Aioi Nissay Dowa Insurance Company of Europe S.E.

Solvency and Financial Condition Report

Year ended 31 December 2022

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Summary

Aioi Nissay Dowa Insurance Company of Europe S.E. ("the Company" or "ANDIE SE") is registered with the number B232302 at the Trade and Companies Register of Luxembourg (R.C.S.) and has its registered office at 4, rue Lou Hemmer, L-1748 Senningerberg, Grand-Duchy of Luxembourg.

The Company's principal activity is as an insurer and its main business is retail general insurance, with a focus on auto-centric products. The Company operates as a general insurer in Europe through branches in Belgium, France, Germany, Italy, Spain and the UK, and through freedom of services in several other European countries. The Company also has a credit life insurer subsidiary in Germany, Aioi Nissay Dowa Life Insurance Company of Europe AG ("ANDLIE"). The Company is a subsidiary of Aioi Nissay Dowa Europe Limited ("ANDEL"), a company incorporated in the United Kingdom and part of the Aioi Nissay Dowa Europe Group ("the ANDEL Group").

The Company's branch in the United Kingdom is now in run-off. The ANDEL Group reorganised its corporate structure to be able to continue to trade in both the UK and the European Economic Area ("EEA") post-Brexit. As part of this reorganisation, the ANDEL Group created a new insurance company in the UK, Aioi Nissay Dowa Insurance UK Limited ("ANDI UK"). This company started to underwrite elements of the ANDEL Group's UK business from 1 January 2020 and by 1 December 2020 all of the ANDEL Group's UK business, both new business and renewals, was written by ANDI UK. The Company's existing UK policies are expected to be maintained within its UK branch until claims are settled and policies expire.

The Company's functional currency changed from pound sterling ("GBP") to the Euro on 1 January 2022. The Company continues to have substantial GBP assets in respect of its sterling liabilities and it also has surplus GBP assets, reflecting the fact that the Company has held its regulatory surplus in this currency. However, both the GBP liabilities and the GBP assets are expected to reduce over the next few years, with the majority of liabilities paid within four years and the majority of sterling-denominated bond assets maturing within the same period. Therefore, the Company's exposure to foreign exchange movements between euros and GBP will steadily reduce over the coming years.

Development and performance of the business in 2022

The Company's key financial performance indicators during the year were as follows:

	2022	2021
	€'000	€'000
Gross premiums written	318,097	279,953
Net earned premiums	166,358	179,201
Net insurance claims	92,718	84,537
Investment income	6,021	8,345
Other technical income	287	1,810
Operating expenses	58,095	67,974
Loss ratio	55.7%	47.2%

Overview

Overall, the Company's strategy continues to be the provision of auto-centric insurance products either directly or on behalf of the Company's strategic partners.

ANDIE SE's main strategic relationship remains with Toyota. The Company's fellow subsidiary Toyota Insurance Management SE ("TIM"), which is part-owned by Toyota Financial Services, provides Toyota's insurance expertise, and works in support of Toyota across Europe. The link with Toyota remains critical to the achievement of the Company's ambitions with regards to its underwriting business and realising the potential of telematics, not only in Europe but more widely in support of Toyota and the Group's Japanese parent company Aioi Nissay Dowa Insurance Co., Ltd ("ADJ").

Business performance

In 2022, the Company's gross premiums written increased despite the reductions seen in 2021. This has been through the successful product launches in Italy and Spain and a high customer retention rate in Germany. However, there was still pressure on sales due to the Company's core distribution through Toyota dealerships in a challenging environment for motor vehicle sales. The Company reported a profit after tax of €26.2m, and its main strategic relationship remains with Toyota. The Company's general insurance premium income increased from €280.0m in 2021 to €318.1m in 2022, but the net underwriting result for retail motor and JIA (excluding UK) was lower than the Company business, presenting a challenge for future years planned growth. Net claims incurred increased by 9.7% due to several large bodily injury claims in the French branch increased customer numbers and higher repair costs. Investment income decreased by 27.8% due to a reduction in the Company's investment holdings, while the total return of the asset portfolio for 2022 was -10.8%. The Company's strategy is to preserve capital and maintain liquidity through investing in high-quality fixed income securities, money market funds, and cash. The recent interest rate rises improved available returns and the Company expects to generate more meaningful returns from its investments, whilst retaining high-quality investments, higher returns will be generated if inflation falls back to more recent trends and interest rates are maintained. The Company's administrative expenses comprise general expenses related to the management of the Company, while acquisition costs include commissions paid for the acquisition of business.

During 2022 financial market parameters, especially rising interest rates and the weakening of the GBP against the Euro had an adverse impact on own funds of the Company. This was more than offset by a strong technical result, that was supported by the run-off of the UK business. Additionally model improvements in the calculations of own funds and SCR had a negative impact on both, own funds and SCR, as described in Parts D and E of this document.

Nevertheless, the financial strength of the company remains stable and sufficient, with a ratio of Eligible Own Funds to SRC of 170.1%, well above the Company's risk appetite of 150%. Key figures for 2022 are Eligible Own Funds before foreseeable dividend of €185.7m and, with a foreseeable dividend of €15.1m, Eligible Own Funds to cover SCR are €170.6m as at 31 December 2022. With an SCR of €100.3m this gives a ratio of Eligible Own Funds to SCR of 170.1% for 2022.

System of Governance

The Company is incorporated as a Societas Europea (S.E.) with a one-tier system, and its administrative organ is the Board. The General Meeting is responsible for tasks as specified by the law. The Board is responsible for managing the Company, setting its strategic aims, ensuring compliance with legal requirements, and overseeing risk appetite. There are four key functions in place: Risk Management, Actuarial, Compliance, and Internal Audit. While no committees were set up on the Board level, there are dedicated committees to support the Board in Audit, Risk and Compliance, Investment, Reserving, Pricing, and Risk Modelling. The Company's remuneration policy is designed to attract and retain employees, with base salaries being the most important element. Salaries and benefits are reviewed regularly to ensure their competitiveness in the market and compliance with statutory, regulatory, or taxation requirements.

The Company has committed to ensuring that all its staff have the necessary skills, knowledge, and experience to perform their roles, as outlined in its governance manual, policies, and procedures. Additionally, there are "fit and proper" requirements for specific roles, including Board members, key function holders, and any other staff members who effectively run the Company, as set out in Article 273 of the Commission Delegated Regulation and LC 21/12 of the Commissariat aux Assurances. The Company has established requirements for these roles, which are subject to review and monitoring by the Commissariat aux Assurances. Before appointing new staff for these roles, the Company must assess whether they are fit and proper, including an evaluation of their experience and propriety. Board members should have sufficient professional qualifications, knowledge, and experience to manage the Company carefully. The key function holders must have the knowledge necessary to perform their tasks, as described in Articles 268-272 of the Commission Delegated Regulation. The fit and proper requirements are assessed by the Board, including an inspection of documents submitted to the Commissariat aux Assurances, and potential conflicts of interest and time constraints are also be considered.

The Company maintains an enterprise-wide risk management framework designed to identify, evaluate, manage, and monitor exposure to risk. The system covers all risks included in the calculation of the Solvency Capital Requirement and includes underwriting and reserving, asset-liability management, investment activity, liquidity and concentration risk, operational risk, and reinsurance and other risk mitigation techniques. The risk management framework covers the management of the risk categories and sub-categories detailed in the Board's Risk Appetite Statement and Risk Strategy document, which set qualitative and quantitative limits in terms of risk preference, risk tolerance, and risk capacity. The Company also operates a Three Lines of Defence Model as part of its overall control environment and its risk management system. The first line of defence is the business operations, the second line is oversight functions such as Risk and Compliance, and the third line is Internal Audit. The central Risk Management function forms a second line of defence and provides support, coordination, and challenge to business operations regarding the required risk management process. The head office Risk Management function has oversight of the first line risk registers and reports on the status of compliance with risk appetite and is responsible for providing aggregated reporting to the Audit, Risk, and Compliance Committee.

The Own Risk and Solvency Assessment (“ORSA”) process is performed at least annually, and a report is produced by the Risk Management function based upon the results of the Internal Capital Model output and taking account the future business plan. The analysis must inform the Board of the nature of the change in the risk assessment and the implications for solvency under standard and stressed operating scenarios. The Risk Management function will assess the impact of a change in risk profile and advise the Board whether a full ORSA process needs to be run and a full set of documentation produced. The Board can request the Risk Management team to run the full ORSA process, even if the Risk Management function determines it is not necessary. The Board reviews the ORSA report and uses this to guide key decisions for the business. In relation to the SCR, the Company produces a five-year projection of the Company's SCR position. The ORSA, which is prepared on a three-year basis, is compared to the results of the SCR projection in order to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator as required.

The Company's system of internal control includes all policies and procedures adopted by management to assist in achieving the Company's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business. The main components which make up the Company's system of internal control and help to achieve the objectives of controlling the operations of the Company are Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

The Compliance Function ensures that the Company complies with all applicable laws and regulatory requirements and reports to the Board on the appropriateness of the Company's compliance procedures; following up identified deficiencies and suggesting improvements as necessary.

The Company's Internal Audit function is overseen by the Audit, Risk and Compliance Committee. In this capacity, the Audit, Risk and Compliance Committee is responsible for agreeing an annual programme of internal audit activity, overseeing the performance of internal audits and determining that all major issues reported by the Internal Audit function have been satisfactorily addressed.

The Company's wider Actuarial team is composed of qualified members and associated members of the UK Institute and Faculty of Actuaries, equivalent international actuarial bodies, analysts and data management specialists, all of whom comply with relevant professional obligations. The Actuarial Function is responsible for: coordinating the calculation of technical provisions; reviewing the appropriateness of the models and assumptions and considering the sufficiency and quality of data used in the Company's risk and solvency assessments; providing an opinion to the Audit, Risk and Compliance Committee on the Company's underwriting policy and effectiveness of reinsurance; and producing the annual actuarial reports for the CAA.

Outsourcing Management oversees the outsourced activities to ensure that the outsourcing policy is followed. Designated owners of outsourced business processes are responsible for assessing and managing the operational and security risks associated with outsourcing, working in conjunction with ANDEL Group Outsourcing Management, Risk Management, Legal and Compliance, Data Protection Officers, Information Security and other functions including IT, and Human Resources. In accordance with Solvency II recommendations, the Company has set four main categories to its outsourced activities and functions: (1) Critical and Important, (2) Not core to our main business and value chain, (3) "nice to have" activities, products and services not related to core functions or our main value chain and (4) Not related to core functions or main value chain.

The Board considers the general set-up of its governance system to be appropriate, considering the nature, scale and complexity of the risks inherent in the business.

Risk profile

The Risk Management Team carried out various tests and examined plausible scenarios against the ORSA capital requirements. These included a failure to meet growth targets, loss of significant strategic partners, operational losses through a loss of key business sites, exchange rate volatility and the failure of a banking partner. The Board has also considered the exhaustion of reinsurance cover, events with significant losses in countries with no natural catastrophe reinsurance cover, an accumulation of natural catastrophe events below the level of the franchise, an increase in claim frequency and a financial market shock.

The underwriting risk arises from uncertainty around the occurrence, amount, and timing of insurance liabilities and can manifest in variability in expenses and profits. The Company assesses its underwriting risk through experience analysis and reserving processes overseen by a Reserving Committee and uses disciplined underwriting, appropriate risk management, and pricing control to manage its insurance risk. The Company also uses reinsurance to manage insurance risk, placing much of its reinsurance with its parent company, ADJ, which is A+ rated.

Markets risks could affect the Company net asset value, due to its investments in fixed income bonds, cash, deposits, and money market funds could be affected by market risks. These risks include changes in interest rates, investment returns, and exchange rates. The Company manages these risks through an asset liability management framework, monitoring interest rate and currency risk, setting limits on exposure to securities and counterparty, and maintaining the outsourced management of its bond portfolio. ANDIE SE does not currently use derivative financial instruments, but this is kept under regular review. The Company's bond portfolio is expected to be held until maturity, and cash, deposits, and money market funds are more secure from a capital point of view but introduce greater uncertainty as to the level of income that can be achieved due to fluctuating interest rates. The Company has assets and liabilities in three main currencies, GBP, EUR, and NOK, and its exposure to movements in other currencies is not significant. Market risks are quantified using a simulation model, and the Company seeks to reduce any mismatch between assets and liabilities by reinvesting maturing bonds accordingly.

The Company is exposed to credit risk in various areas such as corporate bonds, bank counterparties, insurance liabilities, insurance contract holders, and intermediaries. To measure the capital requirement for credit risk, the Company uses a simulation model that assumes probability of default based on credit rating and recovery percentage on default. The Company's risk appetite specifies the minimum credit rating that counterparties must have for them to do business with the Company. The Company places limits on exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. The existence of reinsurance arrangements does not discharge the Company's liability as primary insurer, and the creditworthiness of reinsurers is considered annually.

The Company monitors its liquidity risk closely by forecasting its cash flows and ensuring that a significant proportion of liquid assets are held at all times to meet expected liabilities as they become due. The investment policy has been set to avoid concentration risk and ensure high-quality liquid assets. Liquidity is regularly monitored and quarterly by the Investment Committee.

To manage its operational risk, the Company maintains risk registers for each significant business function and unit, which are used to inform the approach for modelling operational risk. The resulting risk profile for operational risk is assessed quantitatively and incorporated into the assessment of solvency requirements. The Company manages operational risk mainly using detailed procedure manuals and a structured program of testing of processes and systems.

To mitigate strategic (mono-customer strategy) and reputational risks, the Company focuses on promoting the strong relationships at all levels, addressing problems at an early stage, and aligning its operations with Toyota. The Company also uses regular reviews of key performance indicators and complaints to ensure strategic and operational alignment with Toyota.

