# PSA Insurance Limited

**Solvency and Financial Condition Report (SFCR)**

**31 December 2021**

# Contents

# Executive Summary

## Company's Background and Business

PSA Insurance Limited ("the Company") is authorised under the Insurance Business Act (Cap 403) to carry on the business of insurance restricted to risks outside Malta in the following classes of general business:

Class 1 – Accident
Class 2 – Sickness
Class 3 – Land Vehicles
Class 7 – Goods in Transit
Class 16 - Miscellaneous Financial Loss

The Company carries out its business in Europe.

## System of Governance

The organisational structure of the Company is aimed at supporting the strategic objectives and operations of the Company. The Company has implemented a three lines of defence structure to ensure that the risks the Company faces are identified and that mitigation measures are taken.

The Directors of the Company who held office during the year were:

**Edouard Marie Joseph Benoist de Lamarzelle** – Chief Executive Officer/ Executive Director
**Anthony Camilleri –** Independent Non-Executive Director
**Mark Azzopardi –** Independent Non-Executive Director
**Anne Sophie Achard** – Non-Executive Director
**Steven Pourrat** – Non-Executive Director

### Outsourced Activities

The Company has the following outsourcing agreements identified as key functions:

| | |
|---|---|
| **PSA Insurance Manager Ltd** (Malta) | – Insurance Management Agreement |
| **PwC** (Malta) | – Internal Audit Function (Romina Soler – Appointed Internal Auditor) |
| **Marsh Actuaries** (UK) | – External Actuarial Agreement – (Konrad Farrugia Deakin - Appointed Actuary) |

**Business Model and Financial performance**

**UW Results**

**STATEMENT OF COMPREHENSIVE INCOME**
**Technical account – general business**

| | Notes | Year ended 31 December 2021 EUR | 2020 EUR |
|---|---|---|---|
| **Earned premiums, net of reinsurance** | | | |
| Gross premiums written | 14 | **28,601,466** | 23,482,891 |
| Outwards reinsurance premiums | | **(855,423)** | - |
| Movement in the gross provision for unearned premiums | 12 | **(10,442,433)** | (13,120,454) |
| Movement in the provision for unearned premiums reinsurers' share | 12 | **(326)** | (3,251) |
| **Earned premiums, net of reinsurance** | | **17,303,284** | 10,359,186 |
| **Investment loss** | 15 | **(131,004)** | (90,722) |
| **Total technical income** | | **17,172,280** | 10,268,464 |
| **Claims (incurred)/recovered, net of reinsurance** | | | |
| Gross claims paid | 12 | **(4,770,468)** | (2,228,990) |
| Reinsurers' share of claims paid | 12 | **2,300** | 353 |
| Movement in the provision for claims – gross amount | 12 | **(272,039)** | 2,455,890 |
| Movement in the provision for claims – reinsurers' amount | 12 | **327,008** | (112,810) |
| **Claims (incurred)/recovered, net of reinsurance** | | **(4,713,199)** | 114,443 |
| Net operating expenses | 16 | **(13,903,793)** | (4,647,673) |
| **Total technical charges** | | **(18,616,992)** | (4,533,230) |
| **Balance on the general business technical account** (page 14) | | **(1,444,712)** | 5,735,234 |

During 2021, the Company reported an underwriting loss on the general business technical account of EUR 1,444,712. The considerable decrease in profitability is mainly attributable to the following factors:

Earned premium levels increased when compared to 2020 as a result of the Opel Vauxhall Finance ('OVF') business and the premium from the reinsurance inwards treaties in place.

During the year releases on the technical provisions were made following an actuarial review however the releases were materially lower than previous year. Claims paid were also higher when compared to previous year and this contributed to the overall higher claims incurred for the period.

Operating expenses increased significantly during the year mainly due to expenses incurred related to the warranty business and the project launched during the year in respect of car insurance which business should start during 2023.

When considering the material increase in both the claims incurred and operating expenses, the increase in earned premium did not suffice for the Company to be able to generate a profit on the general business technical account for the period.

## Valuation for Solvency Purposes

| Solvency position | | | | |
|---|---|---|---|---|
| **Solvency** | **Capital requirement** | **Eligible capital** | **Solvency ratio** | **MCR as % SCR** |
| **SCR** | 26,030,738 | 42,750,944 | 164.2% | 31.9% |
| **MCR** | 8,299,777 | 42,750,944 | 515.1% | 0 |

The Company's SCR as at 31st December 2021 stood at 164%.

## Capital Management

PSA Insurance Limited does not foresee any instances of non-compliance with the MCR or SCR, which could potentially create a cause for concern. Management constantly monitors the SCR and MCR level on a monthly basis and has procedures in place that will immediately highlight the possibility of a drop below the 130% in SCR coverage.

# A. Business and Performance

## A.1 Business

PSA Insurance Limited ('the Company') is a private limited liability company registered in Malta.

The Company is regulated by the Malta Financial Services Authority. It is owned by PSA Services Ltd with a minor shareholding of Banque PSA Finance SA. PSA Services Ltd and Banque PSA Finance SA form part of Stellantis N.V. domiciled in the Netherlands.

In January 2021 PSA Group and Italian-American conglomerate Fiat Chrysler Automobiles merged to form Stellantis N.V. which is now a multinational automotive manufacturing corporation formed on the basis of a 50-50 cross-border merger. Stellantis N.V. is headquartered in Amsterdam, Netherlands. Stellantis engages in automotive equipment and finance business in Europe, Eurasia, China and South-Asia, India Pacific, Latin America, the Middle East, Africa and America. Its automotive segment designs, manufactures and sells passenger cars and light commercial vehicles under the Stellantis Brands.

The MFSA is responsible for the supervisory authority and financial supervision of the undertaking as well as that of the Malta Group.

The MFSA contact details are as follows:

Mr Ray Schembri
Director
Insurance and Pensions Supervision Unit

**Malta Financial Services Authority**
Notabile Road
Attard BKR 3000
Malta
Phone: +356 21441155
Direct: +356 25485238
Fax: +356 21449311
Email: RSchembri@mfsa.com.mt
Web: www.mfsa.com.mt

The independent auditors of the Company are:

Ernst & Young Limited
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
Malta
Office: +356 23471522
Website: http://www.ey.com

**Share Capital**

The authorised share capital of the Company is €40,000,000 divided into 400,000 Ordinary Shares of €100 each.

The issued share capital of the Company is €27,500,000 divided into 275,000 Ordinary Shares of €100 each fully paid up and subscribed to by two Shareholders; PSA Services Limited and Banque PSA Finance SA.

**Capital Contribution**

PSA Services Ltd in its capacity as the parent undertaking of PSA Insurance Ltd made a further investment in the Company by making a capital contribution issued in cash for a total amount of €10,700,000.

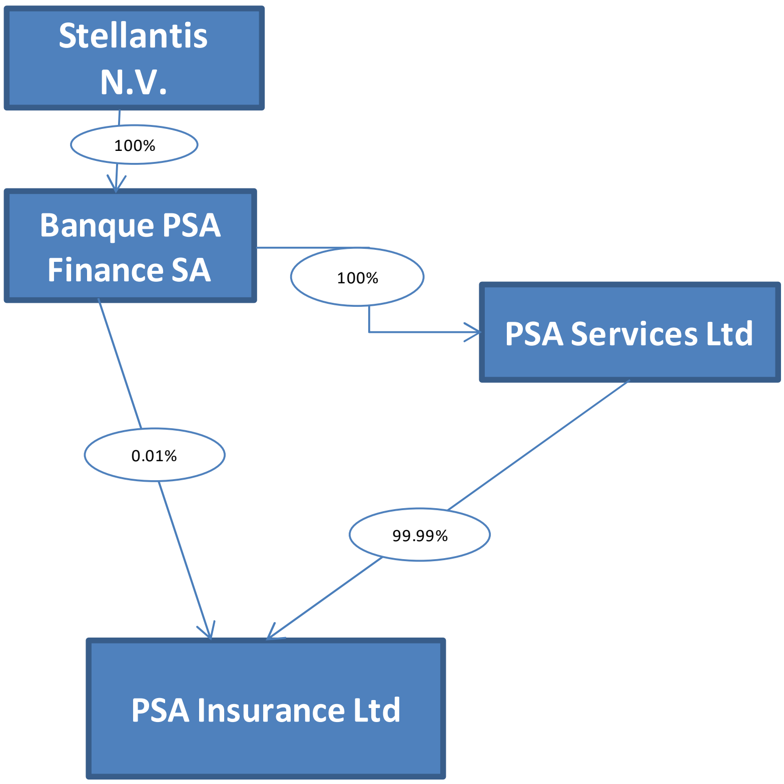
**Shareholders**

PSA Services Limited, 53 MIB House, Abate Rigord Street, Ta' Xbiex XBX 1122, Malta (Registration No. C 43459) subscribed to 274,999 Ordinary Shares of €100 each. On 10th March 2022 PSA Services Ltd changed its name to Stellantis Services Ltd.

Banque PSA Finance SA, 2-10 Boulevard de l'Europe - 78 300 Poissy, France (Registration No. RCS Versailles 325.952.224) subscribed to 1 Ordinary Share of €100.

The Company is owned by PSA Services Ltd with a minor shareholding of Banque PSA Finance SA. PSA Services Ltd and Banque PSA Finance SA form part of Stellantis N.V. which is domiciled in the Netherlands.

**Group Family Tree**



**Insurance Licence**

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## A.2 Underwriting Performance

**STATEMENT OF COMPREHENSIVE INCOME**
**Technical account – general business**

| | | Year ended 31 December | |
|---|---|---|---|
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## A.3 Investment Performance

During 2021 the Company maintained its investments in UCITS and as at 31st December 2021 it held units in 6 different UCITS. The investments in the Asset-backed Securities (‘ABS’) matured during the year and as at year-end no ABS were held.

The income arising from investments held by the Company as at 31st December 2021 consists of fair value movement and interest income.

The Statement of Comprehensive Income shows Investment Income amounting to -€131,004 which is made up of the following:

| | |
|---|---|
| Movement in fair value of UCITS: | -€131,292 |
| Interest income from ABS: | €257 |
| Interest income from cash at bank: | €31 |

Investment income was lower than previous year due to the impact which the pandemic had on the markets.

## A.4 Performance of other Activities and Any Other Information

During 2021, PSA Insurance Ltd started ceding premium to Pinnacle Insurance Plc for financial loss arising from payment waiver included by Vauxhall Finance Plc into its end-customers’ finance terms and conditions. This product falls under Class 12 - Miscellaneous Financial Loss. The reinsurer Pinnacle Insurance Plc is a company registered under the laws of England and Wales with Company n° 1007798. The reinsurance in place is a Quota Share Reinsurance Treaty where the Company cedes 95% of the original cover. The reinsurance premium ceded is being disclosed as ‘Outwards reinsurance premiums’ in the Statement of Comprehensive Income. Total gross premium ceded to Pinnacle Insurance during 2021 amounted to €855,423.

Apart from the above there were no other material income and expenses incurred over the reporting period compared to previous financial year worthy of disclosure.

## Major Development

Following the Company's analysis of the possible impact of the COVID-19 pandemic across all key areas of business, the Directors have determined that the Company's financial position and performance for 2022 will be able to absorb the impact brought about by this pandemic. The results anticipate that the Company should be well capitalized to absorb any foreseeable impact and envisage that it will continue to satisfy all regulatory solvency requirements.

The Board is monitoring the situation constantly and will take any necessary actions to minimise the possible impacts of COVID-19. The measures taken by various countries to curb COVID-19, including social distancing, has had an impact on the production facility of the automotive industry and disrupted the distribution channels of the Company.

**Underwriting and Reserving**

The current economic uncertainties together with the global semiconductor chip shortage have an impact on the level of premium forecasted for the financial year ending 31st December 2022. This has however already been taken in consideration when projecting the earned premium for 2022. Despite this impact the 2022 earned premium is projected to increase when compared to that reported for 2021. The increase is mainly driven by the warranty and OVF business.

The Company is still expected to generate an underwriting profit for the financial year ending 31st December 2022. Based on two full years of data, as at 31st December 2021 there were no claims that were opened in relation to COVID-19. Taking into consideration the current reserving strategy of the Company, which comprises of individual claim reserves and incurred but not reported ('IBNR') provisions, the overall reserves set aside for the Company in 2021 would still have adequately covered any additional claims. Therefore for the financial year ending 31st December 2022, it is not expected that additional claims would have a material impact on the Company's reserves.

