AGIR CHAQUE JOUR DANS VOTRE INTÉRÊT
ET CELUI DE LA SOCIÉTÉ

ASSURANCES

CACI Non-Life Designated Activity Company (DAC)

SOLVENCY AND FINANCIAL CONDITION REPORT 2023

SOLVENCY II NARRATIVE REPORT

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SUMMARY

This is the solvency and financial condition report (SFCR) of CACI Non-Life DAC (the Company) as described in the Commission Delegated Regulation (EU) 2015/35. It is presented in conjunction with the quantitative reporting templates append to this report. The aim of this report is to provide explanations on the activity and performance, adequacy of its system of governance, the differences in valuation between Irish accounting and Solvency II, and to evaluate the solvency needs of the Company.

This report was presented to the Audit Committee on 20 March 2024 and approved by the Board of Directors (Board) on 21 March 2024.

The principal activity of the Company is to underwrite protection health and non-life insurance business in several European countries including France, Italy, Germany, Spain, Portugal, Poland and Belgium.

The Company is a member of the Credit Agricole Assurances group (CAA).

Business and Performance

The Company produced a solid set of results for 2023, with an increase in gross premiums of 3.8% to € 429,391k (2022: € 413,611k).

Investment income on fixed rate securities increased by 29% to € 9,158k (2022: € 7,099k) due to the higher interest rates and investment programmes undertaken.

The Board expresses thanks to its policyholders; partners and employees for their diligence and commitment during the year.

Further information is contained in sections A2 and A3.

Systems of governance

The Company is equipped with a system of governance that provides for sound and prudent management. The Board defines the guidelines of the Company's activities and ensures their consistent implementation. The Board is also responsible for the legal, regulatory and administrative rules adopted pursuant to the implementation of Solvency II. This system of governance contributes to the realisation of the strategic objectives of the Company and supports an effective control of its risks considering their nature, scale and complexity.

Risk profile

The main risks for the Company are the health and non-life underwriting risk followed by the market risk. The risk profile describes the risks whether covered by the standard formula or not that are identified, measured and controlled using quantitative data, mitigation techniques and sensitivity analysis.

Prudential balance sheet valuation

The reporting date for the Company's solvency balance sheet is 31 December 2023.

The solvency balance sheet is based on an economic valuation of assets and liabilities:

a. Assets are measured at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction;

b. Liabilities are measured at the amount for which they could be transferred or settled between knowledgeable willing parties in an arm's length transaction. In most cases the local accounting standards provide a valuation at fair value in accordance with the Solvency II principles. The main exceptions are technical provisions (gross and ceded) which have a different valuation basis using best estimate principles and the elimination of intangible assets.

In most cases the Irish accounting standards provide a valuation at fair value in accordance with the Solvency II principles. The main exceptions are technical provisions (gross and ceded) which have a different valuation basis using best estimate principles and the elimination of intangible assets.

Capital management

The Company has adopted a capital management policy that describes the procedures to manage, monitor and classify own funds. At 31 December 2023, the Company's eligible own funds amounted to € 361,562k and a solvency capital requirement of € 170,733k and a minimum capital requirement (MCR) of € 76,830k. No transitional measures have been applied by the Company to calculate its solvency capital requirement (SCR).

At 31 December 2023, the SCR ratio of the company is 211.8% and MCR ratio is 414.9%.

A. BUSINESS AND PERFORMANCE

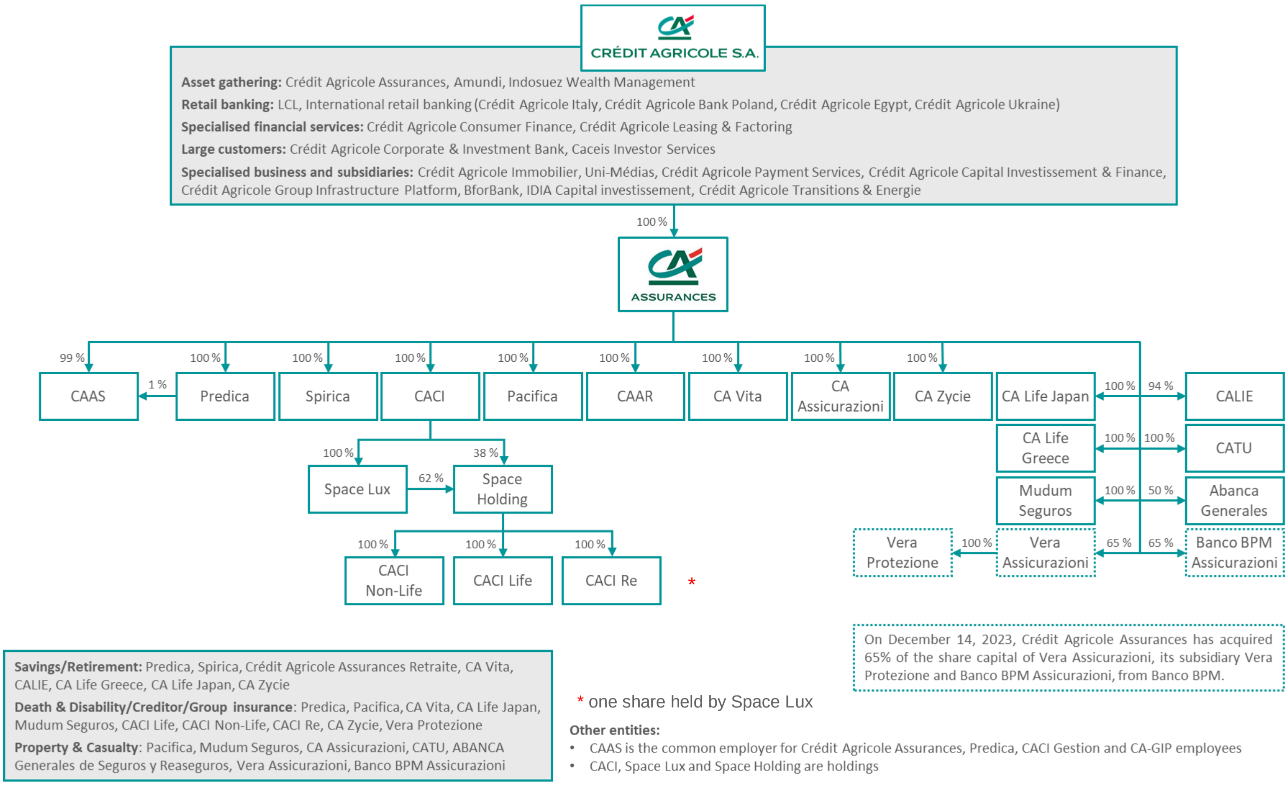
A.1 BUSINESS

A.1.1 Introduction

CACI Non-Life DAC (the Company) is a designated activity company incorporated in Ireland, with a registered office at Beaux Lane House, Mercer Street Lower, Dublin 2.

The principal activity of the Company is to underwrite protection health and non-life insurance business in several European countries including France, Italy, Germany, Spain, Portugal, Poland and Belgium. The Company operates on a freedom of services basis for consumer finance business and freedom of establishment basis both consumer finance and for retail banking business.

The Company is a member of the Crédit Agricole Assurances group as illustrated below:



The Company is regulated by the Central Bank of Ireland, which has its offices at New Wapping Street, North Wall Quay, Dublin 1, Ireland.

The Company is audited by PricewaterhouseCoopers (Chartered Accountants and Statutory Audit Firm), which has its offices at One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

A.2 UNDERWRITING PERFORMANCE

As mentioned previously, the Company underwrites protection non-life business which is categorized as follows in accordance with Solvency II standards:

- Non-Life (excluding health)
- Health (similar to non-life)
- Health (similar to life)

The Company distributes its products principally through Credit Agricole group partnerships including Retail banks in France and Italy; and Consumer finance and Motor finance companies.

Retail banks products are typically mortgage, personal and professional protection products whilst consumer finance products cover personal credit and loan facilities.

Performance by line of business

The table below summarises the underwriting performance of the Company in 2023 and 2022 by line of business on a Solvency II basis. It does not include investment income, which is discussed in section A-3 Investment performance:

	2023					
(€ '000)	Income protection	Fire and other damage	Miscellaneous financial loss	**Non-Life**	Health	**Total**
Gross written premiums	27,347	7,805	70,877	**106,029**	323,362	**429,391**
Gross earned premiums	27,359	8,007	76,405	**111,771**	302,818	**414,589**
Gross claims incurred	(944)	(81)	1,887	**862**	(73,813)	**(72,951)**
Gross expenses incurred	(23,943)	(7,819)	(66,044)	**(97,806)**	(195,231)	**(293,037)**
Other technical (expenses) / income				**5,588**	(5,244)	**344**

	2022					
(€ '000)	Income protection	Fire and other damage	Miscellaneous financial loss	**Non-Life**	Health	**Total**
Gross written premiums	28,166	9,588	66,690	**104,444**	309,167	**413,611**
Gross earned premiums	28,162	9,653	75,319	**113,134**	307,156	**420,290**
Gross claims incurred	(2,028)	98	1,157	**(773)**	(54,862)	**(55,635)**
Change in other technical provisions	0	0	1,736	**1,736**	(802)	**934**
Gross expenses incurred	(21,782)	(4,986)	(65,800)	**(92,568)**	(209,198)	**(301,766)**

Performance by country:

The table below summarises the underwriting performance of the Company in 2023 and 2022 by country on a Solvency II basis. It does not include investment income, which is discussed in section A-3 Investment performance:

	2023					
(€ '000)	France	Italy	Poland	Germany	Others	Total
Gross written premiums	243,308	130,695	9,497	37,097	8,794	**429,391**
Gross earned premiums	243,318	119,035	9,296	35,939	7,001	**414,589**
Gross claims incurred	(49,074)	(13,920)	(2,061)	(6,809)	(1,087)	**(72,951)**
Gross expenses incurred	(162,433)	(92,263)	(6,368)	(26,528)	(5,445)	**(293,037)**
Other technical (expenses) / income						**344**

	2022					
(€ '000)	France	Italy	Poland	Germany	Others	Total
Gross written premiums	245,156	113,119	9,544	37,530	8,262	**413,611**
Gross earned premiums	244,884	123,401	8,787	36,226	6,992	**420,290**
Gross claims incurred	(36,215)	(10,011)	(1,713)	(6,643)	(1,053)	**(55,635)**
Change in other technical provisions	540	455	0	(70)	9	**934**
Gross expenses incurred	(160,623)	(98,415)	(7,079)	(29,941)	(5,708)	**(301,766)**

The Company's largest country by premium underwritten remains **France** accounting for 56.6% of total business. Premiums written in France which cover retail banking decreased by 1.6% due to price discounts applied to some products, whilst consumer finance products increased by 1.6% compared to prior year.

In **Italy** the Company's second largest market, premiums written increased by 15.5% to € 130,695k or 30.4% of total business. Premiums underwritten increased for the retail banks following a strong marketing campaign and commercial performance; whilst consumer finance business increased on the telemarketing channels.

Premiums written in **Germany** the Company's third largest market decreased slightly by 1.1% to € 37,097k due to the performance of the motor finance channels.

In **Poland** the Company's fourth largest market, premiums written remained stable and amounted to € 9,497k representing 2.2% of total business.

Claims incurred of € 72,951k include claims paid and variation in claims reserving (claims outstanding and incurred but not reported). Claims paid increased across all Partnerships and Countries during the year; whilst the Company released all stagflation claims loadings of € 11,342k in line with unemployment experience in 2023.

Other technical expenses / income is a new line for 2023 based on the last Solvency taxonomy evolutions includes the change in unexpired risk reserve, claims handling reserve and other expenses. It is not required to be split by line of business nor by country.

Expenses incurred (gross of reinsurance) amounted to € 301,766k include the acquisition cost of premiums sold by distributors, the variation in the deferred acquisition costs for longer duration insurance covers; the allocation of operating expenses and the cost of medical fees. The overall decrease in expenses year on year is mostly attributable to (i) the variation in deferred acquisition cost on consumer finance business in Italy, Germany and Poland which offsets the (ii) the commissions on premium growth and (iii) variable additional commission associated with the technical performance.

A.3 INVESTMENT PERFORMANCE

The economic and financial year 2023 was marked by a sharp decline in stagflation (slowing growth and very high inflation) that characterized 2022. Whilst, inflation has declined significantly, it remained above central bank targets at the end of the year.

Central banks in advanced economies continued their rate hikes, a move widely perceived to have ended at the end of the year, while some central banks in emerging economies were already starting to cut theirs. In the markets, bond yields hit new highs before falling sharply at the end of the year, while equity indices, for the most part, made good progress.

United States

The United States economy weathered the sharp rise in interest rates much better than expected. In the first three quarters of the year, GDP grew by 2.3% (with even an acceleration in Q3). In addition, job creation averaged over 200,000 per month over the year, a very high figure, while the unemployment rate remained at a very low level (3.7% in December). Inflation, on the other hand, has fallen sharply: in November, the 12-month increase in the consumer price index was 3.1% (vs. 6.5% in December 2022). The Federal Reserve raised rates four times between February and July to 5.5%. At the end of the year, it indicated that the pace of future rate cuts was now under discussion.

Eurozone

At the beginning of 2023, fears were high that economic activity would collapse due to natural gas supply difficulties. However, energy prices fell rapidly and the expected sharp recession did not materialize. However, activity did not accelerate later in the year, mainly due to specific difficulties in the industrial sector and rising interest rates.

