Stellantis Life Insurance Limited

Solvency and Financial Condition Report (SFCR)

31 December 2024

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Executive Summary

Company's Background and Business

Stellantis Life 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 class of long-term business:

Class 1 – Life and Annuity

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 (resigned on 31/08/2024)
Raphaele Carreau - Chief Executive Officer/ Executive Director (appointed on 17/03/2025)
Mark Azzopardi – Independent Non-Executive Director
Anne Sophie Achard – Non-Executive Director
Emmanuel Levrat– Non-Executive Director
Sukhpal Singh Harrar – Independent Non-Executive Director (appointed on 31/10/2024)

Outsourced Activities

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

Stellantis Insurance Manager Ltd (Malta) – Insurance Management Agreement
PwC (Malta) – Internal Audit Function (Romina Soler – Appointed Internal Auditor)
Marsh Actuaries (UK) – External Actuarial Agreement (Sheena Shah- Appointed Actuary till 31/12/2024)
Willis Towers Watson (Italy) - External Actuarial Agreement (In the process of being approved as Appointed Actuary from 01/01/2025)

Business Model and Financial performance

UW Results

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2024 EUR	2023 EUR
Insurance revenue	8	**8,386,651**	7,299,791
Insurance service expense	8	**(4,701,058)**	(3,216,657)
Insurance service result before reinsurance contracts held		**3,685,593**	4,083,134
Allocation of reinsurance premium		**(1,529,210)**	(286,272)
Amounts recoverable from reinsurers for claims incurred	10	**951,380**	175,360
Net expense from reinsurance contracts held		**(577,830)**	(110,912)
Net Insurance service result		**3,107,763**	3,972,222
Other interest and similar income	14	**702,919**	339,965
Net gains on fair value through profit or loss investments	14	**166,821**	551,177
Net investment return		**869,740**	891,142
Finance income/(expense) from insurance contracts issued	15	**122,128**	(128,712)
Finance (expense)/income from reinsurance contracts held	15	**(66,963)**	5,525
Net insurance finance income/(expense)		**55,165**	(123,187)
Net insurance and investment result		**4,032,668**	4,740,177
Other operating expenses		**(1,257,123)**	(1,120,589)
Profit before tax		**2,775,545**	3,619,588
Income tax charge	17	**(971,441)**	(1,266,856)
Profit for the year – total comprehensive profit		**1,804,104**	2,352,732

The Company registered a profit before tax of EUR 2,775,545 during the financial year ended 31 December 2024, compared to the EUR 3,619,588 registered in the previous financial year with post-tax profits of EUR 1,804,104, compared to the EUR 2,352,732 in the previous financial year.

The insurance service result decreased from EUR 3,972,222 in 2023 to EUR 3,107,763 in 2024, a decrease of 22%. This is due to a higher increase in insurance service expense when compared to the increase in insurance revenue.

Valuation for Solvency Purposes

Solvency	Capital requirement	Eligible capital	Solvency ratio	MCR as % SCR
SCR	3,130,468	16,803,717	537%	128%
MCR	4,000,000	16,334,147	408%	0

The Company's SCR Cover as at 31st December 2024 stood at 537%. As the Company's SCR fell below the MCR of €4M, the 'real' cover is 408%.

Capital Management

Stellantis Life 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 110% in SCR coverage.

A. Business and Performance

A.1 Business

Stellantis Life 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 Stellantis Services Ltd with a minor shareholding of Stellantis Financial Services Europe S.A. (formerly Banque PSA Finance S.A.). Stellantis Services Ltd and Stellantis Financial Services Europe S.A. form part of Stellantis N.V. which is 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 Stellantis Group.

The MFSA contact details are as follows:

Mr Ray Schembri
Head
Insurance and Pensions Supervision

Malta Financial Services Authority
Triq l-Imdina, Zone 1
Central Business District
Birkirkara, CBD 1010
Phone: +356 21441155
Direct: +356 25485238
Email: Ray.Schembri@mfsa.mt
Web: https://www.mfsa.mt/

The independent auditors of the Company are:

Deloitte Audit Limited
Deloitte Place,
Triq L-Intornjatur,
Zone 3, Central Business District,
Birkirkara CBD 3050, Malta
Office: +356 2343 2423
Web: https://www.deloitte.com/mt/en.html

Share Capital

The authorised share capital of the Company is €60,000,000 divided into 600,000 Ordinary Shares of €100 each.

The issued share capital of the Company is €3,700,000 divided into 37,000 Ordinary Shares of €100 each fully paid up and subscribed to by two shareholders: Stellantis Services Limited and Stellantis Financial Services Europe S.A.

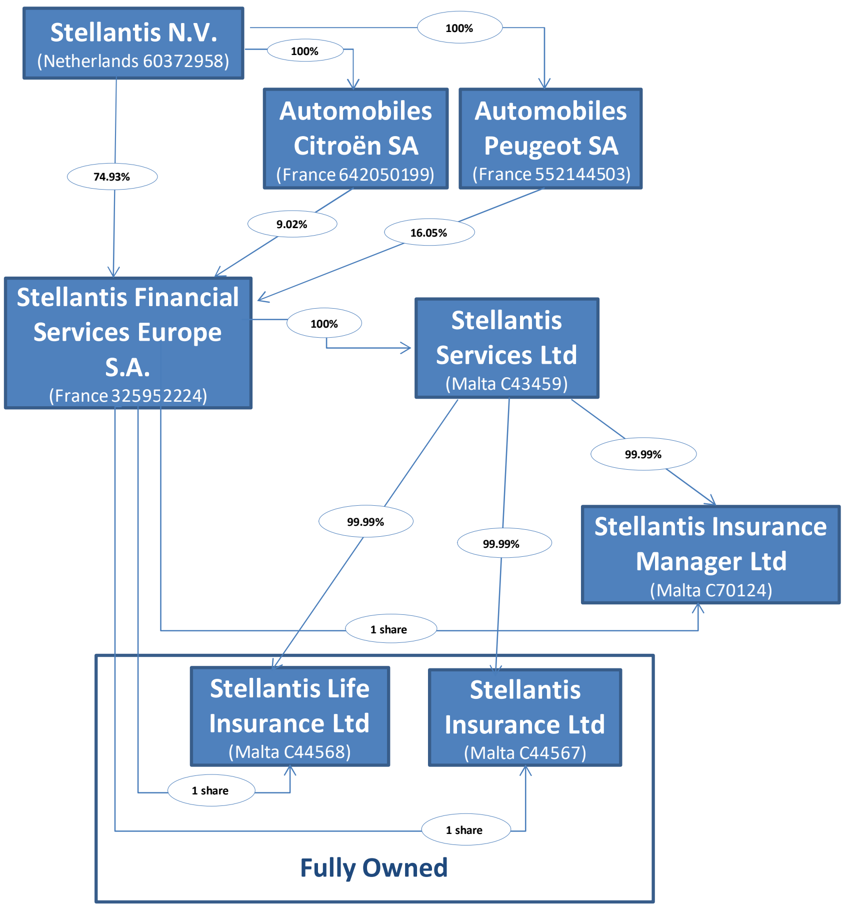
Shareholders

Stellantis Services Limited, 53 Mediterranean Building, Abate Rigord Street, Ta' Xbiex XBX 1122, Malta (Registration No. C 43459) subscribed to 36,999 Ordinary Shares of €100 each. On 10th March 2022 PSA Services Ltd changed its name to Stellantis Services Ltd.

Stellantis Financial Services Europe S.A., 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 Stellantis Services Ltd with a minor shareholding of Stellantis Financial Services S.A. Stellantis Services Ltd and Stellantis Financial Services Europe S.A. form part of Stellantis N.V. domiciled in the Netherlands.

Group Family Tree



Insurance Licence

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 class of long-term business:

Class 1 – Life and Annuity

The Company carries out its business in Europe.

A.2 Underwriting Performance

STATEMENT OF COMPREHENSIVE INCOME

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Insurance revenue	8	**8,386,651**	7,299,791
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A.3 Investment Performance

During 2024 the Company maintained its investments in UCITS and as at 31st December 2024 it held units in 5 different UCITS. During the year the Company also invested in short-term deposits.

The income arising from investments held by the Company as at 31st December 2024 consists of fair value movement, dividend and interest income.