**Investments**

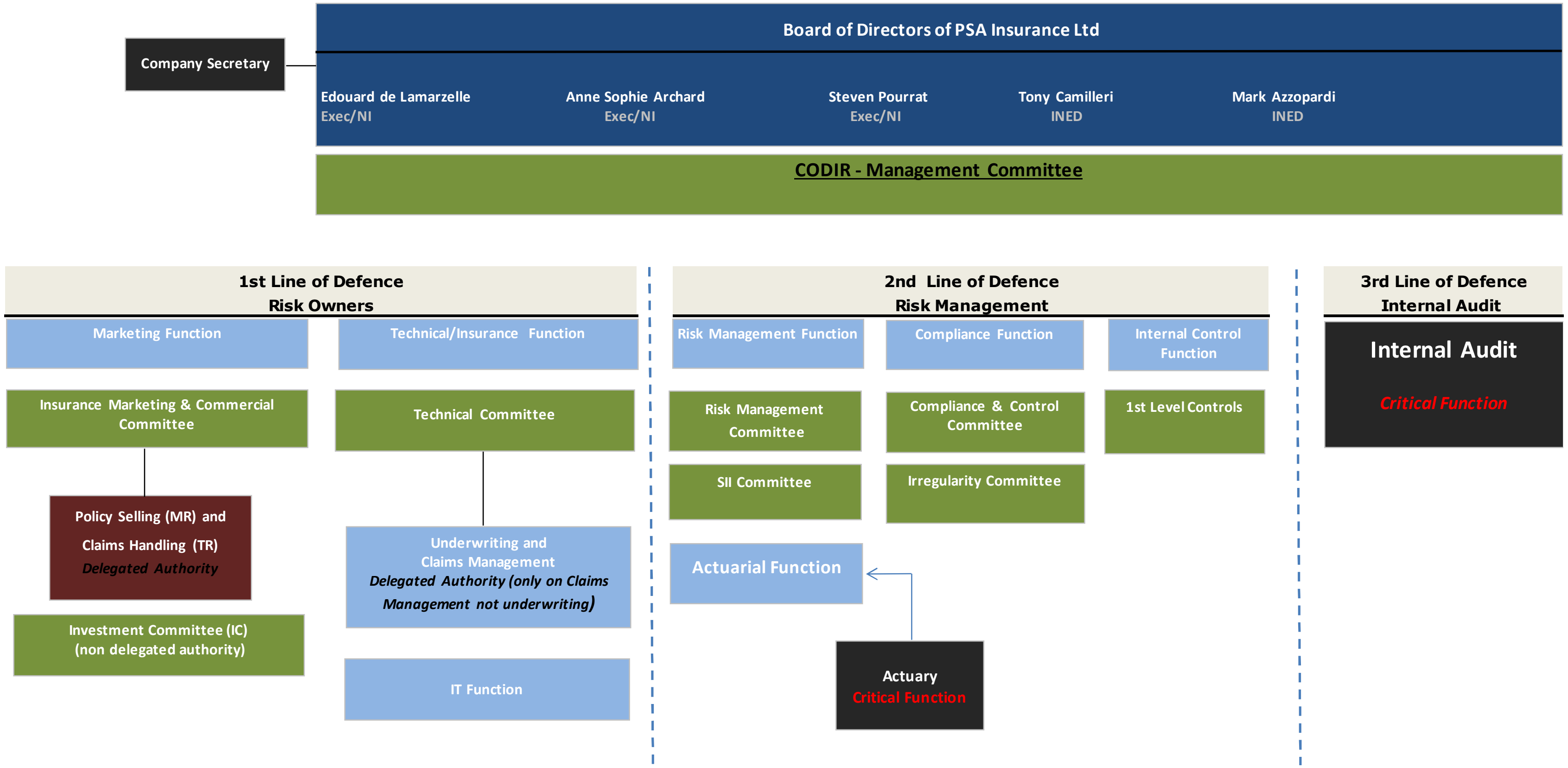
The decline in fair value of the investment portfolio during the year ended 31st December 2021 amounted to €131,292 representing 0.3% of the investment portfolio as at 31st December 2020. This decline remains within the Company's risk appetite. When considering the investment portfolio held by the Company, the recent volatility in the financial markets is not expected to have a significant impact on the Company's profitability. Furthermore, an analysis was carried out on the credit rating of the main counterparties and for those counterparties which experienced a downgrade since 31st December 2020, their credit rating is still within the Company's risk appetite.

**Solvency Capital Requirement**

Such analysis was also extended to analyse the effect on the SCR of the Company. The SCR was calculated on the Company's financial forecast for 2022 taking into consideration the anticipated effects of COVID-19, including but not limited to, the increase of the Counterparty Default Risk resulting from overdue receivables. Taking into consideration the current laws and regulations and aforementioned matters disclosed, the Company does not expect that this will impact its ability to satisfy the regulatory solvency requirements.

# B. System of Governance

## B.1 General Information on the System of Governance



In order to assist the Company in mitigating the risks underlying the strategic objectives, the following committees and functions are in place:

## Management Committees

### *a) First line of Defence*

**Insurance Marketing Commercial Committee**
This Marketing Committee is chaired by the Chief Executive Officer and is held on a monthly basis.

The purpose of this Committee is to organise the launch and follow up process of new products and action plans and reduce the route to market for new products. Moreover, to identify products which are performing below target, to investigate and analyse the causes behind the low performance and to advise the Zone Director and Intermediaries of the possible routes to action to improve performance to meet targets.

**Investment Committee**
This is made up of three Directors and the Chief Financial Officer. The "prudent person principle" is the guiding principle behind all investment decisions and the Company's investment guidelines. This Committee has no delegated authority, and the recommendations proposed by the Investment Committee will need Board approval.

**Technical Committee**
The Technical Committee is chaired by the Technical Director and assists the Board in the oversight of the Company's key underwriting objectives, strategies and policies. The Technical Committee is responsible for approving the Company's underwriting strategies, policies, procedures, authorities and limit profiles and for reviewing the performance of the Company's underwriting portfolios.

### *b) Second line of Defence*

**Actuarial Function**
The Actuarial function is split between the Statistical Department and an Appointed Actuary, both carrying out separate tasks and taking different decisions. The Appointed Actuary is external to the Company and the decisions taken aim to reduce the risk of a potential conflict of interest as well as ensure that the four eye principle is in place. The Statistical Department carries out the Technical Provisions calculations on a monthly basis, analyses the pricing of new products, reviews the products' performance on a monthly basis and is also part of the Technical Committee. The Board of Directors has given delegated authority to the Technical Committee.

**Compliance Officer and the Compliance and Control Committee**
The Compliance Officer reports directly to the CEO and the Board. The Compliance and Control Committee is chaired by the Head of Compliance & Risk Insurance and falls under the second line of defence and it assists the Board in the oversight of the Company's general corporate governance, compliance and control. The Board of Directors has given delegated authority to this Committee.

**Risk Management Function and Risk Management Committee**
This is considered highly critical in the operations of the Company, in particular to the Risk Management and the ORSA Process. The Risk Committee is chaired by the Head of Compliance & Risk Insurance, and is given delegated

authority by the Board of Directors to oversee the Company's risk management arrangements ensuring that risk appetite is appropriate and adhered to and that key risks are identified and managed appropriately. The Company has a well-developed Risk Management Framework incorporated in the Corporate Governance structure. Risks are managed, monitored, reported, mitigated and controlled through the three lines of defence.

**Solvency II Committee**
The Solvency II Committee is chaired by the CFO and is held on a quarterly basis.

The purpose of this Committee is to update and prepare for reporting to be done according to the SII Annual Plan, to review and update the Risk Appetite Limits and to review the three pillars of Solvency II.

### *c) Third line of Defence*

**Internal Auditor**
The Internal Audit Function is outsourced to PwC Malta and reports directly to the Board. The Audit topics are overseen by the Directors during the Board meeting.

## B.2 "Fit and Proper" requirements

Prior to the appointment of any new member to the Board an evaluation is undertaken of the fitness and the probity of the proposed director. This involves examination and documentation of:

- The person's previous experience, knowledge and professional qualifications and whether these are adequate to enable sound and prudent management of the Company.
- Proof of skill, care, diligence and compliance with the relevant standards of the area/sector he/she has worked in.
- Reputation – enquiry as to whether there are any criminal or financial antecedents or past experience with the Financial Regulator which may lead the Board to believe that the person may not discharge his/her duties in line with applicable rules, regulations or guidelines.

The Compliance Officer will notify the Malta Financial Services Authority ('MFSA') of the identity of the Board of Directors or any amendment to its composition along with all information needed to assess whether they are fit and proper.

## B.3 Risk Management System including the ORSA

The Company's Risk Management Framework shall play a role in strategy and business planning with participation of the Risk Management Functions in strategy and business planning being a key critical element for implementing the Company's risk strategy.

The Risk Management Framework provides decision makers with information about important variables that can affect the amount of capital required to support the business plan, the amount of capital generated and recycled as a result of the components and ultimate execution of the business plan, and the economic return of capital expected to be generated by the business plan. The Finance, Investment and Actuarial Functions play a key role in supporting and implementing the Risk Management Framework in this regard.

More particularly the Risk Management Framework monitors solvency needs assessment as identified in the ORSA to avoid any significant deviation with the overall risk tolerance limits and regulatory capital requirements. Throughout the Risk Valuations and ORSA process, it is also ensuring the viability of the overall business model under stressed conditions on a short, middle and long term perspective.

Following identification of the various risks, each risk is categorised. Discussions and workshops are held with risk owners where probable values of severity and frequency of occurrence were agreed. In the following sections these and the other risks identified are assigned valuations and assessed as follows:

1. Risk identification and description
2. Valuation method used
3. Results of valuation

The Company adopts its Diversified Risk Profile, which can be defined as a measure of losses based on various items of historical data such as total losses, number of losses, average loss size and payment patterns.

The diversified risk profile is based on the principle that not all risks can materialise at once and therefore it gives a more realistic risk profile. Furthermore, it provides the management of the Company the chance to compare the risk profile with the Company's set threshold. The Risk Profile will in turn provide a better indication of what the Company expects the average loss in monetary terms to be.

**Objectives and Minimum Requirements in assessing Solvency needs**

The objective of the risk valuations and ORSA process is to give PSA Insurance a global view of its risks within a time horizon of 3 years. This process aims to help the strategic decision-making process at a top management level (Board of Directors, CODIR), and to improve the mitigation and control of the existing risks. The risk valuations and the ORSA are performed together within the same process. The risk valuations is the base of the risk management system; it allows the risk identification, assessment, monitoring and reporting, as well as the improvement of the risk mitigation techniques. The ORSA is an annual assessment of PSA Insurance's risks and solvency needs, taking into account its risk tolerance and the current risk mitigation techniques.

**Minimum Requirements in assessing Solvency needs**

The assessment of the overall solvency needs is expected to:

1. Reflect the material risks arising from all assets and liabilities including intra-group and off-balance sheet arrangements;
2. Reflect the Company's management practices, systems and controls including the use of risk mitigation techniques;
3. Assess the quality of processes and inputs, in particular the adequacy of the Company's system of governance, taking into consideration risks that may arise from inadequacies or deficiencies;
4. Connect business planning to solvency needs;
5. Include explicit identification of possible future scenarios;
6. Address potential external stress; and
7. Use a valuation basis that is consistent throughout the overall solvency needs assessment.

**Strategy and business planning**

The strategic direction of the business will be set within the risk profile of the Company and considers the implication upon capital allocation. PSA Insurance operates in a capital-constrained environment and capital rationing through the planning process is a critical mechanism for ensuring that scarce resources are deployed most effectively with due consideration given to the impact of short term and long term risks associated with executing the Company's business plan. Participation of the Risk Management Function in strategy and business planning is a key critical element for implementing the Company's risk strategy.

The Company's strategic plan should serve as a basis for the calculation of the ORSA. The 3-year financial projections are used to project the Company's technical and non-technical results, asset-liability position and the Company's projected capital levels for the coming 36 months.

In line with Guideline 17, the Company is now taking into account the results of the ORSA and the insights gained throughout the process of this assessment in its capital management and business planning. The following are the key conclusions from the ORSA exercise:

- The discussions which previously used to take place on various risks faced by the Company are now being documented, treated and monitored in a more consistent and clinical approach;
- The documentation of the process and various risks enables all key personnel to be fully aware of the critical risks and also contribute to the treatment of these risks;
- The risks underlying the Company's strategic plan can be individually quantified and aggregated in terms of Euro Value depending on the level of confidence determined by the Board of Directors. This would model the way future strategic decisions are taken.

- The inclusion of the Car Insurance business which is a new line of business in the ORSA projections since this commence in 2023.
- The Target SCR cover has been increased from 110% to 130% due to the launch of the car Insurance project.
- A deviation between the ORSA Capital requirement and the SCR; this is due to the re-quantification of Non-Life Underwriting Risk for the catastrophe risk, for which an independent approach is taken under the ORSA in relation to the GAP production due to the fact that the Standard Formula does not capture the nature of the underlying risk of the business. On the other hand, the Standard formula figure has been kept for Car Insurance business given that the Company does not have any experience yet.
- A number of new stress test scenarios were added to this year's ORSA. As an overall conclusion of such stress tests, the Company remains in a comfortable solvency position.
- Lapse risk has been included in the ORSA report.
- An initial Climate change risk analysis has been conducted and will be finalised by the next ORSA report.

**Overall Methodology**

PSA Insurance has adopted the following key steps to comply with the ORSA guidelines issued by EIOPA:

- Independent risk identification
- Risk Valuation, where each identified risk is subjected to:
    - Risk Owners Identification
    - Inherent Risk Exposure and Evaluation
    - Risk Control and Mitigation
    - Residual Risk Exposure and Evaluation
    - Risk Assessment
    - Comparison with Standard Formula valuations

Usage of Standard Formula or a different assessment methodology depends on whether the Standard Formula adequately reflects the Company's individual risk profile.

To ensure the overall consistency of the Solvency II approach, the Company has streamlined the risk management process and ORSA policy with the SCR calculation for;

- classification
- modularity; and
- technical specification where Standard Formula reflects the Company's specific risk

The Standard Formula is only required for the risk classification, identification and, when relevant, the assessment. Additional risks and assessment methodologies are included in the ORSA process, so that the final results reflect the risk profile of the Company.

If, after an independent assessment of the risks, PSA Insurance considers that the Standard Formula reflects the risks in an appropriate manner, given the size and complexity of the company, the ORSA shall rely on the Standard Formula for the assessment of those risks.

The Standard Formula may not appropriately assess other risks included in the SCR calculation, because the risk profile of PSA Insurance deviates significantly from the assumptions underlying the formula. In this case, the assessment shall be made through an adjustment of the parameters of the Standard Formula.