Inflation, on the other hand, has fallen sharply: in December 2023, the 12-month increase in the general consumer price index was 2.9% (vs. 9.2% in December 2022). The ECB raised its key interest rates six times at each of its monetary policy committees from February to September, bringing its deposit rate to 4.0% (from 2.0% at end-December 2022). It then halted this movement, but did not commit itself, at the end of the year, to any imminent rate cuts.

Interest Rates

2023 experienced higher yields until the end of October driven by the resilience of economies and the firmness of central bankers to keep rates in restrictive territory. Whilst by the year-end a decline in short and long rates. The US 10 year ended the year at around 3.8% and the German 10 year at around 2%.
The market also expects the Fed and the ECB to begin their rate-cutting cycle in March. This decline in rates can be explained by (i) a sharper-than-expected decline in inflation in developed economies; (ii) a change in the Fed's tone, which has now returned to the point where its two mandates, "inflation" and "employment", are important and (iii) economic growth and a firm labour market in the euro area.
Markets now expect inflation to return quickly to 2 percent without recession.

Equities

Equity markets performed well during 2023. Part of The Modern Index Strategy, the MSCI World increased by +19.5% over the year.

Overall disinflation as well as the resilience of the US economy were the main drivers in 2023 with the evolution of long rates. Within Europe, the Eurozone stands out (+16%). With the exception of Portugal, the so-called "Southern" countries are the most important. Italy rose +28%, followed closely by Spain (+23%). In the

"Northern" countries, Germany posted the best performance with a DAX that peaked at +20% over the year, followed by France with an increase of +16.5% for the CAC 40. The Netherlands also recorded strong growth this year at +14.2%.

The investment performance of the Company for 2023 and 2022 as reported in its Irish GAAP financial statements is shown below:

(€ '000)	2023	2022
Fixed rate securities	9,158	7,099
Other financial investments	747	797
Cash and deposits	135	27
Gains and losses recognised through Income Statement	2,410	2,572
Total financial income	**12,450**	**10,495**
Investment expenses	**(2,978)**	**(3,307)**
Realised losses on disposal of investments	**-**	**(4,688)**
Financial income net of expenses	**9,472**	**2,500**

Fixed rate securities increased during the year due to the higher yields achieved on the investment programmes undertaken in 2022 and 2023.

Investment expenses incurred relate to investment management fees, custodian fees and transaction charges € 448k and subordinated loan interest € 2,530k.

A.4 PERFORMANCE OF OTHER ACTIVITIES

The Company has a non-cancellable operating lease in respect of office premises in Dublin.

A.5 ANY OTHER INFORMATION

No other material information to be disclosed.

B. SYSTEM OF GOVERNANCE

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

The Company is organised around the:

- Board of Directors and General management;
- Business functions; and
- Committees with oversight of management activities.

The Company optimizes delivery of services by complimenting it with expert functions from the CAA Group. These intra group arrangements include capital management, management of corporate communication and internal audit.

B.1.1 Role, responsibilities and duties of participants governance

B.1.1.1 Board of Directors

The Board has primary responsibility for the corporate, management, risk and other governance structures and processes within the Company. The manner in which the Board's business is conducted is set out in the Board and Board committee Terms of References, and the Company's Memorandum and Articles of Association. Board governance documents are reviewed at least annually. The Board meets at least four times per year (eight meetings held in 2023) and is comprised of seven members as at 31 December 2023.

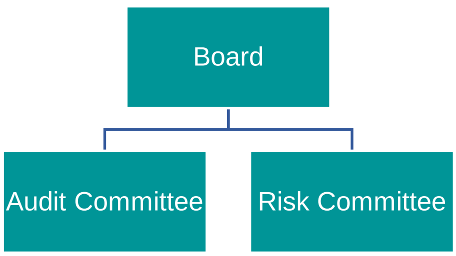
The Company is subject to the Corporate Governance Requirements for (Re) Insurance Undertakings, 2015 of the Central Bank of Ireland, which is a detailed framework stipulating requirements as to good and appropriate systems of governance, control and risk management.

Key responsibilities of the Board members include determining the Company's objectives and strategy. While retaining ultimate responsibility the Board delegate specific responsibilities in accordance with relevant corporate governance standards. The Board is responsible for establishing and maintaining a framework of risk management and internal controls, strategies, policies and procedures which enable the strategic, financial and other risks of the Company to be managed. It ensures that these are appropriate for the nature, scale and complexity of operations and reviews them at regular intervals. Measures deployed by the Board are appropriate and in line with Crédit Agricole Assurances group (CAA group) strategy and general organisation, systems of risk governance and management, and its internal control framework.

The Board interacts with senior management - the Dublin Management Committee (DMC) overseeing its stewardship, and the heads of the key functions, who, keep it informed of business trends and of the results of internal control within the Group.

B.1.1.2 Committees under the responsibility of the Board of Directors

The Board has approved the following committee structures as set out in the chart below:



Audit Committee

The Audit Committee has responsibilities for the integrity and disclosure of financial and expectations of, internal and external auditors. The Audit Committee monitors and reviews the effectiveness of the Company's internal audit function, and ensures that it operates in an independent manner. It monitors the external auditor's independence and objectivity and the effectiveness of the audit process. It also monitors and reviews the effectiveness of the Company's disclosure and financial reporting policy and processes.

The Audit Committee maintains a membership of three Directors comprising two independent non-executive Directors and one non-executive Director from within the CAA Group. The Company Secretariat Assistant of the Company attends all meetings coordinating the agenda with the Chair, documenting the minutes and action points and follows up on same.

Committee meetings may also be attended by the Statutory Auditors and any person responsible for or authorised to report on matters related to risk controls, audit work, finance and accounting, duly invited at the discretion of the Chairperson.

The Committee meets at least three times a year when convened by its Chairperson. The Committee reports on its work at the subsequent meeting of the Board and informs the Board as swiftly as possible of any difficulties it encounters.

Risk Committee

As part of its mission, the Risk Committee is authorised by the Board to oversee and advise on the Company's risk management systems and internal control framework ensuring that risk appetite is appropriate and adhered to and that key risks are identified and managed. That includes the appropriate management of the Company's investment portfolio.

The Committee maintains a membership of four directors appointed by the Board comprising two executive Directors and two non-executive Directors of the Company. The Company Secretariat Assistant of the Company attends all meetings coordinating the agenda with the Chair, documenting the minutes and action points and follows up on same. The Chief Risk Officer of the Company attends these meetings and any other members of senior management or staff may be requested to attend for part of the agenda and report to it accordingly.

The Committee has a minimum of three meetings per year per its Terms of Reference and typically meets at least four times a year.

Ad Hoc Committees

The Board may decide to set up committees responsible for considering specific matters falling within its jurisdiction. Such committees operate under its responsibility.

General Management

The Managing Director of the Company is supported by the Chief Financial Officer, Chief Risk Officer, Head of Compliance & Regulatory Affairs, Chief Commercial and Marketing Officer, Chief Actuary, Head of Operations, Head of Human Resources and the Financial Controller.

The general management (DMC) of the Company puts in place the operational arrangements for implementation of the strategy decided upon by the Board and reports to the latter on its actions. It proposes priorities to the Board and oversees the formulation policies that the Board approves. It procures the establishment of effective decision-making procedures, an organisational structure clearly stating reporting lines, assigns internal control roles and responsibilities and endeavours to allocate adequate resources.

It seeks to ensure that key information about entities and the Group is reported regularly and correctly documented, the main system failings are identified and remedial measures implemented.

It interacts appropriately with the committees implemented within the Company, the key function managers and the Risk Department to ensure risk management and control of internal systems, and that the risk management strategies and limits are compatible with the financial position (level of own funds, earnings) and strategies set for the Group.

During 2023 the Company moved to the International business unit within the Crédit Agricole Group. With representation from DMC the strategic direction is now steered by both International business unit and the CAAPE business unit (Accident & Health and PPI businesses).

The company optimizes delivery of expert functions by leverage upon those established at CAA Group. These intra group outsourcing arrangements include investment management, management of corporate communication and internal audit.

Key functions

Four key functions form part of the systems of governance, namely:

- risk management,
- actuarial function,
- compliance function,
- internal audit function

These key functions inform and guide the Company in the requirements of the system of governance.

They have the authority and the independence required to perform their duties and missions.

Risk Management Function

<u>Function's roles and responsibilities</u>

The Risk Management function is organised in accordance with the internal standards and organisational principles of the Crédit Agricole Group. Banking standards are adapted and supplemented to incorporate the risks inherent in the insurance business line and the requirements of the Solvency II directive. The Risk Management function aims to meet the Company's and CAA Group's following goals:

- Establish a system for managing risks from risk identification and assessment to risk control, management and reporting in adherence with the Risk Appetite set by the Board of Directors;
- Steer the management and reporting of risks through the implementation of the ORSA process and the identification and assessment of emerging risks;
- Advise and issue recommendations to the 1st line to improve the management and control of the risks generated by their activities;
- Ensure compliance with regulatory developments by monitoring the impacts of regulatory changes on the risk governance framework.

<u>Organisation of the function and relationship with other divisions and insurance entities</u>

The Risk Management function is structured as follows:

- Chief Risk Officer - Pursuant to the Corporate Governance Requirements of the Central Bank of Ireland, the Company and the Group's organisation governance structure, the position of Chief Risk Officer is filled, which reports to the Chairperson of the Risk Committee and CEO on all matters concerning the risk appetite. Such a position is a Pre-Approved Control Function of the Central Bank of Ireland under its Fitness & Probity regime.
- Risk Management Team - this team under the supervision of the Chief Risk Officer monitors the risk and control environment and receives reporting from the Company's key functions and management.

It is supported by:

- Contributions made by other key functions, especially the actuarial function on technical risks and the Group's and entities' internal control frameworks,
- Group risk management systems deployed in the Company.

Actuarial Function

Function's roles and responsibilities

The Guidelines issued by the Central Bank of Ireland in 2013 required the Actuarial Function to be in place from 1 January 2014. The role of Head of Actuarial Function has been outsourced to Milliman.

The mission of the Actuarial Function is:

- to ensure the reliability and adequacy of technical provisions in terms of risk. The Actuarial Function is expected to inform the Board of this adequacy;
- to express an opinion of the overall underwriting policy
- to express an opinion on the adequacy of reinsurance arrangements
- to contribute to the effective implementation of the risk-management system in particular with respect to the risk modelling underlying the calculation of the capital requirements.

Organisation of the function and relationship with other divisions and insurance entities

The Group Actuarial function builds on the principles of subsidiarity. Each subsidiary has the requisite resources to manage the risks arising in its business activities and puts in place a solo actuarial function compliant with the Solvency II requirements and the principles of proportionality (controls and analyses by the Group Actuarial function are concentrated in the material activities/portfolios/risks at Group level). Group Actuarial Function also issues standards and guidelines, to be implemented by each entity's Actuarial Function.

Compliance Function

Function's roles and responsibilities

The Compliance Function, a control function of the Company, supports the Board in the discharge of this responsibility. The Compliance Function has been established as an independent function separate from business units and does not engage in any commercial activity, which could create a conflict of interest. The Head of Compliance reports to the Board (or through its Committees), a functional reporting line to the CAA Global Head of Compliance, and to the Managing Director of the Company. Furthermore, the Head of Compliance has access to the Chair of the Board to escalate compliance issues.

The Compliance Function carries out independent compliance monitoring and assessment activity based on an annual plan of work approved by the Risk Committee. The plan of work is based on a consideration of the regulatory environment in which the Company is operating.

Forward-looking assessments of regulatory risk are provided by monitoring emerging legislation, market practice and regulatory communications. New regulatory risks identified are communicated to the Company and, where relevant, representations are made in response to consultation processes initiated by regulatory bodies.

Compliance is free to report any irregularities or possible breaches without any concerns of retaliation of disfavour from management or other staff members and has the right to conduct investigation of possible breaches of compliance policies.

The role of the Compliance Function is to:

- Implement a consistent and clear framework of operation for the Company, within the Crédit Agricole S.A. Group,
- Obtain a consolidated overview of the risks of non-compliance and demonstrate that they are under control,
- Ensure that new products, partnerships and distribution channels are properly validated prior to launch in terms of oversight and governance,
- Facilitate sharing of the best practices applicable more specifically to the Insurance business for the prevention of risks of non-compliance,
- Monitor the risks specific to the Group,
- Arrange compliance training for staff as required by the Group and regulation,
- Handle communications related to its duties,
- Represent the Group vis-à-vis the regulator and the supervisory authority while drawing support from consistent non-compliance risk governance across the Insurance business.
- Ensure submissions and filings are made to the Central Bank of Ireland concerning Fitness & Probity requirements, Anti money laundering (AML) and other compliance matters,
- Implement policies, procedures and frameworks relevant to financial security-AML, fraud, and the United States office of foreign assets control (OFAC) sanctions

Organisation of the function and relationship with other divisions and insurance entities

The Compliance Manager reports hierarchically to the Head of Compliance & Regulatory Affairs and functionally to CAA's Head of Compliance.

Group - Internal Audit function

Function's roles and responsibilities

The Internal Audit function is under the responsibility of the Head of Internal Audit and acts as a third-level control across the entire Group and aims to ensure the correct measure and control risks; the adequacy and effectiveness of the control devices, compliance of operations with respect for procedures, the correct implementation of corrective actions, and to assess the quality and effectiveness of the operation. They provide a professional and independent opinion on the functioning and the internal control of the Group and its entities.