The Statement of Comprehensive Income shows Investment Income amounting to €869,740 which is made up of the following:

Movement in fair value of UCITS:	€166,821
Dividend income from UCITS:	€370,170
Interest income from short-term deposits:	€332,749

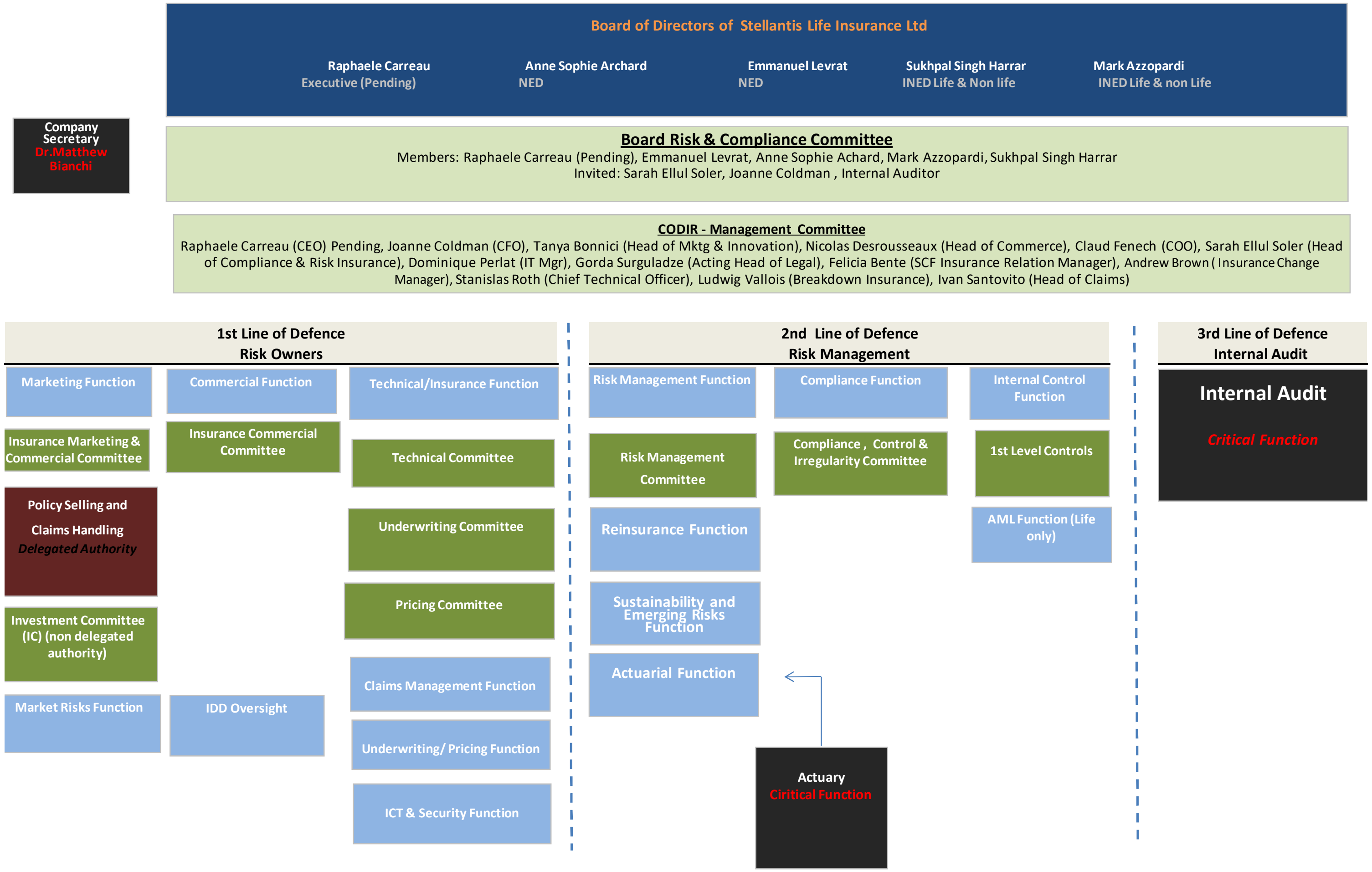
Investment income was slightly lower than previous year mainly due to a lower movement in fair value from UCITS.

A.4 Performance of other Activities and Any Other Information

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

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 SF 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.

Pricing Committee

The Pricing Committee is chaired by the Chief Technical Officer and assists the Technical Committee in the oversight of the right application of the pricing strategy by (i) validating standard and small/medium volumes products and (ii) deep-diving and preparing the later validation by the Technical Committee of specific and/or complex pricing or technical topics.

Underwriting Committee

The Underwriting Committee is chaired by the Chief Technical Officer and shall assist the Technical Committee in overseeing the right application of the underwriting policy and in managing price discounts and underwriting referrals for complex and significant underwriting cases.

b) Second line of Defence

Actuarial Function

The Actuarial function is split between the Technical 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 Technical 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 Committee is chaired by the Head of Compliance & Risk Insurance and falls under the second line of defence. 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 and Solvency II 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.

The Solvency II Committee has been merged with the Risk Management Committee. The purpose of this Committee is to update and prepare for reporting to be done according to the Solvency II Annual Plan 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.

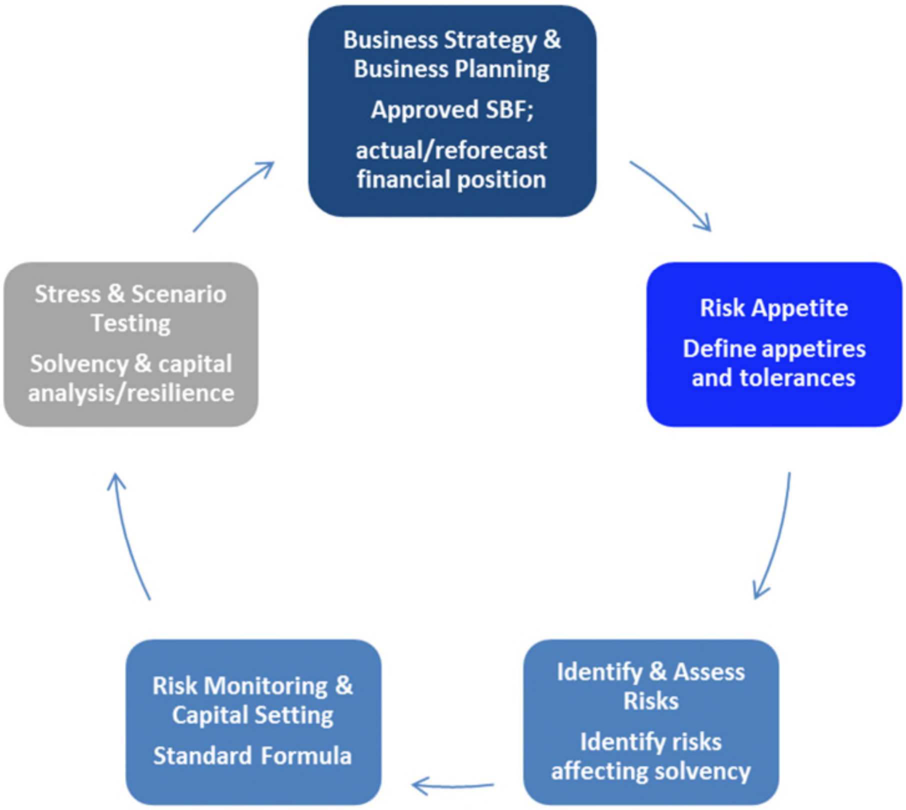
More particularly the Risk Management Framework monitors solvency needs assessment as identified in the ORSA to avoid any significant deviation with the overall risk tolerance limits and regulatory capital requirements. Throughout the Risk Valuations and ORSA process, it is also ensuring the viability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

Following the identification of the various risks, each risk is then categorised. Discussions and workshops are held with risk owners in order to generate a scenario which enables to assign a severity score to each risk. In addition, the frequency of each risk is also assigned during these discussions. The following sections illustrate in more detail the process that is followed to arrive at the valuation of the risks:

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

The Company adopts the 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, payment patterns and correlations between different risk categories.

