Aioi Nissay Dowa Insurance Company of Europe S.E. Group

Solvency and Financial Condition Report

Year ended 31 December 2023

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List of abbreviations

AND-E SE	Aioi Nissay Dowa Insurance Company of Europe S.E.
AND-E SE Group	The insurance group consisting of AND-E SE and AND-E Life
AND-E Life	Aioi Nissay Dowa Life Insurance of Europe AG
ANDEL	Aioi Nissay Dowa Europe Limited
TIM	Toyota Insurance Management SE
CAA	Commissariat aux Assurances
EIOPA	European Insurance and Occupational Pensions Authority

Summary

A. Business activities

The Aioi Nissay Dowa Insurance Company of Europe S.E. Group ("AND-E SE Group" or "the Group") conducts direct insurance business in property/casualty insurance and Life insurance, as well as reinsurance business. The main business is retail general insurance, with a focus on auto-centric products.

B. System of Governance

All of AND-E SE Group companies' key functions and key roles are within its system of governance. In addition, this section deals with the regulations on pay, fit and proper requirements and the internal control system.

In the view of both Boards', AND-E SE Group companies' organisational and operational structures are adequate for the complexity and size of the companies, and in line with the Group business strategy.

C. Risk profile

The risk profile of the group includes all the risks of the individual companies.

D. Valuation for Solvency purposes

For Solvency II reporting, the solvency overview is prepared in accordance with the Solvency II valuation rules and hence at fair value, not the principle of prudence under commercial law.

Consequently, recognition and measurement differences between the values determined in accordance with the Solvency II regulations and the values under commercial law have arisen. The main differences arise on investments, deferred tax assets, recoverable amounts from reinsurance contracts, the revaluation of technical provisions and annuity payment obligations, the prohibition on recognising the equalisation provision under Solvency II, and the recognition of the actuarial reserves.

E. Capital Management

The consolidated eligible own funds as per Solvency II amount to €166.3 m as of 31 December 2023. The Solvency Capital Requirement (SCR) according to the standard formula was €108.7m. The SCR coverage ratio as of 31 December 2023 was 153.0%.

The Minimum Capital Requirement (MCR) was 37.7€m. The MCR coverage ratio as of 31 December 2023 was 433.4%.

A. Business and Performance

A.1 Business

A.1.1 General information

AND-E SE Group (“the Group”)is part of MS&AD Insurance Group Holdings, Inc., Tokyo, Japan. As part of this larger corporate group, AND-E SE Group contributes to the Group corporate objectives of creating a leading global insurance and financial services group that focuses on sustainable growth and continually increases the Group’s value.

Aioi Nissay Dowa Insurance Company of Europe S.E. (AND-E SE), as the parent company of the AND-E SE Group, specialises in innovative motor insurance products and operates in Luxembourg as a Societas Europaea. Together with its subsidiary Aioi Nissay Dowa Life Insurance of Europe AG (AND-E Life), it offers a comprehensive range of products related to the purchase and ownership of motor vehicles.

The competent supervisory authority of AND-E SE Group is:

Commissariat aux Assurances (“CAA”),
11, rue Robert Stumper – L-2557 Luxembourg, GD de Luxembourg,
(+352) 22 69 11 – 1
caa@caa.lu

The external audit of the financial statement is carried out by:

KPMG Luxembourg, Société 5ooperative,
39 Avenue John F. Kennedy,
L-1855 Luxembourg.

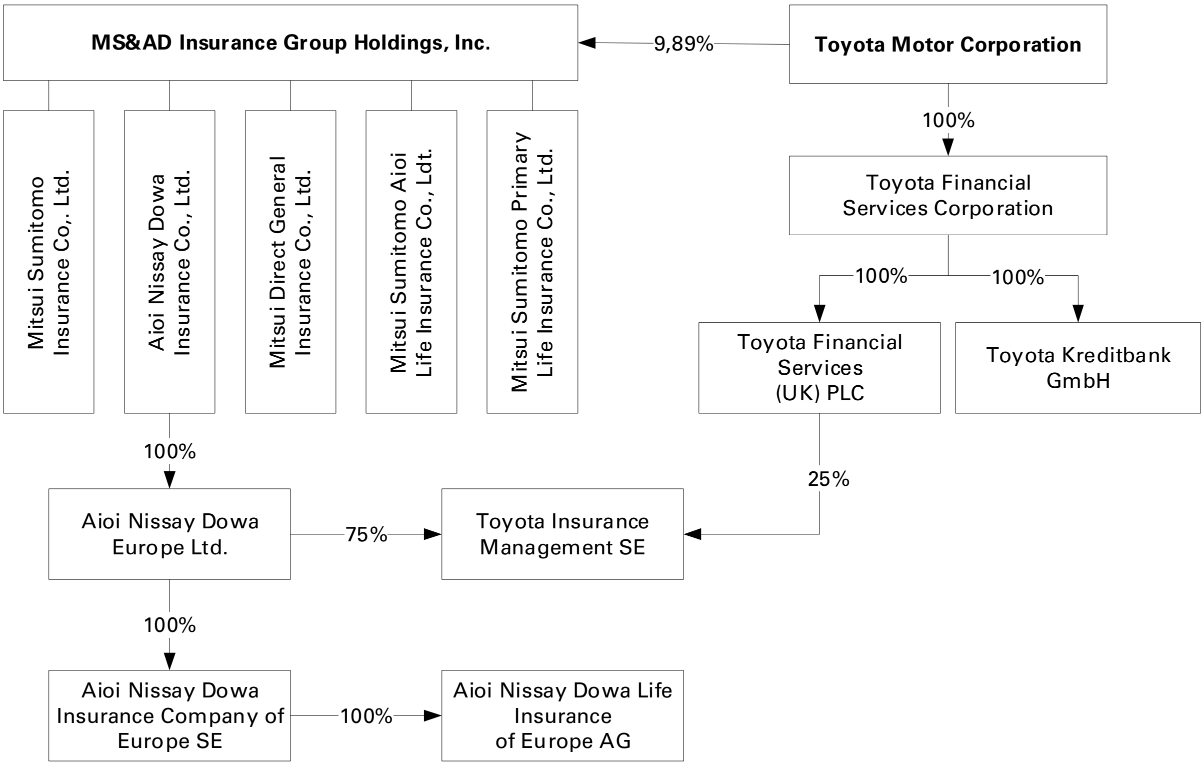
A.1.2. Holder of qualifying holdings

AND-E SE holds 100% and therefore a direct interest in AND-E Life. There are no other company agreements such as a domination agreement or a profit transfer agreement.

A.1.3 Group Structure

The Group parent AND-E SE has its registered office in Luxembourg. In addition to its subsidiary AND-E Life in Germany, it operates with five branches within the EU. The AND-E SE Group itself is in turn a 100% subsidiary of Aioi Nissay Dowa Europe Limited, a company incorporated in the United Kingdom, which itself is 100 % owned by Aioi Nissay Dowa Insurance Company Limited, a company incorporated in Japan. The overall parent company for the consolidation is the MS&AD Insurance Group Holdings, Inc, Tokyo, Japan.

The table below shows the relevant group structure.



A.1.4 Basic areas of business

AND-E SE is a motor and general insurer with branches in Belgium, France, Germany, Italy and Spain. It also operates insurance schemes in Ireland and Norway and provides active reinsurance in Austria, Denmark, Estonia, Finland and Poland.

AND-E Life is authorized to transact Life insurance – limited to payment protection insurance – as per annex 1 no. 19 of VAG (the German Insurance Supervision Act) for direct insurance and reinsurance. AND-E Life currently offers its products in Germany, France and Monaco. In addition, it carries out active quota share reinsurance on payment protection insurance, including supplementary insurance, in Italy, Spain and Poland.

Within the group, AND-E SE's business clearly dominates in terms of type and scope.

A. 1.5 Outsourcing

Within the AND-E SE Group, AND-E Life has outsourced the following operational areas to ANDIE SE and its branch ANDIE GER:

- General administration
- Accounting
- Human Resources
- Legal advice
- Telephony
- IT support for business processes
- Claims processing for supplementary disability insurance in Germany

AND-E Life undertakes the following activities for AND-E SE and its branch in Germany:

- Claims processing and portfolio management for accident insurance and unemployment insurance, sold in conjunction with payment protection insurance.
- Processing and claims processing of payment default insurance.
- Management of reinsured insurance policies, including supplementary insurance policies, which were concluded in other countries within the scope of the payment protection insurance policies.

A. 1.6 Significant business events

During the reporting period, no significant business, or other events, such as new areas of business, corporate mergers, or portfolio transfers, occurred that had a material impact on the AND-E SE Group.

A.2 Underwriting Performance

A Group consolidation of the financial statements is not performed. The individual results from the companies are reported below.

A. 2.1 Underwriting Performance from AND-E SE

The following table summarises the underwriting performance of the Company for 2023, as per the Company's financial statements:

	2023 €m	2022 €m
Gross premiums written	402.18	318.097
Net earned premiums	215.35	166.358
Net insurance claims	143.28	92.718
Investment income	10.69	6.021
Other technical income	0.31	0.287
Operating expenses	79.72	58.095
Loss ratio	66.53%	55.7%

The Company's gross written premium increased by more than a quarter from €318.1m in 2022 to €402.2m in 2023. All major markets contributed to this success with double-digit growth, with Italy and Spain being the biggest contributors on a relative and absolute basis. This growth was driven by higher car sales of Toyota and a further increase of the penetration rate.

Underwriting performance was heavily impacted by high claims inflation across all markets and extreme weather events in Germany and Italy and, to a lesser extent by higher thefts. Large bodily injury claims were lower than last year. Net incurred claims increased to €143.3m (2022: 92.7m) The net loss ratio increased from 55.7% (2022) to 66.53%. Although focus shifted on measures to protect margin already in the first half of the year most of the benefits of price increases and other measures will only be seen in 2024 and following years.

A. 2.2 Underwriting Performance from AND-E Life

As of 31.12.2023, the insurance portfolio consisted of 156,431 policies (previous year: 160,557) in the direct insurance business and 80,264 policies (previous year: 75,808) in the reinsurance business. The structure and movements within the portfolio are shown in the appendix to the status report.

Premiums from the direct insurance business increased in the financial year by €0.4m to €29.0m. In addition, AND-E Life earned €1.7m in premiums from the reinsurance business. The premium income thus increased overall by 2% to €30.8m (previous year: €30.0m). Benefit payments increased slightly to a total of €6.3m (previous year: €6.3m); about 71% of these were for death benefits.

The acquisition costs in the financial year amounted to €9.5m (previous year: €9.7m). The administrative expenses were €10.6m (previous year: €12.4). General expenses increased by 8% to €1.7m (previous year: €1.6m).

In the year AND-E Life achieved an underwriting result of €35k (previous year: €-6,.4m).

A.3 Investment Performance

A. 3.1 Investment Performance from AND-E SE

Investment income increased from €6.0m (2022) to €10.7m. This increase was driven by higher interest income, gains from realisation of investments and lower value adjustments on investments.

The Company has continued with its strategy of capital preservation, maintaining a high degree of liquidity and matching assets to liabilities regarding currency and duration. As the Company's UK business continues its run-off, no investments in GBP assets were made.