For some other risks, the Standard Formula itself is not appropriate and an adjustment would not be enough to properly reflect the risk. For these risks a completely independent assessment or a scenario based approach is carried out. Strategic and compliance risks are not included in the SCR calculation. For these types of risk, the assessment shall be made through a scenario based approach.

| Types of risks | Types of risks | Appropriateness of the Standard Formula | Assessment methodology |
|---|---|---|---|
| **Risks Identified** | Standard Formula risks (risk = sub module) | Appropriate | Standard Formula (SF) |
| | | Parameters are criticized | Adjusted Formula (AF) |
| | | Not appropriate | Scenario-based approach (SBA) or Actuarial Independent Assessment (IA) |
| | Additional risks | N.A. | Scenario-based approach (SBA) |

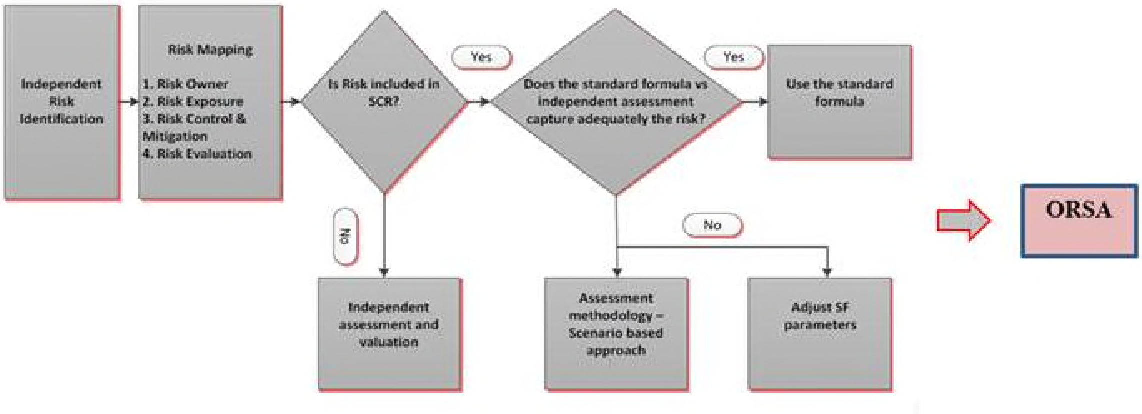
PSA Insurance considers relevant to use the 99.5% Value at Risk, as used in the SCR calculation for all Pillar 1 risks included in the Standard Formula (even those for which the parameters or calculation method will be adjusted). For additional risks not included in the SCR calculation, namely strategic and compliance risks, PSA Insurance also uses the 99.5% Value at Risk to maintain a high level of prudency.

This aims at ensuring a better consideration of its specific risk profile on a sufficiently reasonable basis, approved risk tolerance limits and business strategy with regard to the current level of its SCR, as well as to continuously monitor the compliance with capital requirements.

**Identification and Valuation Process**

The Board adopted a top-down approach and participated in the forward looking assessment of the own risks, including how the assessment was to be performed. The Board has challenged the results during a session held with the Risk Management team outside Board meetings.

The Risk Management team together with the Company's Key Functions have, independently from the Standard Formula, identified and assessed the risks facing the Company. Thereafter, a comparison against the Standard Formula was carried out. When the Standard Formula was deemed to be adequate to capture the Company's risk profile, the Risk Management team decided to use the technical specifications underlying the Standard Formula. Additional risks and assessment methodologies were included in the ORSA process, so that the final results would reflect more closely the Company's risk profile. An illustration of the process adopted has been produced below.




**Critical Assessment of Pillar 1 calculation**

With the support or under the supervision of the actuarial function, ad hoc experts:

- Identify the (sub) modules for which the risk profile of PSA Insurance deviates from the assumptions underlying the SCR of the Company.
- Explain the deviations / reasons why the Standard Formula is not appropriate to assess the risk: existence of significant risk mitigation techniques or contingency measures, specific risk portfolio not taken into account in the Standard Formula, etc.
- Define the assessment methodology for those risks: the adjustment of the Formula's parameters, independent actuarial assessment, or the scenario-based approach if the Formula itself is not appropriate.

**Scenario analysis and qualitative assessment**

With the support of the other departments, during a workshop, the Risk Manager:

- Identifies potential scenarios for each SBA risk, taking into account the risk exposure, sensitivity and concentration, and the existing risk mitigation techniques.
- Realises a first qualitative assessment of all risks, based on the risk description and potential impact. Risks are classified on a scale at 3 levels:
  - High: High exposure and mitigation techniques and controls
  - Medium: High exposure with high confidence in the quality and robustness of existing mitigation techniques and controls or low exposure with mitigation techniques and controls
  - Low: Exposure with high confidence in the quality and robustness of existing mitigation techniques and controls
- Chooses one representative scenario for each risk. Unlikely or extreme scenarios are avoided.
- Describes precisely the chosen scenario and its consequences

**Scenario quantitative assessment**

For AF risks:

The Actuarial Function adjusts the Standard Formula: The parameters of the Standard Formula are modified according to the criteria addressed to the Pillar 1 calculation. Any adjustment of parameters shall be thoroughly justified in the ORSA report.

For IA risks:

The Actuarial Function conducts an independent assessment of the risk in which a historical data set is used to quantify the potential risk under study.

For SBA risks

With the support of risk owners, the risk manager assesses the impact and the frequency of the chosen scenario (before and after taking into account the existing risk mitigation techniques and contingency measures). This assessment is based on an expert estimate and on historical losses. The frequency describes the occurrence of the risk. The impact describes the financial impact of the risk, including all costs. When available quantitative data can help to assess more precisely the risk, the detailed description of the assessment and the calculation is recorded.

**Governance**

The board of Directors has the ultimate responsibility for the ORSA. It decides when to conduct an ORSA and challenges the results.

The Risk Management function is in charge of the risk valuations process and of the ORSA process. The Statistical Department works closely with the Appointed Actuary who will participate or review all quantitative assessments.

Other departments of PSA Insurance and especially the members of the CODIR are involved in order to help identify and assess the risks relevant to their activities. The CODIR members are appointed as risk owners and are to provide a valuation of the various risks included in the final figures as well as monitor their risks on a quarterly basis. The stakeholders involved are the following:

- Underwriting and Reserving – Technical Director & Senior Insurance Statistical Analyst
- Investments – Chief Financial Officer
- Operational Risk – Head of Compliance and Risk Insurance
- Strategic Risk – Marketing Director and Chief Financial Officer
- Regulatory & Compliance Risk – Head of Legal & Head of Compliance and Risk Insurance
- Solvency Capital Projections – Head of Solvency

**Definition of risk tolerance**

The Board of Directors:

- Defines a qualitative overall risk appetite, based on the strategy of PSA Insurance
- Defines a quantitative overall risk appetite, based on the strategy of PSA Insurance

Risk owners:

Define an indicator for each of their risks with a threshold that must not be exceeded. The threshold represents the risk tolerance and is aligned with the qualitative and quantitative risk appetite defined by the Board of Directors.

**Risk identification and description**

With the support of the other departments, the risk manager:

- Identifies the various operational risks
- Identifies the various strategic risks
- Identifies the various compliance risks
- Identifies the various cyber risks
- Realises a qualitative description of each risk (SCR risks + additional risks)
- Assigns a risk owner to that particular risk
- Assesses the risk criticality in terms of Frequency and Severity
- Describes the risk mitigation techniques and contingency measures that contribute to reduce the frequency or the impact of the risk (investment limits, wording, reinsurance, regular controls, reconciliations, monitoring of ratios, committees, contingency plans, IT back-ups, etc.).

All of the above is recorded within the Company's risk register; this therefore includes a record of the individual risk analysis (quantified and non-quantified risks) including a description and explanation of the risks considered. The risk register is a live document which is updated as often as necessary, but in any case at least annually. A clear audit trail is maintained between versions, in order to capture the development of the individual risks.

**Frequency vs Severity**

Unless otherwise stated for all risks, the Company established a Frequency and Severity matrix to determine what is significant for the Company's business strategy.

**Inherent and Residual Risk Basis and Value at Risk**

The Board considered each individual risk on a gross and net basis. In this respect, the risk severity and frequency scoring was evaluated before and after mitigating controls were taken into account. The risks evaluated before mitigating controls were taken into account are Inherent Risks while those after taking controls into account are Residual Risks.

This methodology was used for each identified risk and was conducted through a discussion at management level. This was done so that the Board of Directors is made aware of the importance of the effect of the mitigating controls for each significant risk identified.

**From risk assessment to capital allocation**

The risk assessment performed during the Risk Management process and ORSA process provided a realistic view of PSA Insurance's risk profile. Any decision to change capital allocation and/or managing actions shall be based on this risk profile.

Below are the key questions to include in the decision-making process:

- Do we have sufficient capital to cover any risk?
- What are the quality and composition of these own funds?
- Can we reduce the risks by implementing specific managing actions?
- Are we complying with all approved risk tolerance limits, including qualitative ones?

**Risk Treatment and ORSA Approval**

After the assessment, the Statistical Department:

- Compares the newly obtained value at risk to the capital allocated to each risk under Pillar 1.
- Compares the overall VaR to the SCR and technical provisions.
- Highlights and explains the potential differences that have been identified.
- Reports to the Board the first results of the ORSA.

The Board of Directors:

- Challenge the results of the ORSA during the next Board meeting or during a separate meeting. The main conclusions of this challenging process are recorded and included afterwards in the ORSA report.
- Validate the results of the ORSA.
- When significant differences have been identified between the value at risk and the SCR and/or the risk tolerance, Directors take a decision regarding the risk management. Either:
    - Cover the risk with capital, or
    - Increase the risk mitigation techniques or contingency measures.

**Monitoring and improvement of the mitigation techniques**

For each risk, risk owners:

- Monitor risks on a continuous basis, based on key risk indicators, existing procedures and their general knowledge of the business.
- Propose new risk mitigation techniques or contingency measures, if necessary.
- Implement the new risk mitigation techniques and contingency measures, especially the ones that have been decided by the Board of Directors.
- Report on a quarterly basis to the risk manager the risk level; based on key risk indicators, the implementation of Fundamental Tracking Points for which they are held responsible, and the advancement of risk mitigation techniques improvement, when relevant.

The risk manager:

- Gathers the data from risk owners on a quarterly basis, including:
    - Key risk indicators (‘KRI’)
    - Corrective actions undertaken notably in case of significant deviation in KRI
    - Implementation of risk controls recorded as fundamental tracking points
    - Any other relevant issue regarding risks within the Company

All quarterly reports shall be communicated to the Board. Reports to the Board of Directors of any risk exceeding the approved risk tolerance limits are to be made.

**Stress Test and Reverse Stress testing**

In accordance with the ORSA guidelines, the Company has applied the identified material risks to a defined range of stress tests in order to provide an adequate basis for the assessment of the overall solvency needs. In each case, a worst case scenario was employed when assessing the risk. The stress tests carried out in the ORSA have been based on hypothetical situations.

A stress test is a projection of the financial condition of a Company under a specific set of severely adverse conditions that may be the result of several risk factors over several time periods with severe consequences that can extend over months or years. Alternatively, it might be just one risk factor and be short in duration. When considering various stress tests, the principle adopted by the Board is that the effect of the stress test has to be considered in terms of their effect on both the Company's profitability and equity.

Reverse stress testing also included in the ORSA aims at answering the following question:

Which scenario or combination of scenarios would bring the Company below the target risk appetite limit?

Finally, a combined stress test is also included where a number of different scenarios are considered together in order to assess the solvency of the Company should these occur together.

**ORSA Report**

The ORSA Report aims to present all key principles supporting the ORSA methodology, ORSA results, as well as consecutive recommendations regarding capital allocation, technical provisions, risk mitigation techniques and/or other managing actions. The ORSA report should be submitted to the regulator within 2 weeks from Board approval.

The risk valuations and ORSA process is performed on an annual basis, after the SCR calculation is conducted.

The risk monitoring is performed on an on-going basis and is annually reviewed and updated during the ORSA.

Under the following circumstances, an exceptional ORSA shall be performed (in addition to the annual review):

- Significant changes in the PSA Insurance activities: introduction of a completely new line of business, development of activities in a new country
- Significant changes in the PSA Group organisation, which impact day-to-day activities of PSA Insurance
- Significant changes in the economic or compliance environment, that may affect the business model or the financial stability of PSA Insurance

The ORSA process is carried out on a yearly basis following the completion of the financial projections. Currently the solvency needs are determined using the Standard Formula as a basis since the capital required is considered to be extremely prudent given that the Company's risk profile is considered to be low. The additional risks (operational, strategic and compliance) have been quantified on an extremely prudential basis.

The SCR projections are monitored through a set of monthly capital management indicators so as to ensure that the capital held remains sufficient.

## B.4 Internal Control System

The Board recognises its responsibility for setting the tone of the business and influencing the control consciousness of its key functionaries.

Sarah Ellul Soler was appointed as the Internal Controller and monitors PSA Insurance's internal control system. The controls environment is the foundation for all other components of internal controls, providing discipline and structure.

The Internal Control system is made up of a number of second level control reviews linked to each risk, procedure and policy adherence monitoring, compliance with applicable laws and regulations, and monitoring of the adequacy of processes for the business' activity. Sarah Ellul Soler ensures to monitor and test the above controls individually and ensures adherence on a regular basis and reports to the Board on a quarterly basis or more frequently if necessary.

The key components underlying the Internal Control Policy of the Company are:

1. Controls environment;
2. Risk assessment;
3. Controls activities; and
4. Information and communication.

## B.5 Internal Audit Function

The Internal Audit function of the Company is outsourced to PwC Malta, Sarah Ellul Soler is the individual within the insurance undertaking who oversees this function. The Internal Audit function serves as a third line of defence and is not involved in the day to day operation of the Company. Although the Board can suggest amendments to the internal audit plan, the Internal Audit has the right to take on board such amendments and moreover the function has unlimited access to all the information requested to carry out its audit in an independent manner.