A. Business and Performance

A.1 Business

A.1.1 General information

The Company's headquarters is at 4, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg, registered with the number B232302 at the Trade and Companies Register of Luxembourg (R.C.S.) and the Company has its registered office at 4, rue Lou Hemmer, L-1748 Senningerberg, Grand-Duchy of Luxembourg.

The responsible Supervisory Authority of the Company is:

- Commissariat aux Assurances ("CAA")
  7, boulevard Joseph II,
  L - 1840 Luxembourg
  GD de Luxembourg

  (+352) 22 69 11 - 1
  caa@caa.lu

- The external audit of the financial statements is carried out by:
  KPMG Audit S.à r.l.
  39, Avenue John F. Kennedy,
  L-1855 Luxembourg

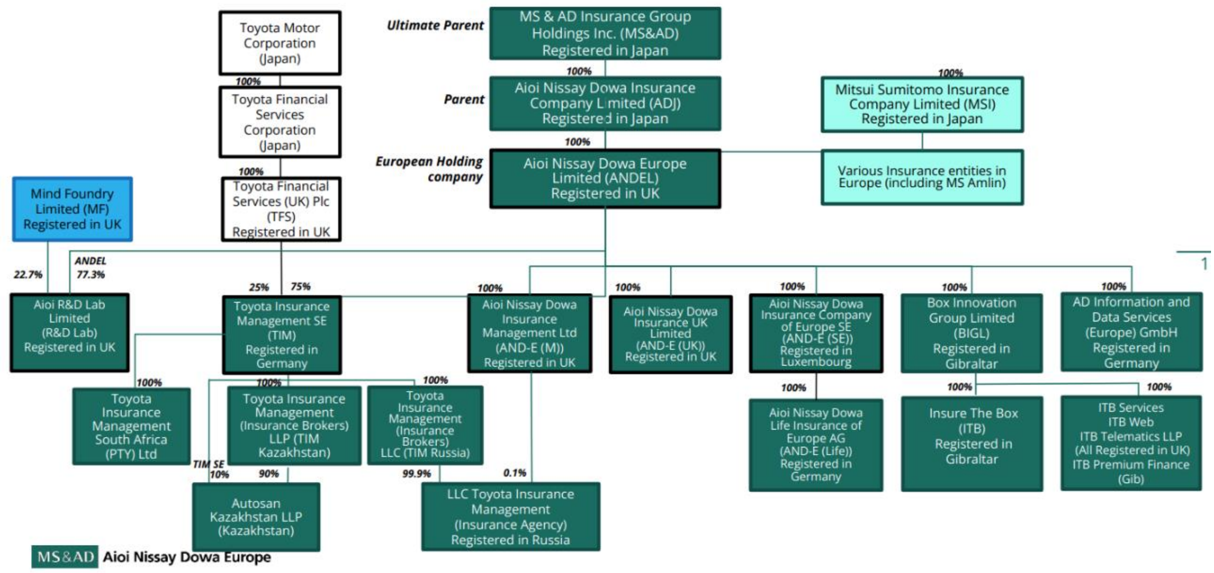
A.1.2 Group Structure

The Company has a 100 % subsidiary, Aioi Nissay Dowa Life Insurance Company of Europe AG ("ANDLIE"), based in Germany. The activity of ANDLIE is life insurance, specifically payment protection insurance. From a regulatory perspective ANDIE SE and ANDLIE form a group, referred to in this document as "ANDIE SE Group".

The Company is also part of an insurance group. It is owned 100 % by Aioi Nissay Dowa Europe Limited ("ANDEL"), a company incorporated in the United Kingdom, which itself is 100 % owned by Aioi Nissay Dowa Insurance Company Limited ("ADJ"), a company incorporated in Japan.

The affiliated company Toyota Insurance Management SE, a joint venture between ANDEL and Toyota Financial Services (UK) plc, acts as an insurance intermediary for the Company and supports its cooperation with the Toyota Group throughout Europe.

The table below shows a summary of the relevant group structure.



A.1.3 Basic areas of business

The Company is authorised to act as non-life insurer in the fields of motor and general insurance. Its main fields of business consist of motor insurance (third party liability and casco), both for private vehicles and company fleets. In some markets the Company also offers other lines of business which include guaranteed asset protection or multi-risk policies for car dealers.

The Company offers its products through its branches in Belgium, France, Germany, Italy and Spain. In Austria, Denmark, Estonia, Finland, Ireland and Poland the company underwrites business either via freedom of service or via reinsurance.

Due to Brexit, the Company's branch in the United Kingdom is in run-off and the existing UK policies are expected to be maintained in the branch until claims are paid and policies expire. Pound sterling liabilities will reduce over the next few years, with the majority of liabilities paid within four years.

The geographical split of gross written premium by country of risk for 2022 is as follows:

Country	2022 gross written premium €m	in% of total GWP	2021 gross written premium €m
United Kingdom	(0,1)	0%	-
Germany	107,6	34%	118.9
Italy	104,2	33%	75.7
France	49,0	15%	45.8
Spain	34,7	11%	28.6
Nordics & others	22,7	7%	11.1
Total	**318,1**	**100%**	**280.0**

The Company's financial year end is 31 December each year. In 2022 the Company changed its functional currency to euros.

S&P Global ratings have assessed the Company's long-term financial strength rating as "A+ / Stable".

A. 1.4 Significant business events

For the reporting period there were no significant business events that are not covered elsewhere in this document.

A.2 Underwriting Performance

The following table summarises the underwriting performance of the Company for 2022, as per the Company's financial statements:

	2022 €m	2021 €m
Gross premiums written	318.1	280.0
Net earned premiums	166.4	179.2
Net insurance claims	92.7	85.9
Investment income	6.0	8.3
Other technical income	0.3	1.8
Operating expenses	58.1	72.6
Loss ratio	55.7%	47.9%

In terms of its underlying operations, after writing less business in 2021 than in previous years, the Company's gross premiums written increased again in 2022. This was mainly due to the excellent customer retention rate achieved by the German branch as well as successful launches of new products by the Italian and Spanish branches. The Company continued to see pressure on sales due to the key role of Toyota dealerships in the Company's product distribution – in the context of a still challenging environment for motor vehicle sales and the continuous shortages in new vehicle because of supply chain issues. This was however offset again through successful product and retention initiatives. The Company reported a profit after tax for the year of €26.2m (2021: profit of €25.0m).

Overall, the Company's strategy continues to be the provision of auto-centric insurance products either directly or on behalf of the Company's strategic partners. ANDIE SE's main strategic relationship remains with Toyota. The Company's fellow subsidiary Toyota Insurance Management SE ("TIM"), which is part-owned by Toyota Financial Services, provides Toyota with insurance expertise, and works in support of Toyota across Europe. The link with Toyota remains critical to the achievement of the Group's and the Company's ambitions with regards to its underwriting business and realising the potential of telematics, not only in Europe but more widely in support of Toyota and the Group's Japanese parent company Aioi Nissay Dowa Insurance Co., Ltd ("ADJ").

The Company's gross written premium ("GWP") for general insurance increased from €280.0m in 2021 to €318.1m in 2022. General insurance premium income includes retail motor and related products, motor fleet and motor-related commercial Japanese Interests Abroad ("JIA"). This growth had been expected to a certain extent because of the ongoing recovery of the European markets after the Covid-19 crisis and the aforementioned new products launches at the Italian and Spanish branches. The outstanding retention result of the German branch had not been expected.

The net underwriting result for retail motor and JIA (excluding UK) in 2022 was better than expected, albeit the lower sales than planned present a challenge for future years as the Company’s insurance portfolios are not growing as strongly as would be desirable in most markets.

Earned premiums are strongly affected by the lack of UK business premium income and only partially offset by the increase in premium earned by the Italian French, German and Spanish branches.

Net claims incurred have increased by 16%. This is mainly a consequence of several large bodily injury claims in the French branch, increased number of customers and an increase in repair costs.

A.3 Investment Performance

For the statutory accounts, where debt securities and other fixed income assets are valued at amortised cost, investment income decreased by 28.3% from €8.3m to €6.0m. The decrease in investment income reflects the reduction in the Company’s investment holdings from €294.1m in 2021 to €272.5m, with this decrease in investment holdings in turn reflecting the overall reduction in the statutory balance sheet as the Company’s UK business continues its run-off.

On a mark to market basis the total return of the asset portfolio for 2022 is -10.8%. Main drivers were the increase in yield curves across all currencies and the adverse change in the Euro to GBP exchange rate changed from 0.84028 as at 31.12.2021 to 0.88693 as at 30.12.2022.

The Company has continued with its strategy of capital preservation and the maintenance of a high degree of liquidity. It does this by investing in high-quality fixed income securities, money market funds and cash. The Company experienced significant falls in the value of its fixed income portfolio during 2022 as markets reacted to interest rate increases by central banks and the wider macroeconomic uncertainty. The Company’s approach of maintaining immediately liquid assets in the form of cash and money market fund holdings means that it was not required to sell any of its fixed income securities to meet cash needs. This position is not expected to change, and the combination of cash and capital buffers means that the Company expects to be able to maintain its fixed income portfolio to maturity, by which time the current level of unrealised losses will have unwound.

From the Company’s perspective, the advantage of the recent interest rate rises is that available returns on its favoured investment classes have improved. In 2022 these returns have fallen short of headline rates of inflation across the countries in which the Company operates. Nonetheless, should inflation fall back to more recent trends and the current level of interest rates be maintained, the Company expects to be able to benefit by generating more meaningful returns from its fixed income portfolio, its money market funds and its cash than has been possible in recent years.

A.4 Performance of other activities

The other income and expenses of the Company are as follows:

	2022 €m	2021 €m
Other technical income	(0.3)	(1.8)
Administrative expenses	13.4	19.2
Acquisition costs	88.7	81.7
Reinsurance commissions	(40.4)	(22.6)

Other charges, incl. value adjustments	(2.8)	0.5
Lease costs	3.5	8.2

Other technical income comprises income directly related to the Company's insurance business which does not constitute insurance premium income, including add-on income and rebates.

Administrative expenses are general expenses related to the management of the Company and its underlying business which cannot be allocated to either the handling of claims or the acquisition of insurance business. Acquisition costs comprises commissions paid for the acquisition of business, including a share of administrative expenses allocated to business acquisition. Reinsurance commissions are the net of commissions taking into account the reinsurers' share. Lease costs are mainly for the leasing of general office space and other equipment. Within the financial statements, lease costs are included within the total for administrative expenses. Other charges comprise other non-technical expense, profit or loss on exchange and value adjustments on investments.

A.5 Any other information

The Company is not aware of any other material information that is not covered elsewhere in this document.

B System of Governance

B.1 General information on the system of governance

B 1.1 Overview of the Company's administrative, management or supervisory body

The Company is incorporated as a Societas Europea (S.E.) with a one-tier system, according to which the Company is managed by the administrative organ ("Board"). The General meeting of the Company decides on matters for which it is given sole responsibility.

Within the articles of association, the structure, roles and responsibilities of both organs (the administrative board and the General meeting) are described.

General Shareholder meeting

The General meeting represents the shareholder and undertakes the tasks according to applicable law.

Board of Directors

The Board manages the Company and is ultimately responsible and accountable for the performance and strategy of the Company and for ensuring that the Company complies with all legal, statutory, regulatory and administrative requirements.

The Board sets the strategic aims of the Company and ensures that the necessary resources, both financial and staff, are in place to allow the Company to meet its objectives. The Board is collectively responsible for the long-term success of the Company and delivery of sustainable value to its shareholder. The Board sets the strategy and risk appetite for the Company and approves capital and operating plans presented by management for the achievement of the strategic objectives it has set. The Board meets at least four times a year.

From 01.01.2022 to 31.12.2022, the members of the Board were:

- Christian Alt — Dirigeant Agréé
- Michael Kainzbauer — Chairman
- Roger McCorriston — Independent non-executive director
- Michael Swanborough — Non-executive director
- Noboru Yamahara — Non-executive director (from 16.03.2022)

Overview of existing key functions

According to Art. 268 et seq. of the Commission Delegated Regulation 2015/35, the Company has established the four key functions Risk Management, Actuarial, Compliance and Internal Audit.

Overview of existing committees

Subject to the Board consisting of 5 members at the moment, no committees were set up on Board level. However, to support the Board, the Company did set up dedicated committees for certain subjects. The ultimate responsibility for those tasks remains at the Board.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is a key element of the Company's internal control framework. The Committee controls and monitors the activities of the Company's Audit, Risk and Compliance activities, which are the key oversight and assurance functions at the core of the Company's second and third line of defence. The Committee is responsible for providing focused support and advice on risk governance to the Board, for ensuring that material risks facing the Company have been identified and that appropriate arrangements are in place to manage those risks effectively in accordance with the risk appetite set by the Board.

Investment Committee

The Investment Committee supports the Board in ensuring that investments comply with ANDIE SE's investment risk appetite, investment strategy and regulatory requirements. Activities include the management and administration of the Company's investments, oversight of all treasury activity and the funding of all operating units. The Investment Committee considers the investment and treasury strategies of the Company, translates the investment risk appetite of the Company into an investment policy, and monitors the cash flow and working capital of the Company. The Investment Committee also oversees the performance of the Company's outsourced investment management provider.

ANDIE SE Management Committee

The purpose of the ANDIE SE Management Committee is to manage the business of the Company. The Committee conducts oversight on the Company's operations save for those matters which are reserved for the Board and the Board's committees.