These duties help to provide the Company's Managing Director, the Board, the Audit Committee with a professional and independent opinion on the Group's operations and internal control.

The Head of Internal Audit is authorised by the Central Bank of Ireland as a Pre-Approved Control Function under its Fitness & Probity regime.

<u>Organisation of the function and relationship with other divisions and insurance entities</u>

The Internal Audit function (hereafter called "DAA" - Direction de l'Audit des Assurances) is discharged at the level of the Crédit Agricole Assurances Group by the CAA Group's Head of Audit. DAA's organisational framework, principles and arrangements are laid down in the internal audit policy approved by the Board of Directors of the CAA Group and of its subsidiaries. Furthermore, to guarantee his/her independence, the CAA Group's Head of Audit has dual reporting lines to both Crédit Agricole's Audit-Inspection business line and to CAA Group's Chief Executive Officer. The CEO makes sure that the requisite resources are provided so that it can perform its duties.

B.1.2 Material changes in the system of governance

During the 2023 financial year, there were no material changes in terms of committee procedures.

The following changes were made to the Board Membership:

	Members
Appointment of two Directors	François Josse on 3 May 2023 Tristan Palerm on 13 November 2023
Resignation of two Directors	Axel Marmottant on 29 March 2023 Guillaume Oreckin on 1 March 2023

B.1.3 Information on the remuneration policy

The Company follows the remuneration policy aligned with that of the Credit Agricole Group.

Responsible remuneration policies are adopted to prevent any excessive risk taking by its officers and employees in respect of all stakeholders: employees, customers and shareholders.

Overview and main components of the remuneration policy

Board of Directors

<u>Directors' fees</u>

The aggregate allocation of Directors' fees is disclosed in the audited financial statements as agreed with Crédit Agricole Assurances in accordance with the remuneration policy of the Company.

Non-executive members of the Board receive a fixed fee which is set at a level on a par with the rest of the local market and reflects the qualifications and contribution required in view of the complexity of the business, the extent of the responsibilities and the number of Board meetings.

Total emoluments of Directors are stated in the notes to the financial statements to include interest in shares in CA Group, where relevant, and approved at the shareholder's Annual General Meeting.

<u>General principles</u>

The Company's Remuneration Policy is prepared in line with the Crédit Agricole S.A. Group's ethos. This policy is reviewed and approved every year the Board.

The Remuneration Policy is also prepared in line with Corporate Governance Requirements of the Central Bank.

Objectives

Taking into account the specific characteristics of its business lines, its legal entities and country specific legislation, the Group aims to develop a remuneration system providing employees with rewards in keeping with those customary in their reference markets to attract and retain the talent that the Group needs. Remuneration is linked to individual performance and also to the collective performance of the business lines. Lastly, the remuneration policy tends to curb excessive risk-taking.

The remuneration policy is thus tailored to reflect the objectives set by the Group, while striving to adapt them to the various employee categories and the specific features of the Insurance market.

For the Company, it is a general principle of the performance based remuneration that it is awarded in a manner which promotes sound and effective risk management and does not induce or encourage excessive risk-taking beyond the level of tolerated risk. This is done by ensuring that the criteria chosen for targets are appropriate.

Governance

On a day to day basis the management of remuneration is carried out by the Managing Director and Head of Human Resources.

The Board has decided that, given the size and profile of the Company, the establishment of a Remuneration Committee is not warranted. The Board is satisfied that there are robust systems in place for measuring and monitoring remuneration of staff and management in alignment with performance and the business strategy of the Company.

The Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of the Companies and Group.

General principles objectives and governance framework for the Company's Remuneration Policy

Employees

Initial salaries for posts are determined by HR together with management based on a range of factors including, benchmarking on the basis of salary surveys in the local market, individual experience and competences and Group budgetary guidelines. Proportionality is applied and in considering the nature, scope and complexity of the business activities, the underlying risk profiles of the business activities that are carried out is taken into account.

A formal salary review is conducted by management each year with each employee and salaries may be adjusted based on local market conditions and to take account of individuals increase in skills and competencies.

A Performance Management System operates to:

- Create a clear direction for employees by ensuring that work is aligned with the strategic efforts and directions of the company;
- Assist employees to improve performance;
- Provide an equitable and transparent framework for regular and constructive discussions between managers and employees;

- Create a process for determining how performance should be rewarded, improved and identifying unsatisfactory performance.

An individual-related bonus may be paid to all permanent employees contingent on achieving agreed targets.

In addition a collective bonus may be granted based on a series of group objectives which are proposed each year by the Managing Director in consultation with the CAA group. The latter is used as the determination for the variable element of the bonus scheme.

B.1.4 Main characteristics of material transactions with shareholders

The main material transactions during the 2023 financial year can be classified under the following heading:

Dividends

- An interim dividend of € 34,784k was paid on 26 July 2023 (2022: € 23,508k).

B.2 FIT AND PROPER REQUIREMENTS

B.2.1 Fitness and probity policy

The Central Bank of Ireland's fitness and probity standards apply to all Directors and a number of other key roles within the Company, including those relating to the control functions. The holders of specific roles which are designated as Pre-approved Controlled Functions (PCF) require the advance approval of the CBI.

Minimum standards of fitness and probity apply to all persons performing the functions covered by the fitness and probity standards, including those requiring the pre-approval of the CBI, in the areas of competence and capability, acting honestly, ethically and with integrity and being financially sound. The Company has in place a procedure for assessing the fitness and probity of those persons who come within the scope of the CBI standards. The procedure which is carried out annually, includes an assessment of qualifications, experience, financial soundness, references and a range of due diligence and validation checks.

The Company is also subject to the CBI's Minimum Competency Code 2011 (MCC) which covers all employees who are acting in certain specified roles. MCC requirements include ongoing continuing professional development requirements. All personnel who fall within the code are also subject to the Company's fitness and probity policy.

In addition, the Company is also subject to the Insurance Distribution Directive (IDD) which establishes education, skills and knowledge requirements governing employees in the manufacture of regulated insurance products.

The Company keeps a register of all employees who are accredited persons under MCC, IDD and F&P.As at 31 December 2022, 78 employees in this category were recorded on the Company's register.

B.2.2 Regulatory fitness and probity requirements

Regulatory fitness requirements

Collective fitness of the Board

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

Individual fitness of the Directors, effective managers and key function-holders

The assessment of individual fitness:

- **For Directors**: is a means of both assessing individual functions they are responsible for and determining collective fitness
- **For effective managers and key function-holders**: reflects qualifications and experience in a manner commensurate with their remit. It also reflects whether they have previously held office and all the training they have received throughout their term in office.

Skills

Five areas of skills are listed in the Solvency II regulation for assessing individual and collective fitness. They are insurance, financial, accounting, actuarial and management.

Regulatory probity requirements

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

The supervisory authority must be notified of all active effective managers and key function-holders and of all appointments and reappointments.

B.2.3 Fitness and probity assessment and documentation process

Arrangements for assessing fitness

Individual fitness

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

- For effective managers and key function-holders: the assessment of their skills, in all five areas for effective managers and in their particular area of responsibility for key function-holders, which will be based on their qualifications, previous appointments, experience, training attended, which will be presented in detail in the submissions sent to the Central Bank of Ireland in respect of the duties they perform within an insurance company.
- For Directors: the assessment of their fitness in all five areas (listed in section 2), which is based on their qualifications, previous appointments and experience and authorisations in the management role they perform.

A supporting document has been prepared to help listing qualifications, appointments, experience and training attended. All Directors and senior managers complete this document entitled "Assessment and documentation of Skills/Experience/Knowledge".

Collective fitness

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

Training plan

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

- Effective managers and key function-holders: upon their appointment and depending on the needs identified, training plans may be arranged and followed by effective managers and key function-holders on an individual basis.
- Directors: the general training plan proposed is identical for all the members of the same Board. Following discussions with the Chairperson, individual Directors may express certain training gaps which are catered for in the Board schedule of training, either backing up the collective training plan or taking place in sessions arranged specially for one individual.

B.3 RISK MANAGEMENT SYSTEM INCLUDING ORSA

B.3.1 Risk management framework

The objectives of the Company's risk management framework are to ensure that it can meet policyholder obligations and to protect the Company from events that hinder the sustainable achievement of its performance objectives, including failing to exploit opportunities. The Company recognises the critical importance of having an efficient and effective risk management system in place.

Its risk management framework is organized around a three lines of defence model:

- **Under the 1st line**, the operational management of the company or process owners take direct responsibility for managing the risks arising from their business activities and are accountable for identifying, assessing and managing these risks;
- **Under the 2nd line of defence**, the Risk Management function together with the Compliance and Actuarial Functions for their respective areas are responsible for facilitating the implementation of effective risk management processes and internal controls by the 1st line through the definition of risk management procedures and policies. They also exert second-level controls on the risk management activities performed by the 1st line and assist the Risk Committee and the Board in reviewing and setting the risk strategy of the company;
- **Under the 3rd line**, the Audit function provides assurance to the Board on the effectiveness of the 1st and 2nd lines of defence risk management activities.

To ensure the achievement of its objectives, the Company defines the control and monitoring framework for the various risks to which it is exposed (financial, underwriting and operational risks).

The identification and assessments of risks harness the measurement systems already in place, which have been standardised within the Company – risk dashboard, operational risk mapping updated on a regular basis, internal controls reporting, incident and operational loss compilation, audit assignment conclusions, etc.

The Risk Appetite is reviewed and updated annually by the Risk Committee with the following objectives:

- That the Company underwrites business that creates value for its policyholder, shareholders and business partners;
- That the Company invests in good quality, liquid investments in order to meet policyholder obligations as they fall due;
- That the Company covers its solvency capital requirements, and as such has sufficient capital to withstand adverse shocks and meet this requirement at all time.

This Risk Appetite reflects the current approach whereby measures are set for various exposures, which are then monitored to ensure compliance. The Risk Committee and Board review this at least annually at their meetings.

A quarterly risk dashboard is produced for the Company, which feeds from indicators normalized by risk management and which allows monitoring of the risk profile and identifies possible breaches. Any breach is presented to the Board with an analysis of the causes and a remediation plan if necessary.

Senior management and key functions all contribute to the risk management system whether through writing policies, exercising required controls and proposing improvements.

B.3.2 Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) is overseen by the Risk Management function, with contribution from the Actuarial and Finance functions, and is predicated on the existing risk management framework (Risk Appetite in particular).

The ORSA approach is integrated into the operation of the company and is part of the decision-making processes in place, both at the strategic levels or even operational management. The Company synchronises its ORSA with the preparation of its budget process (medium term plan) and uses the results and analyses to refresh, consistent with budget and capital planning, its Risk Appetite framework and its policies. At an operational level, strategic asset allocation studies, pricing are key operational processes that are also integrated into the whole ORSA framework.

The ORSA is carried out annually but may be updated during the year in the event of a major change in the business environment or risk profile. It is derived from calculations and information produced by entities at solo level using the standard formula, the overall consistency of which is safeguarded by the reference guidance framework established by CAA:

- CAA Group ORSA guidelines setting out key points of methodology;
- Group ORSA scenarios applied by all the entities and established in line with the CAA Group's consolidated risk profile. Solo entities may supplement these with scenarios capturing the significant risks affecting them and not reflected in Group scenarios.
- A set of common indicators shared at Group level used as input for the minimum common base of the Group and entities' risk dashboard and thus facilitating assessment of the risk profile at every level, the aggregation of the indicators and their analysis.

Like in previous years, the ORSA exercise in 2023 covered three regulatory assessments of: overall solvency needs, continuous compliance and adequacy of the assumptions of the standard formula to the Company's risk profile. The ORSA selected scenarios for prospective evaluations included a mix of financial stresses and other events which present material risks to the Company such as demographic risks, regulatory risk, operational risk and others.

B.4 INTERNAL CONTROL SYSTEM

The Company's system of internal control encompasses processes and structures which are intended to provide reasonable assurance to the Board regarding the achievement of objectives which relate to the following areas:

- Operational - effectiveness and efficiency of the Company's operations, including operational and financial performance goals and safeguarding assets against loss;
- Financial reporting - availability, timeliness and reliability of financial and non-financial information, and any other requirements or standards to which the Company is subject ;
- Compliance - adherence to applicable laws and regulations to which the Company is subject.

The system of internal control is an integral part of the overall risk management framework of the Company and is organised along the following common principles:

- exhaustive coverage of participants' activities, roles and responsibilities, with the general management directly involved in the organisation and operation of the internal control framework;
- clear definition of tasks, effective segregation of commitment and control functions, decision-making processes based on formal and up-to-date delegations of authority;
- formal and up-to-date standards and procedures;
- control system consisting of permanent controls embedded in the processing of operations (1^{st} line) or performed by operational staff not involved the operations being controlled (1^{st} line – 2^{nd} level) or by control functions (2nd line-2nd level), and periodic controls (3rd line) performed by CAA Group internal audit.

Internal controls plans are proportionate to the level of criticality of the most important processes and risks identified in the Risk Control Self- Assessment mapping. These controls comprise level 1, 2.1 (defined with the process owners) and 2.2 controls, as well as a baseline of "key" level controls 2.2 established by the Group Risk Management Division (DRG) concerning the quality and proper functioning of the risk management and internal control frameworks.

Each Department is responsible for calculating indicators and implementing level 1, 2.1 controls. Risk Management Department monitors these indicators and organize second level controls.

