adjusted;
- for the policies renewable annually by tacit renewal (accident policies linked to credit cards or annual term policies), the future premiums are not projected since the insurer has the right to modify the level of contributions if the technical conditions should deteriorate. The tariff can also be adjusted.

When a product protects the policyholder against the occurrence of various risks (death, incapacity, etc), the policies have been segmented such that each risk is classified in the LoB it belongs to.

All the products are grouped by product family. Each family represents the same type of protection policies (savings life insurance, real estate borrowers, consumer borrowers, accidental death).

Best Estimates calculation

The total amount of the Best Estimates consists of the Best Estimates for the future claims and the Best Estimates for the claims that have already occurred:

- the Best Estimate for the future claims consists of the modelled Best Estimates and the Best Estimates of non-modelled products. For the non-modelled products, the Best Estimates for future claims are assumed to be equal to the provision calculated for the purposes of the company accounts;
- the Best Estimate for the claims that have already occurred consists of the Best Estimates (for the products for which experience rates exist) and, for the products for which there is no experience table, the Best Estimates of the provisions are assumed to be equal to the provision constituted for the purposes of the company accounts for the non-modelled scope.

Calculation assumptions and parameters

The main assumptions required for the calculated of the Protection BEs vary depending on the type of product:

- experience table or discounted reference mortality tables;
- lapse rate or early redemption rate, depending on products;
- sick-leave entry rate, with the BCAC or experience table of ongoing sick leave;
- rate of general costs.

3.1.4 Best Estimates calculation for the Non-Life activity – P&C line of business

The entities of the group in question, consolidated by full integration in the SII balance sheet, are:

- Sogessur;
- Komercni Pojistovna;
- Societe Generale Strakhovanie CJSC;
- BRD Asigurari de Viata.

Each of the commitments has been allocated to one of the LoBs proposed in compliance with the principle of priority of the risk type over the legal form of the policy.

Flows for the Best Estimate of claims:

The claims Best Estimate consists of the projection of the claims that have occurred, and the costs related to the management of these claims.

Claims projections

The payment pattern (smoothed if necessary) is applied to the final charge payable for claims that occurred before 31 December 2020, at a finer level of detail than the LoB.

The payment patterns are calculated using payment triangles net of recoveries. When the triangle is not sufficiently developed, tail factor methods are used to obtain the full pattern. The choice of tail factor method is based on the R^2 criteria.

Given the size of the portfolio and the limited impact for some products, nomograms have been used.

Expenses projections

Expenses included in the Best Estimate of claims are claims management expenses. The amount of these expenses is calculated in the Provision for Claims Management Fees (PCMF). The PCMF is determined based on two methods:

- for the most material products, the calculations are based on the number of acts;
- for the other products, the calculation is based on the number of outstanding claims multiplied by the average unit cost of claim.

Flows for the Best Estimate of premiums:

The Solvency 2 balance sheet must take into account the policies (premiums and provisions) whose commitment date ("signature" date) is prior to 31 December 2020.

The premiums Best Estimate has been split into two portions, called the unearned premiums Best Estimate and future premiums Best Estimate.

For the unearned premiums Best Estimate, the claims payment pattern determined above (smoothed if necessary) is applied to the estimated amount of the final charge for claims that occurred after 31 December, at a finer level of detail than the LoB. This final charge is the product of the average C/P observed these last years and the amount of the unearned premiums. Receipts not yet due are also taken into account in this Best Estimate.

The future premiums Best Estimate takes into account policies for which the policy's commitment date is prior to 31 December 2020 and the effective date is after 31 December 2019. As for the unearned premiums Best Estimate, the payment pattern is applied to the estimated amount of the final charge for claims that occurred after 31 December. This final charge is the product of the average C/P observed these last years and the amount of the future premiums.

Assumptions for costs

The only costs linked to the Best Estimate of claims to be paid are the claims management costs. A rate of costs has been calculated by calculating the ratio of the claims management costs (excluding the opening costs) to the total payments. The rate obtained is applied to the projected claims.

The costs linked to the premiums Best Estimate are the claims management costs, administration costs, acquisition costs and other costs. The management costs of future claims are calculated as a percentage of flows for the future loss ratio. This rate is the ratio of the claims management costs to the total payments made in 2020.

The total of the administration costs paid, acquisition costs and other costs is assumed to be proportional to the earned premiums. The ratio of these costs paid in 2020 to the earned premiums is applied to the future premiums to obtain the costs linked to these premiums. The costs are then broken down by LoB prorated to the future premiums.

Assumptions for churn rate

The churn rate observed in 2020 is incorporated into the premiums Best Estimate calculation.

Inflation

Inflation is taken into account in the calculations for the provisions.

Gross Best Estimates calculation

The premiums Best Estimate and claims Best Estimate are obtained by discounting all the flows using the risk-free rate curve defined in 3.1.1.

3.1.5 Best Estimates fort the Health Non-Life activity

The entities of the group in question, consolidated by full integration in the SII balance sheet, are:

- Sogecap;
- Sogessur;
- Komercni Pojistovna;
- La Marocaine Vie;
- Societe Generale Strakhovanie Zhizni;
- BRD Asigurari de Viata.

The calculation performed is a non-life type of calculation (triangles) and distinguishes between the premiums Best Estimate calculation and the claims Best Estimate calculation.

- the premiums Best Estimate calculation is based on the projections of claims linked to the unearned premiums reserves by means of the observed C/P and the payment pattern. The future premiums are not taken into account;
- the claims Best Estimate calculation is based on the outflow of the accounting provisions for claims, to which the payment pattern (including costs) is applied.

The elements needed to calculate the Best Estimate are the accounting technical provisions (Unearned premiums reserve, claims reserves and IBNR) as of the date of closure, and the rate assumptions for the general costs and the loss ratio assumptions (ratio of the cost of claims to the premiums, payment pattern).

3.1.6 Risk margin calculation (Savings Life Insurance and Personal Protection calculation)

The risk margin calculation corresponds to the simplification method classified as Level 1 in the guidelines on the valuation of technical provisions (guidelines included in the notice published by the ACPR on 18 December 2015).

3.1.7 Level of uncertainties associated with the value of technical provisions

The assumptions used to calculate the Best Estimate have been established based on available statistics for the entire portfolio, and therefore correctly reflect the behaviour of the policyholders and the final charge with regard to P&C commitments.

3.1.8 Description of ceded technical provisions - Life lines of business

The technical provisions ceded to reinsurers are determined on the basis of the projection of future cash flows linked to reinsurance, and taking into account the nature of the treaty and a probability of the reinsurer's default (depending on the rating).

3.1.9 Description of ceded technical provisions – Non-Life lines of business

The valuation models and the assumptions for calculating the Best Estimate of the ceded technical provisions are identical to those applied to the gross reinsurance technical provisions, except for the reinsurer's default risk taken into account in the ceded technical provisions.

Two methods have been applied for the ceded premiums Best Estimate, depending on the nature of the treaty.

- for the quota share (QS) treaties, the assignment rate has been applied to the flows for claims to be paid and to the cash flows for the gross premiums Best Estimate.
- for the excess loss (XL) treaties, the ceded premiums Best Estimate takes into account the minimum premium laid down in the various treaties, and the pure premium modelled at the time of the annual renewal. The approach utilised for modelling the ceded charge is based on Monte Carlo type techniques.