Reserving Committee

The purpose of the Reserving Committee is to set the reserving policy for the Company and to monitor ongoing compliance with that policy. The Committee receives reserve reports from the Actuarial function, covering best estimates and risks and provides input and challenge to the best estimates and the risk assessment. The Committee determines the amount of reserves to be booked in the Company's annual accounts and the level of Solvency II technical provisions.

Underwriting and Pricing Committee

The Committee is supporting the Board with putting in place the pricing and underwriting policies for the Company and for monitoring compliance with those policies. The Committee agrees performance benchmarks for the Company's insurance portfolios and monitors compliance with those benchmarks. It also reviews and approves new underwriting products or portfolios. The Committee provides a written report to the Audit, Risk and Compliance Committee on the current underwriting risks faced by the Company, the Company's adherence to underwriting risk appetite and the underwriting risks which may arise in the future.

Risk modelling Committee

The purpose of the Committee is to propose (for ARCC approval): policies, specifications and schedules of activity relating to the appropriate modification, application and validation of risk modelling techniques utilised by the Company and its subsidiaries (collectively, the "adopted risk modelling approach") and to provide oversight of risk modelling activity relative to that adopted approach.

B. 1.2 Remuneration Policy

The Company remuneration policy is designed to attract and retain suitable employees to assist the Company in meeting its aims. The Company seeks to provide a base salary together with a benefits package that will ensure the long-term security and health of its employees. Salaries and benefits are reviewed regularly to take account of the success of the Company and the latest employment trends. The Company is committed to being a fair and equal employer and the remuneration policy is designed to support this objective.

The most important element of remuneration for the Company's employees is base salary. The Company considers that its base salaries are competitive in the market and appropriate for attracting and retaining the right staff. All salaries are reviewed in accordance with market practice and with any statutory, regulatory or taxation requirements in the individual country.

Depending on local market practice, the ANDIE SE Group operates an annual bonus plan based on business unit and individual employee performance. The objective of the bonus scheme is to offer participants an incentive to contribute to the Company's performance by linking pay to performance in areas within the employee's influence and control. The bonus amount payable for each employee depends on the achievement of set financial objectives relative to the business plan, evaluation of performance against a competency matrix and evaluation on the contribution to the ANDIE SE Group's performance through the successful completion of individual objectives. The variable element of remuneration is capped at a percentage of fixed salary, such as to promote sound and effective risk management and to avoid excessive risk taking.

The Company also offers a range of benefits to employees, which vary by individual country. Depending on local practice, the Company operates a company pension scheme and pays contributions to the scheme on behalf of employees based on a percentage of salary. The schemes are defined contribution scheme and the assets of the scheme are held separately from the Company in independently administered funds. Employees contribute additional voluntary contributions to suit their circumstances. The Company has no defined benefit pension liabilities.

Other benefits depend on the country in question and vary according to local custom and practice, statutory and regulatory requirements, taxation treatments and individual employee needs. Among the benefits offered are life assurance, private medical insurance, restaurant vouchers, permanent health insurance, company car, sports club memberships, salary sacrifice options and long service awards.

The Company and the ANDIE SE Group do not operate any share option schemes and no shares in the Company are held by employees. There is a cash-based long-term incentive plan for the ANDIE SE Group's executive directors. This is capped at a level well within regulatory codes. From time to time there may be specific project-based bonuses for staff involved in critical multi-year projects.

B.2 Fit and proper requirements

The Company is committed to ensuring that all its staff have the appropriate skills, knowledge and experience to perform their roles, and this is set out in the Company's governance manual and in its policies and procedures.

Beyond that, both the article 273 of the Commission Delegated Regulation 2015/35 and the LC 21/12 of the Commissariat aux Assurances set up "fit and proper" requirements for the following roles:

- Members of the board of directors;
- Key function holders; and
- Any other members of staff who perform key tasks identified by the Company of who effectively run the Company.

The Company has set up requirements for these roles which are to be reviewed as needed and are also subject to monitoring by the Commissariat aux Assurances.

Before appointing new members of staff for one of the above roles, the Company needs to consider whether the candidate is fit and proper to undertake the required role. This needs to involve an assessment of both their experience with their envisaged tasks and of their propriety.

Based on their professional qualifications, knowledge and experience, members of the Board should be able to carry out a sound and cautious management of the Company. Sufficient knowledge could be demonstrated by relevant professional experience and a sufficient theoretical knowledge deriving from professional training, degrees and training courses in relation to insurance business, business management, economics, tax or general law.

The tasks of the key functions are described in articles 268-272 of the Commission Delegated Regulation. The holders of key functions must have the knowledge necessary to perform the key function in accordance with the tasks described in articles 268-272 of the Commission Delegated Regulation 2015/35. This knowledge needs to be specified in the job descriptions for the individual positions and can generally be demonstrated by many years of professional experience in the relevant area. The fit and proper requirements should be checked by the Board, including an inspection of the documents to be submitted to the Commissariat aux Assurances for the specific activity.
Furthermore, it is assessed whether there is a potential conflict of interest and whether the key function holder has enough time available to perform the task properly.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk Management System

As an insurance company, ANDIE SE is fundamentally concerned with the management of risks. The ANDIE SE Group maintains a risk management system with which ANDIE SE company is aligned.

Enterprise risk management framework

The ANDIE SE operates an enterprise-wide risk management framework that is designed to identify, evaluate, manage and monitor exposure to risk. The process is subject to continuous review and development. Reviews include:

- Identification of whether a single risk gave rise to an event previously reflected on the appropriate risk register(s) and appropriately assessed
- Considering whether the existing risk ratings are still appropriate
- Seeking assurance regarding the effectiveness of controls and control testing
- Confirming that appropriate action(s) have been, or will be, taken and monitored to completion, including action to prevent reoccurrence.

The risk management system must comply with regulatory standards at all times. Risk management processes at ANDIE SE will draw upon recognised industry standards where this is appropriate for the business. To this purpose, ANDIE SE's Risk Management team will be encouraged to pursue relevant professional qualifications and to seek membership of relevant professional bodies. A minimum of 35 hours of Continuous Professional Development should be completed by all members of ANDI E SE's Risk Assurance teams. Other points of reference will include ISO Risk Management Standards and regulatory publications.

The risk management systems and processes at ANDIE SE are required to cover all risks included in the calculation of the Solvency Capital Requirement ("SCR"), and cover

- Underwriting and reserving;
- Asset-liability management;
- Investment activity;
- Liquidity and concentration risk;
- Operational risk; and
- Reinsurance and other risk mitigation techniques.

Company, branch and departmental management are required to identify, assess, manage and monitor their key risks, within the risk management framework overseen by the Audit, Risk and Compliance Committee. The ANDIE SE Group's risk management team is responsible for making available appropriate risk management tools to support the business in the evaluation and reporting of risks. Risk management tools are designed to be easy to understand and capable of being applied consistently at all levels of the organisation. The overall risk management system provides for the aggregation of risk management information as required by the Board and the Board committees.

The risk management framework covers the management of the risk categories and sub-categories as detailed in the Board's Risk Appetite Statement ("RAS") and Risk Strategy document. The high level risk categories currently set out in that document are:

- Strategic risk (including reputational risk);
- Insurance risk;
- Credit risk;
- Market risk;
- Operational risk;
- Liquidity risk; and
- Financial risk.

Qualitative and quantitative limits in terms of risk preference, risk tolerance and risk capacity are set out in the Risk Appetite Statements documents.

The assessment of capital requirements (for both internal and regulatory capital measures) is based explicitly on the risks identified and evaluated through the processes. For regulatory purposes, the

Company uses the standard formula without undertaking-specific parameters to assess the solvency capital requirements and an internal model is not used.

The risk management framework supports the achievement of the Group's objectives by providing a structured mechanism for assessing the impact of decisions on capital requirements and capital efficiency, and the range of outcomes from each potential decision.

Risk and capital management principles are required to be embedded into several business processes and decision frameworks, including pricing assessment, asset allocation, reinsurance purchase, counterparty selection, reserve assessment and capital planning.

Business initiatives that require senior manager or Board level approval are required to include an assessment of the inherent risks involved and any anticipated change to ANDIE SE's overall risk profile.

Three Lines of Defence Model

The Company operates a Three Lines of Defence Model as part of its overall control environment and its risk management system. The main elements of the Three Lines of Defence Model as it pertains to the Company may be summarised as follows:

- First line: the first level of the control environment is the business operations which perform the day-to-day risk management activity.
- Second line: these are the oversight functions of the Company, such as Risk and Compliance, and also include financial controls. These functions set direction, define policy and provide assurance.
- Third line: Internal Audit is the third line of defence. Internal Audit offers independent challenge to the levels of assurance provided by business operations and oversight functions.

There is a regular flow of information across the three lines of defence and from the three lines to the governing bodies (Board and Committees). Likewise executive decisions and directions flow in the opposite direction from the governing bodies.

The central Risk Management function forms a second line of defence and provides support, coordination, and challenge to business units regarding the required risk management process. The head office Risk Management function has oversight of the first line risk registers and reports on the status of compliance with risk appetite and is responsible for providing aggregated reporting to the Audit, Risk and Compliance Committee.

The monitoring of the risks is undertaken at the level of each single business area and the Company as a whole. As the Company develops its business through national branches, within the process of risk monitoring, individual risks can be combined and aggregated in a way to develop single risks that give complete understanding of the overall risk exposure of the Company. The ARCC receives a report at each meeting, showing the latest Risk Dashboard, the annual view on emerging risks, the RAG status of the qualitative and quantitative indicators of the Risk Appetite Statements and any additional points that the Head of Risk Management wishes to raise for awareness or debate.

B.3.2 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") process is part of ANDIE SE's risk management system. Insurance undertakings are required to assess their own short- and long-term risks and the amount of own funds necessary to cover them. The ORSA is the process used to assess the Company's overall solvency needs based on a forward-looking assessment of the Company's risk profile, risk tolerance and business plan. It is used to identify, quantify, monitor, manage and report on the risks that ANDIE SE may face as a solo entity and as a group. The process includes the use of an Internal Capital Model, the parameterisation and validation of which is overseen by ANDEL's Risk Modelling Committee.

The ORSA considers all the key risks that face the business, including those not in the SCR such as liquidity, group, reputational and regulatory risks, as well as those in the SCR. Both internal and external risks are considered.

The full ORSA process is performed at least annually, and a report is produced by the Risk Management function based upon the results of the Internal Capital Model output and taking account the future business plan. Many of the structures and analyses which underlie the ORSA process are on-going parts of the risk management framework; nonetheless the Board considers that an annual review cycle is proportionate to the nature and scale of the risks which the Company faces. In addition, we would run element of the ORSA process and produce an appropriate analysis as soon as practically possible following any significant change in the Company's risk profile. The analysis must inform the Board of the nature of the change in the risk assessment and the implications for solvency under standard and stressed operating scenarios. These changes could affect both the internal and external risk environment. These changes could include, but are not limited to the following events, where they have the potential to significantly alter ANDIE SE's overall risk profile:

- The start of a material or significant new line of business;
- Capital injection;
- A change in risk tolerance limits;
- Changes to reinsurance or other risk mitigation arrangements;
- A portfolio transfer;
- Major changes in asset mix;
- Long term market disruption resulting in changes to our business or capital plans;
- Occurrence of risk events leading to a significant change in available capital and solvency; and
- Other external change which significantly affects the viability of ANDIE's business model.

For a fundamental change, the company may choose to follow a full ORSA process. The Risk Management function will assess the impact of a change in risk profile and advise the Board whether a full ORSA process needs to be run and a full set of documentation produced. The Board can request the Risk Management team to run the full ORSA process, even if the Risk Management function determines it is not necessary.

The Board reviews the ORSA report and uses this to guide key decisions for the business, such as:

- Deciding the Company's strategy and setting the risk appetite;
- Agreeing the business plan for the Company;
- Any necessary risk mitigation actions;

- Forward looking identification and assessment of material risks arising from the business strategy or in the business plan;
- Challenging the results of the standard formula SCR calculation; and
- Assessing the Company's short- and long-term capital position.

In relation to the SCR, the Company produces a five-year projection of the Company's SCR position. The ORSA, which is prepared on a three-year basis, is compared to the results of the SCR projection in order to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator as required.

B.4 Internal control system

Internal controls are the processes established by the Board to provide reasonable assurance of effectively and efficiently meeting, inter alia, the Company's various operational, financial and compliance objectives.

The system of internal control includes all policies and procedures adopted by management to assist in achieving the Company's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business.

The system of internal control relates to every aspect of the Company's operations, including but not limited to the:

- Adherence to management policies;
- Safeguarding of assets;
- Prevention and detection of fraud and error;
- Accuracy and completeness of accounting records; and
- Timely preparation of reliable financial information.

B.4.1 System of internal control objectives

Senior managers are charged with the responsibility for designing, implementing and communicating a network of procedures and processes. These have the objective of controlling the operations of the Company in a manner which provides the Board with reasonable assurance that:

- Data and information published either internally or externally is accurate, reliable, complete and timely;
- The actions of all employees are in compliance with the Company's policies, standards, plans and procedures, and all relevant laws and regulations;
- The Company's resources (including its people, systems, data / information bases, and client goodwill) are adequately protected; and
- The Company's internal controls promote the achievement of the Company's plans, programs, goals and objectives.

B.4.2 Components of internal control

The following components make up the Company's system of internal control and help to achieve the objectives of controlling the operations of the Company:

a. Control Environment
b. Risk Assessment
c. Control Activities
d. Information and Communication
e. Monitoring

B.4.2.1 Control Environment

The control environment is set by the Board and senior management in line with the Company's risk appetite as well as its priorities and direction. The control environment sets the tone for the Company. It provides discipline and structure and strongly influences the control consciousness of all staff. Key factors in the control environment include the integrity, ethical values and competence of all personnel.