Compliance Risk controls are integrated into the entire internal control system: risk mapping, local and reinforced control plans, and annual reports. Regular interactions with the internal audit during the preparation of the assignments, and during the audit, the reports and the recommendations contribute to the update of the risk mapping.

The Compliance function covers, the application of the Crédit Agricole Group "FIDES" policy, which covers operational procedures; defines the permanent controls plan; and compliance risk management identified during the establishment or the updating of the risk mapping. In addition the Compliance function will also coordinate mandatory training programmes; provide information to employees and management and; to issue compliance opinions on various topics, in particular during the launch of new products or new activities to the New Activities and Products committee.

The Compliance Manager is Permanent Secretary of the New Activities and Products Committee and the Head of Compliance & Regulatory Affairs is the Chairperson.

B.5 INTERNAL AUDIT FUNCTION

B.5.1 General principles

The Internal Audit function conducts its activities in accordance with the Internal Audit Policy approved in 2023 by the Board of Directors of the Crédit Agricole Assurances Group and the Company. This policy – firmly embedded in the framework laid down in the Solvency II Directive – is reviewed on an annual basis. It also complies with the principles and standards laid down by the Crédit Agricole Group's Audit-Inspection business line (LMAI).

The Internal Audit function has operated centrally since 2010 within Crédit Agricole Assurances' Internal Audit Division (hereafter called "DAA" - Direction de l'Audit des Assurances). It has 32 employees in Paris and also draws on LMAI's methodological resources and standards. DAA covers the entire scope of the Crédit Agricole Assurances Group's internal control perimeter. It also controls directly CACI Life, CACI Non-Life, CACI Reinsurance and their Outsourced Essential Service providers.

B.5.2 Role of the Internal Audit function

DAA is responsible for discharging the Crédit Agricole Assurances Group's Internal Audit function as defined in the Solvency II Directive and "Periodic control" as defined in Article 17 of the decree of 3 November 2014, modified by the decree of 25 February 2021. DAA conducts off- and on-site audit assignments in order to cover all the entities, activities, processes and functions falling within the scope of the Crédit Agricole Assurances Group's internal control perimeter in France and across the international network. It also encompasses governance and the activities of the three other key functions defined in the Solvency II Directive. Lastly, it also extends to the outsourcing of services or of critical or important operational functions as defined in the French decree of 3 November 2014 modified by the decree of 25 February 2021 and the European Banking Authority guidelines on outsourcing arrangements.

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

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

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

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

B.6 ACTUARIAL FUNCTION

B.6.1 Role and principles

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

- Coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models and assumptions used in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimate assumptions against experience;
- Inform the Board on the reliability and adequacy of technical provisions;
- Oversee the calculation of technical provisions in cases where there is insufficient data quality (as set out in Article 82 of the Directive);
- Express an opinion on the underwriting policy and on new products or product updates;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of solvency capital requirements and the Own Risk and Solvency Assessment (ORSA).

B.6.2 Key deliverables

Key deliverables of the Actuarial Function during the year include:

- Presentation to the Board on key assumptions to be used in the calculation of Solvency II technical provisions;
- Review and annual update of the Reserving Policy;
- Production of an Actuarial Report on Technical Provisions (ARTP) for the Board, incorporating the specific requirements set out by the Central Bank of Ireland (CBI) in its Domestic Actuarial Regime;
- Submission of an Actuarial Opinion on Technical Provisions (AOTP) to the CBI;
- Opinion to the Board on the underwriting policy;
- Opinion on all new products and/or changes to existing products, in accordance with CAA Group Actuarial Function standards;
- Opinion to the Board on reinsurance arrangements;
- Opinion on any material changes in reinsurance policies or reinsurance arrangements, as required by CAA Group guidelines;
- Opinion to the Board (in accordance with the scope of the CBI's requirements) in respect of the ORSA process;
- Opinion on any changes to models, in accordance with CAA Group Risk Function templates and standards.

B.7 OUTSOURCING

B.7.1 General Principles

The Company, along with the CAA Group, engages with specialist providers to fulfil some aspects of its commercial and operational requirements while concentrating the Company's own resources on its core competencies. The Company seeks to ensure the effective management of third parties in order to continue to deliver reliable high quality services to its customers.

The Company has in place an outsourcing policy which sets out the framework within which the Company pursues its strategic objectives of leveraging the specialist capabilities of third parties. A key principle of the policy is to ensure that outsourcing arrangements do not diminish its obligations nor impede effective supervision.

The policy is approved by the Board as required and relevant management information in relation to critical outsourcing arrangements and key suppliers is presented to the Risk Committee on a regular basis.

The Company's outsourcing arrangements are focused on:

- Establishing what is considered as falling under the outsourcing heading, especially with regard to Solvency II obligations;
- Establishing criteria used to classify an outsourced essential service (OES) based on the Solvency II Directive;
- Maintaining arrangements for monitoring of service levels, to exit relationships and to bring back services that had been outsourced.
- Applying the Crédit Agricole Assurances Group's guidelines for its subsidiaries in the formulation and implementation of their own outsourcing policy;
- Identifying the associated responsibilities; and
- Outlining the monitoring and control arrangements for outsourcing.

The following table details the critical activities that the Company has outsourced.

Outsourcing Relationship Type	Geographic Location
Investment Management	France (Internal to CA Group)
Investment Advisory	France (Internal to CA Group)
Financial administration	Italy
Actuarial Professional Services	Ireland
IT Services and Infrastructure	France (Internal to CA Group)

B.8 ANY OTHER INFORMATION

No other material information to be disclosed.

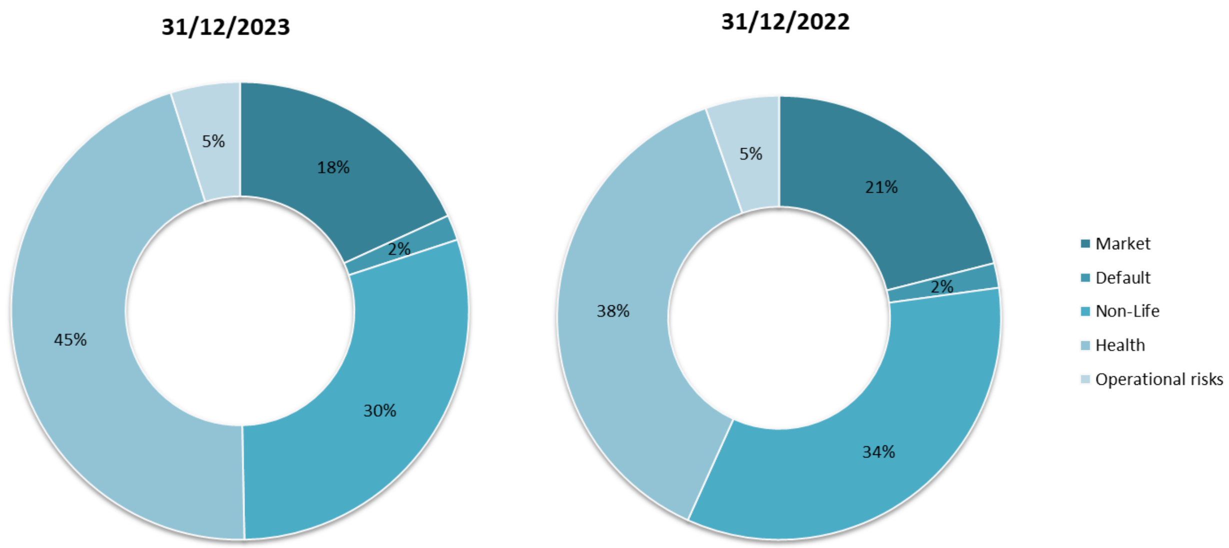
C. RISK PROFILE

INTRODUCTION

The risk profile of the Company described throughout this section is the result of risk mapping; a tool that can be used to identify and assess the risks to which the Company is exposed to. This risk profile is used as the basis for the calculation of the Company's capital needs.

Due to the preponderance of protection products in its portfolio, the main risks of the company are health and non-life underwriting risks which are covered by the standard formula. The standard formula also covers market, default and operational risks which are relevant to the Company. The risks that have no correspondence in the standard formula (liquidity risk, spread on sovereigns, reputational risk etc.) are, like all the risk factors identified, managed and monitored to provide an early warning to management should adverse evolutions be observed, or are measured via stress scenarios and sensitivity tests.

At year end 2023 the Company's solvency capital requirement amounted to € 170,733k. The graphs below show the composition of the total risk exposure (BSCR before diversification plus operational risk) and comparison to the previous year end. The main components of the risks exposure at year end 2023 of € 300,048k are the health underwriting (45%), non-life underwriting (30%) and market (18%) risk as illustrated in the graphs below:



The decrease in market risk over 2023 (as a proportion in the total risk exposure) was mainly driven by a change to investment strategy over 2023 whereby the company sold a number of equity investments and replaced them with government and corporate bonds. Health underwriting risks also increased over the year largely due to the cancellation of the Stop Loss Disability treaty over Q4 2023 (causing a large increase in Disability risk) and new lower incidence rates following the Reserving Policy update which increased Mass Lapse risk. Non-life underwriting risk decreased slightly over the year largely due to a decrease in Premium and Reserve risk over 2023.

C.1 UNDERWRITING RISK

The largest risk exposures of the Company are, by far, health and non-life underwriting risks. At year end 2023 these risks represent 75% of the total risks exposure which is consistent with the business of the Company that sells protection products only without any financial options or guarantees. More stable by nature than market risk, they display greater risk diversification.

Health underwriting risk

The Company is exposed to frequency and exceptional risks (occurrence of large claims) and biometric risks (disability/invalidity). Health underwriting is the largest risk exposure of the Company accounting for 45% of the total risk exposure at year end 2023. Health risk is dominated by disability covers that are part of the PPI business; however, in force business includes some stand-alone health products as well.

Non-life underwriting risk

The Company is exposed to frequency and exceptional risks whether due to catastrophic events or the occurrence of large claims. The non-life underwriting risk represents the second-largest risk exposure accounting for 30% of the total risks exposure. Non-Life business is dominated by Involuntary Loss of Employment (ILOE) business, and the majority of this business are covers offered as riders of payment protection insurance (PPI). Stand-alone non-life products (gap or other covers) represent a small portion of the non-life portfolio only.

C.1.1 Principal risk management and mitigation techniques

In protection business, anti-selection and inadequate pricing risks are monitored by:

- Implementation of the underwriting framework defined by the Company when designing products, covers, etc.;
- The underwriting policy implemented by the retail banking networks and financial partners;
- The claims management policy overseen by dedicated management units, platforms in France or multi-country platforms or outsourced to local service providers.

The catastrophe or surge in claims risks are monitored through the implementation of the reinsurance policy.

In 2019, the Board implemented a new stop loss reinsurance treaty to further mitigate the risk of material increase in disability claims and to enhance the entity’s solvency coverage. This treaty was cancelled in Q4 2023.

In 2020, the Board implemented a new quota share treaty to further mitigate the risk of material increase in unemployment claims and to enhance the entity’s solvency coverage. This treaty was cancelled in Q4 2022.

In 2022, the Board implemented a new mass lapse reinsurance treaty to further mitigate the mass lapse risk and to enhance the entity’s solvency coverage.

The ratio between claims - reported, settled or reserved - and premiums earned represents the key indicator for monitoring risk and is compared against the target ratio determined based on a standard claims experience scenario.

C.1.2 Principal types of concentration

The bulk of the Company’s policyholders are located in France (54% of premiums in 2023) followed by Italy (33%) and to a lesser extent in Poland and Germany. At year-end 2023, the Health and Non-Life businesses accounted for 60% and 40% of the underwriting risk respectively. This is reflected in the high diversification benefit of the Company’s business.

C.1.3 Sensitivity factors

The largest underwriting risk incurred by the Company is disability risk. The Company performs annual experience analysis for each portfolio. The methodology of this analysis is detailed in the Company’s reserving policy documents.

In addition, the Company calibrated a stress scenario in the 2021 ORSA: the 1 in 40 years health and non-life claims stress scenario without any management actions. This scenario represents a “worst case” of claims experience as it is a reverse stress scenario with very severe impact but very low probability of occurrence. This scenario was not repeated in 2022 or 2023 as the impacts were expected to be very similar to 2021.

C.2 MARKET RISK

At year-end 2023, market risk is the third largest risk for the Company and accounts for 18% of the risks exposure. Taking into account the diversification of the investments the main risks can arise from:

- Interest rate and Spread risks;
- Equity and Property risks;
- Currency risk;
- Concentration risk.

C.2.1 Risk exposure

Market risk of the Company mainly arises from spread, equity and interest rate risk.

The currency risk exposure is low as most of the Company's assets and liabilities are mainly denominated in euro and the impact of any mismatch in other currencies mitigated by the hedging policy.

The moderate concentration risk is due to the diversification policy implemented by the Company, through compliance with the concentration limits.

Exposure to sovereign bonds (and guarantees of state) is concentrated mainly on France, Spain and EU (European Investment Bank).

Investments in property represent a small portion of the portfolio and are mostly through investment funds or equities of companies operating in the real estate market: for this reason, these assets are treated as equities for the calculation of the Solvency Capital Requirement. Only direct investments in companies focussed on real estate are considered as property for the SCR calculation.