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 Diversified 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 Stellantis Life 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 are the base of the risk management system; they allow for the risk identification, assessment, monitoring and reporting, as well as the improvement of the risk mitigation techniques. The ORSA is an annual assessment of Stellantis Life 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. Stellantis Life 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 ORSA capital requirement includes Standard Formula risks for Market, Default and Underwriting risk, and additional risks under the Strategic and Compliance risk groups.
- The main difference between the ORSA and the SCR is the inclusion of the additional risks of Strategic and Compliance Risk not part of the Standard Formula, as well as the independent assessment made on Operational Risk, which is part of the Standard Formula.
- The stress tests and the reverse stress tests are similar to the 2023 ORSA given that the risk profile of the Company did not have major changes.
- The stress test and reverse stress tests results are ultimately reviewed and linked to the risk appetite.
- The potential projected dividends were included in both the SCR and ORSA when determining the eligible capital and solvency ratios.
- The basis for the valuation of the Strategic, Compliance and Operational risks are net of Dividends, since the Company policy is to distribute dividends at the end of the year subject to the Company meeting the solvency requirement regulations and risk appetite set by the Board. The Standard Formula risks are valued on a capital base net of dividends. The stress tests are carried out gross of dividend to assess whether the Company will generate enough own funds to absorb these stresses.
- Following the previous ORSA reports, climate change scenarios are being discussed on a yearly basis and have been included in the Risk Valuation process. This year additional analysis has been included with focus being made on ensuring that the scenarios chosen target different potential market situations.
- In addition to climate change risk, an analysis of the impact of Social and Governance risks on the Company has also been re-visited during the valuation process. Furthermore, greenwashing and biodiversity have also been included in the analysis during 2024.
- An analysis on Emerging risks related to Inflation, Geo-political risk and also risk of economic crises has also been conducted in order to take into account the current market conditions. This has also been reflected during the risk valuation process.
- A full review on the Risk Correlation Matrix has been concluded in 2023 together with the Appointed Actuary Marsh UK. The exercise has been extended to the correlations between the Standard Formula risks and Non-Standard Formula risks. The next review is planned for 2025.

Overall Methodology

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

- Independent risk identification
- Risk Valuations, 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, Stellantis Life 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 Stellantis Life Insurance for those particular risks may deviate significantly from the assumptions underlying the Formula. In such 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)

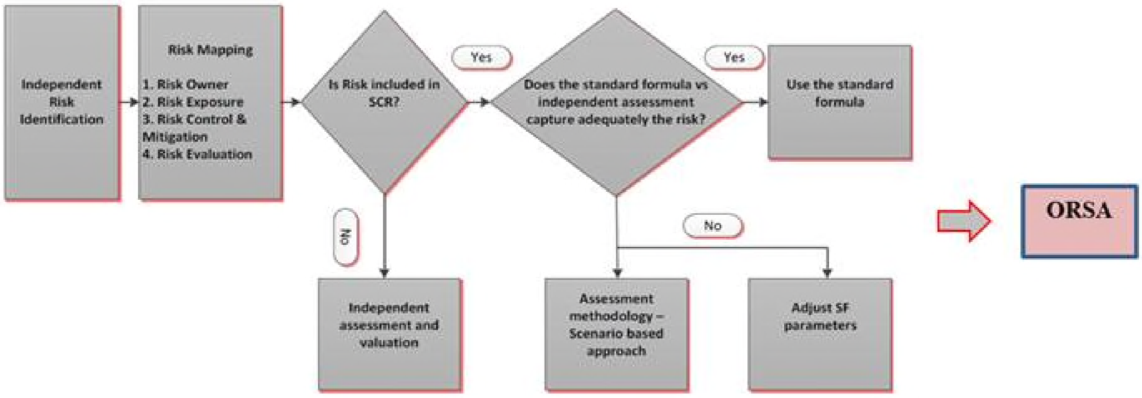
Stellantis Life Insurance considers relevant to use the 99.5% Value at Risk, as used in the SCR calculation for all Pillar 1 risks included in the Standard Formula (even those for which the parameters or calculation method will be adjusted). For additional risks not included in the SCR calculation, namely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

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 Stellantis Life Insurance deviates from the assumptions underlying the SCR of the Company.
- Explain the deviation/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

<u>For AF risks:</u>

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.

<u>For IA risks:</u>

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

<u>For SBA risks</u>

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 while the Actuarial Function is in charge of the ORSA process. The internal Actuarial Function works closely with the Appointed Actuary who will participate or review all quantitative assessments.

Other departments of Stellantis Life 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 – Chief Technical Officer and Senior Insurance Statistical Analyst
- Investments – Chief Financial Officer
- Operational Risk – Chief Operating Officer and Head of Compliance and Risk Insurance
- Strategic Risk – Marketing Director and Chief Financial Officer
- Regulatory & Compliance Risk – Head of Legal and Head of Compliance and Risk Insurance
- Cyber Risk - IT Manager and Head of Compliance and Risk Insurance
- Sustainability and Emerging Risk - 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 Stellantis Life Insurance
- Defines a quantitative overall risk appetite, based on the strategy of Stellantis Life 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
- Identifies the various Sustainability and Emerging 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 identified. 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 has 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 applying any mitigating controls are the Inherent Risks while those after taking controls into account are the 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 Stellantis Life 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 ORSA Team:

- 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 this 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 limits?

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 Stellantis Life Insurance activities: introduction of a completely new line of business, development of activities in a new country
- Significant changes in the Stellantis Group organisation, which impact day-to-day activities of Stellantis Life Insurance
- Significant changes in the economic or compliance environment, that may affect the business model or the financial stability of Stellantis Life 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 Stellantis Life 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 Technical 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 Internal Technical Department and External Actuarial Function. The role of each is described below:

Internal Statistical Department

The Technical Department's role within Stellantis Life 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.
- Involved in the ORSA calculations.
- Conducts the calculation of the Best Estimate on a quarterly basis.

Main Responsibilities:

1. Technical Provisions assessment

   - Reviews the calculation of the IFRS17 tool and expresses an opinion on the monthly closing results in the Technical Committee.
   - Carries out assessments on the ULR models used.
   - Compares the Best Estimate results between reporting dates.
   - Conducts the calculations for the Ultimate Loss Ratios, which are proposed during the budget and the PMT.

2. The ORSA

   - Reviews 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 Stellantis Life 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:

Stellantis 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 (Sheena Shah - Appointed Actuary till 31/12/2024) - Domiciled in UK

Willis Towers Watson - External Actuarial Agreement (In the process of being approved as Appointed Actuary from 01/01/2025 – Domiciled in Italy)

Opel Leasing GmbH, Austrian Branch / Opel Bank S.A., German Branch – Distribution Agreement – Domiciled in Austria/ Germany (official distributor up to April 2023)

Opel Bank S.A. France - Distribution Agreement – Domiciled in France (official distributor up to April 2023)

Opel Bank S.A., Italian Branch - Distribution Agreement – Domiciled in Italy (official distributor up to April 2023)

Stellantis Bank S.A. Niederlassung Österreich– Distribution Agreement - Domiciled in Austria (official distributor from April 2023)

Stellantis Bank S.A. Niederlassung Deutschland- Distribution Agreement - Domiciled in Germany (official distributor from April 2023)

Stellantis Auto/ Car Garantie Courtage SARL – Distribution and Claims Management Agreement – Domiciled in Germany

Aon Affinity Services Ltd – Distribution and Claims Management Agreement – Domiciled in Malta

Leasys France – Distribution Agreement – Domiciled in France

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 6.45 which means a low operational impact on the business. Therefore, the overall risk profile of the Company would be considered 'marginal' Risk, based on the Company's severity parameters. The Board agrees that the assessed risk profile of the Company (marginal) is in line with its expectations due to the fact that:

- Stellantis Life 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 (2025) 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	8%	16%
Market Risk	34%	25%
Counterparty Default Risk	11%	9%
Life Underwriting Risk	33%	24%
Health Underwriting Risk	15%	11%
Compliance Risk	0%	16%
Strategic Risk	0%	1%
Total	100%	100%

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 Q4 2024.

C.1 Underwriting Risk

Stellantis Life Insurance covers two lines of business ('LoB') under Solvency II which are Income Protection Insurance and Other Life. The underwriting risks applicable to the Company are the Life underwriting risk covering Mortality, Expense, Lapse and Catastrophe risk and the Health underwriting risk covering Premium & Reserve, Lapse and Catastrophe risks.

The Life underwriting risk capital charge under the ORSA amounts to 1,254 KEUR same as that under the Standard Formula.

As in prior years' ORSA a re-evaluation of the Life Catastrophe Risk Module was not carried out since the management felt that the Standard Formula capital charge is reflective of the underlying nature of the insurance products. The Mortality Risk Module also remained unchanged; hence the Standard Formula has been kept.

The Health underwriting risk capital charge under the ORSA amounts to 721 KEUR same as that under the Standard Formula. The valuation under the Standard Formula was deemed to be appropriate when evaluating this risk.

C.2 Market Risk

The Company is subject to market risk mainly as a result of the investments in UCITS and short-term deposits. 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 1,214 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 receivables are subject to Type 2 credit risk.

The credit risk evaluation under the ORSA amounts to 548 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 1,055 KEUR whereas that under the Standard Formula 368 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 also focusing on two new risk categories being Cyber security and Sustainability.