B.4.2.2 Risk Assessment

Risk assessment is the identification and analysis of relevant risks which may prevent the Company or a specific business unit from meeting its operational, financial and compliance objectives. The Audit, Risk and Compliance Committee identifies risks affecting the Company, both internally and externally, and recommends risk strategy to the Board.

B.4.2.3 Control Activities

Control activities are the policies and procedures established to ensure that Board and senior management's directives are implemented and risks identified are mitigated. Control is a function of management and is an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the Company to:

- Identify and evaluate the exposures to loss relating to their particular sphere of operations.
- Specify and establish policies, plans, and operating standards, procedures, systems, and other disciplines to be used to minimise, mitigate, and/or limit the risks associated with the exposures identified.
- Establish practical controlling processes that require and encourage all employees to carry out their duties and responsibilities in a manner that achieves the control objectives outlined above.
- Maintain the effectiveness of the controlling processes established and foster continuous improvement to these processes.

B.4.2.4 Information and Communication

Pertinent information must be identified, captured and communicated in a form and timeframe that enables staff to carry out their responsibilities. Continuous communication is essential to the effectiveness of the system of internal control and reaching its objectives.
All the organisational units involved in the internal controls must inform the risk management, internal audit, compliance and actuarial functions of any facts relevant for the performance of their duties within the internal control policy.

B.4.2.5 Monitoring

Monitoring is the process that assesses the quality of the internal control system and follows the three lines of defence philosophy. The Company requires the following monitoring to take place:

- Managers are responsible for monitoring activities performed within their department.
- The Risk Management and Compliance functions assess the appropriateness of and compliance with the Company's policies and procedures.
- Internal Audit is responsible for examining and evaluating the functioning and adequacy of the internal controls and compliance with policies and procedures.
- The Audit, Risk and Compliance Committee is responsible for reviewing monitoring actions.

B.4.3 Compliance Function

The Compliance Function is responsible for:

- Ensuring that the Company complies with all applicable laws and regulatory requirements as well as with all internal policies, processes and procedures; and
- Reporting to the Board on the appropriateness of the Company's compliance procedures; following up identified deficiencies and suggesting improvements as necessary.

The Compliance Function comprises of a Luxembourg based key function holder which is supported by the branches' Compliance representatives and teams, who are responsible for local matters. The Compliance Function has independent access to the Audit, Risk and Compliance Committee.

B.5 Internal Audit Function

The Board has established an Internal Audit function, which is the third line of defence in the Company. Internal Audit is independent from all operational activities.

The primary role of Internal Audit is to help the Board and Executive Management to protect the assets, reputation and sustainability of the organisation. It does this by assessing whether all significant risks are identified and appropriately reported by management and the Risk function to the Board and Executive Management; assessing whether they are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

The Company's Internal Audit function is overseen by the Audit, Risk and Compliance Committee. In this capacity, the Audit, Risk and Compliance Committee is responsible for agreeing an annual programme of internal audit activity, overseeing the performance of internal audits and determining that all major issues reported by the Internal Audit function have been satisfactorily addressed.

On a day-to-day basis the internal audit activity is overseen by the Head of Internal Audit. Where appropriate, the Company makes use of specialist resource from external providers or internally where there are no conflicts of interest. The use of specialist external resources helps to ensure the independence of the function and provides the business with a wider range of skills for carrying out audit activities than is available from suitably independent internal staff. Internal Audit reports through the Audit, Risk and Compliance Committee quarterly but also has a regular reporting line to the Dirigeant Agréé locally and to the ANDEL Group's Internal Audit Director functionally. Internal Audit is also able to report directly to the Audit, Risk and Compliance Committee outside the regular committee meetings.

B.6 Actuarial Function

The Company's Actuarial Function Holder is part of ANDEL Group's Actuarial team. The Actuarial Function Holder is a qualified member of the Institute of Actuaries in Belgium and the Institute and Faculty of Actuaries in the United Kingdom and has complied continuously with the specific professional obligations set down by these Institutes. The wider Actuarial team is composed of qualified members and associated members of the UK Institute and Faculty of Actuaries, equivalent international actuarial bodies, analysts and data management specialists, all of whom comply with relevant professional obligations.

The Actuarial Function Holder has suitable ability, experience, resources and independence to carry out the prescribed tasks of the function holder.

The Actuarial Function is responsible for:

- Co-ordinating the calculation of technical provisions;
- Reviewing the appropriateness of the models and assumptions and considering the sufficiency and quality of data used in the Company's risk and solvency assessments;
- Providing an opinion to the Audit, Risk and Compliance Committee on the Company's underwriting policy and effectiveness of reinsurance; and
- Producing the annual actuarial reports for the CAA.

The Actuarial Function Holder and other members of the actuarial team are members of or regularly attend the following committees:

- ANDIE SE's Underwriting and Pricing Committee;
- ANDIE SE's Reserving Committee and the ANDEL Group's Reserving Committee;
- ANDEL Group's Risk Modelling Committee;
- ANDIE SE's ARCC and ANDEL Group's Risk and Assurance Committee;
- ANDEL Group's Reinsurance Committee; and
- ANDIE SE and the ANDEL Group's Investment Committee.

The Actuarial Function Holder also attends the Board of Director meetings by invitation. Attendance and membership of these Committees allows the Actuarial Function Holder and the actuarial team to contribute to the effective implementation of the ANDIE SE's and ANDEL Group's risk management system.

B.7 Outsourcing

The Company considers outsourcing as defined by Solvency II as an arrangement of any form between an insurance or reinsurance undertaking and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

The Company recognises that it remains responsible for discharging all legal and regulatory responsibilities relating to the outsourced activity.

Outsourcing can provide significant benefits for the company including cost benefits, access to external capabilities and allowing company focus to remain on core activities. However, outsourcing also brings certain risks and challenges including performance concerns, business continuity issues and loss of control.

The outsourcing policy sets out controls in place to reduce the risks associated with outsourcing.

The outsourcing policy applies throughout the Company and its branches, and it addresses the following controls:

- Identification of risks related to the use of external parties
- Management information (MI) and outsourcing approval process
- Monitoring and auditing arrangements
- Data protection obligations

Company's management is responsible for designating suitable owners for each outsourced arrangement. Outsourcing Management oversees the outsourced activities to ensure that the outsourcing policy is followed. Designated owners of outsourced business processes are responsible for assessing and managing the operational and security risks associated with outsourcing, working in conjunction with ANDEL Group Outsourcing Management, Risk Management, Legal and Compliance, Data Protection Officers, Information Security and other functions including IT, and Human Resources.

Designated business owners are responsible for ensuring the appropriate controls to manage the risks from outsourcing are in place and to monitor regular reports against KPIs. Designated owners are responsible for the maintenance, accessibility and storage of any relevant data and documents.

In accordance with Solvency II recommendations, the Company has set four main categories to our outsourced activities and functions:

- Category A: Critical and Important. Concerns services or products without which, it would be impossible to develop our core business. The failure of the provider to perform or to comply, impacts directly and significantly our value chain, our company reputation, or our final customer. Outsourcing activities under this category demand a higher level of monitoring. This would include the business having monthly meetings / performance reviews with the outsourcing provider, enhanced due diligence on renewal, regular performance audits with oversight of ANDEL Group Outsourcing Management.
- Category B: Are not core to our main business and value chain. However, have a significant operational and / or financial impact on the value chain and/or the customer. Outsourcing activities under this category require quarterly meetings / performance reviews between business and the outsourcing provider, due diligence on renewal and performance audits.
- Category C: Covers "nice to have" activities, products and services not related to core functions or our main value chain, and are not exemptible

- Category D: Not related to core functions or main value chain and exempt from procurement policy rules. Outsourcing activities under this category do not require regular monitoring.

The process for determining whether a function or activity is critical or important (category A) is based on a multi-criteria matrix, essentially but not exclusively based on the following aspects: Contribution to Operational Performance, Strategic Importance, Impact on final customer, Impact on company reputation, Business Volume, Data Protection, and sensitivity of shared data with the Outsourcing Provider.

Outsourcing of any critical or important operational function or activity shall not be undertaken if it would:
- Materially impair the quality of the system of governance of the undertaking concerned;
- Impair the ability of the supervisory authorities to monitor the compliance of the undertaking with its obligations;
- Unduly increase operational risk; or
- Undermine the continuous and satisfactory service to policyholders.

Each provider covering a “category A” activity or function should closely be monitored on the performance, as well as on business contingency plans, including exit plans.

The Company is required to devise and record an appropriate scope for the due diligence of a proposed outsourced service provider which considers the risk that the outsourced service provider may be involved in for the design, distribution, or administration of a product. Criteria for selecting an outsource service provider shall be defined and documented as part of the PEM (Proposals Evaluation Matrix) i.e., considering the:
- Examination of the provider’s reputation and history and credit rating;
- Screening against relevant financial sanctions lists;
- Quality of services provided to other customers;
- Number and competence of staff and managers;
- Financial stability of the company and commercial record;
- Ability to meet data protection obligations as a processor or joint controller;
- Quality of risk management, compliance and internal controls including business continuity and anti-slavery arrangements;
- Risk of explicit or potential conflicts of interest that would impair the service provided;
- Quality assurance and security management standards followed by the company; and
- Whether any of the outsourced business will be sub-contracted and information about the sub-contracting service provider.

The business owners should monitor the outsource service provider periodically to ensure compliance with the requirements defined in the contract and ongoing appropriateness. This monitoring should take into consideration the service levels agreed in the contract, determining whether they have been met consistently and reviewing the controls necessary to correct any discrepancies.
- Category A: Outsourcing activities under this category demand a higher level of monitoring, especially if an Important Business Service (IBS) is outsourced. This would include monthly meetings / performance reviews, enhanced due diligence on renewal, regular performance audits and may require the appointment of a responsible person.
- Category B: Outsourcing activities under this category require quarterly meetings / performance reviews, due diligence on renewal and performance audits.

- Category C: Outsourcing activities under this category require yearly meetings / performance reviews.
- Category D: Outsourcing activities under this category do not require regular monitoring.

These requirements should be fulfilled with a proportionate approach, depending on the activity concerned; the nature, scale and complexity of the risks involved in the arrangement. The business, in coordination with risk management should assess the outsourcing risks and run the controls set up by joint effort of ANDEL Group Risk Assurance and ANDEL Group Outsourcing Management. ANDEL Group Outsourcing Management ensures that outsourcing policy is properly followed.
The Company is currently using several service providers to undertake critical or important functions on its behalf. Details of these are as follows:

Company / Branch	Jurisdiction of the service provider	Outsourced Services	Responsible Individual	Role
Luxembourg	UK	Investment Management	Thomas Jannakos	Chief Financial Officer
Luxembourg	Luxembourg	Payroll Service Provider	Diana Strasser	HR General Manager
Germany	Germany	Cloud Services	Steve Wood	Deputy Manager/ Lead Architect – IT Infrastructure Services
Germany	Germany	Customer Services	Jörn Schwarplys	General Manager
Italy	Italy	Claims Management	Marco Gelli	Customer Experience Manager
Italy	Italy	Claims Management	Marco Gelli	Customer Experience Manager
Italy	Italy	Claims Management	Claudio Pistolesi Marco Gelli	Branch Manager TIM Italy Customer Experience Manager
Italy	Italy	Claims Management	Massimiliano Duca	Underwriting & Business Development Manager
Italy	Italy	Customer Services	Marco Gelli	Customer Experience Manager
Spain	Spain	Claims Management	Luis A. Juárez	Claims Manager
Spain	Spain	Claims Management	Luis A. Juárez	Claims Manager
France	France	Claims Management	Céline Cerol	Claims Manager

B.7.1 Claims

There are outsourced claims handling and settlement arrangements, again typically through delegated claims authority, for claims for certain products and or business lines. Outsourced claims handling is performed in France, Germany, Italy, and Spain.

B.7.2 Audits

Day-to-day internal audit activity is overseen by the Company's Head of Internal Audit. Where appropriate, the Head of Internal Audit engages third parties to provide specialist skills to support with audit activity.

B.7.3 Human Resources

The Company uses an outsourced payroll services provider which operates in Luxembourg.

B.7.4 Management services

The company uses Management Services of Group companies Aioi Nissay Dowa Europe Limited and Aioi Nissay Dowa Insurance Management Limited, based in the UK, with the recharge of expenses incurred on the Company's behalf.

B.7.5 Investment management

The Company has outsourced the management of its bond portfolio to Goldman Sachs Asset Management, based in London.

B.8 Any other information

We do not have any other material information regarding Andie SE's system of governance.

B.9. Appropriateness

The Company considers the general set-up of its governance system to be appropriate, reflecting the nature, scale and complexity of the risks inherent in the business.

C. Risk Profile

Overall responsibility for the management of the Company's exposure to risk lies with the Board. To support it in its role, the Board has established an enterprise risk management framework comprising risk identification, risk assessment, control and reporting processes. The Board is assisted in its oversight of the risk management framework by the Corporate Governance and Business committees.

An annual suite of stress tests and reverse stress tests, including underwriting (pricing, reserving and catastrophe), market, operational and credit related scenarios is performed as part of other regulatory reports (ORSA report, Rapport Actuarial and Actuarial Function Report).