## B.6 Actuarial Function

The Actuarial Function is represented by the Internal Statistical department within the Company and the External Actuarial Function, who is the Appointed Actuary of the Company and is outsourced. There is a clear distinction between the roles of the Statistical Department and External Actuarial Function. The role of each is described below:

**Internal Statistical Department**

The Statistical Department's role within PSA Insurance is as follows:

- Represents the Company's actuarial function.
- Leads the communication process with our Appointed Actuary.
- Conducts analysis on the Company's technical provisions and methodologies used.
- Conducts the pricing of new products.
- Conducts the ORSA calculations.
- Conducts the calculation of the Best Estimate on a quarterly basis.

**Main Responsibilities:**

1. Technical Provisions assessment

    - Reviews and expresses an opinion on the monthly closing results.
    - Carries out assessments on the IBNR models used.
    - Compares the Best Estimate results between reporting dates.
    - Conducts the calculations for the Targeted Loss Ratios, which are proposed during the budget and the PMT.

2. The ORSA

    - Conducts the risk group calculations under the ORSA.
    - Reviews the ORSA report.

**External Actuarial Function**

- Following an in-depth study, the Appointed Actuary expresses an opinion on the Technical Provisions held by the Company at year-end.
- Reports to the Board on a yearly basis.
- Reviews and makes recommendations on fundamental risk management policies namely:
    - Actuarial Policy
    - Underwriting Policy
    - Capital Management Policy
- Carries out a review of the annual SCR and ORSA results.

## B.7 Outsourcing

The Outsourcing Policy applies to all Material Outsourcing Arrangements entered into by PSA Insurance. An outsourcing arrangement is defined as an arrangement whereby a specified business process, service or activity is provided by a third party provider rather than being performed in-house. An outsourcing arrangement is deemed to be material for these purposes if it is either critical or important to the conduct of the business.

For the purposes of the Outsourcing Policy, an arrangement is likely to be deemed critical or important to the conduct of the business if a defect or failure in its performance would:

- Materially and adversely impact the quality of the system of governance;
- Unduly increase operational risk or significantly reduce control assurance (e.g. if the service is a key mitigating control);
- Impair the ability to comply with any relevant legal or regulatory requirements or the ability of regulators to monitor the Company; and
- Undermine the soundness or continuity of Key functions, services and activities that are core to the business and delivery of services to policy holders/customers.

This Policy does not apply in respect of individuals or firms retained under consulting, professional advisory services or temporary/agency support staff arrangements, where the individuals concerned are directly supervised by Board Members or other managers employed by the Group.

**List of current material outsourcing arrangements:**

PSA Insurance Manager Ltd – Insurance Management Agreement – Domiciled in Malta
PwC – Internal Audit Agreement (Romina Soler - Appointed Internal Auditor) – Domiciled in Malta
Marsh Actuaries – External Actuarial Agreement (Konrad Farrugia - Appointed Actuary) – Domiciled in UK

# C. Risk Profile

From 2020 onwards, the Company started considering its Diversified Risk Profile instead of the simple average calculation. The diversified risk profile calculation is based on the principle that not all risks can materialise at once and therefore it provides a more realistic view of the Company's risk profile. The Diversified Risk Profile of the Company can be defined as a measure of losses based on various items of historical data such as total losses, number of losses, average loss size, payment patterns and correlations between different risk categories. Furthermore, this provides the management of the Company the chance to compare the risk profile with the Company's set threshold and will provide a better indication of what the Company expects the average loss in monetary terms to be.

Taking the final residual risks on the Company's risk register, the diversified residual risk gives a Severity Index of 5.86, which means a 'negligible' operational impact on the business. Therefore the overall risk profile of the Company would be considered Low Risk, based on the Company's severity parameters. The Board agrees that the assessed risk profile of the Company is in line with its expectations due to the fact that:

- PSA Insurance is a third party insurer that supports the parent company in improving customer and brand loyalty. Treating customers fairly is a key principle.
- The Company does not face Concentration risk which might lead to catastrophic risks. This stems from the fact that it is highly unlikely that there would be concentration of vehicles at one point in time. Moreover, the company operates in various EEA countries therefore spreading its risk exposure.
- Historical loss history has always been favourable and any adverse movements are monitored and corrective action taken immediately.
- The Company engages the right level of expertise and officers to manage its business.
- Since it is owned by regulated entities, governance and adherence to regulation ranks high on the Group's risk appetite.

The table below illustrates the composition of the SCR and ORSA capital requirements for Year 1 of the Business Plan (2022) based on the Risk Modules applicable under the SCR as well as the additional risks quantified under the ORSA.

| Risk Module | SCR % | ORSA % |
|---|---|---|
| Operational Risk | 3% | 4% |
| Market Risk | 14% | 15% |
| Counterparty Default Risk | 20% | 21% |
| Non-Life Underwriting Risk | 63% | 57% |
| Strategic Risk | 0% | 1% |
| Compliance Risk | 0% | 2% |

The main differences between the SCR and ORSA are explained in the following pages. The assessment of the following risks was as at ORSA stage in Q3 2021.

## C.1 Underwriting Risk

PSA Insurance Ltd covers three lines of business which are Class 12 – Miscellaneous Financial Loss, Class 2 – Income Protection Insurance and Class 5 – Other Motor Insurance. The underwriting risk which is applicable to the Company includes Premium & Reserve, Lapse and Catastrophe risks (Natural and Other Non-life Catastrophe).

The underwriting risk capital charge under the ORSA amounts to 28,842 KEUR and that under the Standard Formula 36,320 KEUR. There is a significant variation between the two results due to the following reason:

Catastrophe Risk – Due to the nature of the Company's insurance products, this risk is considered to be very low. Therefore a scenario has been chosen and quantified independently from the Standard Formula.

## C.2 Market Risk

The Company is subject to market risk mainly as a result of the investments in UCITS. The risk sub-modules which the Company is exposed to are the concentration, spread, currency, equity and interest rate risks.

The Market risk evaluation under the ORSA amounts to 6,425 KEUR and has the same valuation as that under the Standard Formula since the methodology and parameters used are considered to be representative of the nature of investments held.

## C.3 Credit & Liquidity Risk

The Company is subject to both type 1 and type 2 counterparty default risk/ credit risk. The cash held at the banks is subject to Type 1 credit risk whereas the insurance and reinsurance receivables are subject to Type 2 credit risk.

The credit risk evaluation under the ORSA amounts to 15,201 KEUR and has the same valuation as that under the Standard Formula since the methodology and parameters used are considered to be satisfactory.

Liquidity risk is not covered by the Standard Formula and not quantified under the ORSA.

## C.4 Operational Risk

Operational risk is calculated under the Standard Formula and is driven by the activity size of the Company. It is based on a combination of Earned Premium and Technical Provisions. This risk is the consequence of inadequate or failed internal processes, personnel or systems, or external events, unless the Company is well diversified and managed.

The operational risk capital charge under the ORSA amounts to 3,061 KEUR and that under the Standard Formula 1,843 KEUR. The valuation under the Standard Formula does not correctly quantify the risks the Company faces; various operational risks that are listed and monitored in the Company's risk register have been quantified by taking a specific scenario; all risks have been simulated to obtain a capital charge for operational risk that is representative of the business and that also takes the controls in place into account.

## C.5 Other Material Risks

The Company is focusing on two new risk categories being Cyber security and Climate change risks.

Following the COVID-19 pandemic together with the increased use of technology, the risk of cyber attacks increased drastically, which led to the inclusion of Cyber risk as one of the Company's risk categories in the risk register.

Another risk on which the Company is focusing is Climate change risk. This is becoming a very important topic worldwide with regulators starting to provide more attention to the topic. As a result the Company is working on analysing the impact of climate change from a risk management perspective.

**Cyber Security Risk**

Cyber Security risk is the probability of exposure or loss resulting from a cyber attack or data breach on the organization. It is the risk of financial loss, disruption or damage to the reputation of an organization resulting from the failure of its information technology security systems. The related risks and controls identified are in relation to the following:

- Information and data security roles and responsibilities, including the designation of the Chief Information Security officer;
- Privileged access management;
- Sensitive data management;
- Threats management;
- Security education and training;
- Ongoing monitoring;
- Risk assessment, the frequency and extent of which should be determined by the Entity;
- Maintenance of audit trails to detect and respond to Cybersecurity events;
- An incident response and recovery plan;
- A business continuity plan; and
- A security policy for third party service providers

**Climate Change Risk**

Currently, climate change is a very important topic worldwide and it is being given its due importance. Further to the Opinion issued in April 2021 by EIOPA entitled '*Opinion on the supervision of the use of climate change risk scenarios in ORSA*', an immediate process has been set up in order to focus and give priority to this topic.

The first step of the process is to identify the risks which impact the Company. Currently, Annex 3 from the EIOPA Opinion referred to above, is being used as the basis for the risk identification phase. A number of internal workshops have been set and the following action points for each risk category have been identified:

<u>Underwriting Risk</u> – A separate workshop has been conducted to discuss the risks with the Statistical team. This has been finalised and the risks have been identified.

<u>Market Risk</u> – An analysis related to the investments held by the Company has been carried out by the investments team to gather further information on the current risk exposure.

Credit/Counterparty Risk – This risk lies mainly on the risk exposure of the Banks with which the Company has a relationship with. The published financial reports of these banks will be reviewed in order to obtain information about their current strategies in relation to climate change risk. The Company will then be able to establish the risk it is ultimately exposed to. Afterwards, an internal discussion will be conducted to determine whether this risk impacts the Company or not.

Operational/Strategic/Reputational Risk – The Company is mainly dependent on the Group in relation to this risk. Currently an analysis of the transactions made by the Group is being conducted by the ORSA team making use of the Group's published reports together with on-going communication and sharing of information with members of the Group's risk department. Following the risk identification phase different scenarios will be identified in order to be able to quantify the climate change risks that impact the Company.

A full Climate Change risk analysis together with the selected scenario results will be included in the ORSA 2022 report.

## C.6 Summary of Risk profile

To ensure the overall consistency of the Solvency II approach, PSA Insurance's risk valuations and ORSA process is based on the Standard Formula for the Market and Underwriting risks, whilst case scenario assessments are used for the Operational, Compliance and Strategic Risks. PSA Insurance has independently assessed the risks facing its business and compared them against the Standard Formula. Where the Standard Formula is adequate to capture most of its risk profile the Board decided to use the technical specifications underlying the Standard Formula. Where relevant, additional risks and assessment methodologies were included in the ORSA process, so that the final results reflect more closely the risk profile of PSA Insurance Limited.

As part of the analysis, the Board arrived at an independent assessment of capital requirement for each individual risk. When this was comparable to the results from the Standard Formula, the Board took the value from the Standard Formula.

This applies to the following risks:

- Market risk: Interest, Spread, Equity, Currency and Concentration risk
- Default risk
- Non-life Underwriting risk – Premium & Reserve, Lapse and Catastrophe Risk
- Health Underwriting risk – Premium & Reserve, Lapse and Catastrophe Risk
- Operational risk

An independent assessment was carried out for other risks where the Board deemed the Standard Formula inadequately reflected the risk. The risks covered are:

- Strategic, Compliance and Operational Risk

When adjustments of parameters were not sufficient to properly reflect PSA Insurance's risk profile, a scenario-based approach has been retained. This approach also applies to the Operational, Compliance and Strategic Risks faced by PSA Insurance.

The classification of risks into high, medium and low was arrived at after discussion with the risk owners and the Board of Directors. The approach taken by the Company was both quantitative and qualitative in that at initial stages when identifying the risks, all risks have to be considered as neutral not to underestimate any particular risk which can evolve and become significant. The Board's approach was to consider the possible evolution of the risk.

- Underwriting Risk - Catastrophe Risk

Due to the nature of the Company's products PSA Insurance is subject to very little Catastrophe Risk. Under the Standard Formula, the capital charge is extremely high as it is calculated as a percentage (40%) of the premium to be earned in the following year. Therefore the Board deemed that capturing the Catastrophe Risk using the CRESTA zone model renders a more accurate result.

## C.7 Stress and Sensitivity testing

PSA Insurance Ltd has performed stress and reverse stress tests to show the impact on SCR and SCR Cover by stressing the assumptions associated with the main capital charges. This section provides an indication of the resiliency of the Company's eligible capital to various stress scenarios which management believes should be put under stress. Stress test scenarios were chosen based on the highest impact to the capital of the Company. These scenarios were linked to the Risk Appetite Statement and approved by the Directors.

In recent years PSA Insurance Ltd went through the process of releasing the excess capital, in excess of the target risk appetite, to its shareholders. This was done in order to maximise the return on capital for the shareholders conscious that in the event capital was required by the Company this would be made available accordingly.