C.2.2 Principal risk management and mitigation techniques

The Company applies the prudent person principle when making investment or divestment decisions, drawing on both the analysis by its Investment Department and the information provided by external service providers (financial institutions, asset managers, rating agencies, etc.) and, taking into account the risk appetite framework of the Company. In addition, policies have been implemented to prevent conflicts of interest (responsibility of the Company's compliance function) and to outline the process in the event of a new type of investment.

Spread risk

Spread risk is controlled through limits set on the allocation of issues within the various rating brackets.

Risk teams at Amundi (outsourced portfolio management provider) analyse and closely monitor issuer risk. Quarterly portfolio reviews with Amundi (incorporating sector themes arising from the economic environment), backed up by reviews with Crédit Agricole Group's Risk Management Division make for a pro-active management approach. Where necessary, issuers may be added to a watch list (valid across the CAA Group, listing prohibited issuers) or a disposal programme may be implemented on the grounds of riskiness.

Interest-rate risk

The Company can manage sustained upward or downward movements in interest rates in various different ways. These tactics include:

- portfolio duration adjustments to match the expected run-off of liabilities;
- retention of cash or marketable fixed-income assets with a modest impact on capital gains and losses.

The Company’s dashboard incorporates indicators tracking these levers: such as average portfolio rate of return, fixed-income portfolio hedging rate, reserves allowance, etc.

Diversification asset risk

Aggregate limits are set on diversification investments (non-fixed income) and individually for each asset class.

Concentration risk

The risk of concentration on a single financial or industrial counterparty is controlled by limits (based on total volume of assets) on total fixed-income and equity volume of assets calibrated according to the issuer’s rating.

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

Holdings of securities issued by the Crédit Agricole Group are also tracked in relation to specific limits based on the seniority and maturity of the debt.

In addition to the reporting produced by the asset manager, monthly reporting on financial risks tracks these limits (compliance with limit, advance warning where the limit is close by) and the appropriate level of the hierarchy is notified of the corrective measures to be taken if an overrun occurs.

C.2.3 Concentration

Taking these management measures into account, the concentration risk is small, representing circa 5% of the undiversified market risk in 2023. The diversification of the Company’s portfolio is also managed by sector, by country and by ratings.

C.2.4 Sensitivity

Stress scenarios for financial risks are included in the own risk solvency assessment (ORSA) an exercise that assists the Company in achieving its strategic objectives. The ORSA provides a forward-looking vision of solvency over the planning horizon, including the dividend pay-out and financing assumptions underpinning the plan.

In the 2023 ORSA, the scenarios assessing the impacts of financial risks encompassed:

- Stress budget *(“stress budgétaire”)*: higher interest rates and higher inflation rates until 2025, decline in equity markets in 2024 and 2025 (without a significant recovery thereafter) and higher credit spreads on both government and corporate bonds. These financial assumptions were combined with an increase in claims incidence rates (in particular, unemployment);
- Low rates *(“taux bas”)*: Low interest rates over a prolonged period, higher inflation and lower equity growth than in the Central scenario;
- High rates *(“taux elevés”)*: Higher interest rates, higher credit spreads on both government bonds and corporate bonds, decrease in equity value in 2024 and a smaller decrease in 2025 (followed by moderate recovery afterwards) and higher inflation rates.

The most adverse of these scenarios were the High rates scenario mainly due to the decrease in value of fixed-income assets, in part offset by the decrease in technical provisions and Non-Life SCR driven by higher discount rates and the Stress budget scenario due to the combined impact of economic downturn and soaring claims.

Financial sensitivity analysis was also conducted on the solvency ratio at 31 December 2023. This focused on the principal risk factors taken first in isolation (equities, fixed-income, spreads), then combined. The assumptions adopted are outlined below:

Standalone financial sensitivity factors:

Sensitivity	Tag	Description
0 – Central Scenario	Baseline	YE 31/12/2023
1 – Increased Rates Scenario (50bps)	Stress IR Up 50	+ 50bps
2 – Decreased Rates Scenario (50bps)	Stress IR Down 50	- 50bps
3 – Decreased Equity Scenario	Stress Equity Level	-25%
4 – Increased Corporate Spreads Scenario	Stress Spreads Corporate	+ 75bps
5 – Increased Government Spreads Scenario	Stress Spreads Govies	+ 75bps
6 – Combined Scenario	Stress Combined	Interest Rates Up/Equity Down/Real Estate Down
7 – Increased Rates Scenario (100bps)	Stress IR Up 100	+ 100bps

Combined financial sensitivity scenario detailed:

Common Sensitivity	Combined Sensitivity	
Equity - Interest Rates - Real Estate	Increase of Interest Rates	+50bps
	Decrease of Equitites	-25%
	Decrease of Real Estate	-10%

The most adverse sensitivities for the Company in 2023 were the 100bps Increased Rates scenario and the Combined scenario, leading to a reduction in the solvency ratio of 10% and 7% respectively compared to the Central scenario.

C.3 COUNTERPARTY DEFAULT RISK

C.3.1 Risk exposure

The counterparty default risk represents of the Company is low, accounting for 2% of the total risk exposure at year end 2023. The main component of the exposure is by cash at banks as most of the exposures to reinsurers are mitigated by collaterals.

C.3.2 Principal risk management and mitigation techniques

Financial counterparties:

Cash available to the entity is in part held in bank accounts to support the Company's operations and liquidity needs, and in part invested in money market mutual funds.

Reinsurance counterparties:

Tight control on reinsurers' default risk leveraging CAA Group's internal standards as follows:

- Firstly, the financial strength of the reinsurers selected (with the exception of intra group reinsurers): A- or higher (based on a conservative approach of using the lowest financial strength rating awarded by S&P, Moody's and Fitch). The ratings of the reinsurance counterparties of the CAA Group are tracked on a monthly basis;
- Rules on the dispersion of reinsurers (by treaty) and concentration limits on the premiums ceded to a single reinsurer defined by each of the insurance companies that monitors them. Exposure reporting in terms of the concentration of overall premiums ceded across the CAA Group to the various reinsurers is carried out on an annual basis;
- Measures to secure the provisions ceded thanks to standard collateral clauses (first-ranking pledge of cash or, failing that, financial instruments satisfying quality criteria);
- Internal procedures to elect a new reinsurance provider.

The Board also wished to reinforce the control on counterparties and required a yearly review of financials to be carried out on the main reinsurers.

C.3.3 Principal concentrations

The Company has no dominant concentration in its investments. Exposure on principle reinsurers is mitigated through the implementation of pledges which constitute collaterals.

C.4 LIQUIDITY RISK

C.4.1 Risk exposure

Insurance companies should be in a position to cover their liabilities falling due. The risk derives from the possibility of having to realise capital losses to deal with adverse situations efficiently (unfavourable market conditions, claims experience etc.).

This risk, which has no correspondence in the standard formula, is monitored using different approaches which are described in the next subsection.

Expected profit included in future premiums:

The expected profit included in net future premiums (EPIFP) at 31 December 2023 amounted to €197,434k. The EPIFP is the difference between the Best Estimate Liabilities and the Best Estimate Liabilities assuming no future premiums are received relating to existing business.

C.4.2 Principal risk management and mitigation techniques

Liquidity risk is managed through a detailed investment policy including a minimum liquidity ratio which is defined as the total value of cash at bank and money market funds over the total value of the asset portfolio.

Liquidity risk is also controlled by comparing the duration of assets against technical provisions and identifying any significant gap and applying corrective measures if required.

Also, liquidity is assured through investment / risk constraints about quality / rating of assets. The Company has a very limited number of non-rated assets held directly, and a high proportion of high quality liquid assets.

Liquidity risk is tracked via the Asset Liability Management (ALM) committee meetings, on a quarterly basis.

C.4.3 Sensitivity

The Company assess the impact of a large scale increase in lapses or surrenders and the impact they may have on the Company's own funds and solvency capital requirement on an annual basis and forms parts of the ORSA process.

The introduction of Loi Bourquin (Loi de résiliation annuelle) in 2018, impacting all in-force French portfolios, could be considered an event that would result in increased lapses. It allows for annual termination/substitution to the borrowers insured for their property loans at the anniversary dates of their insurance (before this new regulation, it was possible only at the first anniversary). The introduction of Loi Bourquin had the potential to result in widespread lapse/surrender behaviour.

This risk was captured in previous years' ORSAs within the specific Loi Bourquin scenario, but was not included in the ORSA exercises since 2019 given that the impact of the new law to date has been materially lower than expected. However, the actual impact of this new law continues to be monitored on a regular basis by the Company, in order to ensure that any future material changes in experience are promptly tested and assessed, given the high sensitivity of the French business to lapse assumptions.

The introduction of the Loi Lemoine law in 2022 (impacting French mortgage portfolios) could also be considered an event that would result in a mass lapse. It allows policyholders of CPI mortgage business to switch to another insurer at any time during the year instead of at the policy anniversary, it also allows customers below a certain age at term and a certain insured amount to access insurance without medical underwriting, and facilitates access to insurance to sub-standards risks. The introduction of this law has the potential to result in widespread surrender behaviour although so far experience data shows no evidence of this. A Loi Lemoine loading factor has been incorporated in the best estimate demographic assumptions (disability and lapse rates) to allow for the potential impact of the new law and the risk of a more adverse impact has been assessed in last year’s ORSA as part of a specific Loi Lemoine scenario.

C.5 OPERATIONAL RISK

C.5.1 Risk exposure

Operational risk, which is a factor-based calculation according to the standard amounted to € 15,479k at year end of 2023.

From a process execution perspective, the most sensitive risk areas are linked to intermediation risk upon the distribution of products; the production of financial information with a major emphasis on data quality and, generally speaking, fraudulent claims. It is difficult to assess accurately the potential impact and cost of IT disruption, which may have implications on processing times and, also, data corruption. Cyber risks are covered as part of the operational risk programme of the Company.

Attention is also paid to the security of persons and property (criminal risk).

Compliance risks (identified primarily in the customer, product and commercial practices category) also represent a major point of emphasis from a reputational risk perspective, possibly even triggering sanctions, against the backdrop of a growing number of increasingly stringent regulations.

Areas of focus related to compliance risk include efforts to combat money laundering and terrorist financing (international sanctions) and customer protection (GDPR, complaint handling, handling of unclaimed capital).

C.5.2 Principal risk management and mitigation techniques

The Company is pursuing an operational risk programme. It entails mapping risk events (regular updates to reflect changes in the organisation, new activities or even changes in the cost of risk and findings of audit assignments), the compilation of operating losses and a monitoring and early warning framework. An action plan is drawn up to address residual risks considered significant (after taking into account existing controls).

The Business Continuity Plan (BCP) meets Crédit Agricole S.A. Group’s standards and covers the major risk scenarios (physical destruction of the IT site, the operational offices, and, virus attack and the destruction of data on a large scale). Information security action plans continue to be implemented in a bid to enhance the monitoring of infrastructure, the time taken to address security flaws, upgrade and review permissions management and tighten the signal detection system.

The New Activities and Products Committee assesses the compliance before entering into new markets, new partnerships or launching new products.

Business partnerships are subject to regular review by the Outsourced Activities Control Committee to ensure the Company’s sales practices are appropriate.

C.5.3 Sensitivity

The Company does not perform sensitivity analysis for all operational risks.

The impact of operational risks is measured in terms of reputational or financial impacts via operational risk mapping. This helps to identify critical processes carrying substantial risks and the action plans needed to enhance the effectiveness of controls.

The 2021 ORSA included an Operational risk scenario which included higher expenses as a result of multiple operational risk events (20% increase in ongoing expenses) and regulatory fines (GDPR fine in 2022 of maximum of €20m or 4% of Gross Written Premium). The same scenario was not included in the 2022 or the 2023 ORSA as the impact is expected to be similar to 2021 given no significant changes in the portfolio or the operational management of the Company.

C.6 OTHER MATERIAL RISK

C.6.1 Risk exposure

Reinsurance Concentration Risk

The reinsurance concentration risk has been isolated in the Risk Appetite Framework, as the Company had a high concentration of ceded business to a particular reinsurer (Hannover Re). Since 2012, the Company has engaged in a diversification action plan, which reduced this specific concentration.

Reputational risk

In view of its distribution model, which primarily draws on the retail banking models affiliated with the Crédit Agricole Group, and in spite of the development of alternative channels, any factor affecting the competitive position, reputation (products launched, marketing) or creditworthiness of the banks in the group could have an impact on the results of solo entities. Reputational risk was assessed in a dedicated stress scenario in the 2019 ORSA but was not included in the ORSA exercise since then, as the assumed increase in lapse rates and the reduction in future sales improved the prospective solvency ratio of the Company compared to the central ORSA scenario.

Risk of changes in the legal and regulatory environment

Changes to standards as a result of legal or regulatory developments or changes in the legal environment in which the insurance companies operate also represent a major source of risks (for example recent Loi Bourquin and Loi Lemoine laws in France on creditor contracts or commission cap in Germany).

Climate risk

Climate risk continues to be an area of attention for the Company as it continues to enhance the assessment of its climate risks.

The risks to the Company linked to climate change include:

- Physical risk: measurement of the direct impact of climate change on people and property (drought, floods, extreme weather events, etc.).
- Transition risk: risk resulting from a change in the behaviour of economic and financial agents in response to the implementation of energy policies or technological changes.
- Liability risk: corresponding to the damages that a legal person would have to pay if it were found responsible for global warming.

C.6.1 Principal risk management and mitigation techniques

Reputational risk

To launch new products on a firm footing, the New Activities and New Products Committee of the Company systematically holds regular meetings to review the contractual and commercial documents, training materials and sales support tools for distributors.