A. 3.1 Investment Performance from AND-E Life

Income from capital investment recovered considerably in the year, increasing from €0.3m in 2022 to €0.9m. The balanced write-ups and write-offs on capital investments, which amounted to €+64k (2022: €-183k), contributed to this, as did the ordinary income on capital investments, which increased by 56%. Dividend income decreased slightly by 3%.

A.4 Performance of other activities

A. 4.1 Performance of other activities from AND-E SE

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

	2023 €m	2022 €m
Other technical income	-0.3	-0.3
Administrative expenses	32.3	13.4
Acquisition costs	100.2	88.7
Reinsurance commissions	-51.2	-40.4
Other Income	4.4	7.9

Other charges, incl. value adjustments	-0.5	-1.1
Lease costs	2.5	3.5

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

Administrative expenses are general expenses related to the management of the Company and its underlying business which cannot be allocated to either the handling of claims or the acquisition of insurance business. Acquisition costs comprises commissions paid for the acquisition of business, including a share of administrative expenses allocated to business acquisition. Reinsurance commissions are the net of commissions, taking into account the reinsurers' share.

Other income comprises of profit on exchange and other non-technical income. Other charges comprise other non-technical expense, and value adjustments on investments.

Lease costs are mainly for the leasing of general office space and other equipment. Within the financial statements, lease costs are included within the total for administrative expenses.

A. 4.2 Performance of other activities from AND-E Life

The other profit and loss items for the financial year calculated in accordance with the German Commercial Code are shown below:

Other earnings	2023 EUR k	Previous year EUR k
Earnings from commission	0	0
Earnings from the release of other reserves	59	742
Interest and similar earnings	13	1
Other earnings	51	17
Total	124	761

Other expenses	2023 EUR k	Previous year EUR k
Expenses for services received	459	390
Wages, salaries and social insurance contributions	790	740
Exchange rate losses	1	0
Expenses for annual financial statement costs	160	140
Expenses for premiums and fees	62	114
Other expenses	212	176
Total	1.684	1.560

Taxes	2023 EUR k	Previous year EUR k
Other taxes	0	0
Taxes from income and earnings	2	-14
Total	2	-14

A.5 Any other information

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

B. System of Governance

B.1 General governance arrangements

The AND-E SE Group consolidation is performed at AND-E SE and then at ANDEL Group-Level. The organisational and operational structure of the AND-E SE Group is being reviewed and it is anticipated that the parent company's registered office will relocate from Luxembourg to Germany.

B. 1.1 Group oversight

General meeting

Within the Group, AND-E SE is the sole shareholder of AND-E Life. At the General meeting, it represents 100 % of the shares.

Board and Supervisory Board

As at 31.12.2023, the members of the Board were:

- Christian Alt — Dirigeant Agréé
- Michael Kainzbauer — Chairman
- Roger McCorriston — Independent non-executive director
- Michael Swanborough — Non-executive director
- Steve Sérèmes — Non-executive director (from 29.09.2023)
- Dr. Thomas Jannakos — Executive director (from 13.12.2023)

Noboru Yamahara’s tenure ceased on 28.09.2023.

Various members of the Board of Directors from the European group make up the Supervisory Board of AND-E Life, which monitors compliance with the group's objectives.

Overview of existing key functions

The Group has established the four key functions of Risk Management, Actuarial, Compliance and Internal Audit in accordance with Art. 268 et seq. of the Commission Delegated Regulation 2015/35. The Internal Audit Function of AND-E Life is outsourced to Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Mazars). The Internal Audit Function of AND-E SE is co-sourced to BDO Audit.

Independent Risk Management Function (IRMF)

The IRMF organises the risk management system on behalf of the Board of Directors in order to identify, assess, monitor and steer risks to which the Group actually is or possibly could be exposed and to report on these risks. Thus it is responsible for the group-wide risk management processes. In this context, it actively informs the AND-E SE Board of Directors about concerns within the risk management processes. In this way, it continuously assists the Board of Directors to remedy deficits and to further improve the risk management system.

Actuarial Function

The Actuarial Function coordinates the calculation of actuarial reserves, ensuring that they comply with all applicable legal requirements and assesses the quality of the data used in these calculations.

Compliance Function

The Compliance Function ensures compliance with statutory provisions and monitors the impact of changes in the legal environment.

Internal Audit Function

The Internal Audit Function is responsible for independent and objective examination of and advice on the company's governance system. This includes monitoring the adequacy and effectiveness of the group organisation, in particular the internal control system. Using a systematic and targeted process, it evaluates the management, monitoring, risk management and control processes and helps to improve them.

Outsourcing officer

Outsourcing plays a very important role in the business operations of the group. For this reason, an outsourcing officer exists in both companies to support the Board of Directors in the selection, assessment and monitoring of service providers.

B. 1.2 Remuneration Policy

The Group remuneration policy applies appropriate and transparent remuneration structures that are in line with the business and risk strategy of the AND-E SE Group. The policy is geared towards the sustainable success of the companies and the Group. Accordingly, any variable element of the remuneration is designed in such a way that the focus is not on short-term success, but on ensuring the long-term stability of the respective company. Agreed targets are designed to ensure there are no conflicts of interest and no incentives are created to take on disproportionately high-risk positions.

The framework for the remuneration of the members of the Supervisory Board members is also set by the remuneration policy. The Supervisory Board performs its monitoring and advisory function at AND-E Life without remuneration.

The company policy is used as a benchmark for the remuneration of employees. Appropriate adjustments are made in the event of deviations that are not in line with the market. Remuneration is reviewed annually as part of the employee appraisal process.

B.2 Fit and proper requirements

The Group is committed to ensuring that all its staff have the appropriate skills, knowledge and experience to perform their roles.

Article 273 of the Commission Delegated Regulation 2015/35 and other local requirements establish "fit and proper" requirements for the following roles:

- Members of the board of directors.

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

Both Group companies have established fit and proper requirements in accordance with the requirements of the local regulatory authority.

Before appointing new members of staff for any of the above roles, the companies consider whether the candidate is fit and proper to undertake the required role. This involves an assessment of both their experience for the role and of their appropriateness.

To ensure sufficient experience and the sound management of their company, Board members are expected to demonstrate relevant professional experience and sufficient theoretical knowledge from professional training, academic qualifications and training courses in relation to insurance business, business management, economics, tax or general law.

Key function holders must have the knowledge necessary to perform those functions as specified in articles 268-272 of the Commission Delegated Regulation 2015/35. This is demonstrated by the function holder’s professional experience in the relevant area as specified in each Company’s fit and proper requirements. The overarching fitness and propriety requirement is assessed by the Board, including a check for any potential conflicts of interest and whether the key function holder has enough time available to perform the task properly.

B.3 Risk management system including ORSA

B.3.1 Risk Management System

As an insurance group, ANDIE SE group is fundamentally concerned with the management of risks. The wider ANDEL Group maintains a risk management system which the AND-E SE Group is aligned with. Each company of the AND-E SE Group operates through an enterprise-wide risk management framework that is designed to identify, evaluate, manage and monitor exposure to risk. The process is subject to continuous review and development. Those reviews include:

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

Risk management systems are designed to comply with regulatory standards. Risk management processes at ANDIE SE group draw upon recognised industry standards where this is appropriate for the business. The risk management systems and processes at AND-E SE Group cover all risks included in the calculation of the SCR and the following additional areas:

- Underwriting and reserving.

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

Company, branch, subsidiary and departmental management are required to identify, assess, manage and monitor their key risks, within the risk management framework overseen by the Audit, Risk and Compliance Committee (ARCC) for non-life business and by AND-E Life's Board of Directors for the life business. The risk management system facilitates the aggregation of risk management information as required by the Board and the Board committees.

The risk management framework ensures the management of all risk categories and sub-categories. The high-level risk categories currently set out in that document are:

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

Qualitative and quantitative limits for risk preference, risk tolerance and risk capacity are set out in the Risk Appetite Statement (RAS).

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

The assessment of capital requirements (for both internal and regulatory capital measures) is based on the risks identified and evaluated through these processes. Both companies use the standard formula without applying specific parameters to assess the SCR.

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

The AND-E SE Group Risk Management Function forms the second line of defence and provides support, coordination, and challenge to business units regarding the risk management process. The AND-E SE Risk Management Function has oversight of the first line risk registers and reports on compliance with each Company's risk appetite and is responsible for providing aggregated reporting to the ARCC. For the life business, the Risk Management Function reports to the key function holder committees and AND-E Life's Board of Directors.

Risk monitoring is undertaken at the level of each business area, the subsidiaries and the AND-E SE Group as a whole.

As AND-E SE develops its non-life business through national branches within the process of risk monitoring, individual risks can be aggregated to develop single risks that give a complete understanding of the overall risk exposure. The ARCC receives a report at each meeting, showing the Risk Dashboard, the annual view on emerging risks, the RAG status of the qualitative and quantitative indicators of the Risk Appetite Statements and any additional points that the Head of Risk Management wishes to raise for awareness or debate.

For the life business, the management of AND-E Life receives continuous, prompt and comprehensive reports about the results of the risk monitoring performed by AND-E Life's key functions and their recommended action.

B.3.2 Roles and responsibilities

The Boards' of Directors (the Boards') of AND-E SE and AND-E Life have overall responsibility for the company's system of risk management and approves the Risk Management Policy and the Risk Strategy. They also approve changes and exceptions to the companies Risk Appetite, determine the level of tolerance for each category of risk and review reports on adherence to the stated appetite and risk tolerance. The Boards' also challenge the identification, assessment, and measures for key risks, and they identify and evaluate emerging risks that have the potential to affect the business. The Boards' review and approve the respective ORSA reports.

The ANDIE SEARCC recommends the Company's Risk Strategy, Risk Management Policy and changes to the Company's Risk Appetite to the Board and ensures that appropriate monitoring measures are in place. The ARCC evaluates the risk register and emerging risks and proposes changes to the controls and associated risk mitigation measures to the Board.

The AND-E Life Board of Directors combines the roles and responsibilities of the ARCC and the Board.

Subsidiaries and branches may define RASs and thresholds that are specific to their area of operation. Local regulation may require an AND-E SE Group company to have documented a specific RAS. AND-E Life has its own RAS and thresholds to steer its Life business. The responsibilities of subsidiaries and branches include:

- Keeping the subsidiaries / branch / business units Risk Register and Risk Event Log up to date.
- Agreeing action plans with risk / control owners.
- Reporting the current risk profile and risk outlook for the relevant business area, updates on action plans and control testing to the ARCC.

B.3.3 Risk Management process

AND-E SE Group's risk management process is aligned with that of the ANDEL Group and incorporates the following elements:

- Articulation of risk appetite and tolerance.
- Risk identification, assessment and prioritisation (inherent risk assessment).
- Risk response and control implementation.
- Control evaluation and residual risk assessment.

- Residual risk quantification.
- Formal risk reviews performed by the Head Office Risk Management Function.
- Risk oversight, monitoring, aggregation and reporting.
- Stress and scenario testing.