The ceded premiums Best Estimate is obtained by discounting all the flows and taking into account the probability of each reinsurer's default, which is a function of the reinsurer's rating.

For the XL treaties, the ceded premiums Best Estimate is broken down based on each reinsurer into the accounting technical provisions. For the quota-share treaties, the segment's ceded premiums Best Estimate is assigned to the QS reinsurer.

3.1.10 Impacts of long-term transitional measures used by Sogecap group's entities

Volatility adjustment

Among transitional measures authorised by the Solvency 2 Directive, the Sogecap group applies the Volatility Adjustment (VA) for the EEA entities consolidated by full integration, except for BRD Asigurari de Viata. The objective of this measure is to reduce the effects of an artificial volatility of rate spreads for calculating the best estimates. The calculation is based on the rate spread by currency, between the yield rate of the assets included in the reference portfolio and the risk-free rate.

The following table presents the impacts of the use of volatility adjustment on the technical provisions, the own funds and the own-fund requirements as of 31 December 2020:

(In millions of Euros)	With volatility adjustment	Without volatility adjustment
Solvency 2 technical provisions	143,876	144,226
Available own funds	9,073	9,012
Eligible own funds*	9,073	9,012
SCR	4,651	4,770

* To cover the SCR.

4 – OTHER LIABILITIES

(In millions of Euros)	2020			Notes
	Economic value	Book value	Difference	
Contingent liabilities	0	0	0	D.4.1.1
Provisions other than technical provisions	25	74	-48	D.4.1.2
Pension benefits obligations	14	14	0	D.4.1.3
Deposits from reinsurers	52	52	0	D.4.1.4
Deferred Tax – Liabilities	88	21	66	D.4.1.5
Derivative instruments	80	0	80	D.4.1.6
Debts owed to credit institutions	14,021	14,024	-3	D.4.1.7
Insurers and intermediaries payables	341	370	-29	D.4.1.8
Reinsurers payables	39	53	-14	D.4.1.8
Other payables (non-insurance)	406	416	-10	D.4.1.9
Subordinated debts	2,534	2,354	180	D.4.1.10
Other liabilities	10	15	-5	D.4.1.11
Total Other liabilities	17,610	17,392	218	

4.1 PRINCIPLES, METHODS AND MAIN ASSUMPTIONS USED FOR VALUING OTHER LIABILITIES

This section presents, for each 'other liabilities' item, the principles, methods and main assumptions used to determine their economic value in the Solvency 2 balance sheet. The differences in valuation have as counterpart the reconciliation reserve in the SII own funds. When they are material, differences between the values included in the prudential balance sheet and in the statutory balance sheet are commented.

4.1.1 Contingent liabilities

The significant contingent liabilities (Solvency 2 takes the definition detailed by the IAS 37 standard of the IFRS accounting framework) must be recorded in the Solvency 2 balance sheet based on the probable future financial flows discounted at the risk-free rate required to extinguish them.

No entity in the group has significant contingent liabilities; consequently, no adjustment is recognised in the group's Solvency 2 balance sheet.

4.1.2 Provisions other than technical provisions

The provisions for risks and charges correspond to liabilities whose timing or amount is uncertain, and for which the probability exceeds 50% that an outflow of resources will be required to settle it.

They are valued at their economic value, based on the probable future financial flows discounted at the risk-free rate adjusted for the risk specific to the provision.

Given the valuation methods utilised for the statutory balance sheet, no restatement is recognised for the purposes of drawing up the Solvency 2 balance sheet.

4.1.3 Pension benefits obligations

The pension commitments recorded in the financial statements are valued according to the preferential method in accordance with recommendation no. 2003-R01 of the CNCC.

Given that the valuation rules utilised for the financial statements are very close to those of IAS 19 (IFRS framework standard recommended under Solvency 2), no restatement is recognised for the purposes of drawing up the Solvency 2 balance sheet.

4.1.4 Deposits from reinsurers

The cash deposits received from reinsurers are valued at their nominal value, as in the financial statements.

4.1.5 Deferred tax liabilities

In the consolidated financial statements, the Sogecap Group is in a deferred tax assets position (Refer to paragraph D.2.1.3 – Deferred tax assets).

4.1.6 Derivatives instruments

All the derivative instruments (swaps and caps) are recorded at their fair value in the Solvency 2 balance sheet.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€80 M	-

- In the Solvency 2 balance sheet, the derivative instruments with a negative value on the closure date must be recorded as liabilities in the balance sheet, separate from the derivative instruments with a positive value, recorded as assets in the balance sheet (see D.2.1.7.). As of 31 December 2020, the derivative liability instruments accounted for €80 million in the Sogecap group's Solvency 2 balance sheet.

4.1.7 Debts owed to credit institutions

These debts include the debit current accounts at credit institutions and the repo liabilities linked to repurchase agreements (operations with a term of less than one year) and the related margin calls. The debts are recorded in the Solvency 2 balance sheet based on their value in the financial statements.

4.1.8 Insurers and intermediaries payables, Reinsurers payables

Depending on their dating, the debts with insurers and intermediaries, and the debts with reinsurers valued at amortised cost in the statutory balance sheet, are valued in the Solvency 2 balance sheet at amortised cost (less than one year) or by discounting the future cash flows (greater than one year). As the amount for debts of over one year are not significant, they are therefore valued at amortised cost. The ceded earned but not written premiums are cancelled for prudential reasons as they are projected in the calculations for the ceded Best Estimates.

MATERIAL DIFFERENCES IN VALUATION	SII	ACCOUNTING
	€380 M	€423 M

- In the statutory balance sheet, all of these debts are valued at amortised cost. The €43 million difference between the Solvency 2 balance sheet and the statutory balance sheet corresponds to the cancellation of provisions for gross and ceded premiums earned but not written, which are projected in the Best Estimate of the Solvency 2 balance sheet.

4.1.9 Other payables (non-insurance)

Depending on their dating, the other debts are valued at amortised cost (less than one year) or by discounting future cash flows (greater than one year). For the entities consolidated in the group's prudential balance sheet, the proportion of debts more than one year is not significant. The other debts are therefore valued at amortised cost, as for the financial statements.

4.1.10 Subordinated debts

The subordinated debts are valued in the Solvency 2 balance sheet at fair value, taking into account the risk-free rate applicable on the closing date and the spread on the issue date. They are all included in the original own funds. Their valuation includes the accrued interest debt.

The subordinated debts issued by the group's entities and contracted by Sogecap are eliminated for the following amounts:

- issued by Sogelife Luxembourg: €110 million;
- issued by Oradea Vie: €16 million;
- issued by Sogessur: €97 million;
- issued by Antarius: €287 million;
- issued by Komercni Pojistovna: €18 million.