The following table shows the stress and reverse stress tests carried out followed by the action plans put in place in case each scenario materialises. Each action plan is associated with the Committee responsible.

| PSA Insurance Ltd | | Target Risk Appetite (%) | 2022 (Y1) | 2023 (Y2) | 2024 (Y3) |
|---|---|---|---|---|---|
| Base Scenario before Dividend Distribution and Stress Tests after injection | | 130% | 130% | 130% | 130% |

| No. | Base Scenario before Dividend Distribution after injection and Stress Tests | | | | | |
|---|---|---|---|---|---|---|
| 1 | Drop in sales: Reduction in premium by 10% in Year 1 | €3.6M reduction from a total of €36.2M NEP | 130% | 130% | 130% | 130% |
| 2 | Transfer Pricing: Commission increase to 45% for GAP in Germany in Year | €74k increase on a total of €14.5M | 130% | 130% | 130% | 130% |
| 3 | Doubling of Early Termination Rate in Year 1 | From 19% to 38% (run-off) 5.5% to 11% (OVF) (€1M decrease in EP) | 130% | 129% | 129% | 130% |
| 4 | Loss ratio increase to 40% on OVF products in Year 1 | From 27% to 40% (€2.6M increase in CC) | 130% | 127% | 128% | 129% |
| 5 | Market risk: Reduction in market value of investments by 20% in Year 1 | €8M from a total of €40.1M | 130% | 84% | 130% | 130% |
| | **Base Scenario before Dividend Distribution after injection and Reverse Stress Tests** | | | | | |
| 6 | Drop in sales: Reduction in premium in Year 1 | Reduction of €7.2M 20% in net earned premium | 130% | 129% | 128% | 129% |
| 7 | Transfer pricing: Overall commission rate increase in Year 1 | From 38.6% to 39.8% (€420k net commission increase) | 130% | 129% | 129% | 130% |
| 8 | Loss of Physical Data: GDPR fine which will also target Cyber Risk in Year 1 | €450k GDPR fine | 130% | 129% | 130% | 130% |
| 9 | Unexpected increase in cancellation rate: ETR increase in Year 1 | From 19% to 29% (run-off) 5.5% to 8% (OVF) (€523k decrease in EP) | 130% | 129% | 130% | 130% |
| 10 | Product Compliance: Loss ratio increase in Year 1 | From 45% to 48% (€824k in claims cost) | 130% | 129% | 129% | 130% |
| | **Base Scenario before Dividend Distribution after injection and Promethee Stress Tests** | | | | | |
| 11 | A delay in IT implementation of 6 months | Reduction in premium, reserves and profits in 2023 and 2024 | 130% | 130% | 133% | 132% |
| 12 | Increase in program CAPEX by €5M | Increase applied to first year of Promethee, i.e. 2023 | 130% | 130% | 126% | 127% |
| | **Base Scenario before Dividend Distribution after injection and Combined Stress Test** | | | | | |
| 13 | OPEX increase by 5%<br>Reduction of market value of investments by 5%<br>Decrease of 10% in earned premium with loss ratio remaining the same<br>Loss Ratio increase by 5pp<br>All tests in Year 1 | €14.3M to €15M<br>€2M from a total of €40.1M<br>€3.6M from a total of €36.2M<br>From 45% to 50% (€15k in claims cost) | 130% | 123% | 125% | 127% |

| Base Scenario after Dividend Distribution after injection before Stress Tests | 130% | 130% | 130% | 130% |
|---|---|---|---|---|

<table>
<tr><th>Stress Test Result</th><th>Action Plan</th><th>Responsibility</th></tr>
<tr><td>Reduction in premium by 10% in Year 1<br>(Stress test)<br>Company remains with a comfortable cover position<br><br>Reduction in premium in Year 1<br>(Reverse Stress test)<br>Company falls below the target risk appetite.</td><td>A monthly analysis is provided whereas actual volumes are compared to the Business plan. Any variances are investigated by car registrations, finance and insurance penetration in order to understand the reason for such deviation. These will be highlighted to management and when required a revised Business plan will be prepared including new scenarios. A drop in volumes will consequently result in lower premium. The ultimate effect would be lower profits generated by the Company.</td><td>Finance Department</td></tr>
<tr><td>Commission increase to 45% for GAP in Germany in Year 1.<br>(Stress Test)<br>Company remains with a comfortable cover position.<br><br>Overall commission increase in Year 1.<br>(Reverse Stress Test)<br>Company falls below the target risk appetite.</td><td>If a global commission increase were to occur, the Board must take immediate strategic actions to improve the Solvency situation of the Company. The following actions may be taken:<br>1. Cease business in a particular country if absolutely required.<br>2. Reconsider the viability of PSA Insurance as a Maltese Company, reconsidering the re domiciliation of the Company if necessary.<br>3. Increasing the premium to the end customer so that the technical result remains unchanged.<br>4. Implement actions to increase sales.</td><td>Board of Directors</td></tr>
<tr><td>Doubling of Early Termination Rate in Year 1<br>(Stress test)<br>Company falls below the target risk appetite.<br><br>Increase in Early Termination Rate in Year 1<br>(Reverse Stress test)<br>Company falls below the target risk appetite.</td><td>An ETR analysis is performed monthly whereas the actual ETR is compared to budget month by month by production year and type of product. Variances are then reported during committees.</td><td>Finance Department</td></tr>
</table>

| | | |
|---|---|---|
| **Reduction of market value of investments by 20% in Year 1** ***(Stress test)*** **Company becomes insolvent.** | This scenario is likely to happen due to the current economic situation impacted by the pandemic.<br><br>The Company exercises a monthly set of controls to monitor the investments portfolio. In the event there is a material decrease in the market value of the investments a decision would be taken by the Investment Committee which could include the disposal of the investments impacted to limit the loss incurred. | Finance Department / Investment Committee |
| **Loss Ratio increase to 40% on OVF portfolio in Year 1** ***(Stress test)*** **Company falls below the target risk appetite.**<br><br>**Overall loss ratio increase in Year 1** ***(Reverse Stress test)*** **Company falls below the target risk appetite.** | This scenario is extremely unlikely to happen. The Company exercises a monthly set of controls to ensure that the loss ratio per product does not exceed the Target Loss Ratio set for the year.<br><br>When a product is underperforming, an in-depth analysis is carried out and a set of recommendations are made to the Technical Committee if changes to the product are necessary e.g., a price increase or a change to the underwriting conditions. This could be applied to new production as well as to the existing portfolio. | Technical Committee |
| **GDPR fine in Year 1.** ***(Reverse Stress test)*** **Company falls below the target risk appetite.** | An external DPO was appointed to provide guidance to Compliance with regards to GDPR monitoring and controls. Moreover, additional controls imposed by the Group are also being followed. | Data Protection Officer |
| **Car Insurance (Promethee) delay.** ***(Stress test)*** **Company remains with a comfortable cover position.** | Strong governance has been setup with weekly program meeting, monthly steering committee involving all critical partners and quarterly executive committee with a Stellantis ExCom member.<br><br>Detailed Program RACI, Planning and list of deliverables where included in contracts with penalties if not achieved. | Promethee Team |
| **Car Insurance (Promethee) increase in CAPEX.** ***(Stress test)*** **Company falls below the target risk appetite.** | Signed agreements with our partners mentioned a detailed cost linked to deliverables and some of them are under a fixed price mechanism with the support of Stellantis Group Procurement, IT and Legal teams<br><br>Monthly Expenses management report has been setup to control expenditure versus budget.<br><br>A deviation of budget would require a company and steering committee approvals. | Promethee Team |

# D. Valuation for Solvency Purposes

PSA Insurance presents below the information regarding the valuation of assets for Solvency II purposes including (for each material class of assets):

a) A quantitative explanation of any material differences between the asset values for Solvency II purposes and those used for financial reporting bases.
b) A description of the assets valuation bases, methods and main assumptions used for solvency purposes and those used for financial reporting in the statutory accounts.

## D.1 Assets

| PSA Insurance Limited Assets (EUR) | Current Accounting Basis | SII Valuation Principles |
|---|---|---|
| Deferred Acquisition Costs | 15,969,963 | |
| Intangible Assets | 29,279 | |
| Deferred Tax Assets | 2,259,663 | 2,259,663 |
| Investments | 30,060,873 | 30,060,873 |
| Collective Investments Undertakings | 30,060,873 | 30,060,873 |
| Mortgages and Loans Made | 3,110,915 | 3,110,915 |
| *Other Mortgages & loans* | 3,110,915 | 3,110,915 |
| Reinsurance recoverables | 987,575 | 870,372 |
| *Reinsurance share of TP - non-life excluding health* | 956,439 | 847,202 |
| *Reinsurance share of TP - health similar to non-life* | 31,137 | 23,170 |
| Insurance & Intermediaries Receivables | 17,530,641 | 7,362,001 |
| Reinsurance Receivables | 1,324,354 | 1,012,711 |
| Receivables (trade, not insurance) | 12,447,479 | 9,768,594 |
| Cash & Cash Equivalents | 54,692,465 | 54,692,465 |
| Any Other Assets, Not Elsewhere Shown | 328,277 | 328,277 |
| **Total assets** | **138,741,485** | **109,465,872** |

The differences between IFRS and Solvency II valuation stems from the following:

Deferred Acquisition Costs: These are accounted for under IFRS but are not recognised on the Solvency II Balance Sheet. The deferred acquisition costs relate to the commissions paid by the Company which are accounted for over the duration of the insurance contract, which is on average four years.

Intangible Assets: These are not available on the market thus they are disallowed as an asset for Solvency II purposes.

Reinsurance Recoverables: Recoverables from reinsurance consist of the Solvency II valuation of the reinsurer's share of technical provisions which are made up of premium provision and provision for claims outstanding for all lines of business (Miscellaneous Financial Loss, Income Protection Insurance and Other Motor Insurance). Under

IFRS these are valued at €987,575 whereas for Solvency II purposes these are valued at €870,372. These are valued differently for Solvency II valuation purposes as their economic value is used instead of their accounting value.

Insurance & Intermediaries Receivables: For the purpose of Counterparty Default risk calculation, the commission payable directly related to the insurance receivables is netted off the insurance receivables. This adjustment is carried out in the Solvency II Balance Sheet. The concept is that no commission is payable if the insurance receivables are not settled. This treatment was also applied to Reinsurance Receivables.

Receivables (trade, not insurance): For the purpose of Counterparty Default risk calculation, the payables directly related to the non-insurance receivables are netted off the non-insurance receivables.

No further differences arise between the IFRS Balance Sheet and the Solvency II Balance Sheet.

## D.2 Technical Provisions

PSA Insurance covers three lines of business which are Miscellaneous Financial Loss, Income Protection Insurance and Other Motor Insurance. The reserving methodology applied by the Company consists of the Premium Provision ('PP') and the Provision for Claims Outstanding ('PCO'). In order to assess the PP, the Simplification Method is used which applies the combined ratio.

The combined ratio which is applied to the Unearned Premium Reserve ('UPR') is made up of:

- The Ultimate Loss Ratio ('ULR') per product;
- The Expense Ratio – for claims handling; and
- Events not In Data ('ENID') loading.

The ULR is calculated on a quarterly basis using a deterministic methodology (the chain ladder model) and is based on historical data for those products having a sufficient amount available. When insufficient data is available, mainly when the product is very small, the ULR is kept equal to the Target Loss Ratio ('TLR'). An expense ratio of 3% is used for all the products. In addition to that, an ENID loading of 3% is applied on all products as well. Once the combined ratio is applied to the UPR, this results in the PP which is then split between the lines of business. The PCO is arrived at by applying the ULR to the Earned Premium and deducting the amount paid for claims. Again, the PCO is then split between the lines of business.

Once the PP and PCO are split between the lines of business, the Risk-Free Interest Rates for the different currencies are applied to the PP and PCO. This gives the discounted PP and PCO which are then summed up to get the Best Estimate for the non-life company. The Risk Margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance obligations over the lifetime thereof. The Solvency II value for technical provisions, made up of Best Estimate and risk margin, as at 31st December 2021, amounts to €27,789,578 for Miscellaneous Financial Loss, €1,066,362 for Other Motor Insurance and €1,039,985 for Income Protection Insurance.

The level of uncertainty associated with the technical provisions is mainly due to the underlying assumptions taken which includes the Expense Ratio, ENID loading and the ULR. The Expense Ratio is close to what is booked in accounting however it remains an estimate. The ENID loading is also an estimate as the 3% is based on market data. The main assumption taken is the estimate of the ULR. The ULR causes uncertainty due to the many factors which contribute to its estimation such as the pricing of each product, claim loss create delay, the average claim cost used and the claims frequency.

According to the valuation in the financial statements, the Gross Technical Provisions for Miscellaneous Financial Loss amount to €54,073,180, for Other Motor Insurance amount to €1,442,923 and for Income Protection Insurance these amount to €2,373,038. The Best Estimate (without risk margin) for Miscellaneous Financial Loss amounts to € 26,649,796, for Other Motor Insurance amounts to €1,049,327 and for Income Protection Insurance €1,005,900. The difference between these values is due to the calculations used in the PP and the PCO to get the Solvency II technical provisions as explained before.

For the PP, a percentage is applied to the UPR, which percentage is made up of the combined ratio as explained at the beginning of this section. For the PCO, the ULR is applied to the Earned Premium and the amount paid for claims is then deducted. Under the IFRS technical provisions the TLR is used instead of the ULR. Since the ULR represents the ultimate loss ratio, it is lower than the TLR as the latter has a sufficient prudency buffer. Furthermore, a 3% ENID loading is included in the combined ratio for all products that caters for any unexpected events which are not present into the Company's data, which impacts the premium provision.

## D.3 Other Liabilities

| PSA Insurance Limited Liabilities (EUR) | Current Accounting Basis | SII Valuation Principles |
|---|---|---|
| Gross Technical Provisions – Non-Life (Excluding Health) | 55,516,103 | 28,855,940 |
| *TP calculated as a whole (Best estimate + Risk margin)* | 55,516,103 | |
| *Best Estimate* | | 27,699,123 |
| *Risk Margin* | | 1,156,818 |
| Gross Technical Provisions - Health (Similar to Non-Life) | 2,373,038 | 1,039,985 |
| *TP calculated as a whole (Best estimate + Risk margin)* | 2,373,038 | |
| *Best Estimate* | | 1,005,900 |
| *Risk margin* | | 34,084 |
| Deferred Tax Liabilities | | 4,156,870 |
| Insurance & intermediaries payables | 39,150,407 | 28,981,767 |
| Reinsurance payables | 1,073,083 | 761,441 |
| Payables (trade, not insurance) | 3,963,397 | 1,284,512 |
| Any other liabilities, not elsewhere shown | 1,634,413 | 1,634,413 |
| **Total liabilities** | **103,710,441** | **66,714,928** |

The differences between IFRS and Solvency II valuation for Liabilities arise from the Technical Provisions and the Deferred Tax Liability.