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 set of risks on which the Company is focusing are Sustainability risks. 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

A specific stress test targeting Cyber risk has been included in the 2024 ORSA report

In 2025, the company is subject to compliance with the Digital Operational Resiliency Act (DORA) regulation. The company has been working on the following topics in order to ensure adherence with the regulation:

- ICT risk management processes
- Third Party risk management
- ICT Incidents classification and management
- ICT Testing

Sustainability and Emerging risks

The impact of Sustainability and Emerging risks has been fully incorporated into the ORSA process, further to the previous ORSA reports. A comprehensive exercise has been undertaken in relation to Climate change risks which is now being reviewed during the risk valuation process. In addition, Social and Governance risks have also been included in the analysis to have the full view in relation to Sustainability risks. Sustainability risks which are commonly known as ESG (Environmental, Social and Governance) risks are defined under the Regulation (EU) 2019/2088, as: '*Environmental, social or governance events or conditions that, if in occurrence, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability*.' The Company also considers the impact of the disruption on its operations arising out of ESG risks.

The following table is a summary showing how Sustainable risks impact the Company. More detail is being provided further below.

Sustainability Risk Impact - Summary			
Sustainability Risk Type	**Risk Category**	**Impact**	**Testing**
Climate Change (Environment)	Underwriting Risk	Yes	Tested through quantitative scenario and stress testing
	Market Risk	Yes	Tested through quantitative scenario and stress testing
	Counterparty Risk	Minimal	N/A
Social	Operational/Reputational Risk	Yes	Reflected into our existing Operational and Compliance risks (SOC Capital requirement)
Governance	Operational/Reputational Risk	Yes	Reflected into our existing Operational and Compliance risks (SOC Capital requirement)

Climate Change risk

The analysis in relation to Climate change started in 2021. 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. These risks are now being included in the risk valuation process.

Underwriting Risk – A separate workshop has been conducted to discuss the risks with the Technical team. This has been finalised and the risks have been identified. Following the risk identification phase, a number of quantitative scenarios have been included in the ORSA report in order to evaluate the impact in relation to climate change risks.

Market Risk – 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. A quantitative scenario will be included in the ORSA 2024.

Credit/Counterparty Risk – This risk lies mainly on the risk exposure of the Banks the Company uses. An analysis was carried out using the 2022 public information with the aim to understand if climate change is being considered by the banks. Following the analysis and since regulation for banks is also taking into account climate change, it was concluded that this risk is minimal to the Company.

Operational/Strategic/Reputational Risk – The Company is mainly dependent on the Group in relation to this risk. Following an analysis of the Corporate Social Responsibility ('CSR') report issued by Stellantis Group, the risk here is very low given that these type of risks are being taken very seriously by the Group with a lot of measures being implemented.

Social and Governance Risks

Further to the Climate change risk identification and assessment process, another analysis has been conducted on Social and Governance risks in order to have a full view of all Sustainability risks.

Social – The Social pillar is related to the Company's behaviour regarding social issues. The following are some examples:

- Product Quality
- Customer Treatment
- Employee health and safety
- Training and development
- Human rights
- Employment equality and Gender diversity
- Privacy issues

Governance – The Governance pillar refers to how a company operates internally and its corporate behaviour. The following are some examples:

- Remuneration
- Board and company diversity
- Tax strategy and accounting standards
- Bribery and corruption
- Fraud
- Ethics and values
- Transparency and anti-corruption
- Reporting and Disclosures

The sub risks identified under the social and governance risks haven been linked to existing risks on the risk register. Their impact has been taken in consideration mainly under the Compliance and Operational risks.

Emerging Risks

Given the current market situation arising out of different circumstances such as the impact of the COVID-19 pandemic and more recently the geopolitical tensions especially in relation to the Russia-Ukraine war, a risk analysis focusing on Emerging risks has been carried out. Focus has been made on Inflation Risk, Geopolitical risk ,the risk arising out of an economic crisis, Greenwashing Risk and Biodiversity Risk

Inflation Risk

Inflation Risk refers to how the prices of goods and services increase more than expected or inversely and where such situation results in the same amount of money having less purchasing power. Inflation Risk is commonly referred to as Purchasing Power Risk.

Geopolitical Risk

Geopolitical risk can be defined as the risk associated with wars, terrorist acts and tensions between states that affect the normal and peaceful course of international relations. The need to assess this risk is related to the recent geo-political tensions.

Risk of Economic Crisis

Economic Crisis risk refers to the possibility that changes in macroeconomic conditions will negatively impact a company or investment. For instance, political instability or exchange rate fluctuations can impact losses or gains.

The sub risks identified for Inflation risk, Risk of economic crisis and Geopolitical risks have all been linked to the existing risks that are found within the risk register. In addition, the stress test scenarios have been linked to these risks.

Greenwashing Risk

Stellantis' Circular Economy division, SUSTAINera, is driving initiatives to reshape consumption patterns and expand recycling efforts, increasing material recovery while minimizing environmental impact. The Circular Economy business unit plays a key role in Stellantis' ambitious goal of achieving Carbon Net Zero by 2038, as SUSTAINera helps reduce both the carbon footprint and raw material consumption. The following risk is closely linked to the operations carried out by Stellantis N.V. as identified below.

A Life Cycle Assessment ('LCA') conducted using a methodology verified by the independent firm Sphera found that remanufactured and repaired parts can reduce raw material usage by up to 80% and lower CO_2 emissions by up to 50% compared to newly manufactured parts—based on the best-selling comparable products in Europe. To keep stakeholders informed about SUSTAINera's progress and initiatives, Stellantis launched a dedicated website in 2023. Since January 2024, Stellantis has provided end-of-life vehicle management services through the Valorauto platform in France, Belgium, and Luxembourg. Open to both individual customers and dealers, the service covers vehicles of all brands and powertrains—electric, hybrid, and combustion—offering free collection and potential financial returns.

Valorauto operates under SUSTAINera Valorauto SAS, a joint venture between Stellantis and Galloo, a leader in vehicle recycling. Working with Authorized Treatment Facilities, the platform enables the collection, dismantling, and recovery of parts for reuse or remanufacturing, including repurposing EV batteries for energy storage. Remaining materials are recycled.

By extending product lifecycles and reintegrating recovered materials into production, this initiative supports Stellantis' Circular Economy strategy, reducing waste and raw material demand while ensuring compliance with European Extended Producer Responsibility ('EPR') regulations. These efforts align with Stellantis' 2023 CSR Report, which outlines the Company's broader sustainability commitments and progress toward a circular, low-carbon economy.

As Stellantis advances its Circular Economy initiatives—such as harvesting parts from decommissioned vehicles for reuse—it is essential to mitigate potential greenwashing risks that could impact credibility, compliance, and market position.

Misrepresenting recycled components by marketing them without clear, accurate, and verifiable environmental benefits can be misleading, while falsely labelling new, non-recycled parts as environmentally friendly without proper justification constitutes greenwashing. Such practices can lead to reputational damage, regulatory scrutiny, and legal liability. Accusations of greenwashing may result in negative media coverage, consumer backlash, and loss of trust, ultimately affecting customer retention, sales, and investor confidence. Additionally, regulatory bodies such as EIOPA and the EU Green Claims Directive are strengthening sustainability disclosure requirements, with misleading claims potentially leading to fines, legal actions, and mandatory product relabelling or withdrawal. Furthermore, class action lawsuits and misrepresentation claims could result in costly legal battles, while competitors with transparent ESG initiatives may gain a market advantage. As investors and consumers increasingly demand ESG transparency, failure to ensure accurate sustainability communications could limit business growth and competitiveness.

Biodiversity Risk

Biodiversity risk is an emerging consideration in the Company's risk management framework, as the loss of biodiversity poses significant economic and operational risks. Habitat degradation, resource scarcity, and regulatory changes related to biodiversity could impact supply chains, production costs, and material availability for vehicle manufacturing. Additionally, shifts in environmental policies may influence vehicle design, emissions standards, and insurance risk models. Additionally, biodiversity loss may exacerbate climate-related risks, affecting asset valuations and long-term sustainability. As part of the Company's risk assessment, the risk team monitors developments in biodiversity-related regulations, assess potential exposure in underwriting and investment activities, and explore strategies to mitigate these risks through sustainable business practices.

Analysis is being carried out on how biodiversity-related risks could affect claims patterns (e.g., through extreme weather events linked to ecosystem degradation), regulatory compliance, and long-term sustainability. The Company remains committed to monitoring these risks and integrating sustainable practices within the underwriting and investment processes to mitigate potential exposures.

C.6 Summary of Risk profile

To ensure the overall consistency of the Solvency II approach, Stellantis Life 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. Stellantis Life 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 Stellantis Life 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
- Life Underwriting risks - Mortality, Catastrophe, Lapse and Expense risk
- Health Underwriting risks – 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 Stellantis Life Insurance's risk profile, a scenario-based approach has been retained. This approach also applies to the Operational, Compliance and Strategic Risks faced by Stellantis Life Insurance Limited.

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.