(In millions of Euros)		Lender	Term	Issue Amount	S2 Valuation
Sogecap	29/10/2012	Société Générale	15 years	161	191
	27/06/2014	Société Générale	15 years	88	106
	18/12/2014	External third parties	∞	794	884
	19/12/2014	Société Générale	11 years	545	545
	11/09/2015	Société Générale	15 years	31	36
	11/09/2015	Société Générale	∞	31	39
	12/06/2017	Société Générale	∞	297	323
	13/11/2018	Société Générale	10 years	125	138
	13/11/2018	Société Générale	15 years	125	148
Sogelife Luxembourg	19/05/2004	SG Bank & Trust	∞	7	7
	31/07/2006	SG Bank & Trust	∞	2	2
	31/07/2006	SG Bank & Trust	15 years	1	1
	29/05/2008	SG Bank & Trust	∞	6	6
	29/05/2008	SG Bank & Trust	15 years	2	2
	10/08/2009	SG Bank & Trust	∞	11	11
	10/08/2009	SG Bank & Trust	15 years	4	4
	31/12/2009	SG Bank & Trust	∞	4	4
	31/12/2009	SG Bank & Trust	15 ans	1	1
	30/03/2010	Société Générale	∞	12	12
	30/03/2010	Société Générale	15 years	4	4
	30/09/2010	Société Générale	∞	11	11
	30/09/2010	Société Générale	15 years	4	4

(In millions of Euros)		Lender	Term	Issue Amount	S2 Valuation
Oradéa Vie	29/06/2006	Société Générale	∞	2	2
	29/06/2006	Société Générale	15 years	2	2
	21/12/2007	Société Générale	∞	1	2
	21/12/2007	Société Générale	15 years	1	1
	24/12/2008	Société Générale	15 years	1	1
	24/12/2008	Société Générale	∞	1	1
	22/12/2009	Société Générale	∞	1	1
	22/12/2009	Société Générale	15 years	1	1
	21/06/2010	Société Générale	∞	2	3
	21/06/2010	Société Générale	15 years	2	2
	28/10/2011	Société Générale	∞	2	3
	28/10/2011	Société Générale	15 years	2	2
	28/09/2012	Société Générale	15 years	1	1
	31/12/2012	Société Générale	∞	1	1
Sogessur	24/06/2003	Société Générale	∞	2	2
	25/06/2003	External third parties	∞	1	1
	15/04/2004	External third parties	∞	2	2
	28/05/2004	Société Générale	∞	3	3
	30/06/2010	Société Générale	∞	3	3
	22/12/2010	Société Générale	∞	2	2
Komercni Pojistovna	31/07/2020	Komercni Banka	10 years	17	17
Total				2,316	2,534

4.1.11 Other liabilities

The other liabilities recorded in the Solvency 2 balance sheet correspond to non-financial adjustment accounts. Given the valuation methods utilised for the consolidated financial statements for these accounts, no restatement is recognised for the purposes of drawing up the Solvency 2 balance sheet.

5 – OTHER INFORMATION

All the important information relating to the valuation of the economic balance sheet has been presented in the previous paragraphs.

E – CAPITAL MANAGEMENT

1 – OWN FUNDS

Under Solvency 2, the group own funds are equal to the difference between the assets and liabilities of the group balance sheet valued according to the Solvency 2 principles, plus the subordinated debts, and minus the own funds relating to ring-fenced funds that exceed the notional SCR of the ring-fence and foreseeable dividends, and any own-funds element not available to cover the group's solvency requirements.

They are classified into 3 categories (tiers). This classification is based on their quality assessed with regard to their availability to absorb losses, their degree of subordination, and their duration or permanence, with Tier 1 corresponding to the best quality.

Quantitative limits are also imposed for determining the amount of eligible own funds to cover the capital requirements (respectively, the SCR – Solvency Capital Requirement - and the MCR – Minimum Capital Requirement).

1.1 CAPITAL MANAGEMENT POLICY

All the processes and procedures described in part B of this report contribute to managing the risks likely to have a significant impact on the Sogecap group's solvency in view of its risk profile. In particular, the ORSA implemented by the Sogecap group enables an assessment over the group's strategic horizon of the impact of strategic directions on its solvency, and of changes in its solvency as a result of changes in the financial markets and of intrinsic or extrinsic factors.

The Sogecap group plans its activities over a three-year horizon and can thus anticipate its own-funds requirements linked to its development ambitions. The group updates its forecasts each year.

1.2 GROUP SOLVENCY CALCULATION METHOD

The Sogecap group's solvency capital requirement is calculated using the method known as the "consolidation method", in accordance with Article 336 of Delegated Acts 2015/35/EC.

Under this method, the insurance entities in which the Sogecap group exercises a dominant influence are consolidated by full integration and the calculation of the resulting SCR includes the recognition of a diversification gain.

1.3 STRUCTURE AND AMOUNTS OF AVAILABLE OWN FUNDS

The S2 available own funds stood at €9,073 million at the end of 2020, compared with €9,475 million at the end of 2019. The following tables detail the structure of the own funds by type and Tier:

(In millions of Euros)	2020				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	-509	-509	-	-	-
Surplus fund	4,454	4,454	-	-	-
Available minority interests	434	434	-	-	-
Subordinated debts	2,534	-	963	1,571	-
Deferred tax assets	641	-	-	-	641
S2 available own funds	**9,073**	**5,897**	**963**	**1,571**	**641**

(In millions of Euros)	2019				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	2,309	2,309	-	-	-
Surplus fund	2,756	2,756	-	-	-
Available minority interests	395	395	-	-	-
Subordinated debts	2,498	-	954	1,543	-
S2 available own funds	**9,475**	**6,978**	**954**	**1,543**	**-**

Sogecap group's S2 available own-funds items meet the Tier 1, Restricted Tier 1 and Tier 2 classification criteria.

Share capital of Sogecap, fully called-up, amounted to €1,518 million at the end of 2020, stable compared with the previous year. Because of its characteristics, the share capital is classified as Tier 1.

Reconciliation reserve was -€509 million at the end of 2020, down €2,818 million compared with the end of 2019. This reserve, negative at 2020 year-end, comprises elements that meet the unrestricted Tier 1 classification criteria. These are:

- statutory reserves – group share, net of dividends to be paid to shareholders: €1,212 million at the end of 2020, down €350 million compared with 2019. These reserves comprise retained earnings, other consolidated reserves and net income of the current period, net of foreseeable dividend.

  In December 2020, Sogecap paid a dividend of €413 million, representing 85% of its net income for 2019. Furthermore, a €359 million foreseeable dividend has been deducted from available own funds at the end of 2020. A dividend of €179.5 million, subject to the General Assembly's approval will be paid during the 1st semester. The payment of an additional dividend, for the same amount will be submitted to the Board of Directors' decision in second half of 2021;
- future margins attributable to the group, net of deferred taxes, arising from the economic valuation of assets and liabilities. This element amounted to -€1,721 million as of 31 December 2020 vs. €757 million as of 31 December 2019.

Surplus funds, as defined by article 91 of the Solvency 2 Directive are recognized as Tier 1 own funds and represent €4,454 million at the end of 2020. This own fund item has been determined at solo level (Sogecap, Antarius, Oradéa Vie), in accordance with the economic valuation method prescribed by the ACPR. At year-end 2019, a standard value of 70% of the eligible components of policyholders' benefits reserves had been applied in accordance with transitional method allowed by the ACPR.

- Although deemed by nature not available at group level, these own funds items of subsidiaries are recognized as available own funds at Sogecap group level, within the limit of the contribution to the group SCR of each entity, in accordance with provisions of the Delegated Regulation 2015/35 and the French Insurance Code.

Available minority interests amount at €434 million at the end of 2020 vs. €395 million at the end of 2019. The available minority interests are obtained after deducting foreseeable dividends to be paid to minority shareholders of Sogecap group's subsidiaries and are capped at the level of minority interests' share in the contributory SCR of the concerned subsidiary. The amount of non-available minority interests amounted to €141 million at the end of 2020 vs. €115 million at the end of 2019.