Technical provisions: These are valued for Solvency II purposes by applying a Target Loss Ratio and an Expense Ratio and then discounting using the risk-free rates provided by EIOPA. A risk margin is then added to the best estimates to obtain the Solvency II value for technical provisions.

Deferred Tax Liability: This arises due to differences in valuation principles between tax accounting basis and Solvency II basis.

Payables: For the purpose of Counterparty Default risk calculation, the commission payable directly related to the insurance and reinsurance receivables is netted off the insurance and reinsurance receivables. This is explained under section D.1 Assets and as a result the values for Insurance & Intermediaries payables and Reinsurance payables are lower than their value under IFRS. This is also applied to the Payables (trade, not insurance) where payables related to the same counterparty are netted off.

No further differences arise between the IFRS and Solvency II Balance Sheet.

## D.4 Alternative Methods for Valuation

No other material information regarding the valuation of assets and liabilities warrants disclosure.

# E. Capital Management

All of this information is set out in the Capital Management Policy of the Company. PSA Insurance must meet the following requirements:

i.) Maintain a sufficient capital base which:

- Meets the business strategy and risk appetite for capital, as set out in PSA's 'Risk Appetite Standard'; and
- Complies with Solvency II regulatory requirements.

ii.) Efficient Capital: PSA Insurance must implement efficient use of capital as suited to the Company, consistent with the risk appetite as set out in PSA Insurance 'Risk Appetite Standard'

iii.) Reinsurance Strategy: PSA Insurance must implement the most efficient reinsurance strategy suited to purpose and incorporate Solvency Fabric modelling when setting its reinsurance strategy

iv.) Consistency with System of Governance: PSA Insurance must manage its capital consistent with the System of Governance, specifically Risk Management Framework.

v.) Tier Capital and Own Funds: PSA Insurance must make sure that it continuously holds sufficient eligible Own Funds to cover capital requirement.

vi.) Monitoring of Capital Positions: The CEO must make sure that there is regular, timely and effective monitoring of capital positions so that capital efficiency and a sufficient capital base are maintained. The actual Capital Base, International Financial Reporting Standards (IFRS) Equity, Solvency II Equity, SCR coverage ratio and return on key asset classes must be calculated and reviewed at least annually in line with ORSA Policy.

On a yearly basis, PSA Insurance carries out a medium term financial plan (3 years). Once finalised, the SCR projections are carried out to ensure that the capital held is sufficient. If throughout the year, material changes in the business were to occur, the financial projections will be revised.

PSA Insurance also takes into account in the capital management plan the output from the risk management system and the forward looking assessment of the undertaking's own risks (based on the ORSA principles).

## E.1 Own Funds

| PSA Insurance Limited Basic Own Fund Items (EUR) | Own Funds Tiering: Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|
| Ordinary share capital (net of own shares) | 27,500,000 | | | |
| Ordinary share capital (gross of own shares) | 27,500,000 | | | |
| Reconciliation reserve | 4,550,944 | | | |
| *Excess of assets over liabilities* | 42,750,944 | | | |
| *Other basic own fund items* | 38,200,000 | | | |
| Other items approved by supervisory authority as basic own funds not specified above | 10,700,000 | | | |
| **Total Basic own funds** | 42,750,944 | - | - | - |

The Own funds of the Company are made up of Tier 1 unrestricted capital. This consists of the ordinary share capital, capital contribution and reconciliation reserve. The only change in the structure of the Own Funds items from the previous reporting period was the capital contribution. This has been increased by an amount of €10,700,000 during the year.

**Loss Absorbing Capacity of Deferred Taxes**

The Company does not make use of the adjustment available for the loss absorbing capacity of deferred taxes ('LAC DT') to the SCR, in accordance with Article 108 of the Solvency II Directive and corresponding Delegated Acts, in both the Standard Formula and ORSA calculations.

## E.2 Solvency Capital Requirement and Minimum Capital Requirement

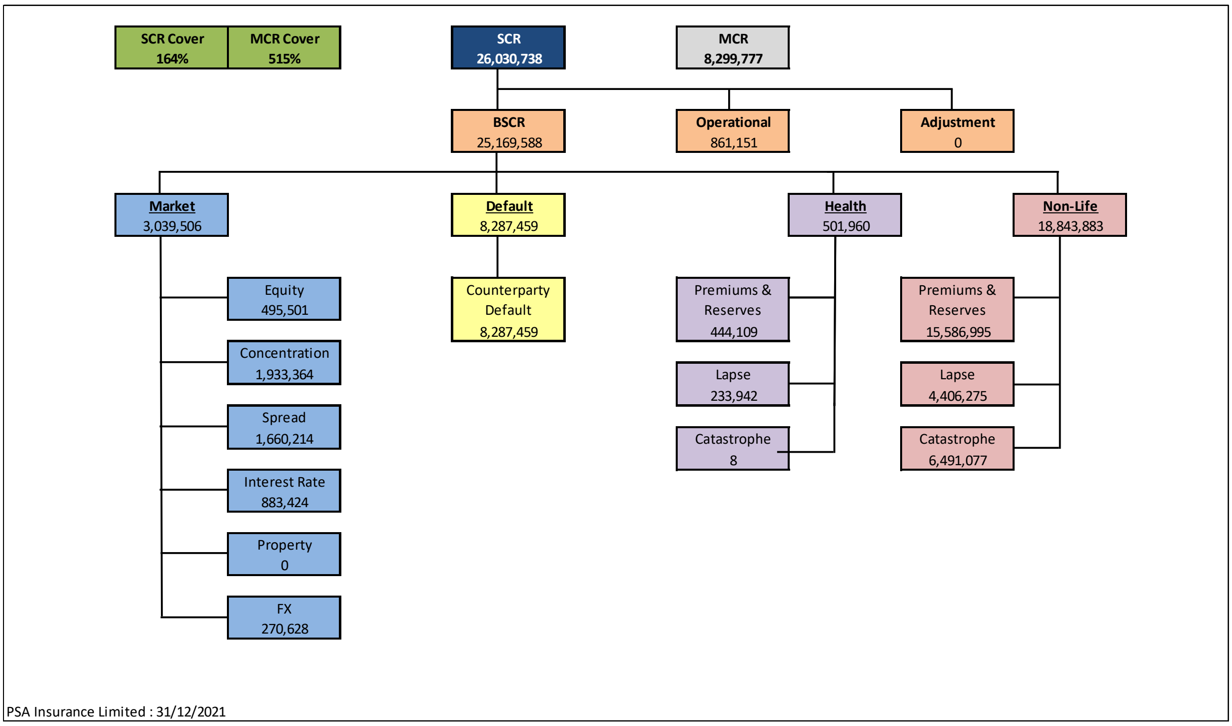
**Solvency position**

| Solvency | Capital requirement | Eligible capital | Solvency ratio | MCR as % SCR |
|---|---|---|---|---|
| SCR | 26,030,738 | 42,750,944 | 164.2% | 31.9% |
| MCR | 8,299,777 | 42,750,944 | 515.1% | 0 |

| Composition | Available capital | Eligible capital for SCR | Shortfall SCR | Eligible MCR | Shortfall MCR |
|---|---|---|---|---|---|
| Tier 1 unrestricted | 42,750,944 | 42,750,944 | 0 | 42,750,944 | 0 |
| Tier 1 restricted | 0 | 0 | | 0 | |
| Tier 2 basic | 0 | 0 | | 0 | |
| Tier 2 ancillary | 0 | 0 | | | |
| Tier 3 | 0 | 0 | | | |
| Tier 3 ancillary | 0 | 0 | | | |

| PSA Insurance Limited Basic Own Fund Items (EUR) | Current Accounting Basis | SII Valuation Principles |
|---|---|---|
| Ordinary share capital (net of own shares) | 27,500,000 | 27,500,000 |
| Ordinary share capital (gross of own shares) | | 27,500,000 |
| Surplus funds | -3,168,956 | |
| Reconciliation reserve | | 4,550,944 |
| *Excess of assets over liabilities* | | 42,750,944 |
| *Other basic own fund items* | | 38,200,000 |
| Other items approved by supervisory authority as basic own funds not specified above | 10,700,000 | 10,700,000 |
| **Total Basic own funds** | 35,031,044 | 42,750,944 |

The Excess of assets over liabilities for Solvency II valuation purposes is slightly higher than the Equity as per Financial Statements (€42,750,944 vs €35,031,044) due to the differences between the Solvency II and IFRS Balance Sheet as explained previously.




The main driver of the SCR is the non-life underwriting risk which consists of the Premium & Reserve, Lapse and Catastrophe risk. The Premium & Reserve risk is driven by the earned premium and reserves whereas the Lapse risk is driven by the Premium Provision for the Miscellaneous Financial Loss line of business. Catastrophe risk is driven by the gross earned premium in the following 12 months for the same line of business.

The Company uses Simplification Method 2 for the calculation of the risk margin as per Guideline 62 – '*Hierarchy of methods for the calculation of the risk margin*' forming part of the '*Guidelines on the valuation of technical provisions*' issued by EIOPA. This has an effect on the value of Own Funds and no direct effect on any risk module or sub-module.

**Minimum Capital Requirement (MCR)**

| MCR | 8,299,777 |
|---|---|

| | |
|---|---|
| Total MCR NL | 8,299,777 |
| Cap | 11,713,832 |
| Floor | 6,507,685 |

| Parameters | |
|---|---|
| Cap | 45% |
| Floor | 25% |
| AMCR | 2,500,000 |

| Line of Business | Net Technical Provisions | Net Premium Written | Parameters | | MCR NL |
|---|---|---|---|---|---|
| | | | α | β | |
| Medical Expense | 0 | 0 | 5% | 5% | 0 |
| Income Protection | 982,731 | 1,128,670 | 13% | 9% | 224,675 |
| Workers' Compensation | 0 | 0 | 11% | 8% | 0 |
| Motor Vehicle Liability | 0 | 0 | 9% | 9% | 0 |
| Other Motor | 1,049,327 | 1,068,064 | 8% | 8% | 158,804 |
| Marine, Aviation & Transport | 0 | 0 | 10% | 14% | 0 |
| Fire & Other Damage to Property | 0 | 0 | 9% | 8% | 0 |
| General liability insurance | 0 | 0 | 10% | 13% | 0 |
| Credit & Suretyship | 0 | 0 | 18% | 11% | 0 |
| Legal Expenses | 0 | 0 | 11% | 7% | 0 |
| Assistance | 0 | 0 | 19% | 9% | 0 |
| Miscellaneous Financial Loss | 25,802,594 | 25,549,308 | 19% | 12% | 7,916,298 |
| NPR - Health | 0 | 0 | 19% | 16% | 0 |
| NRP - Property | 0 | 0 | 19% | 16% | 0 |
| NPR - Casualty | 0 | 0 | 19% | 16% | 0 |
| NPR - Marine, Aviation & Transport | 0 | 0 | 19% | 16% | 0 |

There were no instances of non-compliance with the MCR or SCR throughout the reporting period.

**Movements in SCR during 2021**

| PSA Insurance Ltd | | Dec-20 Actual €(000) | Dec-21 Actual €(000) |
|---|---|---|---|
| SOLVENCY CAPITAL REQUIREMENT COVER | | 171% | 164% |
| SOLVENCY II ELIGIBLE CAPITAL | | 36,448 | 42,751 |
| SOLVENCY CAPITAL REQUIREMENT | | 21,255 | 26,031 |
| MINIMUM CAPITAL REQUIREMENT | | 6,448 | 8,300 |
| LOSS ABSORBING CAPACITY OF DEFERRED TAX | | 0 | 0 |
| SOLVENCY CAPITAL REQUIREMENT BEFORE LAC DT | | 21,255 | 26,031 |
| OPERATIONAL RISK | | 620 | 861 |
| BASIC SOLVENCY CAPITAL REQUIREMENT | | 20,635 | 25,170 |
| DIVERSIFICATION CREDIT | | (5,116) | (5,503) |
| BASIC SOLVENCY CAPITAL REQUIREMENT PRE-DIV | | 25,751 | 30,673 |
| SUB CATEGORIES | | | |
| NON-LIFE UNDERWRITING RISK | Premium and Reserve Risk | 9,569 | 15,587 |
| | Lapse Risk | 0 | 4,406 |
| | Catastrophe Risk | 3,863 | 6,491 |
| | SCRnl Pre-Div | 13,432 | 26,484 |
| | SCRnl Div Credit | (2,253) | (7,640) |
| | SCRnl Post Div | 11,179 | 18,844 |
| HEALTH UNDERWRITING RISK | Premium and Reserve Risk | 214 | 444 |
| | Lapse Risk | 0 | 234 |
| | SCRnslthealth Pre-Div | 214 | 678 |
| | SCRnslthealth Div Credit | 0 | (176) |
| | SCRnslthealth Post Div | 214 | 502 |
| | Catastrophe Risk | 0 | 0 |
| | SCRhealth Pre-Div | 214 | 502 |
| | SCRhealth Div Credit | 0 | 0 |
| | SCRhealth Post Div | 214 | 502 |
| MARKET RISK | Interest Rate Risk | 309 | 883 |
| | Equity Risk | 774 | 496 |
| | Property Risk | 0 | 0 |
| | Spread Risk | 1,494 | 1,660 |
| | Currency Risk | 350 | 271 |
| | Concentration Risk | 1,902 | 1,933 |
| | SCRmkt Pre-Div | 4,830 | 5,243 |
| | SCRmkt Div Credit | (1,854) | (2,204) |
| | SCRmkt Post Div | 2,975 | 3,040 |
| COUNTERPARTY DEFAULT RISK | Type 1 Exposures | 5,582 | 6,126 |
| | Type 2 Exposures | 6,581 | 2,635 |
| | SCRdef Pre-Div | 12,163 | 8,761 |
| | SCRdef Div Credit | (780) | (473) |
| | SCRdef Post Div | 11,383 | 8,287 |

Both the SCR and MCR increased during the reporting period ended 31st December 2021.