Preventative measures to protect its reputation and image also include procedures for managing relationships with third parties, and a monitoring function to detect the emergence of risk (press, media, social media, comparators, online forums, etc.) and to be in a position to respond appropriately.

Risk of changes in the legal and regulatory environment

The legal and regulatory watch activities conducted by the Legal and Compliance functions prepare for the changes and the changes they may cause.

The 2023 ORSA included an Increased Regulatory Restrictions scenario whereby it was assumed that regulators would impose restrictions on the level of commission and profit share on consumer finance products, resulting in lower sales volumes.

The adverse impacts of the Loi Lemoine law was also quantified in the 2022 ORSA in a separate scenario which assumed more adverse impacts on lapses and claims on French business than those anticipated in the central scenario.

Climate risk

The Company adheres to the CAA Group’s policy and guidelines in terms of management and monitoring of climate risk.

CAA is part of the Crédit Agricole Group's Climate Risk Strategy, aligned with the Paris Agreement. This approach defines governance, strategy, risk management and the group's indicators and objectives, based on a dual approach of environmental materiality (impacts of the company's activities on the climate) and financial materiality (impacts of climate change on the company's activities).

As part of the ORSA process this year, workshops on climate risk were held with key stakeholders such as the CRO, CFO, HoAF, and Chief Actuary.

C.7 ANY OTHER INFORMATION

No other material information to be disclosed.

D. VALUATION FOR SOLVENCY II PURPOSES

INTRODUCTION

The prudential reporting for the Company is produced as at 31 December 2023.

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

- Assets should be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction;
- Liabilities should be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The assets referred to above (i) are valued at their economic value in accordance with the following hierarchy levels:

- **Level 1:** quoted prices in active markets for identical assets that can be accessed at measurement date. A market is considered as active if prices are readily and regularly available from an exchange, a broker, a negotiator, and those prices represent actual transactions occurring regularly on the market in conditions of normal competition.
- **Level 2:** price quoted on an active market for similar assets taking into account specific characterises.
- **Level 3:** If no quoted price in an active market is available, undertakings should make use of valuation techniques based on a model (mark-to-model); alternative values obtained should be compared, extrapolated or otherwise calculated, as far as possible, using market data.

This may be a method based on:

- transactions involving similar assets,
- a method based on discounted future income generated by the asset, or
- a method based on calculation of the asset's replacement cost.

In most cases, Irish GAAP or IFRS provide a fair value in line with the Solvency II principles.

Foreign currencies

Foreign currency assets and liabilities are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions during the period are translated into euro using an average monthly rate of exchange.

Netting of assets and liabilities

The Company compensates for an asset and a liability and has a net balance if and only if it has a legally enforceable right to offset the recognised amounts and intends to pay the net amount or to realize the assets and the liabilities simultaneously.

Use of estimates and expert judgement

Assessments required in the preparation of financial statements require assumptions and involve risks and uncertainties as to their implementation in the future. They serve as basis for the exercise of the judgment required in the determination of the carrying values of assets and liabilities that cannot be obtained directly from other sources. Future achievements can be influenced by many factors, including:

- the activities of the national and international markets;

- fluctuations in the rate of interest and exchange rate;
- the economic and political situation in some sectors of activity or country;
- changes in regulation or legislation;
- the behaviour of the insured and demographic changes.

Subsequent events

None to report.

D.1 ASSETS

Details of assets per the prudential balance sheet are shown in the table below:

(€ '000)	31/12/2023
Deferred acquisition costs	-
Intangible assets	-
Deferred tax assets	-
Property, plant & equipment held for own use	147
Investments	572,011
- Property (other than own use)	*-*
- Participations	*10,278*
- Equities	*-*
- Bonds (government & corporate)	*486,423*
- Investment funds	*75,066*
- Others investments	*244*
Ceded technical provisions	17,705
Insurance & intermediaries receivables	34,412
Reinsurance receivables	11,462
Receivables (trade, not insurance)	12,696
Cash and cash equivalents	5,338
Total Assets	**653,771**

The transition from Irish GAAP balance sheet to the SII balance sheet comprises mainly:

- Revaluation of ceded technical reserves - € 48,614k;
- Elimination of deferred acquisition costs - € 230,933k;
- Elimination of intangible assets - € 10,227k.

D.1.1 Intangible assets and deferred expenses

Intangible assets are identifiable non-monetary assets without physical substance. An asset is regarded as identifiable if it may be sold or transferred separately, or if it originates from contractual rights or other legal rights. Software, goodwill and insurance portfolio values are the main types of intangible assets. Intangible assets are valued at zero on the prudential balance sheet.

The Company holds an intangible asset on its Irish GAAP financial statements in respect of the acquisition of an insurance portfolio in 2010; its merger with Finaref RD in 2021 and software acquired since 2020. Accordingly, this asset is valued at zero according to the above principles.

Deferred acquisition costs

Deferred acquisition costs consist of the portion attributable to future years of the fees paid to intermediaries and internal acquisition costs, as arising from the allocation of expenses by intended purpose and expensed in the current year.

Expenses and deferred acquisition cost loadings under Irish GAAP are eliminated from the prudential balance sheet.

D.1.2 Tangible fixed assets

Tangible fixed assets comprise of computer equipment, office furniture and fit-out. The valuation of these assets is the same under Solvency II principles as it is under Irish GAAP principles.

D.1.3 Financial Investments

The Company investments are classified as fair value through profit or loss (monetary, equity and property funds) and fair value through other comprehensive income (most of which are fixed income securities). Bonds at amortised cost reported under Irish GAAP principles are revalued under Solvency II principles amounting to -€ 7,472k.

D.1.4 Technical provisions ceded

Ceded technical provisions (reinsurer share) are revalued under Solvency II principles as described within Section D.2 below.

D.1.5 Other receivables

Insurance receivables represent amounts due from intermediaries/policyholders in respect of insurance premiums. Reinsurance receivables represent the current account due from reinsurers. There is no difference in valuation rules under Solvency II compared to Irish GAAP.

D.1.6 Deferred tax assets

A deferred tax asset is recognised insofar as it is probable that the entity will have taxable profits (other than those already taken into account on the prudential balance sheet) available against which these temporary differences, tax losses and unused tax credits can be used.

The valuation of the deferred taxes in the economic balance sheet is calculated by comparing the value of the assets and liabilities in the prudential assessment with their tax value. Deferred taxes recognised in the prudential balance sheet are the product of:

- temporary differences (arising in particular from the application of fair value) between the prudential value and the tax value of assets and liabilities,
- unused tax credits and tax loss carried forward.

A recoverability test was conducted during the fiscal year. There is no difference in valuation rules under Solvency II compared to Irish GAAP. Irish GAAP deferred tax asset of € 11,176k is offset against deferred tax liabilities in Solvency II reporting.

D.1.7 Cash and cash equivalents

The Company holds a number of current accounts with financial institutions to cover operational aspects of its business.

There is no difference in valuation rules under Solvency II compared to Irish GAAP.

D.2 TECHNICAL PROVISIONS

D.2.1 Summary of technical provisions

The following tables present a breakdown of technical provisions stated under the prudential approach:

(€ '000)	31/12/2023
Technical provisions – non-life (excluding health)	48,121
Technical provisions – health (similar to non-life)	3,260
Technical provisions - health (similar to life)	56,178
Total technical provisions	**107,559**

	Ex Health Non-Life	Health Non-Life	Health	Total
Gross Best Estimate Liabilities (BEL)	30,643	1,162	27,337	59,142
Risk margin (RM)	17,478	2,098	28,841	48,417
Technical provisions	**48,121**	**3,260**	**56,178**	**107,559**

The variation in valuation per Irish GAAP and Solvency II of gross technical provisions are as follows:

- Technical provisions - € 515,641k in respect of revaluation to Solvency II principles

D.2.2 Valuation principles

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

The BE represents the most accurate estimate of commitments towards policyholders.

The BE is calculated:

- Consistently with the market information available at the valuation date;
- Based on an objective and reliable approach; and
- In line with the regulatory framework in force locally.

The BE is calculated gross of reinsurance, without deduction of amounts ceded to reinsurers. Uncertainty is inevitable in the calculation of the BE and is mitigated by the consistent application and monitoring of assumptions. Furthermore, Events Not In Data (“ENIDs”) are taken into account within the BE through an additive adjustment to the gross BE. The ENID adjustment allows for uncertainty and lack of historical data on particular types of events that might happen in the future and have material adverse financial impacts for the Company.

The Risk Margin is a provision in addition to the Best Estimate, calculated in such a way that the total provisions shown on the balance sheet matches the amount a benchmark entity would require to honour the insurer’s obligations. The RM is calculated net of reinsurance.

Accordingly, Solvency II Best Estimate differs from Irish GAAP provisions as it is valued prospectively and equals the present value of future cash with explicit levels of prudence removed in order to reflect a best estimate value. The margin for prudence in the Irish GAAP provisions is replaced by the inclusion of the Risk Margin in the Solvency II technical provisions.

Simplifications applied:

The Company aims to keep the proportion of un-modelled business below 5% of premium and 5% of statutory reserves at each projection period. For this purpose, the Company assumes that the BE is equal to the current net of reinsurance statutory technical provisions net of deferred acquisition costs. For proportional reinsurance, the proportion of premium ceded is assumed to translate into the proportion of claims ceded.

The Company utilises model points aggregated in groups with homogeneous risks and characteristics. The use of aggregated model points leads to a variance in the results compared to results based on individual policy data. The Company carries out an annual review of the methodology used for the aggregation to ensure variances in results are below the defined materiality threshold.

For surplus reinsurance, the proportion of claims ceded is assumed to match the proportion of premiums ceded. For excess of Loss reinsurance, we make no allowance for this in the model.

For non-proportional reinsurance, the Company models a Stop Loss treaty for disability claims, while the other treaties (Excess of Loss reinsurance) are not allowed for in the Solvency II results due to their immateriality.

Allowance was made for the expected future impact of the Loi Lemoine (new customer protection law in France) in the technical provisions at year end 2022 and year-end 2023 with a loading applied to the claims and lapse rates of the French CPI mortgage business.

D.2.3 Segmentation

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

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

D.2.4 Initial recognition

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

D.2.5 General valuation principles

D.2.5.1 Valuation - Cash flows

The BE is calculated as the present value of probability weighted future cash flows gross of reinsurance arising from pay-outs to policyholders and management costs incurred in the administration of these commitments through to their maturity, less any premiums receivable as per portfolio contract terms (subject to contract boundaries).

The cash flow projections are predicated on assumptions concerning policyholders’ behaviour and demographic or economic events. These assumptions include surrenders and lapses, health and non-life claims incidence rates and the expected period the insureds affected by certain claims (temporary disability, unemployment) will remain eligible to receive the relevant benefits.

By definition, these rules are specific to each portfolio of the company. All assumptions used in the calculation of the best estimate are documented and approved by the entity’s Board of Directors.

Events Not In Data ("ENIDs") are taken into account within the BEL through an additive adjustment to the gross BEL. This adjustment was € 3.5m at year end 2023 (2022: € 3.5m).

D.2.5.2 Valuation - Granularity of projections

Contracts are analysed individual policy and cover and then pooled into homogeneous risk groups for modelling purposes.

The risk groups defined to value technical provisions are homogeneous based on the following criteria:

- Nature of the risk covered
- Timing of the risk covered (e.g. when they occur/are reported),
- Type of business (entity's direct business, acceptances, etc.)
- Currencies in which claims are settled
- Type of claims

D.2.5.3 Valuation - Contract boundaries

The boundary of the contract is defined as the first date on which the insurer has unilateral right for the first time to:

- Terminate the contract,
- Reject premiums, or
- Amend premiums or guarantees in such a way that the premiums fully reflect the risks.

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

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

- Does not provide for indemnification of an event adversely affecting the policyholder to a material extent; or
- Does not provide for a material financial guarantee.

In particular, future premiums for products sold by the company are recognised for:

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

D.2.5.4 Valuation - Expenses

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

- Administrative expenses
- Investment management expenses
- Claims management expenses
- Acquisition expenses (limited to those not incurred at valuation date for in force business)

General expenses incurred in servicing insurance and reinsurance obligations are taken into account. Expenses are projected based on the assumption that the undertaking will write new business in the future.

Expenses are allocated at the level of homogeneous risk groups by branch and using at the very least the lines of business (LoB) adopted in the segmentation of insurance obligations.

Administrative expenses are adjusted for inflation in the projection. Inflation assumptions take into account the expected evolution of the Consumer Price Indices in France and other key markets for the Company, as well as the expected inflation of personnel costs.

The level of commission payments used in the calculations reflects all the commission agreements in force at the valuation date.

D.2.5.5 Valuation - Discounting

The reference yield curve used to project and discount cash flows is the EIOPA risk-free curve which is based on swap rates adjusted for credit risk.

Market swap rates are used for the first 20 years of the curve. For maturities beyond 20 years, forward rates converge over 40 years towards an Ultimate Forward Rate (UFR) for the euro. This convergence is carried out using the Smith-Wilson method. The rates calculated by the Crédit Agricole Assurances group and used by the Company are consistent with the official curves from EIOPA.

The Company does not apply the volatility or matching adjustment and other transitional measures under Solvency II. Note that these adjustments and measures are optional and subject to meeting certain criteria.