Subordinated debts, detailed in section D.4.1.10, total €2,534 million and are classified as Tier 1 or Tier 2, according to their characteristics:

- €963 million meet the Tier 1 classification criteria: These loans benefit from the transitional measure lasting 10 years concerning the classification of S2 own funds ("grandfathering clause") authorising their classification as Restricted Tier 1, having been issued before 19 January 2015 (publication date of the Delegated Acts);
- €1,571 million meet the Tier 2 classification criteria: This consists of all the dated subordinated debts benefitting from the transitional measure concerning the classification of own funds and the dated and undated subordinated debts issued after the 19 January 2015.

1.4 RECONCILIATION OF THE OWN FUNDS FROM THE FINANCIAL STATEMENTS TO THE EXCESS OF ASSETS OVER LIABILITIES ASSESSED ACCORDING TO SOLVENCY 2 PRINCIPLES

In the economic balance sheet, the excess of assets over liabilities (presented in section D) amounts €7,075 million as of 31 December 2020, compared with €7,097 million at the end of 2019. The following table presents reconciliation between the Sogecap group's accounting own funds, the Solvency 2 excess of assets over liabilities, and the Solvency 2 available own funds:

(In millions of Euros)	2020	2019
Share capital and share premiums	1,518	1,518
Other reserves, retained earnings and result for the year	2,085	1,941
Consolidated statutory own funds	**3,604**	**3,460**
Write-off of goodwill, portfolio values and intangibles	-396	-324
Fair value of financial assets and liabilities	11,754	10,587
Economic value of technical liabilities	-12,642	-8,979
Impact of net deferred taxes	301	-404
Surplus fund	4,454	2,756
S2 excess of assets over liabilities	**7,075**	**7,097**
Subordinated debts	2,534	2,498
Foreseeable dividends from Sogecap	-359	-
Minority interests and deferred tax assets not available	-177	-119
Group S2 available own funds	**9,073**	**9,475**

1.5 ELEMENTS DEDUCTED FROM THE OWN FUNDS

Article 330 of Delegated Acts 2015/35 requires the reconciliation reserve to be reduced by various elements affecting the availability and transferability of own funds within the group. In the case of Sogecap group, the elements deducted from the group own funds can be of several types:

- dividend distributions;
- own funds in ring-fenced funds in excess of notional SCR. In France, the Sogecap group markets PERPs (French retirement plans), the characteristics of which meet the definition of ring-fenced funds in Solvency 2;
- the minority interests not available to cover the group SCR;
- the deferred tax assets of entities in the prudential group, not available to absorb the losses of the group.

As of 31 December 2020, the elements deducted from the Sogecap group's own funds amounted to €536 million, vs. €119 million at the end of 2019. At the end of 2020, these elements correspond to foreseeable dividend (€ 359 million), to the non-available minority interests (€141 million) and to Antarius' deferred tax assets not available at the group level (€36 million). Since the notional SCR of the group's ring-fenced funds was higher than their reconciliation reserves, the Sogecap group's SII own funds did not need to be reduced.

1.6 ELIGIBLE OWN FUNDS TO COVER THE CAPITAL REQUIREMENTS

1.6.1 Thresholds applicable to the available own funds by Tier

The amount of eligible own funds is obtained after applying restriction rules by Tier to the available own funds. The following table gives, a summary of the thresholds applicable by Tier to cover the MCR and SCR of the group:

	GROUP OWN FUNDS ELEMENTS	MCR COVERAGE	SCR COVERAGE	
Tier 1	• Share capital • Share capital premiums • Reconciliation reserve • Surplus fund • Available minority interests	>80%	>50%	
Restricted Tier 1	• Undated subordinated debt (grandfathering clause)	Max 20% of the Tier 1 total	Max 20% of the Tier 1 total	
Tier 2	• Undated and dated subordinated debts (issued after 19/01/2015) • Dated subordinated debts (grandfathering clause)	<20%	<50%	T2+T3 < 50%
Tier 3	• Deferred tax assets	Not eligible	≤15%	

1.6.2 Eligible own funds to cover SCR

The eligible own funds to cover the SCR, determined by applying the restriction rules by Tier, amounted to €9,073 million at the end of 2020, vs. €9,475 million at the end of 2019.

The following tables show the impact of the application of the restriction rules by Tier on the own funds eligible to cover the group's SCR, at the end of 2020 and at the end of 2019:

(In millions of Euros)	2020				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	-509	-509	-	-	-
Surplus fund	4,454	4,454	-	-	-
Minority interests available	434	434	-	-	-
Subordinated liabilities	2,534	-	963	1,571	-
Deferred tax assets	641	-	-	-	641
Eligible S2 own funds / SCR	**9,073**	**5,897**	**963**	**1,571**	**641**

(In millions of Euros)	2019				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	2,309	2,309	-	-	-
Surplus fund	2,756	2,756	-	-	-
Minority interests available	395	395	-	-	-
Subordinated liabilities	2,498	-	954	1,543	-
Eligible S2 own funds / SCR	**9,475**	**6,978**	**954**	**1,543**	**-**

At the end of 2020, as at the end of 2019, all the Sogecap group's SII available own funds were eligible to cover the SCR:

- in 2020, no reclassification of own funds elements between categories was carried out; the Tier 1 subordinated debts accounting for less than 20% of all the Tier 1 own funds. The subordinated liabilities amount to € 1,571 million which represent 34% of the SCR and are therefore fully eligible to the SCR coverage;
- in 2019, no reclassification of own funds elements between categories was carried out; the Tier 1 subordinated debts accounting for less than 20% of all the Tier 1 own funds. The Tier 2 subordinated debts amount to € 1,543 million which represent 39% of the SCR and are therefore fully eligible to the SCR coverage.

The SCR eligible own funds for each entity is broken down as follows (before assignment of the group's diversification gain to each):

(In millions of Euros)	2020		2019	
	SII eligible own funds	SCR	SII eligible own funds	SCR
Sogecap group total	**9,073**	**4,651**	**9,475**	**3,939**
of which group diversification gain		397		405
Solo entities total	**10,199**	**5,048**	**10,782**	**4,344**
of which Sogecap	7,828	3,692	8,754	3,108
of which Oradea Vie	137	96	142	97
of which Sogessur	274	208	216	167
of which Antarius	1,108	604	933	503
of which Sogelife Luxembourg	481	226	417	234
of which Komercni Pojistovna	174	75	151	86
of which BRD Asigurari de Viata	27	13	28	12

1.6.3 Eligible own funds to cover the MCR

The eligible own funds to cover the MCR, determined by applying the restriction rules by Tier, amounted to, €7,301 million at the end of 2020 vs. €8,308 million at the end of 2019.