The Risk Management team has been implementing 'Scenario Thinking' within the management team. The method may be summarised as follows:

- Setting of a focal issue (for ANDIE SE, 'Achieving profitability') and time horizon (3 years)
- Determining the driving forces that affect the organisation
- Clustering the driving forces
- Defining plausible possible extreme outcomes for each cluster of driving forces
- Carrying out impact and uncertainty analysis
- Defining possible extreme outcomes for the most uncertain high impact outcomes
- Building description of the main outcomes
- Developing the key events, chronology and actors for the scenarios

The above approach aims to:

- open up a wider set of perspectives on the present than currently exists;
- provide a set of conditions under which to test existing strategies, to check robustness across the full range of plausible possible futures
- to provide feedback into the development (by the Board) of new strategies and plans in response to what are perceived to be alternative future business environments

The Risk Management Team carried out various tests and examined plausible scenarios against the ORSA capital requirements. These included a failure to meet growth targets, loss of significant strategic partners, operational losses through a loss of key business sites, exchange rate volatility and the failure of a banking partner. We also considered the exhaustion of reinsurance cover, events with significant losses in countries with no natural catastrophe reinsurance cover, an accumulation of natural catastrophe events below the level of the franchise, an increase in claim frequency and a financial market shock.

The Risk Management Team also performed various reverse stress tests, including:

- Scenarios leading to insolvency (i.e., scenarios that could erode our surplus capital resources)
- Scenarios leading to business model becoming unviable
- Scenarios leading to loss of confidence of key stakeholders

Additional comments are provided below for liquidity risk, credit risk and operational risk.

C.1 Underwriting risk

C.1.1 Nature of the risk

This is the risk that arises from the inherent uncertainty as to the occurrence, amount and timing of insurance liabilities. It manifests itself in variability in the contribution towards expenses and profits.

The risk arises both from current year activity (premium risk) and the run-off of claims which occurred in the current year and prior years (reserving risk).

C1.2 Methods used to assess and quantify the risk

The Company also assesses its underwriting risk through experience analysis (analysis of actual performance against the performance expected according to the Company's business plan) and through its reserving process, which is overseen by the Reserving Committee.

As part of the ORSA process, insurance risks are quantified internally using a simulation model which is used to assess variability of the contribution compared to the business plan. The Company's modelling approach has been independently validated by third parties over the past few years.

Risk parameters are selected for the following variables, for each portfolio individually, and the simulation model is used to create a distribution of values for each portfolio in order to identify the portfolios with the greatest contribution to the overall insurance risk:

- Volume of business;
- Current year loss ratio;
- Claim frequency and severity;
- Natural catastrophe;
- Reserve run-off, and
- Events not in data ("ENID") scenarios.

C.1.2.1 Volume of business

The risk of the volume of business being higher or lower than expected, for example due to higher or lower levels of new business, or changes in the rate at which customers renew their policies.

C.1.2.2 Current year loss ratio

The risk of the current loss ratio being different from the expected level, due to market wide trends or company specific variability. Some examples of market-wide trends are claims inflation, changes in the level of competition, etc. In effect this represents the variability that exists within each market's insurance cycle.

Separate risk parameters are selected for frequency and severity of small, large and natural catastrophe claims. Deviation from plan can occur due to natural random variability but can also be because of variation in the Company's success at achieving planned claims savings. The mitigating impact of excess of loss and quota-share reinsurance is incorporated into the model, to ensure that the result net of reinsurance can be estimated appropriately.

C.1.2.3 Claim frequency and severity

For both small and large claims (greater than €100k), the Company models the typical variation in the frequency and severity of claims.

C.1.2.4 Natural Catastrophe

We model the typical variation in frequency and severity of losses due to Natural Catastrophe events. Our greatest exposure to Natural Catastrophes differs by geographic location. Our exposures include Hail Damage in Germany, Italy, France and Denmark; Windstorm in Germany, France, Norway and Denmark and Flood in Germany.

C.1.2.5 Reserve runoff and ENID scenarios

The Company model the reserve runoff using a standard market practice: the one-year Mack bootstrap. This approach and its implementation were reviewed by an external party. One-year parameters are applied every year until reaching the 3-year time horizon. ENID scenarios are applied on top of the reserve runoff in order to capture Events Not In Data. This is achieved through the use of pre-defined events to which the Company has assigned a “ladder-step” impact and probability (i.e. for example some scenarios could have 3, 4, or 5 outcomes, each of them with a probability of occurrence).

C1.3 Risk mitigation

Disciplined underwriting including appropriate risk management and pricing control is essential to the Company’s success. The Company maintains underwriting and claims policies which define the approach in respect of risk selection and management and each underwriter has an individual mandate governing the acceptance of risks based on their competence. The Company makes use of its own data in making such decisions supplemented by data and advice from expert third parties and insurance partners. In addition, the Company has a centrally managed forum reviewing underwriting issues and performance, including the approval of new products.

Reinsurance is used to manage insurance risk. Much of the reinsurance is placed with the Company’s parent, ADJ, which is A+ rated. The Company also enters into quota share and co-insurance arrangements with third parties. These arrangements vary depending on the product and country in question. The Company also places an excess of loss programme with a high quality panel of reinsurers, including its parent company. The risk of default by reinsurers is discussed in the section on Credit risk.

C.1.4 Material changes in methodology

There was no material change in methodology during 2022.

C.1.5 Risk sensitivity for underwriting risks

As mentioned in the introduction of this section, the Company has considered the impact on the its solvency of a 1% increase of the Company’s net earned loss ratio: the Company’s year-end solvency would be reduced by €1.6m. At year-end 2021, the earned loss ratio was in line with the reforecast.

This is 7.0% behind the net earned loss ratio planned at the end of 2021 (used for the ORSA capital requirements) and 1.7% behind the latest 2022 reforecast carried out in October 2022.

C.2 Market risk

C.2.1 Nature of the risk

This is the risk of external market influences affecting the Company's net asset value, for example changes in interest rates affecting the value of assets, changes in the levels of investment return, changes in exchange rates, etc.

At the end of 2022, ANDIE SE's investments consisted of €192.6 (2021: €224.5m) in bonds and €93.1 (2020: €111.8m) in cash, deposits and money market funds. The Company also has a subsidiary company, ANDLIE, as detailed in the group structure chart in Section A.

The bond portfolio is expected to be held until maturity. As mark-to-market pricing is required when drawing up the Solvency II balance sheet day-to-day market values have an effect on the available Solvency II capital. However, the mark-to-market movements do not affect the Company's cash flows from investments. The risk of being required to sell bonds at a loss to cover unexpected liabilities is considered under liquidity risk.

An alternative to investing in fixed income bonds is to invest in cash or money market funds. As at the end of 2022 the Company's cash holdings were €67.4m (2021: €57.2m) and money market fund holdings €25.7m (2021: €54.7m). Cash, deposits and money market funds are not typically affected by market value fluctuations and are therefore more secure from a capital point of view. However, investing in cash and money market funds introduces greater uncertainty as to the level of income that can be achieved, as this is affected by fluctuating (and in recent years persistently low or even negative) interest rates.

The Company's investment policy is to limit the amount of equities it holds. This is subject to ongoing review.

The Company has assets and liabilities in three main currencies: EUR, GBP and NOK. The Company also has some assets and liabilities in other currencies, but these are not material. Where there is a requirement to hold a certain level of capital in local currency for an overseas subsidiary (other than GBP, EUR and NOK) the approach is to hold the minimum required plus sufficient funds for projected operating cash flow requirements.

C.2.2 Methods used to assess and quantify the risk

Market risks are quantified using a simulation model, separate from that used for insurance risks. Variability parameters for interest rates, bond yields and exchange rates for each currency are selected and the model is then used to create a distribution of the change in net asset and liability values due to each risk, from which the capital requirement can be measured.

- Bond yields – a range of potential movements in yields are chosen and the model calculates for each movement the impact on the value of each bond held;
- Exchange rates – a range of potential movements in exchange rates is chosen and the model calculates for each movement the impact on the GBP value of the Company's net assets; and

- Risk-free yields – a range of risk-free yields is chosen, and the model calculates the impact on the value of technical provisions and on investments.

C.2.3 Risk mitigation

The Company manages its market risk in a number of ways, among which the following can be highlighted:

- The Company has an asset liability management ("ALM") framework that has been developed to achieve investment returns in excess of obligations under insurance contracts. The principal technique of the Company's ALM framework is to match assets to the liabilities arising from insurance contracts by reference to the expected timing of settlement of liabilities. The Company's ALM framework is integrated with the management of the financial risks associated with other financial assets and liabilities not directly associated with insurance and investment liabilities;
- The Company monitors interest rate risk by comparing the duration of the investment portfolio and of the policyholder liabilities. The duration is an indicator of the sensitivity of the assets and liabilities to changes of interest rates. Any gap between the mean duration of the assets and the estimated mean duration of the liabilities is minimised by means of buying and selling fixed interest securities of different durations;
- The Company monitors currency risk and aims to reduce any mismatch between assets and liabilities by reinvesting maturing bonds accordingly.
- The Company has a defined investment policy which sets limits on exposure to securities both in aggregate terms and by geography, industry and counterparty. Investment management meetings are held quarterly. The Company invests in high quality agency and corporate bonds in the UK and Europe, with the average rating of the bond portfolio of A+ (2021: A+) and duration of 2.6 years (2021: 3.2 years). Bond holdings below investment grade are not permitted.
- The Company maintains the outsourced management of its bond portfolio with Goldman Sachs Asset Management in London.
- The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The Company does not currently use derivative financial instruments. This is kept under regular review.

C.3 Credit risk

C.3.1 Nature of the risk

Credit risk is the risk that counterparties will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- exposure to corporate bonds;
- exposure to the failure of bank counterparties;
- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

C.3.2 Methods used to assess and quantify the risk

The Company measures the capital requirement for credit risk using a simulation model to determine the distribution of the total amount of defaults. For each exposure, a probability of default, based on credit rating, is assumed and there is an assumed recovery percentage on default. We also make assumptions about the correlation between exposures, for example allowing for a 50% positive correlation between reinsurance counterparties due to the interconnected nature of the reinsurance market in which one event can hit many reinsurers simultaneously. Some debts are with counterparties which do not have credit ratings – for example, overdue premiums owed by insurance customers or intermediaries – and in this case the assumed default probabilities are higher, albeit the risk is diversified due to the number of policyholders and intermediaries. For the purposes of the Solvency II balance sheet, premium debtors over three months past due are written off in accordance with the requirements.

C.3.3 Risk mitigation

The Company's risk appetite places limits on credit risk by specifying the minimum credit rating that counterparty must have for us to do business with them. Reinsurers must have a credit rating of at least A-, and investment counterparties must have a rating of at least A- with the exception that the risk appetite permits a limited exposure to BBB bonds. In some cases, a counterparty's credit rating changes after a debt has been accrued, and the Company considers the appropriate response to this occurrence on a case by case basis. Typically, balances are minimised in response to a downgrade, and in some cases we would no longer allow debt to accrue with a counterparty. The Company considers the advice of its investment manager Goldman Sachs Asset Management.

The Company places limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. The Group does not have an explicit limit on reinsurance with its parent ADJ. However, all intra-group reinsurance transactions are conducted on an arm's length basis and as such counterparty credit risk is assessed and managed.

The existence of reinsurance arrangements does not discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, the recent payment history of reinsurers is used to update the reinsurance purchasing strategy. Much of the reinsurance is placed with the parent company ADJ, which is A+ rated.

The Company has some exposure to BBB rated bonds. The total amount is not permitted to be more than 15% of the overall bond portfolio and individual holdings in BBB investments are typically restricted to 1.25% of the bond portfolio. All BBB investments are closely monitored with the assistance of Goldman Sachs Asset Management. As at the balance sheet date, the total BBB investment exposure was 12.3% of the total portfolio (2021: 12.7%).

C.4 Liquidity risk

C.4.1 Nature of the risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The Company's portfolio is kept in highly liquid marketable securities to meet liabilities as they fall due. Liquidity risk affects the Company in two main ways:

- Cash flow uncertainty. There can be an uncertainty in the liability, either in terms of its value or its timing. In either case, insufficient funds would be available to meet the requirement. This can arise as a result of claims (the most significant area), through a mismatch between the timing of gross claims being paid and reinsurance recoveries collected, from creditor invoices and expenses and from country risk and currency controls (where a sovereign may restrict the cross-border movement of cash).
- Asset values. There are a number of circumstances which can prevent or restrict the sale of an asset or access to liquid funds. These include the downgrade or failure of a counterparty, bank failure or market or segment downturn. However, given the nature of the Company's investment portfolio this risk is deemed to be low.

C.4.2 Methods used to assess and quantify the risk

Liquidity risk is not considered to be a significant risk for the Company. Although there are scenarios in which the Company would not be able to meet its cash flow requirements as they fall due, these are considered extreme.

C.4.3 Risk mitigation

The Company carries out the following to mitigate liquidity risk:

- Cash flow forecasting. The Company monitors its cash flows closely across all branches to ensure they are correctly funded and matches the cash flow of its assets and liabilities.
- A significant proportion of liquid assets are held at all times to meet expected liabilities.
- The investment policy has been set to avoid concentration risk and to ensure high quality liquid assets.
- Liquidity is regularly monitored by the Treasury department and quarterly by the Investment Committee.

C.4.4 Risk sensitivity for liquidity risks

Cash, deposits and money market funds at the year-end totalled €93.1m (2020: €111.8m). The insurance business is broadly cash neutral, with some fluctuations over the year. There are also €192.6m (2020: €224.5m) of fixed income bonds which are highly liquid in most market circumstances. It would therefore require an extreme cash flow shock for a material liquidity risk to arise.