B.3.4 RAS

The RAS is reviewed at least annually, by the Board of Directors of each company. If the RAS is revised at ANDEL's level, any changes have to be approved by the AND-E SE and AND-E Life Board of Directors. The subsidiaries tolerance of risk and risk thresholds cannot exceed that set for ANDEL but may be set lower.

The RAS includes a statement of the maximum risk of insolvency that the company is prepared to accept; it also sets out unacceptable areas of operation for the company. The RAS sets out the taxonomy of risks, i.e., the name and definition of the risk categories and sub-categories that are to be considered by the AND-E SE Group.

B.3.5 Risk identification, assessment and prioritisation

Risk identification establishes the Group's exposure to risk and uncertainty. This requires an intimate knowledge of the organisation, the market in which both companies operate, the legal, social, political and cultural environment, as well as the strategic and operational objectives. For this reason, the exposures to risk are assessed at the subsidiary, branch and business unit level, using a methodical and analytical approach.

Identified risks are recorded in the subsidiaries, branch and business units risk registers. These are combined into an aggregate risk register for the AND-E SE Group, reviewed for consistency, and supplemented by a study of emerging risks by the ARCC.

Each risk on the register is rated according to its likelihood and potential impact. The likelihood and impact ratings are combined to determine the overall rating – also referred to as the 'risk class'. The risk classes, risk threshold values and definitions are set out in the AND-E SE Group RAS, which is a Board responsibility and reviewed by the Audit, Risk and Compliance Committee.

B.3.6 Risk response and control implementation

Appropriate risk responses are identified commensurate with the risk exposure. Both companies in the Group reduce risk to remain within the individual Board's risk appetite through the implementation of directive, preventative, detective and corrective controls. Risks may also be transferred (e.g., through use of reinsurance), or avoided (i.e., by choosing not to pursue a particular activity).

B.3.7 Control evaluation and residual risk assessment

The risk register records the directive, detective, preventative and corrective controls that are in place for each risk. Control ownership is also identified on the risk register, which also sets out the control testing frequency. The effectiveness of each control is rated by management, and the residual likelihood and impact is assessed based on the overall effectiveness of the controls.

B.3.8 Risk quantification

Simulation modelling of the risks is performed as part of the assessment of capital requirements, for both internal and regulatory capital measures. The modelling techniques applied depend on the nature of the risk involved.

The approach for the most significant risk is to start with a “base scenario” for ANDIE SE’s profits and losses and to model the potential for the result to vary from the base scenario due to each risk. This validates the companies ranking of the relative importance of risks.

B.3.9 Risk oversight, monitoring, aggregation and reporting

Risk monitoring is performed by each business area, company and the AND-E SE Group as a whole. Individual risks can be aggregated to develop a single risk that gives complete understanding of the overall risk exposure of each company.

The ARCC or Board receives a risk monitoring and oversight report at each meeting, covering:

- Details of any notable movements in any of the branch or department risk registers.
- A Summary of notable risk events, showing details of actual losses that have occurred.
- The Risk Dashboard which highlights key exposures, change in exposures, and outcomes.

They review any significant risk events that have occurred since the previous meeting. This review includes the effectiveness of controls and control testing as well as getting assurance that appropriate actions have been, or will be, taken and monitored.

If in the judgement of the Risk Management Function, the Board of Directors or other senior managers, there was a significant event resulting in a significant financial loss, or a significant change in the level of risk to which the company is exposed, a special meeting will be called to consider how to respond.

B.3.10 Stress testing

At least once per year, the Risk Committee conducts a stress testing exercise, examining the impact on AND-E SE of various risk scenarios. This includes reverse stress testing, in which scenarios are identified that would, if they occurred, cause the Company’s business model to be unsustainable (e.g., exhaustion of resources, loss of confidence of shareholders, regulators, etc.). The findings of the stress testing exercise are included in the ORSA report. AND-E Life also performs sensitivity analyses to verify the risk profile.

AND-E SE is exposed to various risks that do not directly contribute to capital requirements including reputational risks, strategic risks and potential emerging risks. The growth in the size and number of AND-E SE’s markets leads to an increase in these types of risks. The high level on non-optional change programmes which include GDPR compliance, AML/CFT compliance and other regulatory and legislative changes also add to these risks.

AND-E SE group has a high dependence upon Toyota which will remain the largest distribution channel through the intermediation of TIM SE and Toyota Financial Services. If the relationship with Toyota was to deteriorate, AND-E SE Group could lose its largest distribution channel. The cooperation on joint strategies and commercial plans as well as co-ownership relationships between the companies ensure the strength and continuity of this business relationships inspired by a common vision, interests and values.

B.3.11 ORSA

The Group ORSA process is part of the Group's risk management system. The Group ORSA is used to identify, quantify, monitor, manage and report on the risks the group may face. This process includes the use of an Internal Capital Model, which is overseen by the ANDEL Group Risk Modelling Committee. The Group ORSA considers all the key risks -both internal and external facing the business, including those not in the SCR such as liquidity, group, reputational and regulatory risks.

A full ORSA process is performed at least annually by the Group Risk Management Function based upon the results of the Internal Capital Model output and the Boards' business plan. Many of the structures and analyses undertaken in the ORSA process are on-going parts of the risk management framework. The Boards' consider that an annual review cycle is proportionate to the nature and scale of the risks which both companies face.

In addition, following any significant change in risk profiles, a full or partial ORSA process is performed. This analysis informs the Boards' of the nature of the change in the risk assessment and the implications for solvency under standard and stressed operating scenarios under both the internal and external risk environment. These changes could include, but are not limited to the following events, where they have the potential to significantly alter the AND-E SE Group's overall risk profile:

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

The ANDIE SE Group may choose to follow a full ORSA process after a fundamental change. The Risk Management Function will assess the impact of a change in risk profile and advise the Boards' whether a full ORSA process needs to be run. Both Boards' review the ORSA report and use it to guide key decisions for the business, such as decisions regarding strategies and business plans and assessing the short- and long-term capital positions.

The ORSA process starts with the identification of the risks which each Company faces, which are recorded at the operational level in the risk register. The Risk Committee (ANDIE SE) and Key Functions Committee (AND-E Life), attempt to identify risks which are not included in the risk registers and also consider the general risk environment. The ORSA considers both long-term and short-term risks, covering at least the business planning horizon, so the risk assessment is performed on a forward-looking basis. Boards' and management teams decide individually which risks are to be covered by capital and which are to be managed by using risk mitigation techniques.

The Key Functions Committees identify which risks are material and these are subject to more rigorous review. This may require quantifying some risks where the potential impact is unclear. The quantification of those risks uses a method which is proportionate to the nature and scale of the risk. Complex risks might require more complex models while simple risks could involve subjective assessments. In all cases the method adopted should be no more complex than necessary. The resultant quantification is used to calculate the Economic Capital Assessment and the Company's solvency requirements. The Economic Capital Assessment covers the solvency requirements over the business planning horizon. Risks and Solvency are monitored on a continuous basis.

As part of the ORSA process AND-E Life and AND-E SE assess deviations from their risk profile and the assumptions underlying the SCR calculation on a qualitative basis. If this assessment indicates that the risk profile has deviated materially from the assumptions underlying the SCR calculation, both companies will quantify the deviation.

If this qualitative and quantitative assessment indicates there are significant differences between AND-E SE Group's risk profile and that of the standard formula, the Boards' will address this by using Undertaking Specific Parameters to adjust the standard formula, developing a partial internal model, or changing the AND-E SE Group's risk profile.

Sensitivity analysis is used to validate all risk assessment models. An assessment of all significant assumptions is carried out at least annually. Reverse stress testing is required for any partial or full internal model and is carried out at least annually on all significant risk assessment models.

The AND-E SE Group runs stress and sensitivity tests every time the Group ORSA process is run. Additional tests are performed, even if the full Group ORSA process is not run, if a regulator or the Board requires them.

The Group ORSA process uses data from a variety of different sources, which -along with details of the criteria and methodologies for assessing the quality of the data- are documented and updated whenever a change is made to them. A data quality assessment is performed each time the data in a quantification model is updated and the results are recorded.

B.4 Internal control system

Internal controls are the processes established by each Board to provide reasonable assurance of effectively and efficiently meeting, inter alia, the companies' various operational, financial and compliance objectives. Their systems of internal control include all the policies and procedures adopted by managements to assist in achieving the companies' objectives of ensuring as far as practicable, the orderly and efficient conduct of their business.

The systems of internal control relate to every aspect of each Company's operations, including but not limited to the:

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

B.4.1 Systems of internal control objectives

Senior managers are responsible for designing, implementing and communicating a network of procedures and processes to control the operations of both companies in a manner which provides the Boards' with reasonable assurance that:

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

B.4.2 Components of the system of internal control

The following components make up the companies' systems of internal control:

B.4.2.1 Control Environment
The control environment is set by the Boards' and senior management in line with both companies' risk appetites as well as their priorities and directions. The control provides discipline and structure and strongly influences the control consciousness of all staff. Key factors in the control environment include the integrity, ethical values and competence of all personnel.

B.4.2.2 Risk Assessment
Risk assessment is the identification and analysis of relevant risks which may prevent the companies or a specific business unit from meeting its operational, financial and compliance objectives. The ARCC and Key Functions Committees identify risks affecting both companies, both internally and externally, and recommends a risk strategy to the Boards'.

B.4.2.3 Control Activities
Control activities are the policies and procedures established to ensure that the Board's and senior management's directives are implemented, and all risks identified are mitigated. It is the responsibility of managers at all levels to:

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

B.4.2.4 Information and Communication

Pertinent information must be identified, captured and communicated in a form and timeframe that enables staff to perform their duties. Continuous communication is essential to the effectiveness of the system of internal control.

All organisational units must inform the risk management, internal audit, compliance and actuarial functions of any facts relevant for the performance of those functions.

B.4.2.5 Monitoring

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

- Managers are responsible for monitoring activities performed within their department.
- The Risk Management and Compliance functions assess the appropriateness of and compliance with, both companies' policies and procedures.
- Internal Audit is responsible for examining and evaluating the functioning and adequacy of the internal controls and compliance with policies and procedures.
- The AND-SE ARCC and the AND_E Life Key Functions Committee are responsible for reviewing all monitoring actions.

B.4.3 Compliance Function

The Compliance Function is responsible for:

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

The AND-E SE Compliance Function comprises a Luxembourg based key function holder who is supported by Branch Compliance staff who are responsible for local matters.

AND-E Life has appointed one of its Board members as the Compliance Key Function Holder. As AND-E Life is mostly subject to local German requirements, the exchange with the German Compliance responsibilities allows for an alignment between the AND-E SE Compliance priorities and those of its subsidiary.

Within the Group, the relevant key function holders and Compliance departments are subject to internal, group wide assessments, for AND-E SE and AND-E Life compliance.

B.5 Internal Audit Function

The Group employs the Three Lines of Defence Model. The Internal Audit Function acts as the Third Line of Defence. The operation of the Internal Audit Function within the AND-E (SE) Group is defined in the Audit Charter, which specifies the Internal Audit Function's core principles, tasks, methods, processes and procedures.