The following table shows the impact of the application of the restriction rules by Tier on the own funds eligible to cover the MCR, at the end of 2020 and at the end of 2019:

(In millions of Euros)	2020				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	-509	-509	-	-	-
Surplus fund	4,454	4,454	-	-	-
Minority interests available	434	434	-	-	-
Subordinated liabilities	1,404	-	963	441	-
Eligible S2 own funds / MCR	**7,301**	**5,897**	**963**	**441**	**-**

(In millions of Euros)	2019				
	Total	Tier 1	Restricted Tier 1	Tier 2	Tier 3
Ordinary share capital	1,518	1,518	-	-	-
Reconciliation reserve	2,309	2,309	-	-	-
Surplus fund	2,756	2,756	-	-	-
Minority interests available	395	395	-	-	-
Subordinated liabilities	1,331	-	954	376	-
Eligible S2 own funds / MCR	**8,308**	**6,978**	**954**	**376**	**-**

The application of the restriction rules by Tier to the SII own funds eligible to cover the Sogecap group's MCR resulted in €1,130 million of Tier 2 subordinated debts being excluded at the end of 2020, vs. €1,167 million at the end of 2019:

- in 2020, no reclassification of own funds between categories was carried out, the Restricted Tier 1 subordinated debts accounting for less than 20% of all the Tier 1 own funds. €1,130 million of Tier 2 subordinated debts, out of a total of €1,571 million are not eligible to cover the MCR because they exceeded the authorized threshold of 20% of the MCR;
- in 2019, no reclassification of own funds between categories was carried out, the Restricted Tier 1 subordinated debts accounting for less than 20% of all the Tier 1 own funds. €1,167 million of Tier 2 subordinated debts, out of a total of €1,543 million, are not eligible to cover the MCR because they exceeded the authorised threshold of 20% of the MCR.

2 – SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

2.1 CAPITAL REQUIREMENTS AND COVERAGE RATIO

The following tables present for 2020 and 2019 the solvency capital requirement (SCR) and minimum capital requirement (MCR) and their respective coverage ratios by the SII eligible own funds:

Solvency Capital Requirement coverage ratio

(In millions of Euros)	2020	2019
SII eligible own funds to cover the SCR	9,073	9,475
Solvency Capital Requirement	4,651	3,939
Solvency Capital Requirement coverage ratio	**195%**	**241%**

Minimum Capital Requirement coverage ratio

(In millions of Euros)	2020	2019
SII eligible own funds to cover the MCR	7,301	8,308
Minimum Capital Requirement	2,204	1,882
Minimum Capital Requirement coverage ratio	**331%**	**441%**

Determined from the Solvency 2 balance sheet as of 31 December 2020, the Sogecap group's SCR was €4,651 million on that date, up €712 million from 31 December 2019. The coverage ratio of the SCR by the S2 eligible own funds is 195%, down 46 points compared with previous year. This change is due to the combined effect of the €402 million decrease of own funds (cf. section E.1.3) and the €712 million increase of the SCR (cf. section E.2.3).

The MCR was €2,204 million as of 31 December 2020, up €322 million from 31 December 2019. The coverage ratio of the MCR by the S2 eligible own funds was 331%, down 110 points from the previous year.

2.2 DESCRIPTION OF THE PRINCIPLES FOR CALCULATING THE CAPITAL REQUIREMENTS

2.2.1 General framework

Under Solvency 2, the SCR represents the solvency capital requirement. It corresponds to the amount of own funds to be held in order to limit the probability of ruin in a year to 0.5%. The SCR is based on the group's risk profile and is calculated using the standard formula calibrated uniformly over the European market. It is calculated using a modular approach, which consists of submitted the economic balance sheet to the occurrence of risks borne by the elements it is comprised of and measure their effect on the own funds. To take into account the low probability of all these risks occurring simultaneously, the standard formula introduces correlations between these risk factors and thus makes it possible to recognise the diversification gains.

2.2.2 Methods and options used for the SCR calculation

The standard module breaks down the main risks, distributed into modules:

- market risks, representing the risks impacting the market value of financial instruments (equities, interest rate, credit risk, real estate prices, exchange rate, etc);
- underwriting risks, from the uncertainty linked to the measurement of life, health and non-life commitments made by the insurer;
- counterparty risks, liked to the potential default of counterparties (reinsurance in particular).

The corresponding capital charges are then aggregated by the use of correlation matrices provided by the Delegated Acts to produce a basic capital requirement (BSCR). An amount intended to cover the operational risk is then added to this BSCR.

The final SCR corresponds to the BSCR after integrating the inclusion of the group's capacity to give a minimum share in the profits than that estimated before the shocks (capacity for absorption by the profit-sharing provision) and the application of the loss to the taxable income, which will result in paying less tax in the future than that recorded in the group Solvency 2 balance sheet (capacity for absorption by the notional deferred taxes).

2.2.3 General principles for calculating the SCR

The Sogecap group uses the standard formula for calculating the regulatory capital requirement, according to the default consolidation method (method 1), and considers that the standard formula is suitable for its risk profile.

The Sogecap group also uses the methods and options presented in the following table and authorised by the regulations.

VOLATILITY ADJUSTMENT	The volatility adjustment is applied to the interest rates curve. As of 31/12/2020, its level, as given by EIOPA, was +0.07% (difference between the curve without premium and the curve with premium), unchanged compared with 2019.
CREDIT RISK ADJUSTMENT	The Credit Risk Adjustment is applied to the rates curve. As of 31/12/2020, its level, as given by EIOPA, was -0.10%, unchanged compared with 2019.
EQUITY SHOCKS APPLIED	The equity SCR is calculated in application of the "equity" transitional measure.
NOTIONAL DEFERRED TAXES	The notional deferred tax is determined using the simplified method. The local tax rate is used for the calculation of the notional deferred tax of each entity in the Sogecap group. This rate is applied to the immediate loss (total SCR net of absorption). This notional deferred tax is recognized only if the Sogecap group demonstrates its ability to compensate it by current or future tax liabilities: • for the group's non-French subsidiaries, the notional deferred taxes have been limited to the deferred tax liabilities of their respective Solvency 2 balance sheet; • for the French entities within Société Générale's tax consolidation group, the amount of notional deferred taxes is obtained in application of the tax consolidation agreement with Société Générale, which provides for Société Générale to make a payment to the entities equal to the transferred tax savings that they transfer to it.

2.2.4 General principles for calculating the MCR

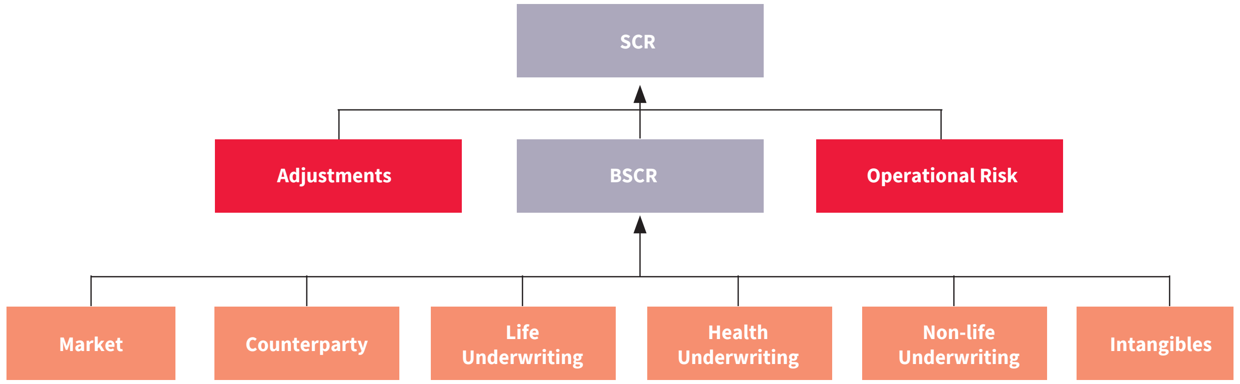
The minimum capital requirement (MCR) at the group level is calculated as the sum of the MCRs for the insurance subsidiaries in the prudential consolidation scope.