C.7 Stress and Sensitivity testing

Stellantis Life 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.

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

Stellantis Life Insurance Ltd			Target Risk Appetite (%)	2025 (Y1)	2026 (Y2)	2027 (Y3)
Base Scenario before Dividend Distribution before Stress Tests			110%	406%	516%	542%

No.	Base Scenario before Dividend Distribution after Stress Tests					
1	Drop in sales: Reduction in premium by 10% in all years	€4.3M reduction in EP over a 3-year period	110%	392%	493%	529%
2	Transfer Pricing: Commission increase to 45% in Germany in all years	€2.7M increase over 3 years	110%	390%	495%	514%
3	Market risk: 15% Reduction in market value of investments in Year 1	€2.5M reduction in market value of investments in Year 1	110%	347%	452%	509%
4	Counterparty default risk: Increase in IPT	Increase in IPT by 3pp on FR portfolio amounting to €48K	110%	404%	514%	540%
5	Cyber Risk: €10m GDPR fine, Doubling of ETR, Increase in CAPEX by €2M	€10M fine, doubling ETR, €2M reputational cost	110%	101%	179%	296%
6	Product Compliance: Mortality rate increase by 5 years for all clients	From 0.939% to 1.315%	110%	405%	516%	542%
	Base Scenario before Dividend Distribution after Reverse Stress Tests					
7	Drop in sales: Reduction in premium in Year 1	Reduction of €9.9M, 99.99% of EP in Y1	110%	235%	369%	404%
8	Unexpected increase in cancellation rate: ETR increase in Year 1	ETR @99.99%: €9.9M decrease in EP	110%	235%	369%	404%
9	Market risk: Reduction in market value of investments in Year 1	€12M from a total of €16M long-term investments	110%	109%	216%	300%
10	Loss of Physical Data: GDPR fine in Year 1	€11.8M GDPR fine	110%	109%	219%	298%
11	Product Compliance: Mortality rate increase in Year 1	Increase by 20 times (from 0.94% to 18.8%)	110%	109%	516%	543%
	Base Scenario before Dividend Distribution after Combined Stress Test					
12	OPEX increase by 10% Reduction of market value of investments by 15% Decrease of 10% in earned premium with loss ratio remaining the same Mortality Rate increase by 50% All tests in Year 1	€0.99M to €1.09M €2.5M from a total of €16M €1M from a total of €10.0M From 0.93% to 1.40%	110%	324%	406%	536%

Base Scenario after Dividend Distribution before Stress Tests			110%	110%	110%	110%

Stress Test Result	Action Plan	Responsibility
Reduction in premium by 10% in all years. ***(Stress test)*** **Company remains with a comfortable cover position** **Reduction in premium in Year 1** ***(Reverse Stress test)*** **Company remains with a comfortable cover position**	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.	Finance Department
Commission increase to 45% in Germany in all years. ***(Stress Test)*** **Company remains with a comfortable cover position.**	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: 1. Cease business in a particular country if absolutely required. 2. Reconsider the viability of Stellantis Life Insurance as a Maltese Company, reconsidering the re domiciliation of the Company if necessary. 3. Increasing the premium to the end customer so that the technical result remains unchanged. 4. Implement actions to increase sales.	Board of Directors
Increase in cancellation rate: ETR increase in year 1. ***(Reverse stress test)*** **Company remains with a comfortable cover position.**	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.	Finance Department

Reduction in market value of investments by 15% in Year 1 ***(Stress test)*** **Company remains with a comfortable cover position.** **Reduction in market value of investments in Year 1** ***(Reverse Stress test)*** **Company falls below the target risk appetite.**	This scenario is likely to happen due to the current economic situation impacted by the high-interest rate environment. 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
Mortality rate increase by 5 years for all clients ***(Stress test)*** **Company remains with a comfortable cover position.** **Increase in mortality rate in Year 1** ***(Reverse Stress test)*** **Company falls below the target risk appetite.**	There are controls in place both from the back office at the Banking JVs and also quarterly detective controls are done by the Technical department to make sure that all policies satisfy the underwriting eligibility conditions. Furthermore, an age-cohort analysis report is updated on a monthly basis, by the Technical Department to monitor the average age of the portfolio as well as analysing the policies and claims per age-cohort.	Technical Committee
Cyber Risk: €10m GDPR fine, Doubling of ETR, Increase in CAPEX by €2M ***(Stress test)*** **Company falls below the target risk appetite.** **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
Increase in IPT by 3pp on French portfolio ***(Stress test)*** **Company remains with a comfortable cover position.**	A monthly control is carried out in order to ensure that all the premium is received.	Finance Department

D. Valuation for Solvency Purposes

Stellantis Life 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 asset's valuation bases, methods and main assumptions used for solvency purposes and those used for financial reporting in the statutory accounts.

D.1 Assets

Stellantis Life Ins Ltd Assets (EUR)	Current Accounting Bases	SII Valuation Principles
Deferred Tax Assets	5,274,171	5,148,451
Investments	19,968,201	19,968,201
Collective Investments Undertakings	15,468,201	15,468,201
Deposits other than cash equivalents	4,500,000	4,500,000
Reinsurance recoverables	479,191	-1,257,114
Reinsurance share of TP - health similar to non-life	157,346	-337,842
Reinsurance share of TP - Life excluding health and index-linked and unit-linked	321,845	-919,272
Insurance & Intermediaries Receivables	1,659,323	1,016,921
Reinsurance Receivables	425,764	0
Cash & Cash Equivalents	11,840,655	11,840,655
Any Other Assets, Not Elsewhere Shown	90,019	90,019
Total assets	**39,737,322**	**36,807,131**

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

Reinsurance Recoverables: Recoverables from reinsurance consist of the Solvency II valuation of the reinsurer's share of technical provisions which are made up of Provision for claims outstanding for Other Life Insurance and Income Protection Insurance lines of business. Under IFRS these are valued at €479,191 whereas for Solvency II purposes these are valued at -€1,257,114. These are valued differently for Solvency II valuation purposes as their economic value is used instead of their accounting value.

Insurance & Intermediaries Receivables, Reinsurance Receivables and Receivables (trade, not insurance) : For the purpose of Counterparty Default risk calculation, payable items directly related to the receivables are netted off the receivables. This adjustment is carried out in the Solvency II Balance Sheet. In the case of insurance and reinsurance receivables, no commission is payable if the insurance or reinsurance receivables are not settled. With regards to the other receivables, the concept applied is that receivables are net of respective payables, where relevant, not to overstate the net exposure to each counterparty.

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

D.2 Technical Provisions

Stellantis Life Ins Ltd Technical Provisions (EUR)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions - Health (Similar to Non-Life)	1,160,929	-3,202,080
TP calculated as a whole (Best estimate + Risk margin)	1,160,929	
Best Estimate		-3,231,779
Risk margin		29,699
Gross technical provisions – life (excl health and unit-linked)	3,701,837	2,200,331
TP calculated as a whole (Best estimate + Risk margin)	3,701,837	
Best Estimate		2,139,222
Risk margin		61,109
Total technical provisions	**4,862,766**	**-1,001,749**

Stellantis Life Insurance covers two lines of business which are Other Life Insurance and Income Protection Insurance. The reserving methodology applied by the Company consists of the Premium Provision ('PP') and the Provision for Claims Outstanding ('PCO'). There were no changes to the assumptions used in the calculation of the technical provisions when compared to the previous period.

The Company does not make use of the volatility adjustment referred to in Article 77d, the transitional risk-free interest rate-term structure referred to in Article 308c and the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

The PP considers all the future cash flows within the legal contract boundary at individual policy level. The Company considers the future premiums as cash inflows whilst the future commissions, claims and expenses (3%) as cash outflows, all of which are discounted to present value. An Events not in Data ('ENID') loading of 3% is also applied.

The output of the PP is provided by the IFRS 17 tool which would be split by line of business. The PCO is comprised of the best estimate OSLR and IBNR and is closely aligned to the calculation of the Liability for Incurred Claims ('LIC') under IFRS 17. An ENID loading is also applied to the PCO, however this ENID loading is lower than the one of the PP since there is less uncertainty around the past then the future. The key difference comes from the fact that the PCO is grouped at line of business level and entity, instead of IFRS 17 cohort level.

The IFRS 17 tool takes into consideration the Risk-Free Interest Rates for the different currencies. These are then applied to the PP and PCO and as an output provides both the PP and PCO undiscounted and discounted split between the lines of business. The summation of the discounted PP and PCO results in the Best Estimate for the 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 2024, amounts to €2,200,331 for Other Life Insurance and -€3,202,080 for Income Protection Insurance.