The Internal Audit Function for ANDE (SE) is co-sourced with an external provider. The Internal Audit Function for ANDE (Life) is outsourced to an external provider. Both companies have appointed employees to specifically monitor the external provider. The AND-E SE Internal Audit Function reports directly to the Board of Directors and the ARCC. The AND_E Life Internal Audit Function reports to the Key Functions Committee

The annual audit plan for both companies is approved by the respective Board of Directors. Ad-hoc audits and assignments which are not in the original annual plan may be also performed as required.

Each audit concludes with an audit report, which is shared with the auditee and the Board of Directors. The Internal Audit Function monitors the implementation of the auditee's remediation of any deficiencies identified by the audit.

B.5.1 Independence and personal objectivity

The Internal Audit Functions are organisationally independent in accordance with their role as the third line of defence. Compliance with this requirement is ensured through clear reporting lines and comprehensive information rights codified in the Internal Audit Charter:

Both Internal Audit Functions:

- Manage the Internal Audit Function within the meaning of Solvency 2.
- Have the right to directly communicate with any employee and obtain access to any information, records, or data required to fulfil the Internal Audit Function's responsibilities.
- Has the authority to make assessments and recommendations; but does not participate in any operational processes.

Members of the Internal Audit function including external providers avoid conflicts of interest in fact or appearance.

Internal Audit policies are documented and reviewed annually by the respective Board of Directors

B.5.2 Audit standards

Both Internal Audit functions adhere to accepted standards of best professional practice.

B.5.3 Group Audit plan

There is an overall group audit function for the wider Group.

B.6 Actuarial Function

The ANDIE SE Group Actuarial Function Holder is a member of the ANDEL Group's actuarial team. The Actuarial Function Holder is a qualified member of the Institute of Actuaries in Belgium and the Institute and Faculty of Actuaries in the United Kingdom and has complied with the specific professional obligations those Institutes require.

The wider Actuarial team is made up of qualified members and associate members of the UK Institute and Faculty of Actuaries or equivalent international actuarial bodies, analysts and data management specialists, all of whom comply with relevant professional obligations.

The ANDIE SE Group Actuarial Function Holder reports on a day-to-day basis to ANDEL Group's Head of Actuarial. He also has an independent reporting line to the Dirigeant Agréé and the Chairman of the ARCC. The Board is satisfied that the Actuarial Function Holder has the ability, experience, resources and independence to carry out the prescribed tasks of the function holder.

The Actuarial Function is responsible for:

- Co-ordinating the calculation of technical provisions.
- Reviewing the models and their underlying assumptions, considering the sufficiency and quality of data used in both companies' risk and solvency assessments.
- Providing an opinion to the ARCC on both companies' underwriting policy and the effectiveness of their reinsurance.
- Producing the annual actuarial reports for the CAA and BAFIN.

The Actuarial Function Holder attends the AND-E SE Board of Directors by invitation and the ARCC. Attendance and membership of these Committees allows the Actuarial Function Holder and the actuarial team to contribute to the effective implementation of the ANDIE SE Company's risk management system.

The Group Actuarial Function relies on AND-E Life's Actuarial Function Holder, who is a member of the Board of Directors and is the appointed actuary for AND-E Life. The Board is satisfied he has the ability, experience, resources and independence to perform the role. He regularly attends AND-E Life's key functions meetings where all relevant topics relating to AND-E Life are discussed amongst all key function holders.

AND-E Life's actuarial function holder prepares an annual report, which he submits to the Board of Directors and the Supervisory Board.

B.7 Outsourcing

In line with the Group's strategy of mapping as many functions and services as possible within the Group; AND-E Life uses the services of AND-E SE, for which appropriate outsourcing agreements are concluded.

In addition, both companies have outsourced the internal audit function and investment management, for which corresponding agreements have also been written.

The underlying contracts contain sufficient rights to issue instructions and exercise control, both for AND-E Life and for BaFin and the internal audit function.

The outsourcing guideline defines internal requirements before and during outsourcing and an employee is designated as Outsourcing Officer to monitor all outsourcing arrangements.

The functions and the services that have been outsourced for all outsourcing contracts are included in the risk management monitoring processes. No risks occurred during the year from outsourced arrangements. Solvency II defines outsourcing as an arrangement of any form between an insurance undertaking and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

In accordance with Solvency II recommendations, the Group has set four main categories for its outsourced activities and functions:

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

B.8 Any other information

There is no further information that hasn’t been disclosed in other sections of part B.

B.9. Appropriateness

AND-E SE Group considers the Group governance system to be appropriate.

C. Risk Profile

Responsibility for the management of the risks for both companies lies with their respective Boards. Both Boards have established enterprise risk management frameworks comprising risk identification, risk assessment, control and reporting processes. The AND-E SE Board is assisted in its oversight of the risk management framework by the ARCC; the Board of AND-E Life is supported by the Key Functions Committee.

The risks are determined from a regulatory and an economic perspective. For the regulatory assessment, the solvency capital requirement (SCR) is calculated according to the Solvency II standard formula provided by the European Insurance and Occupational Pensions Authority (EIOPA). The risk profile is also determined from an internal perspective within the scope of the company's ORSA. The total solvency requirement calculated in this way reflects the risk exposure from a company-specific perspective.

The AND-E SE and AND-E Life risk management policies – complemented by the Risk & Control assessment guidance constitute a specific risk taxonomy for each company, which includes high level risk categories and subcategories. All the key risks are recorded within the common risk management system.

C.1 Underwriting risk

C.1.1 Nature of the risk

The underwriting risk for AND-E SE arises from the inherent uncertainty over the occurrence, value and timing of insurance liabilities from both current year activity (premium risk) and the run-off of claims which occurred in the current year and prior years (reserving risk).

AND-E Life's underwriting risk arises from adverse changes to the value of insurance liabilities resulting from inadequate pricing and reserving.

C.1.2 Methods used to assess and quantify the risk

Both companies assess their underwriting risk by analysing actual performance against expected performance and through its reserving process, which is overseen by Risk Modelling and the Reserving Committee.

The AND-E SE ORSA process uses a simulation model to quantify insurance risks which is used to assess the variability of the contribution compared to the business plan. Risk parameters are selected for each portfolio individually and the simulation model is used to create a distribution of values for each portfolio, to identify the portfolios with the greatest contribution to the overall insurance risk based on:

- Volume of business.
- Current year loss ratio.
- Claim frequency and severity.
- Natural catastrophe.
- Reserve run-off.

- Events not in data (ENID) scenarios.

For insurance risks in life insurance, a differentiation is made between three risk components: the chance risk, the risk of error and the risk of change. The chance risk means specific events that lead to an increased number of claims, such as accumulation risks. There is no differentiation between the risk of error and the risk of change in the portfolio because it ultimately does not make a difference and, in both cases, the actuarial reserve would be increased in order to allow for the risk. If a chance risk were to occur, the first effect would be an increase in claims; an increase in the reserves would only follow after some time.

The underwriting risk represents ANDLIE’s most relevant risk, within which – in addition to the cancellation risk – the death and disability risks are particularly significant. The valuation of the underwriting risks is carried out on the basis of existing data and own experience using stress tests of the biometric assumptions.

C1.3 Risk mitigation

Prudent underwriting including appropriate risk management and pricing controls is essential to the Company’s success. The Company maintains underwriting and claims policies which define the approach for risk selection and management.

Each underwriter has an individual mandate governing the acceptance of risk. The Company uses its own data supplemented by data and advice from expert third parties and insurance partners to set individual underwriter limits. In addition, the Company has a centrally managed forum reviewing underwriting issues and performance, including the approval of new products.

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

AND-E Life regularly monitors planned and actual data to ensure that major negative events can be identified at an early stage.

C.2 Market risk

C.2.1 Nature of the risk

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

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

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

C.2.2 Methods used to assess and quantify the risk

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

- Bond yields: A range of potential movements in yields are chosen and the model calculates the impact on the value of each bond held for each movement;
- Exchange rates: A range of potential movements in exchange rates is chosen and the model calculates for each movement the impact on the Company's net assets; and
- Risk-free yields: A range of risk-free yields is chosen and the model calculates the impact on the value of the technical provisions and investments.

C.2.3 Risk mitigation

AND-E SE Group uses the following techniques to manage its market risk:

- An asset liability management (ALM) framework to achieve investment returns in excess of its obligations under insurance contracts. The ALM framework matches assets to the liabilities arising from insurance contracts by reference to the expected timing of the settlement of those liabilities. The ALM framework is integrated with the management of the financial risks associated with other financial assets and liabilities, that are not directly associated with insurance and investment liabilities.
- Interest rate risk is monitored by comparing the duration of the investment portfolio with the policyholder liabilities. The duration is an indicator of the sensitivity of the assets and liabilities to changes of interest rates. Any gap between the mean duration of the assets and the estimated mean duration of the liabilities is minimised by means of buying and selling fixed interest securities of different durations.
- Currency risk is monitored with the aim to reduce any mismatch between assets and liabilities by reinvesting maturing bonds accordingly.
- The investment policy sets limits on the exposure to securities both in aggregate terms and by geography, industry, and counterparty. Investment management meetings are held quarterly.

Derivative financial instruments are not used.

C.3 Credit risk

C.3.1 Nature of the risk

Credit risk is the risk that counterparties will be unable to pay amounts in full when due. The Company is exposed to credit risk from:

- Corporate bonds.

- Failure of bank counterparties.
- Reinsurers' share of insurance liabilities.
- Amounts due from reinsurers in respect of claims already paid.
- Amounts due from insurance contract holders.
- Amounts due from insurance intermediaries.

C.3.2 Methods used to assess and quantify the risk

Credit risk is measured by using Standard Formula. For the purposes of the Solvency II balance sheet, premium debtors over three months past due are written off in accordance with the capital requirement.

C.3.3 Risk mitigation

Exposure to credit risk is managed by specifying the minimum credit rating that each counterparty must have. Reinsurers must have a credit rating and investment counterparties must have a rating of at least A-, with the exception that the risk appetite permits a limited exposure to BBB bonds. If a counterparty's credit rating changes after a debt has been accrued, the companies consider their response to this occurrence on a case-by-case basis. Typically, balances are minimised, and the companies would no longer allow debt to accrue with the counterparty.

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

If a reinsurer fails to pay a claim, the company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to renewal of any contract. In addition, the recent payment history of reinsurers is used to update the reinsurance purchasing strategy. Much of the reinsurance is placed with the parent company ADJ, which is A+ rated.

C.4 Liquidity risk

C.4.1 Nature of the risk

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

- Cash flow uncertainty: There can be uncertainty in the liability, either in terms of its value or its timing, leading to insufficient funds being available to meet the liquidity requirement. This can arise as a result of claims (the most significant area), through a mismatch between the timing of gross claims being paid and the associated reinsurance recoveries collected, from creditor invoices and expenses, and from country risk and currency controls (where a sovereign may restrict the cross-border movement of cash).
- Asset value uncertainty: The sale of an asset or access to liquid funds can be restricted by the downgrade or failure of a counterparty, bank failure, or market or segment downturn.

However, given the nature of the Company's investment portfolio this risk is deemed to be low.