Also, the transitional risk-free interest rate-term structure and the transitional deduction are not applied by the Company. As such, the Company does not quantify the impact of these on technical provisions, solvency capital requirement, minimum capital requirement and own funds.

D.2.6 Risk Margin

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

The Risk Margin is calculated by discounting the cost (risk premium) of tying up non-hedgeable capital equivalent to the reference SCR as defined in the regulations over the residual term to maturity of the obligations used to calculate the BE. The cost of capital is set at 6% p.a. as per Solvency II regulations.

The Risk Margin is calculated as an overall figure for each entity, and then broken down by Solvency II line of business.

<u>Simplification used:</u>

For its calculation of the Risk Margin the Company uses a simplification of running off the SCR in line with future gross earned premiums.

This approach is similar to the approximation referred to in Article 58 (a) of the Delegated Acts of using the run-off of the BE; however, using the run-off of the BE is inappropriate for the Company's business as the BE goes negative at some points during the runoff. In 2023, the Company underwent an exercise to prove the suitability of using gross earned premiums as single driver for RM calculation, and was able to confirm that the simplification has a small impact compared to using multiple drivers.

D.2.7 Valuation of ceded liabilities

Best estimate liabilities must be calculated gross of reinsurance, without deducting amounts transferred to reinsurers.

Ceded best estimate liabilities (i.e. those transferred to the reinsurer) must be valued separately. The valuation of ceded best estimate should follow the same principles as those set out for the gross best estimate.

Ceded future cash flows are calculated within the terms of the insurance policies to which they relate to, taking also into account the terms and conditions specific to each reinsurance treaty (contract boundaries, other).

Ceded cash flows are adjusted to allow for the probability of default of the reinsurer counterparties, as prescribed by the Solvency II Delegated Acts.

If a deposit was paid to secure cash flow payments, the ceded amounts are adjusted accordingly to avoid double counting the assets and liabilities relating to the deposit.

Provisions for reinsurance premiums and provisions for reinsurance claims recoverable are calculated separately. In Solvency II reporting these amounts are disclosed as an asset within the balance sheet.

D.3 OTHER LIABILITIES EXCEPT TECHNICAL PROVISIONS

Details of other liabilities are shown in the table below:

(€ '000)	31/12/2023
Deposits from reinsurers	2,670
Deferred tax liabilities	52,401
Insurance & intermediaries payables	53,312
Reinsurance payables	13,965
Payables (trade, not insurance)	27,438
Debts owed to credit institutions	2,326
Subordinated liabilities	64,208
Total liabilities (excluding technical provisions)	**216,320**

The valuation per Irish GAAP and Solvency II are the same except for the following items:

- Deferred tax liabilities + € 51,336k in respect of reassessments to Solvency II principles
- Insurance payables - € 7,847k in respect in respect of revaluation to Solvency II principles
- Reinsurance payables - € 20,038k due to elimination of deferred acquisition costs ceded
- Subordinated liabilities - € 6,780k fair valuation.

D.3.1 Other liabilities

Reinsurance payable comprises of the current account balance in respect of premiums ceded to various reinsurers.

Insurance payables comprise of additional commissions and profit sharing commission to intermediaries.

Payables comprises of accrued expenses; corporation tax payable and other expenses. Solvency II balance includes IFRIC 21 of € 250k.

D.3.2 Deferred tax liabilities

The principles for the recognition and valuation of deferred taxes in the solvency balance sheet are explained in Section D.1.6 above.

D.4 ALTERNATIVE METHODS FOR VALUATION

The valuation principle and methodology for valuing assets and other liabilities, including where alternative methods are used in accordance with Article 10(5), is described in section D introduction.

D.5 ANY OTHER INFORMATION

The Company's Irish GAAP financial statements and Solvency II statements have been prepared on the going concern basis, there being no material uncertainties about the ability of the Company to continue its operations in the future. In making this assessment Management and Directors have considered the Company's:

- most recent solvency and capital position;
- medium term plan budget 2024 to 2026;
- own risks and solvency assessment (ORSA) and its stress scenarios.

E. MANAGEMENT OF OWN FUNDS

E.1 OWN FUNDS

E.1.1 Capital management policy

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

The policy was derived in accordance with CAA group policy whereby consideration of the regulations applicable to the insurance group; the banking regulations; the regulations of financial conglomerates, the Credit Agricole Group's specific objectives and financial communication and market-related constraints. The Company's own funds accommodates the following objectives:

- Complying with the solvency-related regulatory requirements;
- Contributing to the capital optimisation policy being pursued by the Group;
- Meeting the expectations of shareholders.

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

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

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

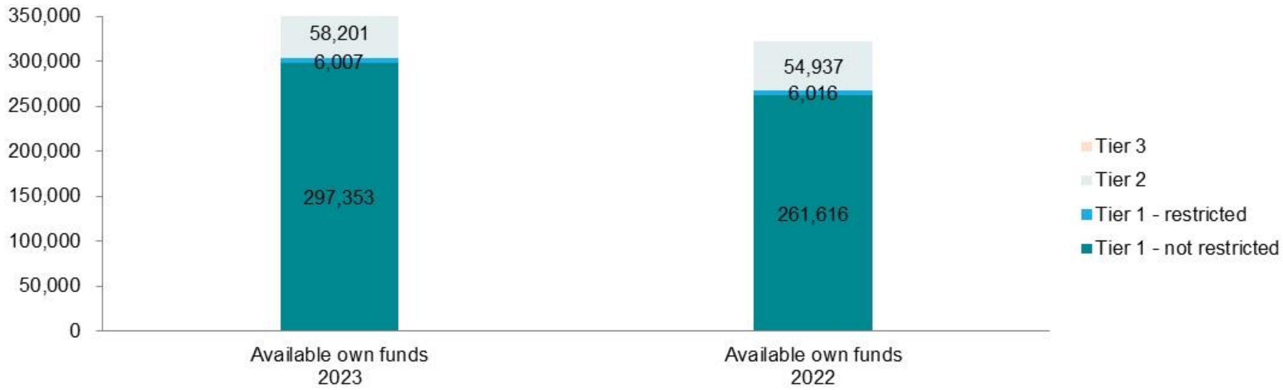
The Company follows the capital management plan and monitors any significant deviation. The Company's solvency coverage of the SCR and the MCR will be reported to the Regulator and to the Group on a quarterly basis.

E.1.2 Available own funds

Composition of available capital

The Company covers its regulatory capital charge by own funds Tier 1 and Tier 2. All own fund items are denominated in euros and reported in thousands below.

The amount of own funds in 2023 amounted to € 361,562k consisting mainly of share capital € 73,191k; the reconciliation reserve € 224,163k and subordinated liabilities € 64,208k.The chart below shows the available own funds by tier € '000:



Subordinated liabilities

At 31 December 2023, the company's subordinated debt was valued at € 64,208k. Details of subordinated loans and valuation amounts are shown below:

€' 000	Issuer 1: CNL 2: Other	Transitional measure	Legal maturity	Next call date	Amount
Tier 1	1	Yes	Perpetual	22/12/2024	3,005
	1	Yes	Perpetual	22/12/2024	3,004
Tier 2	1	None	24/07/2048	24/07/2028	19,076
	1	None	27/09/2029		5,250
	1	None	29/04/2030		30,870
	1	Yes	22/12/2038	22/12/2024	3,003
Total					**64,208**

The subordinated debt documentation contains standard contractual clauses.

Reconciliation reserve

The reconciliation reserve is an important component of equity and consists of:

Components of the reconciliation reserve

(€ '000)	**31/12/2023**
Excess of assets over liabilities	329,891
Foreseeable dividends	32,538
Other basic own fund items	73,191
Other elements	-
Total reconciliation reserve	**224,162**

Reconciliation with Irish accounting standards

The Company's own funds reported in its statutory financial Statements as prepared under Irish GAAP (generally accepted accounting principles) amounted to € 225,836k (including subordinated liabilities of € 70,988k). The main differences between own funds Irish GAAP and Solvency II own funds of € 361,562k are as follows:

(€ '000)	**31/12/2023**
Elimination of intangible assets	(10,227)
Elimination of deferred acquisition costs (gross & ceded)	(210,895)
Revaluation of technical reserves ceded	(48,614)
Revaluation of technical reserves gross (BEL & RM)	515,641
Revaluation of other assets and liabilities	(26,306)
Recognition of deferred taxes relating reassessments	(51,336)
Foreseeable dividends	(32,537)

E.1.3 Eligible own funds

There is no difference between own funds described above (€ 361,562k) and eligible own funds to meet the SCR at 31 December 2023 *(2022: € 322,569k)*.

Eligible own funds to meet the MCR of € 318,727k *(2022: € 281,954k)* exclude € 42,835k *(2022: € 40,615k)* of Tier 2 Own Funds due to the Tier 2 eligibility restriction to 20% of the MCR.

Eligible own funds by Tier € '000

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E.2.1 Solvency capital requirement

The regulatory solvency capital requirement (SCR) is assessed by applying the standard formula as laid down in the Solvency II Directive. The principles governing implementation of the calculations using the standard formula, drawing on the Solvency II and Omnibus II European Directives as enacted into Irish law.

The Company's SCR amounted to € 170,733k at 31 December 2023. Health and Non-Life underwriting risks are the main risks contributing 79% of the basic SCR before diversification; market and counterparty default contribute to the remaining basic SCR. Operational risk also contributes to the overall SCR. Analysis of the risk modules as contained within the SCR quantitative reporting template:

(€ '000)	31/12/2023
Market risk	57,348
Counterparty default risk	5,657
Health underwriting risk	143,258
Non-life underwriting risk	93,785
Diversification	(98,717)
Basic Solvency Capital Requirement	**201,331**
Operational risk	15,479
Loss-absorbing capacity of technical provisions	
Loss-absorbing capacity of deferred taxes	(46,077)
Solvency capital requirement	**170,733**

Additional information in respect of the SCR:

- The Company does not use simplified calculations for the risk modules illustrated above.
- The Company does not use undertaking-specific parameters.
- There was no major change to the SCR composition during the reporting period.

Loss-absorbing capacity of deferred taxes (LACDT) is calculated in accordance with Solvency II rules as follows:

- calculation is performed by business (freedom of services and branches) using the applicable corporate tax rates (applied to BSCR+Op Risk);
- then these values are aggregated at entity level and;
- then the LACDT used for SII reporting is capped to the difference between DTL and DTA;
- the Company's medium term plan anticipates material future taxable profits.

E.2.2 Minimum capital requirement

The minimum capital requirement (MCR) calculation is based on the net value of technical provisions and the capital at risk. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively. The Company's MCR amounted to € 76,830k at 31 December 2023 *(2022: € 71,609k)* which represents 45% of the SCR.

There was no significant change to the MCR during the reporting period.

E.3 USE OF THE EQUITY RISK SUB-MODULE IN THE SCR CALCULATION

Not applicable.

E.4 DIFFERENCE BETWEEN THE STANDARD FORMULA AND INTERNAL MODEL

Not applicable.

E.5 NON-COMPLIANCE WITH THE MCR SCR

Not applicable.

E.6 ANY OTHER INFORMATION

No other material information to be disclosed.

F. APPENDICES

Quantitative Reporting Templates (QRT's):

S.02.01.02	Balance sheet
S.04.05.21	Premium, claims and expenses by country
S.05.01.02	Premium, claims and expenses by Business Lines
S.12.01.01	Life and health technical provisions
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non-Life claims information
S.23.01.01	Own funds
S.25.01.21	Solvency capital requirement
S.28.01.01	Minimum capital requirement

S.02.01.02 **Balance sheet**

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€ '000		Solvency II value
Assets		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	147
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	572,011
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	10,278
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	486,667
Government Bonds	R0140	93,796
Corporate Bonds	R0150	392,627
Structured notes	R0160	-
Collateralised securities	R0170	244
Collective Investments Undertakings	R0180	75,066
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	17,705
Non-life and health similar to non-life	R0280	5,078
Non-life excluding health	R0290	5,486
Health similar to non-life	R0300	(408)
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	12,627
Health similar to life	R0320	12,627
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	34,412
Reinsurance receivables	R0370	11,462
Receivables (trade, not insurance)	R0380	12,696
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	5,338
Any other assets, not elsewhere shown	R0420	-
Total assets	**R0500**	**653,771**

€ '000		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	**51,381**
Technical provisions – non-life (excluding health)	R0520	**48,121**
TP calculated as a whole	R0530	-
Best Estimate	R0540	30,643
Risk margin	R0550	17,478
Technical provisions - health (similar to non-life)	R0560	**3,260**
TP calculated as a whole	R0570	-
Best Estimate	R0580	1,162
Risk margin	R0590	2,098
Technical provisions - life (excluding index-linked and unit-linked)	R0600	**56,178**
Technical provisions - health (similar to life)	R0610	**56,178**
TP calculated as a whole	R0620	-
Best Estimate	R0630	27,337
Risk margin	R0640	28,841
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	**-**
TP calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	**-**
TP calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Contingent liabilities	R0740	**-**
Provisions other than technical provisions	R0750	**-**
Pension benefit obligations	R0760	**-**
Deposits from reinsurers	R0770	**2,670**
Deferred tax liabilities	R0780	**52,401**
Derivatives	R0790	**-**
Debts owed to credit institutions	R0800	**2,326**
Financial liabilities other than debts owed to credit institutions	R0810	**-**
Insurance & intermediaries payables	R0820	**53,312**
Reinsurance payables	R0830	**13,965**
Payables (trade, not insurance)	R0840	**27,438**
Subordinated liabilities	R0850	**64,208**
Subordinated liabilities not in BOF	R0860	-
Subordinated liabilities in BOF	R0870	64,208
Any other liabilities, not elsewhere shown	R0880	**-**
Total liabilities	**R0900**	**323,879**
Excess of assets over liabilities	**R1000**	**329,891**