C.5 Operational risk

C.5.1 Nature of the risk

This is the risk that errors caused by people, processes or systems lead to losses to the Company, or the risk that arises from unanticipated or poorly anticipated external events. Among the most important contributors to operational risk considered by the Company are:

- Internal and external fraud;
- Legal action against the Company;
- Significantly higher than expected inflation of costs;

- Changes in employment law;
- Improper market practices;
- Failure to comply with regulations;
- Project overruns or failures;
- Poor performance or failure of an outsourced provider;
- Business disruption and system failures;
- Damage to physical assets (e.g. due to natural catastrophe);
- Loss of key personnel;
- Pandemic;
- Unexpected subsidiary funding requirements;
- Inadequate or inaccurate systems;
- Unauthorised access to sensitive data; and
- Cyber-crime and system security.

C.5.2 Methods used to assess and quantify the risk

The Company maintains a record of significant materialised risk events experienced within ANDIE SE, and also takes account of materialised risk events within the wider market.

The Company maintains risk registers for each significant business function and unit. These are used to inform the approach for modelling operational risk, which relies on expert judgement on the likelihood and severity of various scenarios. The resulting risk profile for operational risk is assessed quantitatively and is incorporated in the assessment of solvency requirements.

C.5.3 Risk mitigation

The Company manages operational risk mainly through the use of detailed procedure manuals and a structured programme of testing of processes and systems, carried out by Internal Audit department. The Company's enterprise risk management framework also requires all key functions and units to maintain risk registers, which are reviewed and challenged by the Risk Management Function, with a process of escalation of key issues to the Company's Risk Committee. Materialised risk events experienced within ANDIE SE are captured, remediation co-ordinated and root cause analysis performed using the Group's risk management application.

C.5.4 Risk sensitivity for operational risks

The operational risk per the SCR standard formula calculation is 9.2% (2021: 11.0%) of the SCR as at the balance sheet date. However, the Company's ORSA includes a lower amount for operational risk in order to reflect management and the Board's view that the Company's operational risk is lower than the SCR standard formula indicates.

Following the Covid-19 pandemic, there was an increase in cyber-crime worldwide and this remains the case with further recent examples of cyber-attacks. The Company also faces increased regulatory pressures. The most recent example comes from the European Data Protection Guidelines, which impact the processing of telematics data, which is relevant to the Company given the intention to introduce new product types and to roll-out further telematics-based products in European markets.

Given the above, the Group determined that it was appropriate to maintain the operational risk capital held at an ANDIE SE (based on data as at 31 December 2021).

The ORSA Operational Risk Capital as at 31.12.2021 has been set at the same level as the 2024 SF SCR Operational Risk capital projection, to reflect that the ORSA capital basis at present is a 3-year view. The SF SCR is a good proxy for setting Operational Risk capital and aligns with the premium growth in the business.

Nonetheless, the Company continues to manage its capital position in accordance with the standard formula and maintains sufficient own funds to cover the SCR (including operational risk) and the MCR with an appropriate buffer.

C.6 Other material risks

There are no other material risks.

C.6.1 Strategic risk

Strategic risk is the current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions and the lack of responsiveness to changes in the business environment.

Much of the Company's business relies on the parent company's relationship with Toyota. This mono-customer strategy is considered to be the Company's most significant strategic risk, as, according to our reverse stress testing exercise, it is the risk that is most likely to render the business model unviable. While the Company has diversified its product base and its business lines the relationship with Toyota is likely to remain the largest single distribution channel for some time. This risk is mitigated by the close relationship at all levels with Toyota and in the medium-term by the diversification in our client base and distribution channels.

C.6.2 Reputational risk

Reputational risk is a form of strategic risk within the Company's risk taxonomy. Reputational risk is defined as the risk of losses because of damage to the reputation and brands of the Company or of other companies on which the Company's fortunes depend. The main forms of reputational risk affecting the Company are:

- Damage to the Toyota brand, as much of the Company's business is Toyota branded;
- The Company's own reputation with Toyota and credibility as an insurance partner; and
- Damage because of failures by out-sourced providers, co-insurance partners or problems in the wider MS&AD Insurance Group.

Issues from a Toyota perspective are largely confined to reductions in car sales and hence lower levels of new insurance business. This has been demonstrated by the effect on the business of various safety recalls that have been instigated by Toyota over the past few years. Retention was unaffected across all countries as customers were able to distinguish between the issues relating to the safety recall and the insurance product. In these circumstances the short-term financial impact is small, growing only over an extended period of time. The Company uses a wide range of outsourced suppliers, including co-insurance arrangements. Brand damage to a co-insurer would potentially be more visible and could have an impact on our operations although the main focus of the branding is Toyota. Problems at other MS&AD group entities could also potentially affect relationships with regulators or other partners.

In terms of our own competitiveness and customer service the most important mitigation is to promote strong relationships at all levels to ensure problems are addressed and explained at an early stage to prevent escalation into more serious issues. This starts with regular reviews of key performance indictors and complaints to external management meetings at various levels to ensure that we are strategically and operationally aligned with Toyota.

C.7 Any other information

We are not aware of any other material information that is not already covered in the other sections of Part C.

D. Valuation for Solvency Purposes

D.1 Assets

According to Article 75(1)(a) of Directive 2009/138/EC, all assets must be valued at an amount for which they could be exchanged between knowledgeable and willing parties at an arm's length transaction, i.e., at their fair values.

The table below gives the values of assets according to Luxembourg Gaap and Solvency II. Any differences are explained in the following paragraphs.

As at 31.12.2022	Annual Accounts value [€m]	Reclassification/ Valuation [€m]	Solvency II Value [€m]
Assets:			
Deferred acquisition costs	33.8	(33.8)	0.0
Intangible assets	1.5	(1.5)	0.0
Property, plant & equipment	3.3	(1.3)	1.9
Holdings in related undertakings	5.6	25.6	31.2
Bonds	207.7	(15.1)	192.6
Collective investment undertakings	26.0	(0.3)	25.7
Deposits other than cash equivalents	32.7	(32.7)	0.0
Other Investments	0.2	(0.2)	0.0
Reinsurance recoverables	206.7	(50.3)	156.4
Insurance receivables	72.7	(32.2)	40.5
Cash and cash equivalents	34.4	33.0	67.4
Other assets	46.3	15.7	62.1
Total assets	**670.9**	**(93.1)**	**577.8**
Liabilities:			
Technical provisions	429.9	(131.1)	298.9
Other Technical Provisions	0.0	0.0	0.0
Insurance payables	20.1	0.2	20.3
Reinsurance payables	7.8	0.0	5.6
Deferred tax liabilities	0.0	7.9	7.9
Other liabilities	34.9	24,8	59.7
Total liabilities	**492.8**	**(100.6)**	**392.1**
Excess assets over liabilities	**178,1**	**7,5**	**185,7**

The below table sets out the assets and liabilities at the end of the prior year (31 December 2021):

As at 31.12.2021	Annual Accounts value [€m]	Reclassification/ Valuation [€m]	Solvency II Value [€m]
Assets:			
Deferred acquisition costs	30.2	(30.2)	-
Intangible assets	0.2	(0.2)	-
Property, plant & equipment	5.0	(2.8)	2.2
Holdings in related undertakings	5.6	28.8	34.4
Bonds	219.7	4.7	224.5
Collective investment undertakings	-	54.7	54.7
Other investments	0.2	(0.2)	-
Reinsurance recoverables	227.7	(40.6)	187.1
Insurance receivables	87.0	(3.5)	83.5
Cash and cash equivalents	111.8	(54.7)	57.2
Other assets	41.7	(8.2)	33.4
Total assets	**729.2**	**(52.3)**	**676.9**
Liabilities:			
Technical provisions	463.0	(79.4)	374.6
Insurance payables	21.8	0.0	21.9
Reinsurance payables	6.3	(1.6)	4.7
Other liabilities	38.5	9.0	47.5
Total liabilities	**529.6**	**(80.9)**	**448.7**
Excess assets over liabilities	**199.6**	**28.7**	**228.3**

In the following sections is the Solvency II valuation basis for each class of asset described. Any significant differences in the valuation under Solvency II and the valuation in the annual accounts are explained for the class of asset in question. Technical provisions are discussed in section D.2 and liabilities are considered in section D.3.

D.1.1 Deferred acquisition costs

In the annual accounts, deferred acquisition costs are earned over the term of the policy, in proportion to the earning of premium. In the solvency balance sheet deferred acquisition costs are not shown as an asset but are reflected in the valuation of technical provisions.

D.1.2 Intangible assets

Intangible assets are only shown in the solvency balance sheet if they are accounted for under IFRS and traded in an active market. The latter requirement is deemed to be met if an active market exists for similar assets. Since ANDIE SE's intangible assets currently do not meet this requirement, no amount is reported for this item in the solvency balance sheet.

Under Solvency II intangible assets are assigned a value only when they can be traded, and a valuation can be derived from an active market. As the intangibles of the Company do not meet these requirements no value is assigned to intangible assets for Solvency II reporting.

D.1.3 Deferred tax assets

There is no requirement to account for and calculate deferred taxes under Luxembourg Gaap. For Solvency II purposes, deferred taxes are determined pursuant to Article 15 together with Article 9 of the Delegated Regulation (EU) 2015/35. Therefore, deferred taxes are recognised and valued in accordance with IAS 12.

Deferred tax assets should only be recognised to the extent that it is probable that future profits are available in the same country and the same period in which the temporary differences are expected to reverse. Therefore, as at 31 December 2022 ANDIE SE does not recognise any deferred tax assets or tax loss carry-forwards in its Solvency II balance sheet.

D.1.4 Property, plant and equipment

The Company's property, plant and equipment is held in the annual accounts at cost less depreciation. Solvency II requires them to be held at fair value. As active market valuations for the assets in question could not easily be obtained, the Company has written these assets off for the purposes of Solvency II. The remaining amount of €1.9m (2021: €2.2m) relates to property holdings. These are held at historical cost in the accounts and are held at fair value in the Solvency II balance sheet.

D.1.5 Holdings in related undertakings, including participations

As at the reporting date the Company had holdings in related undertakings, including participations of €31.2m (2021: €34.4m).

As at the year-end, ANDIE SE directly owned 100% of Aioi Nissay Dowa Life Insurance of Europe AG (ANDLIE). The holding in ANDLIE is valued using the adjusted equity method referred to in Article 13(b) of the Delegated Regulation as valuation in accordance with Article 10(2) of the Delegated Regulation is not possible. ANDLIE is a life insurer, domiciled in Germany, which reports to the German regulator under Solvency II rules. The participation's assets and liabilities are valued in the same way by ANDIE SE as they are by ANDLIE according to the Solvency II regulations and guidelines. The adjustment from the annual accounts balance sheet valuation to Solvency II was €25.6m (2021: €28.8m).

In the annual accounts the Company's participation is treated as an investment in a subsidiary and is valued at cost less impairment. The value in the accounts remained at €5.6m (2021: €5.6m).

D.1.6 Bonds

As at the reporting date the Company held investments in fixed income securities of €192.6m (2021: €224.5m). The holdings are split between the asset classes government bonds, corporate bonds and collateralised securities. As at the reporting date, the balance per asset class is €19.2m (2021: €31.1m) in government and agency bonds, €172.9m (2021: €193.4m) in corporate bonds and €0.4m (2021: €0.0m) in collateralised securities

Within the annual accounts, the bond portfolio is held at cost. In Solvency II, the bond portfolio is valued at fair value based on the market price as at the reporting date, which are either quoted prices in active markets for identical assets or quoted prices for similar assets in active markets. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of the bonds are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of the bonds. Under Solvency II the value reported includes any interest accrued on each holding as at the reporting date. In the annual accounts this accrued interest is reported as a separate asset under "accrued interest".

D.1.7 Collective investments undertakings

In the annual accounts, assets held in short-term deposits or collective investment schemes (known as "money market funds") are reported as "Deposits with credit institutions". Under Solvency II, these amounts are treated either as cash when they are short-term deposits held with banks or collective investment undertakings when they are money market funds.

As at the reporting date, the Company held €25.7m (2021: €54.7m) in collective investment undertakings. The collective investment undertakings are valued at fair value based on the market price as at the reporting date, which are quoted prices in active markets for identical assets. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions at an arm's length basis. The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of the collective investment undertakings are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of the collective investment undertakings.

D.1.8 Other investments

The annual accounts include €0.2m (2021: €0.2m) in deposits (other than bank deposits). The Company has written these assets off for the purposes of Solvency II.

D.1.9 Reinsurance recoverables

Technical provisions include the cash flows from amounts recoverable under programmes of reinsurance. The Company uses quota-share (proportional) reinsurance and excess of loss reinsurance (non-proportional):

- For the quota-share reinsurance arrangements, the cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used for the gross best estimates, these are implicitly used to calculate quota share recoveries. A delay is included between the gross cash flows and the corresponding reinsurance recoveries; and
- For the excess of loss treaty contracts, the expected recoveries are not determined using traditional actuarial methods. They are based on an individual assessment of each large claim by the relevant Branch claims manager with the cash flows modelled from the terms of the applicable reinsurance treaty.

Allowance has also been made for the possible default of a reinsurer, as prescribed under Solvency II, using the second highest credit rating for each reinsurance counterparty.

The reinsurance recoverables calculated as part of the Solvency II technical provisions replace the reinsurance recoverables in the annual accounts, which are valued in accordance with the reinsurers' share of the insurance liabilities. Please refer to the technical provisions section D.2 for further details.

D.1.10 Insurance receivables

As at the reporting date, the Company had €40.5m (2021: €83.5m) in insurance and intermediary receivables. Insurance and intermediary receivables comprise mostly of insurance premiums past due from policyholders or amounts due from intermediaries in relation to amounts collected from policyholders. The Company maintains a provision for doubtful debts, based on prior loss experience.