C.4.2 Methods used to assess and quantify the risk

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

C.4.3 Risk mitigation

Liquidity risk are mitigated by:

- Monitoring cash flows closely to ensure asset and liability cash flows are matched.
- Holding a significant proportion of liquid assets at all times to meet expected liabilities.
- Avoiding concentration risk and ensuring high quality liquid assets.

The insurance business is broadly cash neutral, with some fluctuations over the year. It would therefore require an extreme cash flow shock for a material liquidity risk to arise.

C.5 Operational risk

C.5.1 Nature of the risk

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

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

C.5.2 Methods used to assess and quantify the risk

Both companies manage operational risk through the use of risk and control assessment guidance. They maintain a record of significant actual risk events as well as consider risk events as they occur within the wider market.

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

C.5.3 Risk mitigation

Both companies' enterprise risk management framework requires all key functions and units to maintain risk registers, which are reviewed and challenged by the Risk Management Functions. There is a process for escalation of key issues to the respective Risk Committees.

Both companies may choose to avoid particular activities completely because the risk is unacceptable or they can choose to accept very low risk exposures. Risks can also be transferred by reinsurance arrangements.

Internal controls are the main mechanisms that each company in the group uses to mitigate risk.

The risk register is used to record the significant directive, detective, preventative and corrective controls that are in place for each risk. Control ownership is identified on the risk register, which also specifies the control testing frequency. The effectiveness of each control is rated by management, and the residual likelihood and impact of each risk is assessed, based on the overall effectiveness of the controls.

Control evaluation considers how well each control is designed and reduces risk exposure. The risk management application requires both the design and the performance of a control to be assessed. Assessments are performed by control owners using their knowledge and experience of how well controls have been designed and how they have performed during the period under review. The operational risk from the Group SCR standard formula calculation is 10.6% of the SCR as at the balance sheet date.
There has been an increase in cyber-crime worldwide. The Group also faces increased regulatory pressures. The most recent example comes from GDPR, DORA and IA, which impacts the processing of telematics data, which affects both companies given their intention to introduce further telematics-based products in European markets.

C.6 Other material risks

There are no other material risks not disclosed elsewhere in this document.

C.6.1 Strategic risk

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

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

C.6.2 Reputational risk

Reputational risk is a form of strategic risk and is defined as the risk of losses as a result of damage to the reputation and brands of the Company or of other companies which the Company is dependent on. The main forms of reputational risk affecting the Company are:

- Damage to the Toyota brand, as much of the Company's business is Toyota branded.
- Damage as a result of failures by out-sourced providers, co-insurance partners or problems in the wider MS&AD Insurance Group.
- Sustainability risks: a too slow implementation of the measures to promote sustainability can cause reputational damage.

Issues from a Toyota perspective are largely confined to reductions in car sales and hence lower levels of new insurance business. This has been demonstrated by the effect on the business of various safety recalls that have been instigated by Toyota over the past few years. Retention was unaffected across all countries as customers were able to distinguish between the issues relating to the safety recall and the insurance product. In these circumstances the short-term financial impact is small, growing only over an extended period of time.

The companies use a wide range of outsourced suppliers, including co-insurance arrangements. Brand damage to a co-insurer could potentially be more visible and could have an impact on the Company's operations, even though the main focus of the branding is Toyota. Problems at other MS&AD group entities could also potentially affect relationships with regulators, customers or other partners.

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

C.7 Any other information

There is no other material information that is not already disclosed in the other sections of Part C.

D. Valuation for Solvency Purposes

D.1 Assets

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

The table below gives the values of assets of ANDE SE Group according to Luxembourg GAAP/ German GAAP and Solvency II. Any differences are explained in the following paragraphs.

As at 31.12.2023	*Annual Accounts value [€m]*	Reclassification/ Valuation [€m]	*Solvency II Value [€m]*
Assets:			
Deferred acquisition costs	42.6	-42.6	0.0
Intangible assets	1.4	-1.4	0.0
Deferred tax assets	0.0	3.1	3.1
Property, plant & equipment	4.8	5.2	10.0
Equities	1.5	0.8	2.3
Bonds	262.2	-8.3	253.8
Collective investment undertakings	47.0	0.3	47.3
Deposits other than cash equivalents	3.1	0.0	3.1
Other Investments	0.0	0.0	0.0
Reinsurance recoverables	272.9	-35.5	237.5
Insurance receivables	134.6	-97.2	37.4
Cash and cash equivalents	49.5	0.0	49.5
Other assets	31.3	-4.4	26.9
Total assets	**850.9**	**-180.0**	**671.0**
Liabilities:			
Technical provisions - Non-Life	532.8	-159.5	373.3
Technical provisions - Life	45.0	-18.5	26.5
Other Technical Provisions	12.6	-12.6	0.0
Provisions other than Technical	0.5	0.0	0.5
Deferred tax liabilities	0.0	11.6	11.6
Insurance payables	29.4	-1.2	28.2
Reinsurance payables	18.6	-4.4	14.2
Other liabilities	52.2	-1.8	50.3
Total liabilities	**691.1**	**-186.4**	**504.6**
Excess of assets over liabilities	**159.9**	**6.5**	**166.3**

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

D.1.1 Deferred acquisition costs

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

D.1.2 Intangible assets

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

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

D.1.3 Deferred tax assets

There is no requirement to account for deferred taxes under Luxembourg GAAP. Under Solvency II deferred taxes are determined pursuant to Article 15 together with Article 9 of the Delegated Regulation (EU) 2015/35 and deferred taxes are therefore treated in accordance with IAS 12.

Deferred tax assets should only be recognised to the extent that it is probable that future profits are available in the same country and the same period in which the temporary differences are expected to reverse. As of 31 December 2023 ANDIE SE recognises a deferred tax asset of €3.1m in its Italian branch.

D.1.4 Property, plant and equipment

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

- Implementation of IFRS 16 has increased the assets value by €5.8m (also increase of €6.5m on liability side, net cost to the company is €0.7m).
- Recognition of tangible fixed assets resulted in an increase in the asset value of €2.9m.

D.1.5 Holdings in related undertakings, including participations

As at the year-end, AND-E SE Group has no holdings in related undertakings.

D.1.6 Bonds

The Group held investments in fixed income securities of €253.8m at the reporting date. These holdings are split between government bonds, corporate bonds and collateralised securities. As at the reporting date, the value per asset class is €24.9m in government and agency bonds, €228.5m in corporate bonds and €0.5m in collateralised securities.

Within the annual accounts, the bond portfolio is held at cost. Under Solvency II, the bond portfolio is valued at fair value based on the market price as at the reporting date, Based on quoted prices from an exchange, dealer, broker, industry group, pricing service or regulatory agency. Those prices represent actual and regularly occurring market transactions on an arm's length basis.

Under Solvency II the value reported must include any interest accrued on each holding as at the reporting date. In the annual accounts this accrued interest is reported as a separate asset under "Accrued Interest".

The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of the bonds are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of the bonds.

D.1.7 Collective investments undertakings

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

The Group held €47.3m in collective investment undertakings at the reporting date. These collective investment undertakings are valued at fair value based on the market price as at the reporting date using quoted prices in active markets for identical assets representing actual and regularly occurring market transactions at an arm's length basis.

The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of collective investment undertakings are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of collective investment undertakings.

D.1.8 Other investments

There were no other investments in 2023 (2022: €0.2m).

D.1.9 Reinsurance recoverables

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

- For the quota-share reinsurance arrangements, cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used to calculate the gross best estimates, they are also used to calculate quota share recoverables. A delay is included between the gross cash flows and the corresponding reinsurance recoveries.

- For the excess of loss contracts, the expected recoveries are calculated by using an individual assessment of each large claim by the relevant Branch claims manager, with the cash flows modelled from the terms of the applicable reinsurance contract.

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

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

D.1.10 Insurance receivables

As at the reporting date, the Group had €22.9m in insurance and intermediary receivables. Insurance and intermediary receivables are mainly insurance premiums past due from policyholders or amounts due from intermediaries in relation to amounts collected from policyholders.

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

The companies of the Group maintain provisions for doubtful debts, based on prior loss experience.

D.1.11 Cash and cash equivalents

The Group held €49.5m as cash and cash equivalents at the reporting date. Cash and cash equivalents are valued at fair value as reported to the Group by the relevant financial institutions. As these are cash amounts held in bank accounts the valuation does not rely on market prices. There are no material estimates, assumptions or judgements when reporting cash and cash equivalents.

D.1.12 Any other assets, not elsewhere shown

The Group had €26.9m of any other assets, not elsewhere shown at the reporting date. This comprises amounts due from group companies, taxation debtors and prepayments. As most of these assets are short-term in nature the carrying value in the annual accounts is considered to approximate their fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting these assets.

The balance of other assets not elsewhere shown differs by €4.4m from the value shown in the annual accounts. As noted above, accrued interest on the bond portfolio is included as part of the overall bond valuation for Solvency II, but is removed from the equivalent balance in the annual accounts. The Group has also reduced the other assets balance in the annual accounts in respect of other debtors and prepayments which the Group would not be able to use to meet any solvency needs arising.

D.2 Technical provisions

Technical provisions comprise the claims technical provision, the premium technical provision (which together form the best estimate liability) and the risk margin. They are set in accordance with Solvency II regulations. As of 31 December 2023, the technical provisions were:

Class of business	2023 Net best estimate €m	2023 Risk margin €m
Motor: Third party liability	73.2	1.7
Motor: Other	48.9	3.3
Other Non-Life	13.3	1.6
Life	19.2	1.1
Total	**154.6**	**7.7**

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

Technical provisions are calculated in accordance with the level 2 in the EIOPA hierarchy of simplifications for the calculation of the risk margin (Article 58(a) of Commission Delegated Regulation 2015/35) reflecting more accurately the actual risk. Additionally, risk margins were reduced in line with the run-off of the UK book, which is more volatile than the European business.

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

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

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

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

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

The premium provision includes not only the unearned exposures at the balance sheet date, but also the value of policies the Company has committed to writing at a future date, which have not crystalised at that date. The contracts written by the Company are non-life business and therefore do not include guaranteed renewals (either explicit or implicit), or options or guarantees with a significant financial impact on the company. The contract boundary used is usually one year after inception, although there are contracts with shorter or longer terms. There is allowance for ENID for future claims in the premium provisions in the same way as for the outstanding claims provisions.

In some cases, there is insufficient historical data to derive the necessary cash-flow patterns for both premiums and claims. In these cases, cash flows are modelled on similar accounts where sufficient data is available. These classes do not make up a significant proportion of the net best estimate as at 31 December 2023.

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

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

- Quota-share reinsurance arrangements: Cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used to estimate gross cash flows, they have been used to calculate quota share recoveries. A delay is included between the gross cash flows and the corresponding reinsurance recoveries.
- Excess of loss contracts: Expected recoveries are based on an individual assessment of each large claim by the relevant Branch claims manager. The cash flows are modelled from the terms of the applicable reinsurance treaty.