The level of uncertainty associated with the technical provisions is mainly due to the underlying assumptions taken which include 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 loading used is based on market data as well as assumptions taken based on the Company's historical experience. 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 amount to €4,862,766. The Best Estimate (without risk margin) amounts to -€1,092,557. The difference between these values is due to IFRS 17 elements which are not applicable for solvency purposes such as the risk adjustment, loss component and contractual service margin.

The majority of the difference between both figures is arising from the fact that under IFRS 17 the Contractual Service Margin ('CSM') is held as a liability while the future profit is considered differently under Solvency II. Additionally, there are slightly different assumptions used for the Expense Ratio projections and in the discount curves used. Lastly, since a part of the IFRS 17 Liability for Remaining Coverage ('LRC') is based on Premium Allocation Approach ('PAA') principles, the figures are not so directly comparable.

D.3 Other Liabilities

Stellantis Life Ins Ltd Liabilities (EUR)	Current Accounting Bases	SII Valuation Principles
Deferred Tax Liabilities	-	1,528,265
Insurance & intermediaries payables	3,322,977	2,735,072
Reinsurance payables	1,516,916	938,250
Payables (trade, not insurance)	12,461,676	12,461,676
Any other liabilities, not elsewhere shown	191,286	191,286
Total other liabilities	**17,492,854**	**17,854,547**

The differences between IFRS and Solvency II valuation for Liabilities arise from the following:

Technical provisions: The technical provisions are valued for Solvency II purposes as per methodology described under D.2 'Technical Provisions'. 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. The following table illustrates how the Deferred Tax Liability was determined.

Stellantis Life Ins Ltd (EUR)	Amount	Total
Total Solvency II Assets	31,658,680	
Total Siolvency II Liabilities	-15,324,534	
SII Excess of Assets over Liabilities		**16,334,147**
Total IFRS Assets	34,235,642	
Total IFRS Liabilities	-22,267,966	
IFRS Excess of Assets over Liabilities		**11,967,676**
Difference		**4,366,471**
Deferred Tax Liability at 35%		**1,528,265**

Insurance & intermediaries payables and Reinsurance 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.

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

D.4 Any Other Information

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. Stellantis Life 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 Stellantis's 'Risk Appetite Standard'; and
- Complies with Solvency II regulatory requirements.

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

iii.) Reinsurance Strategy: Stellantis Life 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: Stellantis Life Insurance must manage its capital consistent with the System of Governance, specifically Risk Management Framework.

v.) Tier Capital and Own Funds: Stellantis Life Insurance must make sure that they continuously hold 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, Stellantis Life 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.

Stellantis Life 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

Stellantis Life Ins Ltd Basic Own Fund Items (EUR) Previous Reporting Period	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary share capital (net of own shares)	3,700,000			
Ordinary share capital (gross of own shares)	3,700,000			
Reconciliation reserve	15,042,559			
Excess of assets over liabilities	18,742,559			
Other basic own fund items	3,700,000			
Total Basic own funds	18,742,559	-	-	-

Stellantis Life Ins Ltd Basic Own Fund Items (EUR) Current Reporting Period	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ordinary share capital (net of own shares)	3,700,000			
Ordinary share capital (gross of own shares)	3,700,000			
Reconciliation reserve	12,634,147			
Excess of assets over liabilities	19,954,333			
Other basic own fund items	7,320,186			
An amount equal to the value of net deferred tax assets				3,620,186
Total Basic own funds	16,334,147	-	-	3,620,186

The Own Funds of the Company are made up of Tier 1 unrestricted capital and a small portion of Tier 3. This consists of the ordinary share capital, reconciliation reserve and Deferred Tax Asset. The only change in the structure of the Own Funds items from the previous reporting period was the Deferred Tax Asset. This was due to the fact that the Deferred Tax Asset in the Balance Sheet exceeded the Deferred Tax Liability.

The total Basic Own Funds increased from EUR 18,742,559 to EUR 19,954,333 during the current reporting period. This was mainly due to the additional Tier 3 capital resulting from the transfer of tax losses which increased the Deferred Tax Asset in the Balance Sheet.

Deferred Taxes

The Basic Own Funds for current reporting period include a small portion of Tier 3 capital consisting entirely of Deferred Taxes. The amount recognised as available capital of EUR 3,620,186, is the difference between the Deferred Tax Assets of EUR 5,148,451 and Deferred Tax Liabilities of EUR 1,528,265 in the Solvency II Balance Sheet. The Deferred Taxes used as Tier 3 capital cannot exceed 15% of the Solvency Capital Requirement ('SCR') and as a result the amount of net deferred taxes recognised as eligible capital to cover the SCR amounted to EUR 469,570. This represents 15% of the SCR amount of EUR 3,130,468. No deferred taxes were considered as eligible capital to cover the Minimum Capital Requirement ('MCR'). The following table illustrates the Tier 3 capital used in the determination of both the available and eligible capital.

Solvency	Capital requirement	Eligible capital	Solvency ratio	MCR as % SCR
SCR	3,130,468	16,803,717	536.8%	127.8%
MCR	4,000,000	16,334,147	408.4%	0

Composition	Available capital	Eligible capital for SCR	Shortfall SCR	Eligible MCR	Shortfall MCR
Tier 1 unrestricted	16,334,147	16,334,147	0	16,334,147	0
Tier 1 restricted	0	0		0	
Tier 2 basic	0	0		0	
Tier 2 ancillary	0	0			
Tier 3	3,620,186	469,570			
Tier 3 ancillary	0	0			

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has EUR 5,274,171 (2023 Nil) of tax losses carried forward. The Deferred Tax Asset is the result of the surrender of tax losses between Stellantis Insurance Ltd and the Company during 2024. Such losses do not expire. Based on financial projections carried out by the Company, it is expected that it would generate enough taxable profits in the upcoming years that will be available against which such losses can be utilised. The following are the underlying assumptions used for the projection of probable future taxable profits:

The assumptions are based on volumes provided by the Banking JVs which relate to finance contracts assumed to be sold from their side. The insurance penetration rate is agreed with the commercial team. Moreover, the average premium is determined by a premium rate which is linked to the product. An average financed amount provided by the Bank is used and is based on their loan's assumptions.

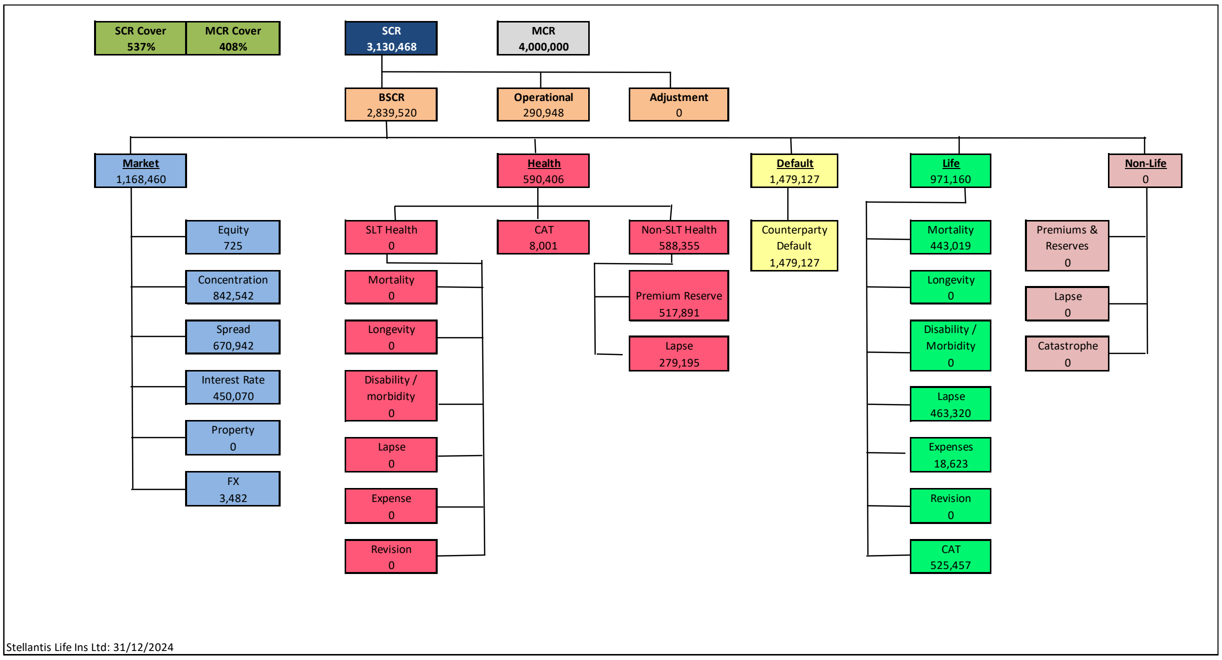
On such a basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

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.