2.3 SOLVENCY CAPITAL REQUIREMENT BY RISK MODULES

This section presents the breakdown of the Sogecap group's SCR by risk modules of the standard formula, and the contributions of the profit-sharing provisions and deferred taxes in the absorption of losses.

This breakdown highlights the main risks that the Sogecap group is exposed to as part of its activity, namely market risk and, to a lesser extent, the Life underwriting risk. A detailed description of these risks has been given in the Risk Profile section of this report.

The following diagram describes the SCR calculation structure and the main risk modules taken into account in the standard formula. In the case of the Sogecap group, the "intangibles" risk module is not applicable.



The following table presents the breakdown of the Sogecap group's SCR by risk module as of 31 December 2020 and 31 December 2019:

(In millions of Euros)	**31 december 2020**	31 december 2020
Net Solvency Capital Requirement*		
Market risk	4,911	4,108
Counterparty risk	176	159
Life underwriting risk	1,452	1,154
Health underwriting risk	163	131
Non-life underwriting risk	252	207
Intangible assets risk	-	-
Diversification	-1,327	-1,080
Basic solvency capital requirement (net *)	**5,628**	**4,679**
Adjustment linked to ring-fenced funds (RFF)	9	10
Operational risk	507	496
Loss-absorbing capacity of deferred taxes	-1,493	-1,246
Solvency capital requirement	**4,651**	**3,939**

* Net of the capacity of absorption by the technical provisions.

At the end of 2020, the Sogecap group's SCR was €4,651 million, up €712 million compared with the end of 2019. The SCR increase is mainly explained by the increase of Market SCR and Life underwriting SCR. In 2020, even more than in 2019, significantly low or negative interest rates environment strongly weighs in on group's capital requirements, determined in application of Solvency 2 standard formula.

2.4 MINIMUM CAPITAL REQUIREMENT

The following table shows the solo MCR amounts for the Sogecap group's entities at the end of 2020 and the end of 2019:

(In millions of Euros)	**2020**	**2019**
Group MCR	**2,198**	**1,882**
Of which solo MCR		
Sogecap	1,661	1,399
Oradéa Vie	24	24
Sogessur	94	75
Antarius	272	226
Sogelife Luxembourg	57	58
Komercni Pojistovna	34	39
BRD Asigurari de Viata	6	6

3 – USE OF THE DURATION-BASED "EQUITY RISK" SUB-MODULE IN THE SOLVENCY CAPITAL REQUIREMENT CALCULATION

The "equity risk" sub-module is not used by the Sogecap group.

4 – DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODULE USED

Not applicable as the Sogecap group uses the standard formula.

5 – NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

Not applicable as the Sogecap group complies with the capital requirements.

6 – OTHER INFORMATION

All the important information relating to the capital management has been presented in the previous paragraphs.

PUBLIC DISCLOSURE TEMPLATES

1. S.02.01.02 – BALANCE SHEET

Assets		Solvency II value C0010
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	677,702,757
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	27,153,497
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	123,655,713,545
Property (other than for own use)	**R0080**	819,517,445
Holdings in related undertakings, including participations	**R0090**	2,132,979,117
Equities	**R0100**	2,470,642,054
Equities - listed	**R0110**	93,225,421
Equities - unlisted	**R0120**	2,377,416,633
Bonds	**R0130**	97,543,251,097
Government Bonds	**R0140**	39,817,034,395
Corporate Bonds	**R0150**	50,317,588,373
Structured notes	**R0160**	7,347,928,752
Collateralised securities	**R0170**	60,699,577
Collective Investments Undertakings	**R0180**	18,867,984,638
Derivatives	**R0190**	1,131,714,929
Deposits other than cash equivalents	**R0200**	689,624,266
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	40,358,271,777
Loans and mortgages	**R0230**	116,066,026
Loans on policies	**R0240**	524,479
Loans and mortgages to individuals	**R0250**	40,585,293
Other loans and mortgages	**R0260**	74,956,255
Reinsurance recoverables from:	**R0270**	841,055,010
Non-life and health similar to non-life	**R0280**	188,956,683
Non-life excluding health	**R0290**	185,438,270
Health similar to non-life	**R0300**	3,518,413
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	649,938,779
Health similar to life	**R0320**	34,638,485
Life excluding health and index-linked and unit-linked	**R0330**	615,300,293
Life index-linked and unit-linked	**R0340**	2,159,548
Deposits to cedants	**R0350**	1,248,947,773
Insurance and intermediaries receivables	**R0360**	404,704,756
Reinsurance receivables	**R0370**	10,940,966
Receivables (trade, not insurance)	**R0380**	126,222,183
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	1,073,053,411
Any other assets, not elsewhere shown	**R0420**	20,956,965
Total assets	**R0500**	**168,560,788,667**

Liabilities		Solvency II value C0010
Technical provisions – non-life	**R0510**	698,560,904
Technical provisions – non-life (excluding health)	**R0520**	645,228,408
TP calculated as a whole	**R0530**	-
Best Estimate	**R0540**	606,753,827
Risk margin	**R0550**	38,474,581
Technical provisions - health (similar to non-life)	**R0560**	53,332,496
TP calculated as a whole	**R0570**	-
Best Estimate	**R0580**	47,069,446
Risk margin	**R0590**	6,263,049
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	102,853,296,574
Technical provisions - health (similar to life)	**R0610**	242,976,486
TP calculated as a whole	**R0620**	-
Best Estimate	**R0630**	204,986,143
Risk margin	**R0640**	37,990,344
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	102,610,320,087
TP calculated as a whole	**R0660**	-
Best Estimate	**R0670**	101,289,577,384
Risk margin	**R0680**	1,320,738,928
Technical provisions – index-linked and unit-linked	**R0690**	40,324,351,638
TP calculated as a whole	**R0700**	-
Best Estimate	**R0710**	39,923,755,503
Risk margin	**R0720**	400,596,136
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	25,465,705
Pension benefit obligations	**R0760**	13,863,817
Deposits from reinsurers	**R0770**	51,953,060
Deferred tax liabilities	**R0780**	87,582,569
Derivatives	**R0790**	80,285,086
Debts owed to credit institutions	**R0800**	14,021,451,313
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	340,611,421
Reinsurance payables	**R0830**	39,091,354
Payables (trade, not insurance)	**R0840**	405,794,351
Subordinated liabilities	**R0850**	2,533,826,731
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	2,533,826,731
Any other liabilities, not elsewhere shown	**R0880**	10,167,197
Total liabilities	**R0900**	**161,486,301,718**
Excess of assets over liabilities	**R1000**	**7,074,500,436**