The SCR increased mainly due to the increase in the Non-life Underwriting Risk as a result of the increase in business when compared to prior year. The same applies to the MCR which increased due to the increase in the premium and reserves volume when compared to prior year.

The SCR Cover is slightly lower than the previous year however well within the risk appetite limit of the Company.

# Appendix 1: List of Quantitative Reporting Templates (QRTs) for Public Disclosure

The following table lists down the QRTs that require to be publicly disclosed as applicable to the Company:

| TEMPLATE REFERENCE | TEMPLATE DESCRIPTION |
|---|---|
| S.02.01.02 | Balance Sheet |
| S.05.01.02 | Information on premiums, claims and expenses |
| S.05.02.01 | Premiums, claims and expenses by country |
| S.17.01.02 | Specifying information on non-life technical provisions |
| S.19.01.21 | Specifying information on non-life insurance claims in the format of development triangles |
| S.23.01.01 | Information on Own Funds |
| S.25.01.21 | Information on the Solvency Capital Requirement calculated using the Standard Formula |
| S.28.01.01 | The Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity |

## SE.02.01.16.01 Balance sheet

| | | | Solvency II value | Statutory accounts value | Reclassification adjustments |
|---|---|---|---|---|---|
| | | | C0010 | C0020 | EC0021 |
| Assets | Goodwill | R0010 | | | |
| | Deferred acquisition costs | R0020 | | 15,969,963 | |
| | Intangible assets | R0030 | | 29,279 | |
| | Deferred tax assets | R0040 | 2,259,663 | 2,259,663 | |
| | Pension benefit surplus | R0050 | | | |
| | Property, plant & equipment held for own use | R0060 | | | |
| | Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 30,060,873 | 30,060,873 | |
| | Property (other than for own use) | R0080 | | | |
| | Holdings in related undertakings, including participations | R0090 | | | |
| | Equities | R0100 | | | |
| | Equities - listed | R0110 | | | |
| | Equities - unlisted | R0120 | | | |
| | Bonds | R0130 | | | |
| | Government Bonds | R0140 | | | |
| | Corporate Bonds | R0150 | | | |
| | Structured notes | R0160 | | | |
| | Collateralised securities | R0170 | | | |
| | Collective Investments Undertakings | R0180 | 30,060,873 | 30,060,873 | |
| | Derivatives | R0190 | | | |
| | Deposits other than cash equivalents | R0200 | | | |
| | Other investments | R0210 | | | |
| | Assets held for index-linked and unit-linked contracts | R0220 | | | |
| | Loans and mortgages | R0230 | 3,110,915 | 3,110,915 | |
| | Loans on policies | R0240 | | | |
| | Loans and mortgages to individuals | R0250 | | | |
| | Other loans and mortgages | R0260 | 3,110,915 | 3,110,915 | |
| | Reinsurance recoverables from: | R0270 | 870,372 | 987,575 | |
| | Non-life and health similar to non-life | R0280 | 870,372 | 987,575 | |
| | Non-life excluding health | R0290 | 847,202 | 956,439 | |
| | Health similar to non-life | R0300 | 23,170 | 31,137 | |
| | Life and health similar to life, excluding health and index-linked and unit-linked | R0310 | | | |
| | Health similar to life | R0320 | | | |
| | Life excluding health and index-linked and unit-linked | R0330 | | | |
| | Life index-linked and unit-linked | R0340 | | | |
| | Deposits to cedants | R0350 | | | |
| | Insurance and intermediaries receivables | R0360 | 8,367,891 | 18,853,964 | |
| | Reinsurance receivables | R0370 | 6,822 | 6,822 | |
| | Receivables (trade, not insurance) | R0380 | 9,768,594 | 12,447,479 | |
| | 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 | 54,692,465 | 54,692,465 | |
| | Any other assets, not elsewhere shown | R0420 | 328,277 | 328,277 | |
| | Total assets | R0500 | 109,465,873 | 138,747,276 | |
| Liabilities | Technical provisions - non-life | R0510 | 29,895,925 | 57,889,141 | |
| | Technical provisions - non-life (excluding health) | R0520 | 28,855,940 | 55,516,103 | |
| | Technical provisions calculated as a whole | R0530 | | | |
| | Best Estimate | R0540 | 27,699,123 | | |
| | Risk margin | R0550 | 1,156,818 | | |
| | Technical provisions - health (similar to non-life) | R0560 | 1,039,985 | 2,373,038 | |
| | Technical provisions calculated as a whole | R0570 | | | |
| | Best Estimate | R0580 | 1,005,900 | | |
| | Risk margin | R0590 | 34,084 | | |
| | Technical provisions - life (excluding index-linked and unit-linked) | R0600 | | | |
| | Technical provisions - health (similar to life) | R0610 | | | |
| | Technical provisions calculated as a whole | R0620 | | | |
| | Best Estimate | R0630 | | | |
| | Risk margin | R0640 | | | |
| | Technical provisions - life (excluding health and index-linked and unit-linked) | R0650 | | | |
| | Technical provisions calculated as a whole | R0660 | | | |
| | Best Estimate | R0670 | | | |
| | Risk margin | R0680 | | | |
| | Technical provisions - index-linked and unit-linked | R0690 | | | |
| | Technical provisions calculated as a whole | R0700 | | | |
| | Best Estimate | R0710 | | | |
| | Risk margin | R0720 | | | |
| | Other technical provisions | R0730 | | | |
| | Contingent liabilities | R0740 | | | |
| | Provisions other than technical provisions | R0750 | | | |
| | Pension benefit obligations | R0760 | | | |
| | Deposits from reinsurers | R0770 | 95,206 | 95,206 | |
| | Deferred tax liabilities | R0780 | 4,156,870 | | |
| | Derivatives | R0790 | | | |
| | Debts owed to credit institutions | R0800 | | | |
| | Debts owed to credit institutions resident domestically | ER0801 | | | |
| | Debts owed to credit institutions resident in the euro area other than domestic | ER0802 | | | |
| | Debts owed to credit institutions resident in rest of the world | ER0803 | | | |
| | Financial liabilities other than debts owed to credit institutions | R0810 | | | |
| | Debts owed to non-credit institutions | ER0811 | | | |
| | Debts owed to non-credit institutions resident domestically | ER0812 | | | |
| | Debts owed to non-credit institutions resident in the euro area other than domestic | ER0813 | | | |
| | Debts owed to non-credit institutions resident in rest of the world | ER0814 | | | |
| | Other financial liabilities (debt securities issued) | ER0815 | | | |
| | Insurance & intermediaries payables | R0820 | 29,648,002 | 40,134,075 | |
| | Reinsurance payables | R0830 | 0 | 0 | |
| | Payables (trade, not insurance) | R0840 | 1,284,512 | 3,963,397 | |
| | Subordinated liabilities | R0850 | | | |
| | Subordinated liabilities not in Basic Own Funds | R0860 | | | |
| | Subordinated liabilities in Basic Own Funds | R0870 | | | |
| | Any other liabilities, not elsewhere shown | R0880 | 1,634,413 | 1,634,413 | |
| | Total liabilities | R0900 | 66,714,928 | 103,716,232 | |
| Excess of assets over liabilities | | R1000 | 42,750,945 | 35,031,044 | |

**S.05.01.01.01 Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)**
Z Axis:

| | | | | Line of Business for: non-life insurance and reinsurance | | | Total |
|---|---|---|---|---|---|---|---|
| | | | | Income protection insurance | Other motor insurance | Miscellaneous financial loss | |
| | | | | C0020 | C0050 | C0120 | C0200 |
| Premiums written | Gross - Direct Business | | R0110 | 1,128,670 | | 16,342,107 | 17,470,777 |
| | Gross - Proportional reinsurance accepted | | R0120 | | 1,068,064 | 10,062,625 | 11,130,689 |
| | Gross - Non-proportional reinsurance accepted | | R0130 | | | | |
| | Reinsurers' share | | R0140 | | | 855,423 | 855,423 |
| | Net | | R0200 | 1,128,670 | 1,068,064 | 25,549,309 | 27,746,043 |
| Premiums earned | Gross - Direct Business | | R0210 | 820,035 | | 11,363,083 | 12,183,118 |
| | Gross - Proportional reinsurance accepted | | R0220 | | 573,429 | 5,402,486 | 5,975,915 |
| | Gross - Non-proportional reinsurance accepted | | R0230 | | | | |
| | Reinsurers' share | | R0240 | 45 | | 855,705 | 855,750 |
| | Net | | R0300 | 819,990 | 573,429 | 15,909,864 | 17,303,283 |
| Claims incurred | Gross - Direct Business | | R0310 | 215,365 | | 300,394 | 515,759 |
| | Gross - Proportional reinsurance accepted | | R0320 | | 346,324 | 4,180,424 | 4,526,748 |
| | Gross - Non-proportional reinsurance accepted | | R0330 | | | | |
| | Reinsurers' share | | R0340 | (5,663) | | 334,971 | 329,308 |
| | Net | | R0400 | 221,028 | 346,324 | 4,145,847 | 4,713,199 |
| Changes in other technical provisions | Gross - Direct Business | | R0410 | | | | |
| | Gross - Proportional reinsurance accepted | | R0420 | | | | |
| | Gross - Non- proportional reinsurance accepted | | R0430 | | | | |
| | Reinsurers' share | | R0440 | | | | |
| | Net | | R0500 | | | | |
| Expenses incurred | | | R0550 | 391,799 | 28,502 | 6,299,001 | 6,719,303 |
| | Administrative expenses | Gross - Direct Business | R0610 | | | | |
| | | Gross - Proportional reinsurance accepted | R0620 | | | | |
| | | Gross - Non-proportional reinsurance accepted | R0630 | | | | |
| | | Reinsurers' share | R0640 | | | | |
| | | Net | R0700 | | | | |
| | Investment management expenses | Gross - Direct Business | R0710 | | | | |
| | | Gross - Proportional reinsurance accepted | R0720 | | | | |
| | | Gross - Non-proportional reinsurance accepted | R0730 | | | | |
| | | Reinsurers' share | R0740 | | | | |
| | | Net | R0800 | | | | |
| | Claims management expenses | Gross - Direct Business | R0810 | | | | |
| | | Gross - Proportional reinsurance accepted | R0820 | | | | |
| | | Gross - Non-proportional reinsurance accepted | R0830 | | | | |
| | | Reinsurers' share | R0840 | | | | |
| | | Net | R0900 | | | | |
| | Acquisition expenses | Gross - Direct Business | R0910 | 391,815 | | 5,338,692 | 5,730,507 |
| | | Gross - Proportional reinsurance accepted | R0920 | | 28,502 | 990,814 | 1,019,317 |
| | | Gross - Non-proportional reinsurance accepted | R0930 | | | | |
| | | Reinsurers' share | R0940 | 16 | | 30,505 | 30,521 |
| | | Net | R1000 | 391,799 | 28,502 | 6,299,001 | 6,719,303 |
| | Overhead expenses | Gross - Direct Business | R1010 | | | | |
| | | Gross - Proportional reinsurance accepted | R1020 | | | | |
| | | Gross - Non-proportional reinsurance accepted | R1030 | | | | |
| | | Reinsurers' share | R1040 | | | | |
| | | Net | R1100 | | | | |
| Other expenses | | | R1200 | | | | 528,629 |
| Total expenses | | | R1300 | | | | 7,247,932 |

**S.05.02.01.03 Total Top 5 and home country - non-life obligations**

Z Axis:

| | | | Non-life and Health non-SLT<br>Total Top 5 and home country<br>C0140 |
|---|---|---|---|
| Premiums written | Gross - Direct Business | R0110 | 17,411,958 |
| | Gross - Proportional reinsurance accepted | R0120 | 11,130,689 |
| | Gross - Non-proportional reinsurance accepted | R0130 | |
| | Reinsurers' share | R0140 | 855,423 |
| | Net | R0200 | 27,687,224 |
| Premiums earned | Gross - Direct Business | R0210 | 12,183,118 |
| | Gross - Proportional reinsurance accepted | R0220 | 5,975,915 |
| | Gross - Non-proportional reinsurance accepted | R0230 | |
| | Reinsurers' share | R0240 | 855,750 |
| | Net | R0300 | 17,303,283 |
| Claims incurred | Gross - Direct Business | R0310 | 432,306 |
| | Gross - Proportional reinsurance accepted | R0320 | 4,526,748 |
| | Gross - Non-proportional reinsurance accepted | R0330 | |
| | Reinsurers' share | R0340 | 329,308 |
| | Net | R0400 | 4,629,746 |
| Changes in other technical provisions | Gross - Direct Business | R0410 | |
| | Gross - Proportional reinsurance accepted | R0420 | |
| | Gross - Non-proportional reinsurance accepted | R0430 | |
| | Reinsurers' share | R0440 | |
| | Net | R0500 | |
| Expenses incurred | | R0550 | 6,704,174 |
| Other expenses | | R1200 | 409,034 |
| Total expenses | | R1300 | 7,113,208 |