S.04.05.21 Premium, claims and expenses by country

€ '000		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
			FR	IT	DE	PL	PT	
		C0010	C0020	C0020	C0020	C0020	C0020	C0020
Premiums written								
Gross - Direct Business	R0020	-	44,265	48,297	10,299	1,089	1,992	105,942
Gross - Proportional reinsurance accepted	R0021	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0022	-	-	-	-	-	-	-
Premiums earned								
Gross - Direct Business	R0030	-	44,501	53,694	10,505	1,278	1,706	111,684
Gross - Proportional reinsurance accepted	R0031	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0032	-	-	-	-	-	-	-
Claims incurred								
Gross - Direct Business	R0040	-	-428	-1,700	1,286	47	-67	-862
Gross - Proportional reinsurance accepted	R0041	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0042	-	-	-	-	-	-	-
Expenses incurred								
Gross - Direct Business	R0050	-	41,456	45,587	8,315	1,122	1,253	97,733
Gross - Proportional reinsurance accepted	R0051	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0052	-	-	-	-	-	-	-

S.04.05.21 Premium, claims and expenses by country

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€ '000		Home Country	Top 5 countries (by amount of gross premiums written) - Life					Total Top 5 and home country
			FR	IT	DE	PL	PT	
		C0030	C0030	C0030	C0030	C0030	C0030	C0030
Gross Written Premium	R1410	-	199,042	82,398	26,798	8,408	5,500	322,146
Gross Earned Premium	R1420	-	198,817	65,341	25,434	8,018	3,825	301,435
Gross Claims incurred	R1420	-	49,501	15,620	5,523	2,014	1,092	73,750
Gross Expenses Incurred	R1420	-	120,977	46,676	18,213	5,246	2,868	193,980

S.05.01.02 **Premium, claims and expenses by Business Lines**

€ '000		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
		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	-	27,347	-	-	-	-	7,805	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	-	1,227	-	-	-	-	0	-	-
Net	**R0200**	**-**	**26,120**	**-**	**-**	**-**	**-**	**7,805**	**-**	**-**
Premiums earned										
Gross - Direct Business	R0210	-	27,359	-	-	-	-	8,007	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	-	1,264	-	-	-	-	0	-	-
Net	**R0300**	**-**	**26,095**	**-**	**-**	**-**	**-**	**8,007**	**-**	**-**
Claims incurred										
Gross - Direct Business	R0310	-	944	-	-	-	-	81	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	-	-353	-	-	-	-	0	-	-
Net	**R0400**	**-**	**1,297**	**-**	**-**	**-**	**-**	**81**	**-**	**-**
Expenses incurred	R0550	-	23,181	-	-	-	-	7,819	-	-
Balance - other technical expenses/income	R1210									
Total expenses & other technical	**R1300**									

S.05.01.02 **Premium, claims and expenses by Business Lines**

€ '000		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
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	-	-	70,877					106,029
Gross - Proportional reinsurance accepted	R0120	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0130				-	-	-	-	-
Reinsurers' share	R0140	-	-	9,783	-	-	-	-	11,010
Net	**R0200**	**-**	**-**	**61,094**	**-**	**-**	**-**	**-**	**95,019**
Premiums earned									
Gross - Direct Business	R0210	-	-	76,405					111,771
Gross - Proportional reinsurance accepted	R0220	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0230				-	-	-	-	-
Reinsurers' share	R0240	-	-	6,027	-	-	-	-	7,291
Net	**R0300**	**-**	**-**	**70,378**	**-**	**-**	**-**	**-**	**104,480**
Claims incurred									
Gross - Direct Business	R0310	-	-	-1,887					-862
Gross - Proportional reinsurance accepted	R0320	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0330				-	-	-	-	-
Reinsurers' share	R0340	-	-	-691	-	-	-	-	-1,044
Net	**R0400**	**-**	**-**	**-1,196**	**-**	**-**	**-**	**-**	**182**
Expenses incurred	R0550	-	-	63,660	-	-	-	-	94,660
Balance - other technical expenses/income	R1210								-5,588
Total expenses & other technical	**R1300**								**89,072**

€ '000		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	Total
		Line of Business for: life insurance obligations						**Life reinsurance obligations**		
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	323,362	-	-	-	-	-	-	-	323,362
Reinsurers' share	R1420	23,015	-	-	-	-	-	-	-	23,015
Net	**R1500**	**300,347**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**300,347**
Premiums earned										
Gross	R1510	302,818	-	-	-	-	-	-	-	302,818
Reinsurers' share	R1520	22,138	-	-	-	-	-	-	-	22,138
Net	**R1600**	**280,680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**280,680**
Claims incurred										
Gross	R1610	73,813	-	-	-	-	-	-	-	73,813
Reinsurers' share	R1620	7,251	-	-	-	-	-	-	-	7,251
Net	**R1700**	**66,562**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**66,562**
Expenses incurred	R1900	182,748	-	-	-	-	-	-	-	182,748
Balance - other technical	R2510									5,244
Total expenses & other technical	**R2600**									**187,992**

S.12.01.02 Life and health SLT technical provisions

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€ '000		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
				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
Technical provisions calculated as a whole	R0010	-	-			-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-	-			-			-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	-		-	-		-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-		-	-		-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	-		-	-		-	-	-
Risk Margin	R0100	-	-			-			-
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110	-	-			-	-	-	-
Best estimate	R0120	-		-	-		-	-	-
Risk margin	R0130	-	-			-			-
Technical provisions - total	R0200	-	-			-			-

S.12.01.02 Life and health SLT technical provisions

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€ '000		Accepted reinsurance	Total (Life other than health insurance, incl. 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			
		C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	-	-	-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-	-	-			-	-	-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	-	-		27,337	-	-	-	27,337
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-	-		12,627	-	-	-	12,627
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	-	-		14,710	-	-	-	14,710
Risk Margin	R0100	-	-	28,841			-	-	28,841
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110	-	-	-			-	-	-
Best estimate	R0120	-	-		-	-	-	-	-
Risk margin	R0130	-	-	-			-	-	-
Technical provisions - total	R0200	-	-	56,178			-	-	56,178

S.17.01.02 Non-Life technical provisions

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€ '000		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
		Direct business and accepted proportional reinsurance								
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	**R0010**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	**-**	**(1,326)**	**-**	**-**	**-**	**-**	**834**	**-**	**-**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	(456)	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**	**-**	**(870)**	**-**	**-**	**-**	**-**	**834**	**-**	**-**
Claims provisions										
Gross	R0160	-	2,488	-	-	-	-	374	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	48	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	**R0250**	**-**	**2,440**	**-**	**-**	**-**	**-**	**374**	**-**	**-**
Total Best estimate - gross	**R0260**	**-**	**1,162**	**-**	**-**	**-**	**-**	**1,208**	**-**	**-**
Total Best estimate - net	**R0270**	**-**	**1,570**	**-**	**-**	**-**	**-**	**1,208**	**-**	**-**
Risk margin	**R0280**	**-**	**2,098**	**-**	**-**	**-**	**-**	**689**	**-**	**-**

S.17.01.02 Non-Life technical provisions

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€ '000		Direct business and accepted 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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-
Amount of the transitional on Technical Provisions										
Technical provisions - total	R0320	-	3,260	-	-	-	-	1,896	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	(409)	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	3,668	-	-	-	-	1,896	-	-

S.17.01.02 Non-Life technical provisions

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En milliers d'euros		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	**-**	**-**	**20,158**	**-**	**-**	**-**	**-**	**19,666**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	4,363	-	-	-	-	3,907
Net Best Estimate of Premium Provisions	**R0150**	**-**	**-**	**15,795**	**-**	**-**	**-**	**-**	**15,759**
Claims provisions									
Gross	R0160	-	-	9,277	-	-	-	-	12,139
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	1,124	-	-	-	-	1,171
Net Best Estimate of Claims Provisions	**R0250**	**-**	**-**	**8,154**	**-**	**-**	**-**	**-**	**10,968**
Total Best estimate - gross	**R0260**	**-**	**-**	**29,435**	**-**	**-**	**-**	**-**	**31,805**
Total Best estimate - net	**R0270**	**-**	**-**	**23,949**	**-**	**-**	**-**	**-**	**26,727**
Risk margin	**R0280**	**-**	**-**	**16,790**	**-**	**-**	**-**	**-**	**19,576**

S.17.01.02 Non-Life technical provisions

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€ '000		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		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
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-
Technical provisions - total									
Technical provisions - total	R0320	-	-	46,225	-	-	-	-	51,381
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	5,486	-	-	-	-	5,078
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	40,739	-	-	-	-	46,303

S.19.01.21 Non-Life claims information

Accident year / Underwriting year | Z0020 | 1

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

€ '000	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	-
N-9	R0160	17565	13150	3784	50	388	10	-	29	-	-351		R0160	-351	34624
N-8	R0170	25889	12892	4050	43	47	12	46	65	-958			R0170	-958	42087
N-7	R0180	18292	10953	2240	365	26	30	-	-1399				R0180	-1399	30507
N-6	R0190	17261	8012	2489	423	-107	0	-1592					R0190	-1592	26485
N-5	R0200	15060	9444	1555	331	22	-1073						R0200	-1073	25337
N-4	R0210	12372	7305	2472	192	-118							R0210	-118	22223
N-3	R0220	9108	6606	1414	59								R0220	59	17187
N-2	R0230	7930	6426	892									R0230	892	15248
N-1	R0240	8235	4835										R0240	4835	13070
N	R0250	5691											R0250	5691	5691
												Total	**R0260**	**5985**	**232460**

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

€ '000	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											-	R0100	-
N-9	R0160	0	0	3639	392	39	7	0	0	0	-		R0160	
N-8	R0170	0	7529	2747	331	16	36	6	0	0			R0170	
N-7	R0180	6836	5690	2448	422	42	22	11	0				R0180	
N-6	R0190	5211	5515	2451	825	22	6	277					R0190	277
N-5	R0200	4648	9450	4120	541	28	187						R0200	187
N-4	R0210	9807	12372	5445	439	41							R0210	41
N-3	R0220	12950	14712	1923	217								R0220	217
N-2	R0230	14828	8712	876									R0230	876
N-1	R0240	11353	4924										R0240	4924

N	R0250	5616

	R0250	5616
Total	**R0260**	**12139**

S.23.01.01 Own funds

1/2

€ '000		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	**73,191**	73,191		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	**224,162**	224,162			
Subordinated liabilities	R0140	**64,208**		6,007	58,201	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	
Total basic own funds after deductions	**R0290**	**361,562**	**297,353**	**6,007**	**58,201**	**-**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	**R0400**	**-**			**-**	**-**

S.23.01.01 Own funds

2/2

€ '000		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	**361,562**	297,353	6,007	58,201	-
Total available own funds to meet the MCR	R0510	**361,562**	297,353	6,007	58,201	
Total eligible own funds to meet the SCR	R0540	**361,562**	297,353	6,007	58,201	-
Total eligible own funds to meet the MCR	R0550	**318,727**	297,353	6,007	15,366	
SCR	**R0580**	**170,733**				
MCR	**R0600**	**76,830**				
Ratio of Eligible own funds to SCR	**R0620**	**211.77%**				
Ratio of Eligible own funds to MCR	**R0640**	**414.85%**				

€ '000		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	**329,891**
Own shares (held directly and indirectly)	R0710	**-**
Foreseeable dividends, distributions and charges	R0720	**32,538**
Other basic own fund items	R0730	**73,191**
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	**-**
Reconciliation reserve	R0760	**224,162**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	**196,403**
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	**1,031**
Total Expected profits included in future premiums (EPIFP)	**R0790**	**197,434**

S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

€ '000		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	57,348	-
Counterparty default risk	R0020	5,657	
Life underwriting risk	R0030	-	-
Health underwriting risk	R0040	143,258	-
Non-life underwriting risk	R0050	93,785	-
Diversification	R0060	(98,717)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	**R0100**	**201,331**	

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	15,479
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(46,077)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	170,733
Capital add-on already set	R0210	-
Solvency capital requirement	**R0220**	**170,733**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

Calculation of Solvency Capital Requirement		C0109
Approach based on average tax rate	R0590	-

Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	(46,077)
LAC DT justified by reversion of deferred tax liabilities	R0650	(46,077)
LAC DT justified by reference to probable future taxable economic profit	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	-

S.28.01.01 Minimum capital requirement – Only life or non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	14,938

€ '000		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	1,570	26,120
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	1,208	7,805
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	23,949	60,316
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

S.28.01.01 Minimum capital requirement – Only life or non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	**R0200**	**101,351**

€ '000		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	
Obligations with profit participation - future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	-	
Other life (re)insurance and health (re)insurance obligations	R0240	14,710	
Total capital at risk for all life (re)insurance obligations	**R0250**		**144,345,988**

Overall MCR calculation

€ '000		C0070
Linear MCR	R0300	116,289
SCR	R0310	170,733
MCR cap	R0320	76,830
MCR floor	R0330	42,683
Combined MCR	R0340	76,830
Absolute floor of the MCR	R0350	2,700
Minimum Capital Requirement	**R0400**	**76,830**