2. S.05.01.02 - PREMIUMS, CLAIMS AND EXPENSES BY LINE OF BUSINESS

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		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	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	45,569,087	134,146,267	-	149,365,060	160,023,111	-	167,306,623	28,299,937	-	26,221,369	2,543,981	189,047,289					902,522,723
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	63,384	-	-	670,306	-	-	-	-	785					734,475
Gross - Non-proportional reinsurance accepted	**R0130**													-	-	-		-
Reinsurers' share	**R0140**	1,887,373	3,416,793	-	72,023,146	31,480,449	-	13,884,167	611,595	-	22,407,893	1,229,983	12,713,740	-	-	-		159,655,139
Net	**R0200**	43,681,714	130,729,475	-	77,405,298	128,542,662	-	154,092,761	27,688,341	-	3,813,476	1,313,998	176,334,334	-	-	-		743,602,060
Premiums earned																		
Gross - Direct Business	**R0210**	45,561,110	86,393,833	-	149,738,198	137,126,051	-	163,292,050	27,186,380	-	25,069,965	2,456,649	191,026,763					827,850,999
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	63,384	-	-	670,306	-	-	-	-	-469					733,221
Gross - Non-proportional reinsurance accepted	**R0230**													-	-	-		-
Reinsurers' share	**R0240**	2,118,042	2,368,050	-	73,157,211	31,027,693	-	13,753,850	609,880	-	21,616,673	1,011,904	18,711,340	-	-	-		164,374,641
Net	**R0300**	43,443,068	84,025,783	-	76,644,371	106,098,358	-	150,208,505	26,576,500	-	3,453,292	1,444,746	172,314,955	-	-	-		664,209,579
Claims incurred																		
Gross - Direct Business	**R0310**	28,695,855	26,840,422	-	114,458,909	72,747,388	-	82,003,482	18,870,797	-	3,896,127	258,241	31,402,819					379,174,041
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-	-	-	-	-	-	-	-	34,721					34,721
Gross - Non-proportional reinsurance accepted	**R0330**													-	-	-		-
Reinsurers' share	**R0340**	365,989	1,046,177	-	55,854,856	18,204,958	-	6,846,639	996,681	-	6,467,804	179,581	7,939,216	-	-	-		97,901,900
Net	**R0400**	28,329,867	25,794,246	-	58,604,053	54,542,430	-	75,156,843	17,874,116	-	-2,571,677	78,661	23,498,323	-	-	-		281,306,861
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	-	2,160	-	-4,223,366	-	-	-4,979,405	22,608	-	-	-	68,155					-9,109,848
Gross - Proportional reinsurance accepted	**R0420**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non- proportional reinsurance accepted	**R0430**													-	-	-		-
Reinsurers'share	**R0440**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Net	**R0500**	-	2,160	-	-4,223,366	-	-	-4,979,405	22,608	-	-	-	68,155	-	-	-		-9,109,848
Expenses incurred	**R0550**	14,990,236	32,998,138	-	28,573,626	48,425,967	-	58,449,365	5,887,680	2,070,922	2,910,397	1,557,674	126,651,415	-	-	-		322,515,420
Other expenses	**R1200**																	15,295,622
Total expenses	**R1300**																	337,811,043

2. S.05.01.02 - PREMIUMS, CLAIMS AND EXPENSES BY LINE OF BUSINESS (CONT.)

		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**	**C0300**
Premiums written											
Gross	**R1410**	228,201,114	5,265,111,466	4,211,926,356	784,860,796	-	-		506,046	23,500,660	10,514,106,438
Reinsurers' share	**R1420**	33,217,961	12,073,115	6,205,937	102,353,886	-	-		-	1,034	153,851,932
Net	**R1500**	194,983,153	5,253,038,352	4,205,720,419	682,506,910	-	-		506,046	23,499,626	10,360,254,506
Premiums earned											
Gross	**R1510**	238,282,810	5,265,111,466	4,211,926,356	785,174,431	-	-		504,547	23,499,626	10,524,499,236
Reinsurers' share	**R1520**	33,526,051	12,073,115	6,205,937	102,382,699	-	-		-	-	154,187,801
Net	**R1600**	204,756,759	5,253,038,352	4,205,720,419	682,791,732	-	-		504,547	23,499,626	10,370,311,435
Claims incurred											
Gross	**R1610**	52,364,717	8,947,110,461	1,283,259,895	209,447,505	-	162,043		80,663	129,041,628	10,621,466,911
Reinsurers' share	**R1620**	9,943,584	53,068,393	940,423	32,518,030	-	-		-	-	96,470,431
Net	**R1700**	42,421,133	8,894,042,067	1,282,319,472	176,929,475	-	162,043		80,663	129,041,628	10,524,996,480
Changes in other technical provisions											
Gross	**R1710**	4,353,080	-3,873,278,187	3,339,489,455	29,271,838	-	12,612		-	-98,978,977	-599,130,180
Reinsurers' share	**R1720**	1,662,453	-38,031,031	6,308,757	1,166,836	-	-		-	-	-28,892,986
Net	**R1800**	2,690,627	-3,835,247,156	3,333,180,698	28,105,002	-	12,612		-	-98,978,977	-570,237,194
Expenses incurred	**R1900**	97,948,837	618,613,284	294,509,573	320,788,404	-	-		223,648	854,556	1,332,938,302
Other expenses	**R2500**										70,460,719
Total expenses	**R2600**										1,403,399,021

3. 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		Italy	Germany				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**	691,789,306	115,425,763	28,883,354				836,098,424
Gross - Proportional reinsurance accepted	**R0120**	670,306	-	38				670,344
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	-				-
Reinsurers' share	**R0140**	78,598,991	66,615,724	742,597				145,957,313
Net	**R0200**	613,723,408	48,810,039	28,140,795				690,674,242
Premiums earned								
Gross - Direct Business	**R0210**	627,418,694	110,803,556	27,260,336				765,482,585
Gross - Proportional reinsurance accepted	**R0220**	670,306	-1,459	38				668,884
Gross - Non-proportional reinsurance accepted	**R0230**	-	-	-				-
Reinsurers' share	**R0240**	84,021,969	66,428,077	742,597				151,192,643
Net	**R0300**	543,858,869	44,374,020	24,899,462				613,132,352
Claims incurred								
Gross - Direct Business	**R0310**	288,055,990	73,670,984	3,832,092				365,559,065
Gross - Proportional reinsurance accepted	**R0320**	-53	36,920	-571				36,296
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	-				-
Reinsurers' share	**R0340**	43,581,692	50,352,954	-3,105				93,931,541
Net	**R0400**	244,473,245	23,354,949	3,834,626				271,662,820
Changes in other technical provisions								
Gross - Direct Business	**R0410**	-9,180,163	284,896	-				-8,895,268
Gross - Proportional reinsurance accepted	**R0420**	-	-	-				-
Gross - Non- proportional reinsurance accepted	**R0430**	-	-	-				-
Reinsurers'share	**R0440**	-	-	-				-
Net	**R0500**	-9,180,163	284,896	-				-8,895,268
Expenses incurred	**R0550**	**265,152,731**	**18,140,132**	**19,881,568**				**303,174,431**
Other expenses	**R1200**							**7,467,157**
Total expenses	**R1300**							**310,641,588**