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

Technical Provisions for Life business are estimated by using the probability weighted average of future cash flows, taking into account the time value of money. It is calculated using best estimates of the termination and recovery rates. The risk-free yield curve of EIOPA is used for discounting. The calculation is done separately and prospectively for each insurance contract, taking into account the individual month of commencement. The possibility that the policyholder may terminate the contract is considered. There are no other options, guarantees or profit participation.

Costs that can be directly allocated to insurance liabilities and allocated overheads are incorporated into the projection of future costs. Accounts receivable from insurers and agents that are not yet overdue are deducted from the technical provisions. Accounts payable to insurers and agents that are not yet overdue, the expected liability from the remuneration agreement on risk-dependent portfolio commission between Toyota France Financement and AND-E Life and the liability from the profit-sharing (PS) as per the reinsurance contract for the insurance business in Spain are added to the technical provisions.

The risk margin corresponds to the amount that insurance and reinsurance companies would demand in order to be able to take over and fulfil the insurance and reinsurance liabilities. It is calculated separately using the modified duration of the insurance liabilities as a proportionality factor, in accordance with the simplified method 3 of guideline 62[1]. The technical provisions are calculated for each insurance contract encompassing the duration and the settlement pattern of each liability. In addition, AND-E Life's risk profile is considered to be unchanged over time, so this method of determining the risk margin is authorised.

D.3 Other liabilities

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

D.3.1 Deferred tax liabilities

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

There is no requirement to account for deferred taxes under Luxembourg GAAP. Under Solvency II deferred taxes are determined pursuant to Article 15 together with Article 9 of the Delegated Regulation (EU) 2015/35 and deferred taxes are therefore treated in accordance with IAS 12.

The German Branch of AND-E SE has an equalisation provision of €20.4m in its local balance sheet which is not shown in in the Luxembourg GAAP or Solvency II balance sheets. The corresponding deferred tax liability in the solvency balance sheet amounts to €5.6m.

Deferred tax liabilities affect the valuation of AND E Life's capital investments, technical provisions, accounts payable to insurers and agents, and the other liabilities not entered elsewhere. This results in deferred tax liabilities of €6.0m.

In total net deferred tax liabilities of €11.6m are disclosed in the Solvency II balance sheet of AND-E SE Group.

D.3.2 Insurance and intermediaries payable

The Group had €28.2m of insurance and intermediaries payable at the reporting date, valued at expected settlement value. However, as these liabilities represent the amounts to be paid to insurance claimants they are not revalued as they are typically settled in the short-term, with the settlement amount rarely differing from the initial valuation. The annual accounts valuation therefore substantially equates to fair value and there is no significant adjustment made for Solvency II valuation purposes. Similarly, there is no adjustment for the valuation of other insurance payables between the annual accounts and Solvency II. No material estimates, assumptions or judgements are used when reporting the value of insurance and intermediaries payable.

D.3.3 Reinsurance payables

The Group had €14.2m of reinsurance payables at the reporting date, representing premiums due to reinsurers. They are valued initially at transaction value plus attributable costs, then subsequently re-valued at expected settlement value. As the majority of payables are short-term in nature the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements employed when reporting the value.

D.3.4 Any other liabilities, not elsewhere shown

The Group had €50.3m of other liabilities, not elsewhere shown at the reporting date. These amounts represent accruals and other liabilities. Accruals are recognised in line with generally accepted accounting principles, so they are accrued when it is probable that the Group will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation. Other liabilities are recognised initially at transaction value plus directly attributable costs. As the majority of liabilities are short-term in nature, the carrying value in the annual accounts is considered to be approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements employed when reporting the value.

D.4 Alternative methods for valuation

No alternative valuation methods were used.

D.5 Any other information

There is no other information that has not been disclosed in other sections of this report.

E. Capital Management

E.1 Own funds

The capital management objective of the Company is to maintain sufficient own funds to cover the SCR and the Minimum Capital Requirement (MCR) with an appropriate buffer which takes account of the Company's growth ambitions as set out in its business plan.

The Board consider at least quarterly the ratio of eligible own funds to the SCR and MCR. The Company prepares solvency projections over a five-year period as part of its business planning process. The ORSA is prepared annually on a three-year basis and is compared to the results of the SCR projection at the three-year point, to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator.

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

ANDIE SE Group is funded only by share capital and retained reserves. The share capital of ANDIE SE as at 31 December 2023 is €41.9m (2022: €41.9m). The share capital is fully paid up and comprises 418,756,917 ordinary shares with a nominal value of €0.10 each. There is a reconciliation reserve of €124.8 (2022: €128.7m).

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

As at 31 December 2023, the excess of assets over liabilities of the Group as calculated for the annual accounts was €166.3 (2022: €184.8m). This is a €23.5m decrease since 31 December 2022.

For Solvency II purposes, eligible own funds to meet the SCR were €166.3m (2022: €169.1m) and to meet MCR were €163.2m (2022: €169.1m). The main differences between eligible own funds and the net asset value in the annual accounts are set out below.

	2023 €m	Reason
Net asset value per Luxembourg GAAP	**159.9**	**As per accounts**
Revaluation of net technical reserves	142.5	Differing reserving basis under Solvency II
Deferred acquisition costs	-42.6	No deferred acquisition costs for Solvency II
Investment in subsidiaries	0.0	
Dividend	0.0	
Adjustments to other assets & liabilities (net)	-93.5	Different valuation bases between Solvency II and Lux GAAP
Own funds under Solvency II	**166.3**	

The movement of own funds on a Solvency II basis during 2023 was as follows:

	2023 €m	2022 €m
Own funds brought forward at 1 January	169.1	192.5
Movement in year	-2.8	-8.4
Foreseeable dividend	0.0	-15.1
Own funds carried forward as at 31 December	166.3	169.1

The foreseeable dividend of €15.1m for 2022 was revoked by the shareholder due to extraordinary natural catastrophic (Nat Cat) events in 2022, especially hailstorms in Italy and Germany. Taking this into account, reduction of Own funds during 2023 was €23.5m, which was caused for the most part by the technical result. Main causes were the Nat Cats events and much higher than expected claims inflation across all markets. Changes in economic parameters like foreign exchange rates or yield curves were small and had minor impacts on own funds.

The SCR coverage ratio of the Group as at 31 December 2023 was 153.0% (2022: 164%), with eligible own funds of €166.3m (2022: €169.1m) and an SCR of €108.7m (2022: €103.1m).

The MCR coverage ratio as at 31 December 2023 was 433.4% (2022: 514%), with eligible own funds of €163.2m (2022: €169.1m) and an MCR of €37.6m (2022: €32.9m).

Annual and quarterly reporting throughout 2022 and 2023 has shown that the Company has complied continuously with both the MCR and the SCR throughout the current and prior reporting period.

E.2 SCR and MCR

ANDIE SE Group has used the standard formula to calculate the SCR, without modification for undertaking specific parameters. It has not utilised any of the simplifications permitted by the regulations.

The table below shows the components of the SCR as at 31 December 2023:

Component	2023 €m
Non-life underwriting risk analysed by:	
- Premium and reserve risk	59.2
- Catastrophe risk	9.7
- Lapse risk	0.8
- Diversification credit	-7.4
Health underwriting risk	0.1
Life underwriting risk	7.2
Market risk analysed by:	
- Interest rate risk	8.0
- Equity risk	2.5
- Property risk	0.3
- Spread risk	8.1
- Currency risk	35.4
- Concentration risk	1.1
- Diversification credit	-13.5

Counterparty default risk	21.2
Diversification credit	-35.6
Operational risk	11.5
SCR	**108.7**
MCR	**37.7**

The MCR is calculated using the net technical provisions and the net written premiums in the last twelve months.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

ANDIE SE Group does not use a duration-based equity risk sub-module to calculate the SCR.

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

The ANDIE SE Group uses the standard formula and does not use an internal model for the purposes of calculating the SCR.

E.5 Non-compliance with the MCR and non-compliance with the SCR

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

E.6 Any other information

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

Templates

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

Template name	Template code
Balance sheet	S.02.01.02
Premiums, claims and expenses by line of business	S.05.01.02
Premiums, claims and expenses by country	S.05.02.01
Own funds	S.23.01.01
Solvency capital requirement for groups – on standard formula	S.25.01.22
Undertakings in the scope of the group	S.32.01.22

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
	Assets	C0010	C0020
R0010	Goodwill		0,00
R0020	Deferred acquisition costs		42.638.991,67
R0030	Intangible assets		1.370.746,19
R0040	Deferred tax assets	3.112.424,81	0,00
R0050	Pension benefit surplus		0,00
R0060	Property, plant & equipment held for own use	10.043.144,95	4.828.398,63
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	306.566.714,73	313.802.126,68
R0080	*Property (other than for own use)*	0,00	0,00
R0090	*Holdings in related undertakings, including participations*	0,00	0,00
R0100	*Equities*	2.277.861,57	1.476.855,84
R0110	*Equities - listed*	2.225.275,36	1.424.269,63
R0120	*Equities - unlisted*	52.586,21	52.586,21
R0130	*Bonds*	253.842.233,98	262.187.027,02
R0140	*Government Bonds*	24.909.394,80	1.000.000,00
R0150	*Corporate Bonds*	228.454.004,65	261.187.027,02
R0160	*Structured notes*	0,00	0,00
R0170	*Collateralised securities*	478.834,53	0,00
R0180	*Collective Investments Undertakings*	47.340.953,93	47.038.243,82
R0190	*Derivatives*		0,00
R0200	*Deposits other than cash equivalents*	3.105.665,25	3.100.000,00
R0210	*Other investments*	0,00	0,00
R0220	Assets held for index-linked and unit-linked contracts		0,00
R0230	Loans and mortgages	0,00	0,00
R0240	*Loans on policies*	0,00	0,00
R0250	*Loans and mortgages to individuals*		0,00
R0260	*Other loans and mortgages*		0,00
R0270	Reinsurance recoverables from:	237.464.634,04	272.918.629,69
R0280	*Non-life and health similar to non-life*	231.310.872,13	272.918.629,69
R0290	*Non-life excluding health*	231.294.229,50	272.918.629,69
R0300	*Health similar to non-life*	16.642,63	0,00
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	6.153.761,91	0,00
R0320	*Health similar to life*	0,00	0,00
R0330	*Life excluding health and index-linked and unit-linked*	6.153.761,91	0,00
R0340	*Life index-linked and unit-linked*	0,00	0,00
R0350	Deposits to cedants	0,00	0,00
R0360	Insurance and intermediaries receivables	22.935.560,05	111.023.387,52
R0370	Reinsurance receivables	14.470.122,19	23.533.092,24
R0380	Receivables (trade, not insurance)	0,00	0,00
R0390	Own shares (held directly)	0,00	0,00
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0,00	0,00
R0410	Cash and cash equivalents	49.456.566,30	49.491.026,89
R0420	Any other assets, not elsewhere shown	26.921.216,37	31.316.644,74
R0500	**Total assets**	670.970.383,44	850.923.044,25