Receivables are initially recognised at transactional value plus directly related costs. They are subsequently measured at the lower of their nominal and probable realisation value. As most receivables are short-term in nature (and doubtful balances are provided for) the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

D.1.11 Cash and cash equivalents

As at the reporting date, the Company held €67.4m (2021: €57.2m) as cash and cash equivalents. Cash and cash equivalents are valued at fair value as reported to the Company by the relevant financial institutions as at the reporting date. As these are cash amounts held in bank accounts the valuation does not rely on market prices. There are no material estimates, assumptions or judgements when reporting the value of cash and cash equivalents.

D.1.12 Any other assets, not elsewhere shown

As at the reporting date, the Company had €62.1m (2021: €33.4m) of any other assets, not elsewhere shown. These other assets include amounts due from group companies, taxation debtors and prepayments. As most of these assets are short-term in nature the carrying value in the annual accounts is considered to approximate their fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value of these assets.

The balance of other assets differs by €15.7m (2021: €8.2m) from the value in the annual accounts. As noted above, accrued interest on the bond portfolio is included as part of the overall bond valuation for Solvency II, which is removed from the equivalent balance in the annual accounts. The Company has also reduced the other assets balance in the annual accounts in respect of other debtors and prepayments which the Company would not be able to use to meet any solvency needs arising.

D.2 Technical provisions

The technical provisions comprise the claims technical provision, the premium technical provision (which together form the best estimate liability) and the risk margin. They are set in accordance with Solvency II regulations. As at 31 December 2022, the technical provisions were:

Class of business	2022 Net best estimate €m	2022 Risk margin €m	2021 Net best estimate €m	2021 Risk margin €m
Motor third party liability	71,5	1,7	103.3	10.1
Motor other	53,4	2,0	56.9	2.9
Other	12,9	1,0	11.7	2.6
Total	137,9	4,6	171.9	15.6

The technical provisions are split into the two largest Solvency II classes of business (both motor), with all other business grouped together in "Other". Most of the business grouped into "Other" is the Solvency II class "Miscellaneous non-life insurance", which includes coverages for Guaranteed Asset Protection and Extended Warranty.

The basis on which the technical provisions are calculated is outlined below. For 2022 we have calculated the risk margin in accordance with the level 2 in the EIOPA hierarchy of simplifications for the calculation of the risk margin (Article 58(a) of Commission Delegated Regulation 2015/35) reflecting more accurately our actual risk. Additionally, risk margins reduced in line with the run-off of the UK book which is more volatile than the European business.

Under Solvency II, the provision for outstanding claims is the best estimate of the cost of all existing open cases and all possible future claims. This contrasts with the value for technical provisions in the annual accounts which are the undiscounted best estimate of all open cases plus future claims as far as they are represented in the claims' history (or market history, depending on the method).

The difference between these two bases has been termed "Events Not In Data" or ENIDs. An allowance for ENIDs has been added to the Solvency II technical provisions by loading each future cash flow by a percentage which increases as the length of time to the cash flow increases. Due to the inherent difficulty of estimating the impact of events which have not occurred in the past and which have an extremely low likelihood, these percentages are extremely subjective. However, a previous benchmarking exercise carried out by an independent third party indicated that the Company's approach to ENIDs was broadly in line with that of peer entities.

The undiscounted best estimates in both cases (annual accounts and Solvency II) have been calculated using standard deterministic actuarial models. For most classes, development factor (or "chain-ladder") methods have been used. For some liability classes, Bornheutter-Ferguson models (or similar methods which combine our own experience with an average market claims experience) have been used.

Usually, future inflation is implicitly assumed to follow historic inflation except in the case of models based on market average experience where inflation is explicitly considered. However, given the current inflationary environment, allowance was made to include additional inflation on top of our base case assumptions.

For each homogenous underwriting risk group, a premium payment pattern has been derived using historical data about policy lengths and frequency of premium payments. Future premium payments are calculated by applying these patterns to anticipated gross written premium.

The premium provision includes not only the unearned exposures at the balance sheet date but also the value of policies the Company has committed to writing at a future date but, that have not incepted at that date. The contracts written by the Company are non-life business, do not include guaranteed renewals (either explicit or implicit), neither do they include any options or guarantees with a significant financial impact on the company. The contract boundary used is usually one year after inception, although there are contracts with shorter or longer terms. There is allowance for ENIDs for future claims in the premium provisions in the same way as for the outstanding claims provisions.

In some cases, there is insufficient historical data to derive the necessary cash-flow patterns for both premiums and claims. In these cases, cash flows are modelled in proportion to similar accounts where we do have sufficient data. These classes do not make up a significant proportion of the net best estimate as at 31 December 2022.

The technical provisions include a risk margin. A simplification has been used for the calculation of the margin, as permitted, by approximating the whole SCR for each future year using a ratio to the best estimate of technical provisions. This simplification is deemed appropriate because there are no negative best estimates at the valuation or subsequent dates, the Company’s reinsurers are A- rated or better and there are no unavoidable market risks.

Technical provisions include the cash flows from amounts recoverable under programmes of reinsurance. The Company uses quota-share (proportional) reinsurance and excess of loss reinsurance (non-proportional).

- For the quota-share reinsurance arrangements, the cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used for the gross best estimates, these are implicitly used to calculate quota share recoveries. A delay is included between the gross cash flows and the corresponding reinsurance recoveries.
- For the excess of loss contracts, the expected recoveries are not determined using traditional actuarial methods. They are based on an individual assessment of each large claim by the relevant Branch claims manager with the cash flows modelled from the terms of the applicable reinsurance treaty.

Allowance has also been made for the possible default of a reinsurer, as prescribed under Solvency II, using the second highest credit rating for each reinsurance counterparty.

Technical provisions have decreased mainly due to the runoff of the UK reserves and the reinterpretation of the definition of premium receivables.

D.3 Other liabilities

Below is set out the Solvency II valuation basis for each material class of liability. Any significant differences in the valuation under Solvency II and the valuation in the annual accounts is explained for the respective class of liability in question.

D.3.1 Deferred tax liabilities

There is no requirement to account for and calculate deferred taxes under Luxembourg Gaap. For Solvency II purposes, deferred taxes are determined pursuant to Article 15 together with Article 9 of the Delegated Regulation (EU) 2015/35. Therefore, deferred tax liabilities are recognised and valued in accordance with IAS 12.

Deferred tax liabilities result from temporary differences between the recognition and measurement of assets and liabilities in the solvency statement and in the tax balance sheets of the countries concerned. Any changes in tax rates and tax legislation as at the balance sheet date are reflected in the calculation.

Our German Branch has an equalisation provision of €28.7m in its local balance sheet that is not shown in in the Luxembourg Gaap or Solvency II balance sheet. The corresponding deferred tax liability in the solvency balance sheet amounts to €7.9m.

D.3.2 Insurance and intermediaries payable

As at the reporting date, the Company had €20.3m (2021: €21.8m) of insurance and intermediaries payable. These are valued in the annual accounts at expected settlement value. However, as these liabilities represent the amounts to be paid to insurance claimants these amounts are not revalued as they are typically settled in the short-term, with the settlement amount rarely differing from the initial valuation. The annual accounts valuation therefore substantially equates to fair value and there is no significant adjustment made for Solvency II valuation purposes. Similarly, there is no adjustment for the valuation of other insurance payables between the annual accounts and Solvency II. There are no material estimates, assumptions or judgements when reporting the value of insurance and intermediaries payable.

D.3.3 Reinsurance payables

As at the reporting date, the Company had €5.6m (2021: €4.7m) of reinsurance payables. Reinsurance payables represent premiums due to reinsurers. They are valued initially at transaction value plus attributable costs. They are subsequently measured at expected settlement value. As the majority of payables are short-term in nature the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

D.3.4 Any other liabilities, not elsewhere shown

As at the reporting date, the Company had €59.7m (2021: €47.5m) of other liabilities, not elsewhere shown. These amounts represent accruals and other liabilities. Accruals are recognised in line with generally accepted accounting principles, so the Company accrues when it is probable that the Company will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation. Other liabilities are recognised initially at transaction value plus directly attributable costs. As the majority of liabilities are short-term in nature the carrying value in the annual accounts is considered to be approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

D.4 Alternative methods for valuation

The Company has not used any alternative valuation methods.

D.5 Any other information

As mentioned under D.3.1 the deferred tax liability (DTL) relating to the equalisation provision of the Company’s German branch is reflected in the Solvency II balance sheet for the first time for the year 2022.

For the annual 2021 calculation this DTL would have been €7.9m. After deduction of the DTL Own Funds would have been €184.7m as at 31.12.2021 compared to €192.5m as published in last year’s SFCR. Please refer to section E.5 for the impact on the ratio of own funds to SCR.

E. Capital Management

E.1 Own funds

The capital management objective of the Company is to maintain sufficient own funds to cover the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) with an appropriate buffer which takes account of the Company's growth ambitions as set out in its business plan. The Board and the Board Committees consider at least quarterly the ratio of eligible own funds over the SCR and MCR. The Company prepares solvency projections over a five-year period as part of the business planning process. The Own Risk and Solvency Assessment (ORSA), which is prepared annually on a three-year basis, is compared to the results of the SCR projection at the three-year point in order to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator as required.

The Company's eligible own funds are primarily invested in high quality fixed income securities, in cash in bank accounts or in money market funds. The Company does not intend to change its investment policy in the short term or to make any change to the disposition of own fund items.

The Company is funded only by share capital and retained reserves. The share capital as at 31 December 2022 is €41.9m (2021: €41.9m). The share capital is fully paid up and comprises 418,756,917 ordinary shares with a nominal value of €0.10 each. There is a reconciliation reserve of €128.7 (2021: €150.7m), after taking account of the foreseeable dividend of €15.1m (2021: €35.7m).

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds. There are no own shares held.

The directors are expecting to recommend a final dividend of €0.036 per ordinary share, for a total distribution of €15.1m (2021: €35.7m), on the basis of the Company's result and solvency position as at 31 December 2022. This dividend has been treated as foreseeable as at the date of this report and has therefore been deducted from the Company's own funds.

As at 31 December 2022, the excess of assets over liabilities of the Company as calculated for the annual accounts was €185.7 (2021: €187.6m). This is a €1.9m decrease since 31 December 2021.

For Solvency II purposes, eligible own funds to meet the MCR and SCR were €170.6m (2021: €192.5m). The main differences between eligible own funds and the net asset value in the annual accounts are set out below.

	2022 €m	2021 €m	Reason
Net asset value per Luxembourg GAAP	178,1	187.6	Per accounts
Revaluation of net technical reserves	80,8	38.8	Differing reserving basis under Solvency II
Deferred acquisition costs	(33,8)	(30.2)	No deferred acquisition costs for Solvency II
Investment in subsidiaries	25,6	28.8	Replaced by participations
Dividend	(15,1)	(35.7)	Treated as reasonably foreseeable per Solvency II

Adjustments to other assets & liabilities (net)	(65,6)	3.2	Different valuation bases between Solvency II and Lux GAAP
Own funds under Solvency II	170,6	192.5	

The movement of own funds on a Solvency II basis during 2021 was as follows:

	2022 €m	2021 €m
Own funds brought forward at 1 January	192.5	179.5
Movement in year	(6.9)	48.8
Foreseeable dividend	(15.1)	(35.7)
Own funds carried forward as at 31 December	170.6	192.5

Solvency II Own Funds were impacted by changing the methodology to reflect deferred tax liabilities as described above and in E.4. During 2022 financial market parameters, especially rising interest rates and the weakening of the GBP against the Euro had an adverse impact on own funds of the Company. This was more than offset by a strong technical result, that was supported by the run-off of the UK business.

The SCR coverage ratio as at 31 December 2022 was 170.1% (2021: 202.3%), with eligible own funds of €170.6m (2021: €192.5m) and an SCR of €100.3m (2021: €95.2m).

The MCR coverage ratio as at 31 December 2021 was 619.4% (2021: 653.3%), with eligible own funds of €170.6m (2021: €192.5m) and an MCR of €27.5m (2021: €29.5m).

Annual and quarterly reporting throughout 2021 and 2022 has shown that the Company has complied continuously with both the MCR and the SCR throughout the current and prior reporting period.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The standard formula is used to calculate the SCR, without modification for undertaking specific parameters. The Company has not used any simplifications permitted by the regulations.

The table below shows the components of the SCR as at 31 December 2022:

Component	2022 €m	2021 €m
Non-life underwriting risk analysed by:		
- Premium and reserve risk	54.8	60.1
- Catastrophe risk	4.0	3.0
- Lapse risk	1.0	8.0
- Diversification credit	(3.8)	(9.6)
Health underwriting risk	0.1	0.0
Market risk analysed by:		
- Interest rate risk	5.6	1.4
- Equity risk	6.9	7.6
- Property risk	0.5	0.5
- Spread risk	8.0	11.2
- Currency risk	32.5	5.9

- Concentration risk	2.9	3.2
- Diversification credit	(15.9)	(9.1)
Counterparty default risk	24.5	24.0
Diversification credit	(29.4)	(21.7)
Operational risk	8.8	10.7
SCR	**100.3**	**95.2**
MCR	**27.5**	**29.5**

The inputs used to calculate the MCR are the net technical provisions and the net written premiums in the last twelve months.

The Company's functional currency changed from pound sterling (GBP) to the euro (€) on 1 January 2022. The Company continues to have substantial GBP assets in respect of its GBP liabilities and it also has surplus GBP assets, reflecting the fact that the Company has held its regulatory surplus in this currency in the past. However, both the pound sterling liabilities and the pound sterling assets are expected to reduce over the next few years, with the majority of liabilities paid within four years and the majority of sterling-denominated bond assets maturing within four years. Therefore, the Company's exposure to foreign exchange movements between euros and GBP will steadily reduce over the coming years.