**S.17.01.01.01 Non-Life Technical Provisions**

| | | | | | Direct business and accepted proportional reinsurance | | | Total Non-Life obligation |
|---|---|---|---|---|---|---|---|---|
| | | | | | Income protection insurance | Other motor insurance | Miscellaneous financial loss | |
| | | | | | C0030 | C0060 | C0130 | C0180 |
| Technical provisions calculated as a whole | | | | R0010 | | | | |
| | Direct business | | | R0020 | | | | |
| | Accepted proportional reinsurance business | | | R0030 | | | | |
| | Accepted non-proportional reinsurance | | | R0040 | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | | | | R0050 | | | | |
| Technical provisions calculated as a sum of BE and RM | Best estimate | Premium provisions | Gross - Total | R0060 | 618,821 | 779,017 | 13,371,738 | 14,769,577 |
| | | | Gross - direct business | R0070 | 618,821 | | 7,820,945 | 8,439,767 |
| | | | Gross - accepted proportional reinsurance business | R0080 | | 779,017 | 5,550,793 | 6,329,810 |
| | | | Gross - accepted non-proportional reinsurance business | R0090 | | | | |
| | | | Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default | R0100 | 11 | | 159 | 170 |
| | | | Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses | R0110 | 11 | | 159 | 170 |
| | | | Recoverables from SPV before adjustment for expected losses | R0120 | | | | |
| | | | Recoverables from Finite Reinsurance before adjustment for expected losses | R0130 | | | | |
| | | | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | 11 | | 159 | 170 |
| | | | Net Best Estimate of Premium Provisions | R0150 | 618,810 | 779,017 | 13,371,579 | 14,769,407 |
| | | Claims provisions | Gross - Total | R0160 | 387,079 | 270,309 | 13,278,057 | 13,935,445 |
| | | | Gross - direct business | R0170 | 387,079 | | 11,329,503 | 11,716,582 |
| | | | Gross - accepted proportional reinsurance business | R0180 | | 270,309 | 1,948,554 | 2,218,863 |
| | | | Gross - accepted non-proportional reinsurance business | R0190 | | | | |
| | | | Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default | R0200 | 23,162 | | 847,149 | 870,311 |
| | | | Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses | R0210 | 23,162 | | 847,149 | 870,311 |
| | | | Recoverables from SPV before adjustment for expected losses | R0220 | | | | |
| | | | Recoverables from Finite Reinsurance before adjustment for expected losses | R0230 | | | | |
| | | | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | 23,159 | | 847,043 | 870,202 |
| | | | Net Best Estimate of Claims Provisions | R0250 | 363,920 | 270,309 | 12,431,014 | 13,065,243 |
| | | Total Best estimate - gross | | R0260 | 1,005,900 | 1,049,326 | 26,649,795 | 28,705,022 |
| | | Total Best estimate - net | | R0270 | 982,730 | 1,049,326 | 25,802,593 | 27,834,650 |
| | Risk margin | | | R0280 | 34,084 | 17,035 | 1,139,782 | 1,190,902 |
| Amount of the transitional on Technical Provisions | TP as a whole | | | R0290 | | | | |
| | Best estimate | | | R0300 | | | | |
| | Risk margin | | | R0310 | | | | |
| Technical provisions - total | Technical provisions - total | | | R0320 | 1,039,985 | 1,066,362 | 27,789,578 | 29,895,924 |
| | Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | | | R0330 | 23,170 | | 847,202 | 870,372 |
| | Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total | | | R0340 | 1,016,815 | 1,066,362 | 26,942,376 | 29,025,552 |
| Line of Business: further segmentation (Homogeneous Risk Groups) | Premium provisions - Total number of homogeneous risk groups | | | R0350 | | | | |
| | Claims provisions - Total number of homogeneous risk groups | | | R0360 | | | | |
| Cash-flows of the Best estimate of Premium Provisions (Gross) | Cash out-flows | Future benefits and claims | | R0370 | | | | |
| | | Future expenses and other cash-out flows | | R0380 | | | | |
| | Cash in-flows | Future premiums | | R0390 | | | | |
| | | Other cash-in flows (incl. Recoverable from salvages and subrogations) | | R0400 | | | | |
| Cash-flows of the Best estimate of Claims Provisions (Gross) | Cash out-flows | Future benefits and claims | | R0410 | | | | |
| | | Future expenses and other cash-out flows | | R0420 | | | | |
| | Cash in-flows | Future premiums | | R0430 | | | | |
| | | Other cash-in flows (incl. Recoverable from salvages and subrogations) | | R0440 | | | | |
| Percentage of gross Best Estimate calculated using approximations | | | | R0450 | | | | |
| Best estimate subject to transitional of the interest rate | | | | R0460 | | | | |
| Technical provisions without transitional on interest rate | | | | R0470 | | | | |
| Best estimate subject to volatility adjustment | | | | R0480 | | | | |
| Technical provisions without volatility adjustment and without others transitional measures | | | | R0490 | | | | |

**S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount)**

Z Axis:, Income protection insurance [direct business and accepted proportional reinsurance], Accident year [AY], Total/NA, Not applicable / Expressed in (converted to) reporting currency

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 |
| Prior | R0100 | | | | | | | | | | | | | | | | |
| N-14 | R0110 | | | | | | | | | | | | | | | | |
| N-13 | R0120 | | | | | | | | | | | | | | | | |
| N-12 | R0130 | | | | | | | | | | | | | | | | |
| N-11 | R0140 | | | | | | | | | | | | | | | | |
| N-10 | R0150 | | | | | | | | | | | | | | | | |
| N-9 | R0160 | | | | | | | | | | | | | | | | |
| N-8 | R0170 | | | | | | | | | | | | | | | | |
| N-7 | R0180 | | | | | | | | | | | | | | | | |
| N-6 | R0190 | | | | | | | | | | | | | | | | |
| N-5 | R0200 | | | | | | | | | | | | | | | | |
| N-4 | R0210 | | | | | | | | | | | | | | | | |
| N-3 | R0220 | | | | | | | | | | | | | | | | |
| N-2 | R0230 | | | | | | | | | | | | | | | | |
| N-1 | R0240 | | 1,715 | | | | | | | | | | | | | | |
| N | R0250 | 52,660 | | | | | | | | | | | | | | | |

**S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount)**

Z Axis:, Miscellaneous financial loss [direct business and accepted proportional reinsurance], Underwriting year [UWY], EUR, Not applicable / Expressed in (converted to) reporting currency

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 |
| Prior | R0100 | | | | | | | | | | | | | | | | |
| N-14 | R0110 | | | | | | | | | | | | | | | | |
| N-13 | R0120 | | | | | | | | | | | | | | | | |
| N-12 | R0130 | 42,871 | 357,844 | 56,073 | 18,881 | 8,153 | 0 | 0 | 0 | 0 | 350 | 0 | | | | | |
| N-11 | R0140 | 877,765 | 1,382,713 | 120,829 | 62,176 | 3,034 | 0 | 0 | 1,013 | 1,783 | 0 | 0 | | | | | |
| N-10 | R0150 | 2,312,173 | 2,585,598 | 131,757 | 22,707 | 6,359 | 2,602 | 4,823 | 5,160 | 1 | 0 | 0 | | | | | |
| N-9 | R0160 | 4,453,552 | 2,829,390 | 60,489 | 30,921 | 7,269 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| N-8 | R0170 | 5,881,172 | 2,541,602 | 99,088 | 14,879 | 5,472 | 0 | 4 | 0 | 0 | | | | | | | |
| N-7 | R0180 | 5,507,772 | 2,951,139 | 128,575 | 17,789 | 3,215 | 942 | 2,096 | 0 | | | | | | | | |
| N-6 | R0190 | 5,195,887 | 2,736,600 | 145,807 | 21,195 | 4,276 | 17,381 | 0 | | | | | | | | | |
| N-5 | R0200 | 3,551,545 | 2,163,496 | 108,086 | 19,869 | 4,206 | 0 | | | | | | | | | | |
| N-4 | R0210 | 2,409,805 | 893,901 | 30,889 | 28,288 | 499 | | | | | | | | | | | |
| N-3 | R0220 | 1,316,879 | 467,801 | 21,200 | 748 | | | | | | | | | | | | |
| N-2 | R0230 | 1,547,114 | 384,370 | 23,191 | | | | | | | | | | | | | |
| N-1 | R0240 | 1,692,704 | 632,317 | | | | | | | | | | | | | | |
| N | R0250 | 3,866,938 | | | | | | | | | | | | | | | |

**S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount)**

Z Axis:, Other motor insurance [direct business and accepted proportional reinsurance], Accident year [AY], Total/NA, Not applicable / Expressed in (converted to) reporting currency

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 |
| Prior | R0100 | | | | | | | | | | | | | | | | |
| N-14 | R0110 | | | | | | | | | | | | | | | | |
| N-13 | R0120 | | | | | | | | | | | | | | | | |
| N-12 | R0130 | | | | | | | | | | | | | | | | |
| N-11 | R0140 | | | | | | | | | | | | | | | | |
| N-10 | R0150 | | | | | | | | | | | | | | | | |
| N-9 | R0160 | | | | | | | | | | | | | | | | |
| N-8 | R0170 | | | | | | | | | | | | | | | | |
| N-7 | R0180 | | | | | | | | | | | | | | | | |
| N-6 | R0190 | | | | | | | | | | | | | | | | |
| N-5 | R0200 | | | | | | | | | | | | | | | | |
| N-4 | R0210 | | | | | | | | | | | | | | | | |
| N-3 | R0220 | | | | | | | | | | | | | | | | |
| N-2 | R0230 | | 60,535 | 1,170 | | | | | | | | | | | | | |
| N-1 | R0240 | 85,528 | 53,877 | | | | | | | | | | | | | | |
| N | R0250 | 137,353 | | | | | | | | | | | | | | | |

**S.23.01.01.01 Own funds**
Z Axis:

| | | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|---|
| | | | C0010 | C0020 | C0030 | C0040 | C0050 |
| Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35 | Ordinary share capital (gross of own shares) | R0010 | 27,500,000 | 27,500,000 | | | |
| | Share premium account related to ordinary share capital | R0030 | | | | | |
| | Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | | | | | |
| | Subordinated mutual member accounts | R0050 | | | | | |
| | Surplus funds | R0070 | | | | | |
| | Preference shares | R0090 | | | | | |
| | Share premium account related to preference shares | R0110 | | | | | |
| | Reconciliation reserve | R0130 | 4,550,944 | 4,550,944 | | | |
| | Subordinated liabilities | R0140 | | | | | |
| | An amount equal to the value of net deferred tax assets | R0160 | | | | | |
| | Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 10,700,000 | 10,700,000 | | | |
| 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 financial and credit institutions | R0230 | | | | | |
| Total basic own funds after deductions | | R0290 | 42,750,944 | 42,750,944 | | | |
| 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 | | | | | |
| | A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | | | | | |
| | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | | | | | |
| | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | | | | | |
| | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0360 | | | | | |
| | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0370 | | | | | |
| | Other ancillary own funds | R0390 | | | | | |
| Total ancillary own funds | | R0400 | | | | | |
| Available and eligible own funds | Total available own funds to meet the SCR | R0500 | 42,750,944 | 42,750,944 | | | |
| | Total available own funds to meet the MCR | R0510 | 42,750,944 | 42,750,944 | | | |
| | Total eligible own funds to meet the SCR | R0540 | 42,750,282 | 42,750,944 | | | |
| | Total eligible own funds to meet the MCR | R0550 | 42,751,322 | 42,750,944 | | | |
| SCR | | R0580 | 26,030,738 | | | | |
| MCR | | R0600 | 8,299,777 | | | | |
| Ratio of Eligible own funds to SCR | | R0620 | 164.23% | | | | |
| Ratio of Eligible own funds to MCR | | R0640 | 515.09% | | | | |

**S.23.01.01.02 Reconciliation reserve**

Z Axis:

| | | | C0060 |
|---|---|---|---|
| Reconciliation reserve | Excess of assets over liabilities | R0700 | 42,750,944 |
| | Own shares (held directly and indirectly) | R0710 | |
| | Foreseeable dividends, distributions and charges | R0720 | |
| | Other basic own fund items | R0730 | 38,200,000 |
| | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Reconciliation reserve | | R0760 | 4,550,944 |
| Expected profits | Expected profits included in future premiums (EPIFP) - Life business | R0770 | |
| | Expected profits included in future premiums (EPIFP) - Non-life business | R0780 | |
| Total Expected profits included in future premiums (EPIFP) | | R0790 | |

**S.25.01.01.01 Basic Solvency Capital Requirement**

Z Axis:, No

| | | Net solvency capital requirement | Gross solvency capital requirement | Allocation from adjustments due to RFF and Matching adjustments portfolios |
|---|---|---|---|---|
| | | C0030 | C0040 | C0050 |
| Market risk | R0010 | 3,039,506 | 3,039,506 | |
| Counterparty default risk | R0020 | 8,287,459 | 8,287,459 | |
| Life underwriting risk | R0030 | 0 | 0 | |
| Health underwriting risk | R0040 | 501,960 | 501,960 | |
| Non-life underwriting risk | R0050 | 18,843,883 | 18,843,883 | |
| Diversification | R0060 | (5,503,220) | (5,503,220) | |
| Intangible asset risk | R0070 | | | |
| Basic Solvency Capital Requirement | R0100 | 25,169,588 | 25,169,588 | |

**S.28.01.01.05 Overall MCR calculation**

Z Axis:

| | | C0070 |
|---|---|---|
| Linear MCR | R0300 | 8,299,777 |
| SCR | R0310 | 26,030,738 |
| MCR cap | R0320 | 11,713,832 |
| MCR floor | R0330 | 6,507,685 |
| Combined MCR | R0340 | 8,299,777 |
| Absolute floor of the MCR | R0350 | 2,500,000 |
| Minimum Capital Requirement | R0400 | 8,299,777 |