		Solvency II value	Statutory accounts value
	Liabilities	C0010	C0020
R0510	Technical provisions - non-life	373.335.595,54	532.818.251,09
R0520	*Technical provisions - non-life (excluding health)*	373.256.936,74	532.818.251,09
R0530	*TP calculated as a whole*	0,00	532.818.251,09
R0540	*Best Estimate*	366.657.797,66	0,00
R0550	*Risk margin*	6.599.139,08	0,00
R0560	*Technical provisions - health (similar to non-life)*	78.658,80	0,00
R0570	*TP calculated as a whole*	0,00	0,00
R0580	*Best Estimate*	72.829,48	0,00
R0590	*Risk margin*	5.829,32	0,00
R0600	Technical provisions - life (excluding index-linked and unit-linked)	26.497.530,67	45.046.577,19
R0610	*Technical provisions - health (similar to life)*	0,00	0,00
R0620	*TP calculated as a whole*	0,00	0,00
R0630	*Best Estimate*	0,00	0,00
R0640	*Risk margin*	0,00	0,00
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	26.497.530,67	45.046.577,19
R0660	*TP calculated as a whole*	0,00	45.046.577,19
R0670	*Best Estimate*	25.382.344,81	0,00
R0680	*Risk margin*	1.115.185,86	0,00
R0690	Technical provisions - index-linked and unit-linked	0,00	0,00
R0700	*TP calculated as a whole*	0,00	0,00
R0710	*Best Estimate*	0,00	0,00
R0720	*Risk margin*	0,00	0,00
R0730	Other technical provisions		12.574.710,26
R0740	Contingent liabilities	0,00	0,00
R0750	Provisions other than technical provisions	488.949,77	488.949,77
R0760	Pension benefit obligations	0,00	0,00
R0770	Deposits from reinsurers	0,00	0,00
R0780	Deferred tax liabilities	11.565.307,16	0,00
R0790	Derivatives	0,00	0,00
R0800	Debts owed to credit institutions	0,00	0,01
R0810	Financial liabilities other than debts owed to credit institutions	0,00	0,00
R0820	Insurance & intermediaries payables	28.201.720,39	29.359.876,67
R0830	Reinsurance payables	14.214.780,52	18.620.550,51
R0840	Payables (trade, not insurance)	0,00	0,00
R0850	Subordinated liabilities	0,00	0,00
R0860	*Subordinated liabilities not in BOF*	0,00	0,00
R0870	*Subordinated liabilities in BOF*	0,00	0,00
R0880	Any other liabilities, not elsewhere shown	50.320.387,80	52.151.668,85
R0900	**Total liabilities**	504.624.271,85	691.060.584,35
R1000	**Excess of assets over liabilities**	166.346.111,59	159.862.459,90

S.05.01.01

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations	Life reinsurance obligations	Total
		Other life insurance	Life reinsurance	
		C0240	C0280	C0300
	Premiums written			
R1410	*Gross*	29.006.257,15	1.743.375,91	30.749.633,06
R1420	*Reinsurers' share*			0,00
R1500	*Net*	29.006.257,15	1.743.375,91	30.749.633,06
	Premiums earned			
R1510	*Gross*	29.006.257,15	1.743.375,91	30.749.633,06
R1520	*Reinsurers' share*			0,00
R1600	*Net*	29.006.257,15	1.743.375,91	30.749.633,06
	Claims incurred			
R1610	*Gross*	4.845.672,57	1.480.481,31	6.326.153,88
R1620	*Reinsurers' share*			0,00
R1700	*Net*	4.845.672,57	1.480.481,31	6.326.153,88
R1900	**Expenses incurred**	21.054.511,02	88.392,55	21.142.903,57
	Administrative expenses			
R1910	*Gross*	10.499.715,81	88.392,55	10.588.108,36
R1920	*Reinsurers' share*			0,00
R2000	*Net*	10.499.715,81	88.392,55	10.588.108,36
	Investment management expenses			
R2010	*Gross*	172.579,34	0,00	172.579,34
R2020	*Reinsurers' share*			0,00
R2100	*Net*	172.579,34	0,00	172.579,34
	Claims management expenses			
R2110	*Gross*	851.265,06	0,00	851.265,06
R2120	*Reinsurers' share*			0,00
R2200	*Net*	851.265,06	0,00	851.265,06
	Acquisition expenses			
R2210	*Gross*	9.530.950,81	0,00	9.530.950,81
R2220	*Reinsurers' share*			0,00
R2300	*Net*	9.530.950,81	0,00	9.530.950,81
	Overhead expenses			
R2310	*Gross*	0,00	0,00	0,00
R2320	*Reinsurers' share*			0,00
R2400	*Net*	0,00	0,00	0,00
R2510	**Balance - other technical expenses/income**			-27.126,90
R2600	**Total technical expenses**			21.115.776,67
R2700	**Total amount of surrenders**	131.866,57	0,00	131.866,57

S.05.01.01
Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)										Total
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0020	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0200
	Premiums written											
R0110	*Gross - Direct Business*	306.743,70	114.860.122,33	222.038.176,33	791.300,36	1.496.555,76	2.499.052,45	0,00	275.725,87	203.378,83	48.490.678,78	390.961.734,41
R0120	*Gross - Proportional reinsurance accepted*	0,00	1.744.510,48	7.011.738,12	0,00	0,00	0,00	0,00	0,00	0,00	2.459.066,41	11.215.315,01
R0130	*Gross - Non-proportional reinsurance accepted*											0,00
R0140	*Reinsurers' share*	125.272,82	74.438.006,58	101.161.450,01	790.225,81	1.405.600,94	2.481.150,44	0,00	275.616,50	81.879,80	6.068.475,83	186.827.678,73
R0200	*Net*	181.470,88	42.166.626,23	127.888.464,44	1.074,55	90.954,82	17.902,01	0,00	109,37	121.499,03	44.881.269,36	215.349.370,69
	Premiums earned											
R0210	*Gross - Direct Business*	313.389,04	103.489.620,99	186.723.245,26	851.497,99	1.720.423,37	2.841.483,11	0,00	275.721,44	204.648,87	39.820.733,97	336.240.764,04
R0220	*Gross - Proportional reinsurance accepted*	0,00	1.689.187,61	6.392.442,55	0,00	0,00	0,00	0,00	0,00	0,00	2.447.973,79	10.529.603,95
R0230	*Gross - Non-proportional reinsurance accepted*											0,00
R0240	*Reinsurers' share*	127.659,63	66.143.498,56	78.175.267,74	1.150.755,86	1.820.780,22	2.915.646,40	0,00	275.616,51	86.347,97	4.382.294,63	155.077.867,52
R0300	*Net*	185.729,41	39.035.310,04	114.940.420,07	-299.257,87	-100.356,85	-74.163,29	0,00	104,93	118.300,90	37.886.413,13	191.692.500,47
	Claims incurred											
R0310	*Gross - Direct Business*	49.130,08	99.270.668,58	181.358.836,81	771.446,72	62.359,48	2.532.659,41	0,00	138.509,88	635.494,81	6.108.918,52	290.928.024,30
R0320	*Gross - Proportional reinsurance accepted*	0,00	1.209.918,61	5.643.199,78	0,00	0,00	0,00	0,00	0,00	0,00	116.336,79	6.969.455,18
R0330	*Gross - Non-proportional reinsurance accepted*											0,00
R0340	*Reinsurers' share*	28.761,63	67.548.937,50	81.244.097,80	769.606,02	-94.758,24	2.515.343,97	0,00	137.023,79	278.844,05	2.189.707,57	154.617.564,09
R0400	*Net*	20.368,45	32.931.649,69	105.757.938,79	1.840,70	157.117,72	17.315,44	0,00	1.486,09	356.650,76	4.035.547,74	143.279.915,39
R0550	**Expenses incurred**	15.051,68	-2.846.278,87	47.715.059,08	-886.673,01	-25.761,63	22.546,12	0,00	-8.260,94	21.883,13	35.715.621,25	79.723.186,83
	Administrative expenses											
R0610	*Gross - Direct Business*	24.674,37	9.239.313,51	17.860.683,77	63.651,96	120.382,49	201.023,02	0,00	22.179,31	16.359,73	3.900.575,54	31.448.843,70
R0620	*Gross - Proportional reinsurance accepted*	0,00	140.327,90	564.022,09	0,00	0,00	0,00	0,00	0,00	0,00	197.806,56	902.156,55
R0630	*Gross - Non-proportional reinsurance accepted*											0,00
R0640	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0700	*Net*	24.674,37	9.379.641,41	18.424.705,86	63.651,96	120.382,49	201.023,02	0,00	22.179,31	16.359,73	4.098.382,10	32.351.000,25
	Investment management expenses											
R0710	*Gross - Direct Business*	393,29	147.267,07	284.684,63	1.014,56	1.918,80	3.204,14	0,00	353,52	260,76	62.171,97	501.268,74
R0720	*Gross - Proportional reinsurance accepted*	0,00	2.236,71	8.990,05	0,00	0,00	0,00	0,00	0,00	0,00	3.152,87	14.379,63
R0730	*Gross - Non-proportional reinsurance accepted*											0,00
R0740	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0800	*Net*	393,29	149.503,78	293.674,68	1.014,56	1.918,80	3.204,14	0,00	353,52	260,76	65.324,84	515.648,37
	Claims management expenses											
R0810	*Gross - Direct Business*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0820	*Gross - Proportional reinsurance accepted*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0830	*Gross - Non-proportional reinsurance accepted*											0,00
R0840	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0900	*Net*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Acquisition expenses											
R0910	*Gross - Direct Business*	33.543,79	10.016.446,19	52.619.626,70	23,00	115.194,73	232.409,35	0,00	7.895,96	15.491,84	31.758.841,72	94.799.473,27
R0920	*Gross - Proportional reinsurance accepted*	0,00	553.650,10	4.873.706,99	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5.427.357,09
R0930	*Gross - Non-proportional reinsurance accepted*											0,00
R0940	*Reinsurers' share*	19.210,21	13.967.836,65	33.493.847,01	966.459,84	297.009,44	484.380,38	0,00	45.096,16	15.317,59	1.914.937,19	51.204.094,46
R1000	*Net*	14.333,58	-3.397.740,37	23.999.486,68	-966.436,85	-181.814,71	-251.971,03	0,00	-37.200,20	174,26	29.843.904,53	49.022.735,90
	Overhead expenses											
R1010	*Gross - Direct Business*	-24.349,56	-8.963.727,18	4.831.790,89	15.097,32	33.751,79	70.289,98	0,00	6.406,44	5.088,38	1.627.511,63	-2.398.140,31
R1020	*Gross - Proportional reinsurance accepted*	0,00	-13.956,51	165.400,97	0,00	0,00	0,00	0,00	0,00	0,00	80.498,15	231.942,61
R1030	*Gross - Non-proportional reinsurance accepted*											0,00
R1040	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R1100	*Net*	-24.349,56	-8.977.683,69	4.997.191,86	15.097,32	33.751,79	70.289,98	0,00	6.406,44	5.088,38	1.708.009,78	-2.166.197,70
R1210	**Balance - other technical expenses/income**											-11.444.317,12
R1300	**Total technical expenses**											68.278.869,71