Nevertheless, the change in functional currency had a major impact on the currency risk component of Solvency Capital Requirements. Due to this change currency risk component increased from €5.9m (2021) to €32.5m as at 31 December 2022, reflecting the high exposure to GBP assets not covering GBP liabilities.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

ANDIE SE does not use a duration-based equity risk sub-module to calculate the solvency capital requirement.

E.4 Differences between the standard formula and any internal model used

The Company applies the standard formula and does not use an internal model for the purposes of calculating the SCR.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

ANDIE SE had adequate own funds throughout the reporting period to cover MCR and SCR.

E.6 Any other information

As mentioned above, the Company's Solvency II balance sheet and SCR calculation saw substantial change compared to last year's publication. In this section we apply those changes to last year's numbers to enable the reader to better compare this year's key figures with those published for 2021.

As described in D.5 the deferred tax liability (DTL) arising from the German equalisation provision for 2021 would have been €7.9m. After deduction of the DTL Own Funds would have been €184.7m as at 31.12.2021 compared to €192.5m as published in last year's SFCR.

As mentioned in E.2 the Company changed the base currency for calculating SCR from GBP to EUR during the year 2022, which had a major impact on the currency risk component of the SCR. If the annual SCR for 2021 would have been already calculated on a EUR basis, SCR would have increased by €21.5m from €95.2m to €116.7m as at 31.12.2021.

If one would combine both changes Own Funds as at 31.12.2021 would have been €184.7m (submission was €192.5m), SCR would have been €116.7m (submission was €95.2m) and the ratio of SCR to Own Funds would have been at 158.3% (submission was 202.3%).

Templates

The following reporting templates are provided as appendices to this document, as required by the regulations:

Template name	Template code
Balance sheet	S.02.01.02
Premiums, claims and expenses by line of business	S.05.01.02
Premiums, claims and expenses by country	S.05.02.01
Life and health SLT technical provisions	S.12.01.02
Non-life technical provisions	S.17.01.02
Non-life insurance claims by line of business	S.19.01.21
Own funds	S.23.01.01
Solvency capital requirement – on standard formula	S.25.01.21
Minimum capital requirement – only non-life	S.28.01.01

Aioi Nissay Dowa Insurance Company of Europe SE

Solvency and Financial Condition Report

Disclosures

31 December

2022

(Monetary amounts in EUR thousands)

General information

Undertaking name	Aioi Nissay Dowa Insurance Company of Europe SE
Undertaking identification code	5493001W3NTGB2HAN989
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	LU
Language of reporting	en
Reporting reference date	31 December 2022
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.12.01.02 - Life and Health SLT Technical Provisions
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	1,930
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	249,488
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	31,240
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	192,583
R0140	*Government Bonds*	19,221
R0150	*Corporate Bonds*	172,921
R0160	*Structured notes*	0
R0170	*Collateralised securities*	441
R0180	*Collective Investments Undertakings*	25,665
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	156,390
R0280	*Non-life and health similar to non-life*	155,647
R0290	*Non-life excluding health*	155,623
R0300	*Health similar to non-life*	24
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	743
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	743
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	30,946
R0370	Reinsurance receivables	9,554
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	67,391
R0420	Any other assets, not elsewhere shown	62,091
R0500	**Total assets**	577,790

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	298,141
R0520	*Technical provisions - non-life (excluding health)*	298,066
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	293,437
R0550	*Risk margin*	4,630
R0560	*Technical provisions - health (similar to non-life)*	74
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	71
R0590	*Risk margin*	4
R0600	Technical provisions - life (excluding index-linked and unit-linked)	743
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	0
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	743
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	743
R0680	*Risk margin*	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	7,853
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	20,295
R0830	Reinsurance payables	5,444
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	59,654
R0900	**Total liabilities**	392,129
R1000	**Excess of assets over liabilities**	185,661

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	0		77,620	184,058	569	734	2,426	0	238	170	47,244					313,060
R0120	Gross - Proportional reinsurance accepted	0	0		1,805	0	0	0	0	0	0	0	3,232					5,037
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share	0	0		39,219	87,318	568	647	2,384	0	238	68	3,964					134,406
R0200	Net	0	0		40,207	96,740	1	88	42	0	0	102	46,512					183,691
	Premiums earned																	
R0210	Gross - Direct Business	0	0		70,980	168,313	520	671	2,219	0	218	155	43,202					286,279
R0220	Gross - Proportional reinsurance accepted	0	0		1,651	0	0	0	0	0	0	0	2,956					4,606
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share	0	0		36,336	80,900	526	599	2,209	0	221	63	3,673					124,527
R0300	Net	0	0		36,295	87,413	-6	72	10	0	-3	92	42,485					166,358
	Claims incurred																	
R0310	Gross - Direct Business	0	0		66,007	82,896	15	103	481	0	64	355	5,281					155,203
R0320	Gross - Proportional reinsurance accepted	0	0		1,317	0	0	0	0	0	0	0	907					2,224
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share	0	0		32,029	40,485	15	82	464	0	63	146	2,124					75,408
R0400	Net	0	0		35,295	42,410	0	21	17	0	1	209	4,065					82,019
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0		0	0	0	0	0	0	0	0	0					0
R0420	Gross - Proportional reinsurance accepted	0	0		0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share	0	0		0	0	0	0	0	0	0	0	0					0
R0500	Net	0	0		0	0	0	0	0	0	0	0	0					0
R0550	**Expenses incurred**	0	0		47,007	9,304	-756	-115	11	0	-5	38	13,311					68,795
R1200	**Other expenses**																	-287
R1300	**Total expenses**																	68,508

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross									0
R1420	Reinsurers' share									0
R1500	Net	0	0	0	0	0	0	0	0	0
	Premiums earned									
R1510	Gross									0
R1520	Reinsurers' share									0
R1600	Net	0	0	0	0	0	0	0	0	0
	Claims incurred									
R1610	Gross									0
R1620	Reinsurers' share									0
R1700	Net	0	0	0	0	0	0	0	0	0
	Changes in other technical provisions									
R1710	Gross									0
R1720	Reinsurers' share									0
R1800	Net	0	0	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0	0	0
R2500	**Other expenses**									
R2600	**Total expenses**									0

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			DE	IT	FR	ES		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	123,614	104,154	48,908	34,516		311,193
R0120	Gross - Proportional reinsurance accepted	3,232	0	0	0	0		3,232
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0140	Reinsurers' share	0	59,623	40,062	11,358	22,441		133,484
R0200	Net	3,232	63,992	64,092	37,551	12,075		180,941
	Premiums earned							
R0210	Gross - Direct Business	0	63,715	149,064	32,176	26,043		270,998
R0220	Gross - Proportional reinsurance accepted	4,755	0	0	0	0		4,755
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0240	Reinsurers' share	0	43,945	48,877	11,861	16,930		121,613
R0300	Net	4,755	19,771	100,187	20,315	9,113		154,140
	Claims incurred							
R0310	Gross - Direct Business	0	125,873	43,518	14,122	41,618		225,132
R0320	Gross - Proportional reinsurance accepted	1,659	0	0	0	0		1,659
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0340	Reinsurers' share	0	63,160	23,844	4,743	29,228		120,975
R0400	Net	1,659	62,714	19,674	9,379	12,391		105,816
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0		0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0		0
R0430	Gross - Non-proportional reinsurance accepted	0	0	0	0	0		0
R0440	Reinsurers' share	0	0	0	0	0		0
R0500	Net	0	0	0	0	0		0
R0550	**Expenses incurred**	1,291	18,387	1,407	23,310	85		44,480
R1200	**Other expenses**							-287
R1300	**Total expenses**							44,193

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross							0
R1420	Reinsurers' share							0
R1500	Net	0						0
	Premiums earned							
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net	0						0
	Claims incurred							
R1610	Gross							0
R1620	Reinsurers' share							0
R1700	Net	0						0
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0						0
R1900	**Expenses incurred**							0
R2500	**Other expenses**							
R2600	**Total expenses**							0

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**									0	0						
R0020	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									0	0						
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**								743	0	743						
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								743	0	743						
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re								0	0	0						
R0100	**Risk margin**								0	0	0						
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole								0		0						
R0120	Best estimate								0		0						
R0130	Risk margin										0						
R0200	**Technical provisions - total**								743	0	743						

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	0	0		0	0	0	0	0	0	0	0	0					0
R0050	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																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	9		6,052	70,254	-5	13	0	-6	-2	13	10,115					86,442
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	4		385	37,887	-5	-4	-4	-2	-2	5	26					38,290
R0150	**Net Best Estimate of Premium Provisions**	0	5		5,666	32,367	0	17	4	-5	0	8	10,090					48,152
	Claims provisions																	
R0160	Gross	62	0		147,389	51,323	48	341	1,652	3	62	-110	6,294					207,065
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	20	0		81,528	30,242	47	131	1,543	0	60	-108	3,893					117,357
R0250	**Net Best Estimate of Claims Provisions**	42	0		65,861	21,081	1	209	109	3	2	-2	2,401					89,708
R0260	**Total best estimate - gross**	62	8		153,441	121,577	43	354	1,652	-3	60	-97	16,410					293,507
R0270	**Total best estimate - net**	42	4		71,527	53,448	1	226	113	-1	2	6	12,491					137,860
R0280	**Risk margin**	0	4		1,670	1,995	0	6	16	0	0	0	943					4,634
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	0	0		0	0	0	0	0	0	0	0	0					0
R0300	Best estimate	0	0		0	0	0	0	0	0	0	0	0					0
R0310	Risk margin	0	0		0	0	0	0	0	0	0	0	0					0
R0320	**Technical provisions - total**	62	12		155,110	123,572	43	360	1,668	-3	60	-97	17,352					298,141
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	20	4		81,914	68,129	41	127	1,539	-2	58	-103	3,919					155,647
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	42	8		73,197	55,443	2	233	129	-1	2	6	13,434					142,494

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Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior											661	661	661
R0160	2013	78,083	24,466	2,970	3,397	997	1,173	359	94	2,083	68		68	113,690
R0170	2014	68,501	22,286	2,885	3,533	1,367	1,048	8,780	385	168			168	108,953
R0180	2015	70,418	63,810	25,098	10,219	12,218	8,332	8,287	1,974				1,974	200,355
R0190	2016	82,164	77,401	27,650	13,477	19,415	7,889	10,264					10,264	238,259
R0200	2017	81,103	51,274	19,263	16,202	13,895	4,111						4,111	185,847
R0210	2018	101,294	64,357	-3,181	6,130	7,398							7,398	175,998
R0220	2019	91,582	57,520	12,833	5,628								5,628	167,563
R0230	2020	85,105	34,473	6,875									6,875	126,453
R0240	2021	91,762	39,666										39,666	131,428
R0250	2022	113,443											113,443	113,443
R0260												Total	190,256	1,562,651

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
R0100	Prior											8,565	7,962
R0160	2013	0	0	0	22,764	7,211	5,566	3,602	3,374	2,277	2,328		2,099
R0170	2014	0	0	42,574	18,382	15,862	20,777	3,795	2,856	2,387			2,174
R0180	2015	0	138,493	29,410	20,806	17,310	15,785	10,225	8,051				7,065
R0190	2016	0	90,504	76,131	64,815	47,397	32,051	14,794					9,293
R0200	2017	154,128	78,807	46,411	29,849	18,552	14,334						12,322
R0210	2018	116,859	58,776	48,035	26,985	14,744							13,078
R0220	2019	97,602	40,010	24,850	16,283								14,510
R0230	2020	87,739	37,045	21,707									19,072
R0240	2021	66,941	35,606										31,156
R0250	2022	69,235											65,565
R0260												Total	184,297

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	41,876	41,876		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	128,710	128,710			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	170,586	170,586	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	170,586	170,586	0	0	0
R0510	Total available own funds to meet the MCR	170,586	170,586	0	0	
R0540	Total eligible own funds to meet the SCR	170,586	170,586	0	0	0
R0550	Total eligible own funds to meet the MCR	170,586	170,586	0	0	
R0580	**SCR**	100,313				
R0600	**MCR**	27,541				
R0620	**Ratio of Eligible own funds to SCR**	170.05%				
R0640	**Ratio of Eligible own funds to MCR**	619.39%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	185,661
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	15,075
R0730	Other basic own fund items	41,876
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	128,710
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	2,443
R0790	**Total Expected profits included in future premiums (EPIFP)**	2,443

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	40,449		
R0020	Counterparty default risk	24,546		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	51		
R0050	Non-life underwriting risk	55,957		
R0060	Diversification	-29,498		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	91,505		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	8,809
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	100,313
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	100,313
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

		LAC DT
	Calculation of loss absorbing capacity of deferred taxes	C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	27,541

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	42	0
R0030	Income protection insurance and proportional reinsurance	4	190
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	71,527	34,091
R0060	Other motor insurance and proportional reinsurance	53,448	100,891
R0070	Marine, aviation and transport insurance and proportional reinsurance	1	0
R0080	Fire and other damage to property insurance and proportional reinsurance	226	85
R0090	General liability insurance and proportional reinsurance	113	19
R0100	Credit and suretyship insurance and proportional reinsurance	0	7
R0110	Legal expenses insurance and proportional reinsurance	2	0
R0120	Assistance and proportional reinsurance	6	97
R0130	Miscellaneous financial loss insurance and proportional reinsurance	12,491	35,138
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		

	Overall MCR calculation	C0070
R0300	Linear MCR	27,541
R0310	SCR	100,313
R0320	MCR cap	45,141
R0330	MCR floor	25,078
R0340	Combined MCR	27,541
R0350	Absolute floor of the MCR	4,000
R0400	**Minimum Capital Requirement**	27,541