Stellantis Life Ins Ltd Basic Own Fund Items (EUR)	Current Accounting Bases	SII Valuation Principles
Ordinary share capital (net of own shares)	3,700,000	3,700,000
Ordinary share capital (gross of own shares)		3,700,000
Surplus funds	13,681,702	
Reconciliation reserve		12,634,147
Excess of assets over liabilities		19,954,333
Other basic own fund items		7,320,186
An amount equal to the value of net deferred tax assets		3,620,186
Total Basic own funds	17,381,702	19,954,333

The Excess of assets over liabilities for Solvency II valuation purposes is slightly higher than the Equity as per financial statements (€19,954,333 vs €17,381,702) due to the differences between the Solvency II and IFRS Balance Sheet as explained previously.

E.2 Solvency Capital Requirement and Minimum Capital Requirement



The main driver of the SCR is the Counterparty Default Risk which consists of the Type 1 and Type 2 exposure charges. These are mainly driven by the cash at bank, reinsurance recoverables and other receivables held by the Company.

The company uses Simplification Method 1 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	**4,000,000**

MCR - Combined	
MCR Combined	**782,617**

Cap	1,408,711
Floor	782,617

MCR - Linear	
MCR Linear	**510,622**
MCR Linear - Non-Life	**83,200**
MCR Linear - Life	**427,422**

Parameters	
Cap	45%
Floor	25%
AMCR	4,000,000

Non-Life

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
Medical Expense	0	0	5%	5%	0
Income Protection	0	978,823	13%	9%	83,200
Workers' Compensation	0	0	11%	8%	0
Motor Vehicle Liability	0	0	9%	9%	0
Other Motor	0	0	8%	8%	0
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	0	0	19%	12%	0
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

Life

Net Technical Provisions		Factor
Indexed and Unit Linked	-	0.70%
All other Life (Excluding With Profits and Linked)	3,058,494	2.10%
CAR	518,848,508	0.07%

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

Movements in SCR during 2024

Stellantis Life Insurance Ltd		Dec-23 Actual €(000)	Dec-24 Actual €(000)
SOLVENCY CAPITAL REQUIREMENT COVER		469%	408%
SOLVENCY II ELIGIBLE CAPITAL		18,743	16,334
SOLVENCY CAPITAL REQUIREMENT		2,846	3,130
MINIMUM CAPITAL REQUIREMENT		4,000	4,000
LOSS ABSORBING CAPACITY OF DEFERRED TAX		0	0
SOLVENCY CAPITAL REQUIREMENT BEFORE LAC DT		2,846	3,130
OPERATIONAL RISK		262	291
BASIC SOLVENCY CAPITAL REQUIREMENT		2,584	2,840
DIVERSIFICATION CREDIT		(1,213)	(1,370)
BASIC SOLVENCY CAPITAL REQUIREMENT PRE-DIV		3,797	4,209
SUB CATEGORIES			
LIFE UNDERWRITING RISK	Mortality Risk	465	443
	Longevity Risk	0	0
	Disability Risk	0	0
	Expense Risk	16	19
	Revision Risk	0	0
	Lapse Risk	0	463
	Catastrophe Risk	521	525
	SCRlife Pre-Div	1,001	1,450
	SCRlife Div Credit	(216)	(479)
	SCRlife Post Div	785	971
HEALTH UNDERWRITING RISK	Premium and Reserve Risk	655	518
	Lapse Risk	0	279
	SCRnslthealth Pre-Div	655	797
	SCRnslthealth Div Credit	0	(209)
	SCRnslthealth Post Div	655	588
	Catastrophe Risk	11	8
	SCRhealth Pre-Div	667	596
	SCRhealth Div Credit	(8)	(6)
	SCRhealth Post Div	658	590
MARKET RISK	Interest Rate Risk	619	450
	Equity Risk	3	1
	Property Risk	0	0
	Spread Risk	822	671
	Currency Risk	4	3
	Concentration Risk	1,153	843
	SCRmkt Pre-Div	2,601	1,968
	SCRmkt Div Credit	(1,053)	(799)
	SCRmkt Post Div	1,548	1,168
COUNTERPARTY DEFAULT RISK	Type 1 Exposures	757	895
	Type 2 Exposures	64	685
	SCRdef Pre-Div	821	1,579
	SCRdef Div Credit	(15)	(100)
	SCRdef Post Div	806	1,479

The SCR increased whereas the MCR remained the same during the reporting period ended 31st December 2024.

The SCR increased mainly due to the increase in the Counterparty Default Risk. This was due to a considerable increase in Type 2 exposures due to an increase in the insurance and other receivables during the year.

The MCR remained the same at EUR 4,000,000 as in prior year and equal to the Absolute Minimum Capital Requirement (‘AMCR’).

The SCR Cover followed is actually the MCR Cover as the SCR is below the MCR. Despite the decrease in SCR Cover from previous year, it is still well within the risk appetite limit of the Company. The decrease in Cover is due to the reduction in eligible capital.

E.3 Any Other Information

No other material information regarding capital management warrants disclosure.

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.04.05.01	Information on premiums, claims and expenses by country
S.05.01.02	Information on premiums, claims and expenses
S.12.01.02	Specifying information on life and health SLT technical provisions
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

S.02.01.01.01 - Balance sheet

			Solvency II value	Statutory accounts value
			C0010	C0020
Assets	Goodwill	R0010		
	Deferred acquisition costs	R0020		
	Intangible assets	R0030		
	Deferred tax assets	R0040	5,148,451	5,274,171
	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	19,968,201	19,968,201
	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	15,468,201	15,468,201
	Derivatives	R0190		
	Deposits other than cash equivalents	R0200	4,500,000	4,500,000
	Other investments	R0210		
	Assets held for index-linked and unit-linked contracts	R0220		
	Loans and mortgages	R0230		
	Loans on policies	R0240		
	Loans and mortgages to individuals	R0250		
	Other loans and mortgages	R0260		
	Reinsurance recoverables from:	R0270	(1,257,114)	479,191
	Non-life and health similar to non-life	R0280	(337,842)	157,346
	Non-life excluding health	R0290		
	Health similar to non-life	R0300	(337,842)	157,346
	Life and health similar to life, excluding health and index-linked and unit-linked	R0310	(919,272)	321,845
	Health similar to life	R0320		
	Life excluding health and index-linked and unit-linked	R0330	(919,272)	321,845
	Life index-linked and unit-linked	R0340		
	Deposits to cedants	R0350		
	Insurance and intermediaries receivables	R0360	1,016,921	1,659,323
	Reinsurance receivables	R0370		425,764
	Receivables (trade, not insurance)	R0380		
	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	11,840,655	11,840,655
	Any other assets, not elsewhere shown	R0420	90,019	90,019
	Total assets	R0500	36,807,131	39,737,322
Liabilities	Technical provisions - non-life	R0510	(3,202,080)	1,160,929
	Technical provisions - non-life (excluding health)	R0520		
	Technical provisions calculated as a whole	R0530		
	Best Estimate	R0540		
	Risk margin	R0550		
	Technical provisions - health (similar to non-life)	R0560	(3,202,080)	1,160,929
	Technical provisions calculated as a whole	R0570		
	Best Estimate	R0580	(3,231,779)	
	Risk margin	R0590	29,699	
	Technical provisions - life (excluding index-linked and unit-linked)	R0600	2,200,331	3,701,837
	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	2,200,331	3,701,837
	Technical provisions calculated as a whole	R0660		
	Best Estimate	R0670	2,139,222	
	Risk margin	R0680	61,109	
	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		
	Deferred tax liabilities	R0780	1,528,265	0
	Derivatives	R0790		
	Debts owed to credit institutions	R0800		
	Financial liabilities other than debts owed to credit institutions	R0810		
	Insurance & intermediaries payables	R0820	2,735,072	3,322,977
	Reinsurance payables	R0830	938,250	1,516,916
	Payables (trade, not insurance)	R0840	12,461,676	12,461,676
	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	191,286	191,286
	Total liabilities	R0900	16,852,798	22,355,620
Excess of assets over liabilities		R1000	19,954,333	17,381,702

S.04.05.01.02 - Activity by country - location of risk

Z0001 Z Axis:, LEI/5493005T69ZY7UOEFM81, Income protection insurance [direct business]

		Total by country									
		AUSTRIA	BELGIUM	FRANCE	GERMANY	ITALY	LUXEMBOURG	POLAND	PORTUGAL	SPAIN	UNITED KINGDOM
		C0020_15	C0020_22	C0020_76	C0020_83	C0020_109	C0020_130	C0020_177	C0020_178	C0020_208	C0020_234
Premiums written (gross)	R0020	(2,731)		392,752	838,816	157,215			10		
Premiums earned (gross)	R0030	74,223		616,408	1,513,741	196,892			10		
Claims incurred (gross)	R0040	(532)	6	116,150	731,205	35,644	36	1,522	(0)		
Expenses incurred (gross)	R0050	19,818		332,068	629,443	179			0		