S.05.02.04

Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Non-life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
R0010			**BE**	**FR**	**DE**	**IT**	**ES**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*	3.772,77	1.290.373,43	54.395.457,29	143.086.338,86	141.087.560,50	51.098.231,56	390.961.734,41
R0120	*Gross - Proportional reinsurance accepted*	11.215.315,01	0,00	0,00	0,00	0,00	0,00	11.215.315,01
R0130	*Gross - Non-proportional reinsurance accepted*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0140	*Reinsurers' share*	-4.866,56	1.290.373,43	13.781.612,64	71.393.595,61	63.832.649,02	36.534.314,59	186.827.678,73
R0200	*Net*	11.223.954,34	0,00	40.613.844,65	71.692.743,25	77.254.911,48	14.563.916,97	215.349.370,69
	Premiums earned							
R0210	*Gross - Direct Business*	428.678,56	1.285.066,01	53.551.563,90	140.876.563,06	97.867.533,83	42.231.358,67	336.240.764,04
R0220	*Gross - Proportional reinsurance accepted*	10.529.603,95	0,00	0,00	0,00	0,00	0,00	10.529.603,95
R0230	*Gross - Non-proportional reinsurance accepted*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0240	*Reinsurers' share*	132.205,74	1.267.901,72	13.156.212,37	68.231.866,92	43.575.331,87	28.714.348,90	155.077.867,52
R0300	*Net*	10.826.076,77	17.164,29	40.395.351,53	72.644.696,14	54.292.201,96	13.517.009,77	191.692.500,47
	Claims incurred							
R0310	*Gross - Direct Business*	42.765.684,83	2.317.604,17	29.862.912,62	139.969.719,14	39.790.152,06	36.221.951,49	290.928.024,30
R0320	*Gross - Proportional reinsurance accepted*	6.969.455,18	0,00	0,00	0,00	0,00	0,00	6.969.455,18
R0330	*Gross - Non-proportional reinsurance accepted*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R0340	*Reinsurers' share*	8.036.726,07	2.210.278,26	11.320.045,24	64.965.287,22	39.525.044,42	28.560.182,88	154.617.564,09
R0400	*Net*	41.698.413,94	107.325,91	18.542.867,38	75.004.431,92	265.107,64	7.661.768,61	143.279.915,39
R0550	**Expenses incurred**	3.735.596,95	-815.564,72	26.648.019,44	14.806.726,01	35.565.280,65	-216.871,51	79.723.186,83
R1210	**Balance - other technical expenses/income**							-11.444.317,12
R1300	**Total technical expenses**							68.278.869,71

S.05.02.04

Premiums, claims and expenses by country

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	Life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - life obligations**					**Total Top 5 and home country**
R1400			**BE**	**FR**	**DE**	**IT**	**ES**	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	*Gross*	12.784.037,45	16.208.152,23	1.674.999,17	59.905,93	8.470,81	14.067,47	30.749.633,06
R1420	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R1500	*Net*	12.784.037,45	16.208.152,23	1.674.999,17	59.905,93	8.470,81	14.067,47	30.749.633,06
	Premiums earned							
R1510	*Gross*	12.784.037,45	16.208.152,23	1.674.999,17	59.905,93	8.470,81	14.067,47	30.749.633,06
R1520	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R1600	*Net*	12.784.037,45	16.208.152,23	1.674.999,17	59.905,93	8.470,81	14.067,47	30.749.633,06
	Claims incurred							
R1610	*Gross*	2.951.074,15	1.894.598,42	1.474.265,44	-9.231,27	15.447,14	0,00	6.326.153,88
R1620	*Reinsurers' share*	0,00	0,00	0,00	0,00	0,00	0,00	0,00
R1700	*Net*	2.951.074,15	1.894.598,42	1.474.265,44	-9.231,27	15.447,14	0,00	6.326.153,88
R1900	**Expenses incurred**	6.254.560,91	14.792.915,09	88.392,55	0,00	0,00	7.035,02	21.142.903,57
R2510	**Balance - other technical expenses/income**							-27.126,90
R2600	**Total technical expenses**							21.115.776,67
R2700	**Total amount of surrenders**	131.866,57	0,00	0,00	0,00	0,00	0,00	131.866,57

S.23.01.04
Own Funds

	Basic own funds before deduction for participations in other financial sector	**Total**	**Tier 1 unrestricted**	**Tier 1 restricted**	**Tier 2**	**Tier 3**
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	41.875.692	41.875.692		0	
R0020	*Non-available called but not paid in ordinary share capital to be deducted at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts to be deducted at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds to be deducted at group level*	0				
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares to be deducted at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares to be deducted at group level*	0				
R0130	Reconciliation reserve	121.357.995	121.357.995			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities to be deducted at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	3.112.425				3.112.425
R0170	*The amount equal to the value of net deferred tax assets not available to be deducted at the group level*	0				
R0180	Other own fund items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority to be deducted*	0				
R0200	Minority interests at group level	0				
R0210	*Non-available minority interests to be deducted at group level*	0				

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

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included via Deduction and Aggregation method when a combination of methods is used	0				
R0270	**Total of non-available own funds to be deducted**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	166.346.112	163.233.687	0	0	3.112.425
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds to be deducted at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0

	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated undertakings carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0
	Own funds when using the Deduction and Aggregation (D&A) method, exclusively or in combination with method 1					
R0450	Own funds aggregated when using the Deduction and Aggregation method and combination of methods	0				
R0460	Own funds aggregated when using the Deduction and Aggregation method and combination of methods net of IGT	0				
R0520	Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sectors and own funds from undertakings included via D&A method)	166.346.112	163.233.687	0	0	3.112.425
R0560	Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sectors and own funds from undertakings included via D&A method)	166.346.112	163.233.687	0	0	3.112.425
R0530	Total available own funds to meet the minimum consolidated group SCR	163.233.687	163.233.687	0	0	
R0570	Total eligible own funds to meet the minimum consolidated group SCR	163.233.687	163.233.687	0	0	
R0800	Total eligible own funds to meet the consolidated group SCR (including own funds from other financial sectors, excluding own funds from undertakings included via D&A method)	3.112.425				3.112.425
R0810	Total eligible own funds to meet the group SCR, (excluding own funds from other financial sectors, including own funds from undertakings included via D&A method)	0				
R0660	**Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A method)**	166.346.112	163.233.687	0	0	3.112.425

R0820	Consolidated part of the Group SCR (excluding CR for other financial sectors and SCR for undertakings included via D&A method)	98.478.540
R0610	**Minimum consolidated Group SCR**	37.661.710
R0860	Capital requirements (CR) from other financial sectors	
R0590	**Consolidated Group SCR (including CR for other financial sectors, excluding SCR for undertakings included via D&A method)**	108.730.667
R0670	**SCR for undertakings included via D&A method**	0
R0830	**Group SCR (excluding CR for other financial sectors, including SCR for undertakings included via D&A method)**	
R0680	**Total Group SCR (including CR for other financial sectors and SCR for undertakings included via D&A method)**	108.730.667
R0630	**Ratio of Eligible own funds (R0560) to the consolidated Group SCR (R0820) - ratio excluding other financial sectors and the undertakings included via D&A method**	168,9%
R0650	**Ratio of Eligible own funds (R0570) to Minimum Consolidated Group SCR (R0610)**	433,4%
R0840	Ratio of the Eligible own funds (R0800) to the Consolidated group SCR (R0590) - ratio including other financial sectors, excluding undertakings included via D&A method	2,9%
R0850	Ratio of Eligible own funds (R0810) to the group SCR (R0830) - ratio excluding other financial sectors, including undertakings included via D&A method	0,0%
R0690	**Ratio of Total Eligible own funds (R0660) to the Total group SCR (R0680) - ratio including other financial sectors and undertakings included via D&A method**	153,0%

		Value
		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	166.346.112
R0710	Own shares (held directly and indirectly)	
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	44.988.117
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	0
R0750	Other non-available own funds	
R0760	**Reconciliation reserve**	121.357.995
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	2.436.527
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1.905.714
R0790	**Total Expected profits included in future premiums (EPIFP)**	4.342.241

S.25.01.04

Solvency Capital Requirement - for groups on Standard Formula

Z0010		Article 112	**Regular reporting**

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0030	C0040	C0050	C0090	C0120
R0010	Market risk	41.953.421,63	41.953.421,63	0,00		
R0020	Counterparty default risk	21.219.291,18	21.219.291,18	0,00		
R0030	Life underwriting risk	7.219.830,16	7.219.830,16	0,00		
R0040	Health underwriting risk	55.079,44	55.079,44	0,00		
R0050	Non-life underwriting risk	62.353.257,76	62.353.257,76	0,00		
R0060	Diversification	-35.556.026,92	-35.556.026,92			
R0070	Intangible asset risk	0,00	0,00			
R0100	**Basic Solvency Capital Requirement**	97.244.853,24	97.244.853,24			

	Calculation of Solvency Capital Requirement	C0100
R0120	Adjustment due to RFF/MAP nSCR aggregation	
R0130	Operational risk	11.485.813,38
R0140	Loss-absorbing capacity of technical provisions	0,00
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
R0200	**Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on**	108.730.666,62
R0210	Capital add-ons already set	0,00
R0211	of which, capital add-ons already set - Article 37 (1) Type a	
R0212	of which, capital add-ons already set - Article 37 (1) Type b	
R0213	of which, capital add-ons already set - Article 37 (1) Type c	
R0214	of which, capital add-ons already set - Article 37 (1) Type d	
R0220	**Consolidated Group SCR**	108.730.666,62
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	
R0420	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	
R0450	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
R0460	Net future discretionary benefits	0,00
R0470	Minimum consolidated group solvency capital requirement	37.661.709,65
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0,00
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	
R0520	*Institutions for occupational retirement provisions*	
R0530	*Capital requirement for non-regulated entities carrying out financial activities*	
R0540	Capital requirement for non-controlled participations	
R0550	Capital requirement for residual undertakings	
R0555	Capital requirement for collective investment undertakings or investments packaged as funds	
	Overall SCR	
R0560	SCR for undertakings included via D&A method	
R0570	**Total group solvency capital requirement**	108.730.666,62

S.32.01.04

Undertakings in the scope of the group

Row	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	LU	5493001W3NTGB2HAN989	LEI	AIOI Nissay Dowa Insurance Company of Europe SE	2	Limited by shares	2	Commissariat aux Assurances
2	DE	3912008URQQCWTNXTA91	LEI	Aioi Nissay Dowa Life Insurance of Europe AG	1	Aktiengesellschaft	2	Bundesanstalt für Finanzdienstleistungsaufsicht

Row	Ranking criteria (in the group currency)									Criteria of influence					
	Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings, insurance holding companies or mixed financial holding companies	Underwriting performance	Investment performance	Total performance	Accounting standard	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210	C0220	C0230
1	166.346.112			215.349.371		-26.501.486	-293.514	-23.520.000	2	100%	100%	100%		1	100%
2	36.194.354			30.749.633		3.894.149	623.401	2.353.713	2	100%	100%	100%		1	100%

Row	Inclusion in the scope of Group supervision		Group solvency calculation		
	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	Covered by internal model for Group SCR calculations	Type of VA being used in the group internal model
	C0240	C0250	C0260	C0270	C0280
1	1		1		
2	1		1		