		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		Italy	Monaco	Morocco	Russia		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	8,425,044,470	565,521,133	261,800,528	193,853,643	152,366,612		9,598,586,385
Reinsurers' share	**R1420**	101,880,356	5,964,533	-	3,215,256	1,299,079		112,359,225
Net	**R1500**	8,323,301,326	559,556,600	261,800,528	190,638,387	151,067,533		9,486,364,373
Premiums earned								
Gross	**R1510**	8,423,829,886	567,646,965	261,800,528	193,922,588	154,593,673		9,601,793,641
Reinsurers' share	**R1520**	167,049,785	6,946,755	-	3,215,256	1,336,699		178,548,496
Net	**R1600**	8,256,988,262	560,700,210	261,800,528	190,707,332	153,256,974		9,423,453,306
Claims incurred								
Gross	**R1610**	9,335,887,093	186,109,508	300,323,323	113,058,171	56,092,058		9,991,470,153
Reinsurers' share	**R1620**	85,722,670	3,045,451	-	5,729,465	866,674		95,364,259
Net	**R1700**	9,250,164,423	183,064,058	300,323,323	107,328,706	55,225,384		9,896,105,894
Changes in other technical provisions								
Gross	**R1710**	-1,042,515,962	362,371,335	-56,280,852	75,491,046	26,114,728		-634,819,705
Reinsurers' share	**R1720**	-29,374,930	2,651,430	-	-1,086,344	-247,984		-28,057,828
Net	**R1800**	-1,013,141,032	359,719,905	-56,280,852	76,577,390	26,362,712		-606,761,877
Expenses incurred	**R1900**	**1,133,131,071**	**27,493,400**	**5,600,287**	**24,293,818**	**8,919,128**		**1,199,437,704**
Other expenses	**R2500**							**51,125,330**
Total expenses	**R2600**							**1,250,563,034**

4. S.22.01.22 - 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	143,876,209,116			349,395,600	
Basic own funds	R0020	9,072,516,668			-60,381,373	
Eligible own funds to meet Solvency Capital Requirement	R0050	9,072,516,668			-60,381,373	
Solvency Capital Requirement	R0090	4,650,927,759			119,562,194	

5. S.23.01.22 - OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations Çin other financial sector						
Ordinary share capital (gross of own shares)	R0010	1,263,556,110	1,263,556,110			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	254,935,590	254,935,590			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	4,454,226,546				
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	-509,317,450	-509,317,450			
Subordinated liabilities	R0140	2,533,832,728		963,258,093	1,570,574,634	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	677,702,757				677,702,757
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200	574,396,882	574,396,882			
Non-available minority interests at group level	R0210	140,567,276	140,567,276			
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						
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					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	176,816,495	140,567,276			
Total deductions	R0280	176,816,495	140,567,276			
Total basic own funds after deductions	R0290	9,072,516,668	5,897,230,403	963,258,093	1,570,574,634	
Ancillary own funds						
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					
Letters of credit and guarantees other than under Article 96 (2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96 (2) of the Directive 2009/138/EC	R0340					

5. S.23.01.22 - OWN FUNDS (CONT.)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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**					
Non available ancillary own funds at group level	**R0380**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Reconciliation reserve	**R0410**					
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**					
Total own funds of other financial sectors	**R0440**					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**					
Own funds aggregated when using the D&A and a combination of method net of IGT	**R0460**					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	9,072,516,668	5,897,230,403	963,258,093	1,570,574,634	641,453,537
Total available own funds to meet the minimum consolidated group SCR	**R0530**	8,431,063,131	5,897,230,403	963,258,093	1,570,574,634	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	9,072,516,668	5,897,230,403	963,258,093	1,570,574,634	641,453,537
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	7,299,997,942	5,897,230,403	963,258,093	439,509,445	
Minimum consolidated Group SCR	**R0610**	2,197,547,225				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	3,322				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	9,072,516,668				
Group SCR	**R0680**	4,650,927,759				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	1,951				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	7,074,500,436
Own shares (included as assets on the balance sheet)	**R0710**	-
Forseeable dividends, distributions and charges	**R0720**	359,000,000
Other basic own fund items	**R0730**	7,224,817,885
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Other non available own funds	**R0750**	
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	-509,317,450
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	432,083,666
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	11,784,699
Total EPIFP	**R0790**	443,868,365

6. S.25.01.22 - SOLVENCY CAPITAL REQUIREMENT - FOR UNDERTAKINGS ON STANDARD FORMULA

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	**R0010**	10,066,958,204		
Counterparty default risk	**R0020**	358,893,989		
Life underwriting risk	**R0030**	1,111,722,109		
Health underwriting risk	**R0040**	163,222,453		
Non-life underwriting risk	**R0050**	252,441,663		
Diversification	**R0060**	-1,337,052,068		
Intangible asset risk	**R0070**	-		
Basic Solvency Capital Requirement	**R0100**	**10,616,186,349**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	**R0130**	507,294,732
Loss-absorbing capacity of technical provisions	**R0140**	-4,988,741,824
Loss-absorbing capacity of deferred taxes	**R0150**	-1,492,899,575
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	-
Solvency capital requirement excluding capital add-on	**R0200**	4,650,827,357
Capital add-on already set	**R0210**	-
Solvency capital requirement	**R0220**	4,650,827,357
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	6,026,265,678
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	117,461,254
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	
Minimum consolidated group solvency capital requirement	**R0470**	2,202,883,025
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	**R0530**	
Capital requirement for non-controlled participation requirements	**R0540**	
Capital requirement for residual undertakings	**R0550**	
Overall SCR		
SCR for undertakings included via D and A	**R0560**	
Solvency capital requirement	**R0570**	**4,650,827,357**

7. S.32.01.22 - UNDERTAKINGS IN THE SCOPE OF THE GROUP

Country	Identification code of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)		Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0040	C0050	C0060	C0070		C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
FR	LEI/9695009HXSFK8D6V0T62	SOGECAP	1	SA	2		ACPR							1		1
FR	LEI/969500R5IQ5PE6AB2R69	ORADEA VIE	1	SA	2		ACPR	100.00%	100.00%	100.00%		1	100.00%	1		1
FR	LEI/969500B4UMKR57YNLR07	SOGESSUR	2	SA	2		ACPR	100.00%	100.00%	100.00%		1	100.00%	1		1
FR	LEI/969500U8A9LQHZTFHU67	ANTARIUS	1	SA	2		ACPR	50.00%	100.00%	50.00%		1	50.00%	1		1
CZ	LEI/549300XT5NIAS5W8RH41	KOMERCNI POJISTOVNA	4	a.s.	2		CNB	51.00%	100.00%	51.00%		1	51.00%	1		1
LU	LEI/549300G1P6577D6TH121	SOGELIFE	1	SA	2		CAA	60.14%	100.00%	60.14%		1	60.14%	1		1
MA	LEI/549300PP6VKQDOEG5548	LA MAROCAINE VIE	1	SA	2		Bank Al-Maghrib	50.98%	100.00%	50.98%		1	50.98%	1		1
RO	LEI/3157007U0N17M1JWDB35	BRD ASIGURARI DE VIATA	1	SA	2		ASF	51.00%	100.00%	51.00%		1	51.00%	1		1
RU	LEI/25340081BMAJ5KGYW108	SG STRAKHOVANIE ZHIZN	1	LLC	2		Central Bank of Russia	81.00%	100.00%	81.00%		1	81.00%	1		1
RU	LEI/253400015VCV7K0FMM68	SG STRAKHOVANIE CJSC	2	LLC	2		Central Bank of Russia	81.00%	100.00%	81.00%		1	81.00%	1		1
FR	SC/S2030	SGI HOLDING SIS	99	SAS	2			100.00%	100.00%	100.00%		1	100.00%	1		3
FR	SC/M00000004717	NEW PRIMONIAL HOLDING 2 SAS	8	SAS	2			17.90%	17.90%	17.90%		2	17.90%	3		3
LU	SC/2507	BG1 SA	1	SA	2			100.00%	100.00%	100.00%		1	100.00%	1		3
RO	LEI/315700I1OIC9S3Z5VM48	BRD SOCIETATE ADM FOND PENSII	9	SA	2		ASF	51.00%	100.00%	51.00%		1	51.00%	1		3

NOTES

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