S.04.05.01.02 - Activity by country - location of risk

Z0001 Z Axis:, LEI/5493005T69ZY7UOEFM81, Other life

		Total by country									
		AUSTRIA	BELGIUM	FRANCE	GERMANY	ITALY	LUXEMBOURG	POLAND	PORTUGAL	SPAIN	UNITED KINGDOM
		C0020_15	C0020_22	C0020_76	C0020_83	C0020_109	C0020_130	C0020_177	C0020_178	C0020_208	C0020_234
Premiums written (gross)	R0020	120,992		561,007	1,897,167	1,275,611			37		
Premiums earned (gross)	R0030	228,426		853,205	2,754,031	1,600,469			37		
Claims incurred (gross)	R0040	2,849	7	227,814	1,023,347	275,172	43	1,087	(0)		
Expenses incurred (gross)	R0050	111,138		463,018	1,278,459	1,139			1		

S.05.01.01.01 - Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)
Z0001 Z Axis:

				Line of Business for: Income protection insurance	Total
				C0020	C0200
Premiums written	Gross - Direct Business		R0110	1,386,062	1,386,062
	Gross - Proportional reinsurance accepted		R0120		
	Gross - Non-proportional reinsurance accepted		R0130		
	Reinsurers' share		R0140	407,239	407,239
	Net		R0200	978,823	978,823
Premiums earned	Gross - Direct Business		R0210	2,401,274	2,401,274
	Gross - Proportional reinsurance accepted		R0220		
	Gross - Non-proportional reinsurance accepted		R0230		
	Reinsurers' share		R0240	390,584	390,584
	Net		R0300	2,010,690	2,010,690
Claims incurred	Gross - Direct Business		R0310	884,031	884,031
	Gross - Proportional reinsurance accepted		R0320		
	Gross - Non-proportional reinsurance accepted		R0330		
	Reinsurers' share		R0340	74,922	74,922
	Net		R0400	809,109	809,109
Expenses incurred			R0550	857,923	857,923
	Administrative expenses	Gross - Direct Business	R0610	981,509	981,509
		Gross - Proportional reinsurance accepted	R0620		
		Gross - Non-proportional reinsurance accepted	R0630		
		Reinsurers' share	R0640	123,586	123,586
		Net	R0700	857,923	857,923
	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		
		Gross - Proportional reinsurance accepted	R0920		
		Gross - Non-proportional reinsurance accepted	R0930		
		Reinsurers' share	R0940		
		Net	R1000		
	Overhead expenses	Gross - Direct Business	R1010		
		Gross - Proportional reinsurance accepted	R1020		
		Gross - Non-proportional reinsurance accepted	R1030		
		Reinsurers' share	R1040		
		Net	R1100		
Balance - other technical expenses/income			R1210		
Total technical expenses			R1300		857,923

S.05.01.01.02 - Life

Z0001 Z Axis:

				Line of Business for: Other life insurance	Total
				C0240	C0300
Premiums written	Gross		R1410	3,854,815	3,854,815
	Reinsurers' share		R1420	1,012,788	1,012,788
	Net		R1500	2,842,027	2,842,027
Premiums earned	Gross		R1510	5,436,169	5,436,169
	Reinsurers' share		R1520	969,927	969,927
	Net		R1600	4,466,242	4,466,242
Claims incurred	Gross		R1610	1,530,319	1,530,319
	Reinsurers' share		R1620	176,504	176,504
	Net		R1700	1,353,815	1,353,815
Expenses incurred			R1900	1,524,677	1,524,677
	Administrative expenses	Gross	R1910	1,853,756	1,853,756
		Reinsurers' share	R1920	329,078	329,078
		Net	R2000	1,524,677	1,524,677
	Investment management expenses	Gross	R2010		
		Reinsurers' share	R2020		
		Net	R2100		
	Claims management expenses	Gross	R2110		
		Reinsurers' share	R2120		
		Net	R2200		
	Acquisition expenses	Gross	R2210		
		Reinsurers' share	R2220		
		Net	R2300		
	Overhead expenses	Gross	R2310		
		Reinsurers' share	R2320		
		Net	R2400		
Balance - other technical expenses/income			R2510		
Total technical expenses			R2600		1,524,677
Total amount of surrenders			R2700		

S.12.01.01.01 - Life and Health SLT Technical Provisions

				Other life insurance			Total (Life other than health insurance, incl. Unit-Linked)
					Contracts without options and guarantees	Contracts with options or guarantees	
				C0060	C0070	C0080	C0150
Technical provisions calculated as a whole			R0010				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole			R0020				
Technical provisions calculated as a sum of BE and RM	Best Estimate	Gross Best Estimate	R0030		2,139,222		2,139,222
		Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040		-919,272		-919,272
		Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050		-919,272		-919,272
		Recoverables from SPV before adjustment for expected losses	R0060				
		Recoverables from Finite Re before adjustment for expected losses	R0070				
		Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		-919,272		-919,272
		Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		3,058,494		3,058,494
	Risk Margin		R0100	61,109			61,109
Amount of the transitional on Technical Provisions	Technical Provisions calculated as a whole		R0110				
	Best estimate		R0120				
	Risk margin		R0130				
Technical provisions - total			R0200	2,200,331			2,200,331
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total			R0210	3,119,603			3,119,603
Best Estimate of products with a surrender option			R0220				
Gross BE for Cash flow	Cash out-flows	Future guaranteed and discretionary benefits	R0230				
		Future guaranteed benefits	R0240				
		Future discretionary benefits	R0250				
		Future expenses and other cash out-flows	R0260				
	Cash in-flows	Future premiums	R0270				
		Other cash in-flows	R0280				
Percentage of gross Best Estimate calculated using approximations			R0290				
Surrender value			R0300				
Best estimate subject to transitional of the interest rate			R0310				
Technical provisions without transitional on interest rate			R0320				
Best estimate subject to volatility adjustment			R0330				
Technical provisions without volatility adjustment and without others transitional measures			R0340				
Best estimate subject to matching adjustment			R0350				
Technical provisions without matching adjustment and without all the others			R0360				
Expected profits included in future premiums (EPIFP)			R0370	2,239,885			2,239,885

S.23.01.01.01 - Own funds
Z0001 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	3,700,000	3,700,000			
	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	12,634,147	12,634,147			
	Subordinated liabilities	R0140					
	An amount equal to the value of net deferred tax assets	R0160	3,620,186				3,620,186
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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	19,954,333	16,334,147			3,620,186
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	19,954,333	16,334,147			3,620,186
	Total available own funds to meet the MCR	R0510	16,334,147	16,334,147			
	Total eligible own funds to meet the SCR	R0540	16,803,717	16,334,147			469,570
	Total eligible own funds to meet the MCR	R0550	16,334,147	16,334,147			
SCR		R0580	3,130,468				
MCR		R0600	4,000,000				
Ratio of Eligible own funds to SCR		R0620	537%				
Ratio of Eligible own funds to MCR		R0640	408%				

S.23.01.01.02 - Reconciliation reserve

Z0001 Z Axis:

			Value
			C0060
Reconciliation reserve	Excess of assets over liabilities	R0700	19,954,333
	Own shares (held directly and indirectly)	R0710	
	Foreseeable dividends, distributions and charges	R0720	
	Other basic own fund items	R0730	7,320,186
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve		R0760	**12,634,147**
Expected profits	Expected profits included in future premiums (EPIFP) - Life business	R0770	2,239,885
	Expected profits included in future premiums (EPIFP) - Non-life business	R0780	1,170,404
Total Expected profits included in future premiums (EPIFP)		R0790	**3,410,288**

S.25.01.01.01 - Basic Solvency Capital Requirement

Z0001 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	1,168,460	1,168,460	
Counterparty default risk	R0020	1,479,127	1,479,127	
Life underwriting risk	R0030	971,160	971,160	
Health underwriting risk	R0040	590,406	590,406	
Non-life underwriting risk	R0050	0	0	
Diversification	R0060	(1,369,632)	(1,369,632)	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	2,839,520	2,839,520	

S.28.01.01.05 - Overall MCR calculation

Z0001 Z Axis:

		Value
		C0070
Linear MCR	R0300	510,622
SCR	R0310	3,130,468
MCR cap	R0320	**1,408,711**
MCR floor	R0330	**782,617**
Combined MCR	R0340	**782,617**
Absolute floor of the MCR	R0350	4,000,000
Minimum Capital Requirement	R0400	**4,000,000**