Oney Insurance (PCC) Limited

Oney Life (PCC) Limited

Oney Holding Limited

The Group Solvency and Financial Condition Report

31 December 2022

April 2023

CONTENTS

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

Oney Holding Limited ("OHL") and its subsidiary insurance companies ("the Companies"), Oney Insurance (PCC) Limited ("OIL") and Oney Life (PCC) Limited ("OLL") constitute an insurance group at the level of OHL (collectively "the Group" or "Oney Insurance") in terms of Articles 218 to 258 of the Solvency II Directive Regular Supervisory Report ("RSR") of the Group which has been prepared to satisfy the requirements of Articles 304 & 365 of the EU Commission Delegated Regulation 2015/35 ("CDR").

OIL is authorised by the Malta Financial Services Authority ("the MFSA") to carry on general business of insurance in accordance with the Insurance Business Act, Cap 403. OLL is authorised by the MFSA to carry on long-term business of insurance in accordance with the Insurance Business Act, Cap 403. The Group, through OIL and OLL, have rights to provide insurance services under the Freedom to Provide Services Legislation in terms of the European Passporting Rights in Denmark, Ireland, Italy, France, Germany, Portugal, Spain, Romania, Sweden, Poland and Hungary and are also licensed to offer reinsurance business in France, Poland and Italy.

This report details the business and performance of the Group, its system of governance, risk profile, valuation methods for solvency purposes and capital management. The Companies' Board of Directors have ultimate responsibility for these matters, with the help of the various Committees and key functions that the Group has in place to monitor and manage the business in a sound and prudent manner.

A. Business and Performance

The Companies and the Group have continuously complied with all aspects of the Solvency II regulations, effective from 1 January 2016. As at 31 December 2022, the consolidated own funds of the Group eligible to cover the SCR stood at €70.1m, compared to a Solvency Capital Requirement ("SCR") of €38.5m. The Group SCR coverage ratio, which is regularly reviewed as part of Group's risk monitoring and capital management systems, stood at 182%.

Projected SCR figures and available own funds over the business planning period demonstrate that the Group will maintain a comfortable buffer throughout the whole of the business planning period. The projected solvency positions also remain adequately resilient to stress scenarios chosen and carried out under the risk management system of the Group.

B. Systems of Governance

Oney Holding Limited and its subsidiary companies are governed by the Board of Directors made up of a mix of independent non-executive directors, non-executive directors and a managing director. Collectively, the Board holds the relevant range of skills, knowledge and experience necessarily in the day to day running of the company. The number of Directors is commensurate to the level of business complexity.

The system of Governance is based on the Three lines of Defence model. This provides a clear organisation with clear reporting lines and responsibilities. In line with the requirements emanating from the Solvency II directive, OHL and its subsidiaries have in place a Risk Management Function, Compliance Function, an Internal Audit Function, and an Actuarial Function.

C. Risk Profile

To calculate its solvency capital requirements, the company and its subsidiaries make use the Standard Formula. The below chart provides a highlight of the most relevant Solvency II figures.

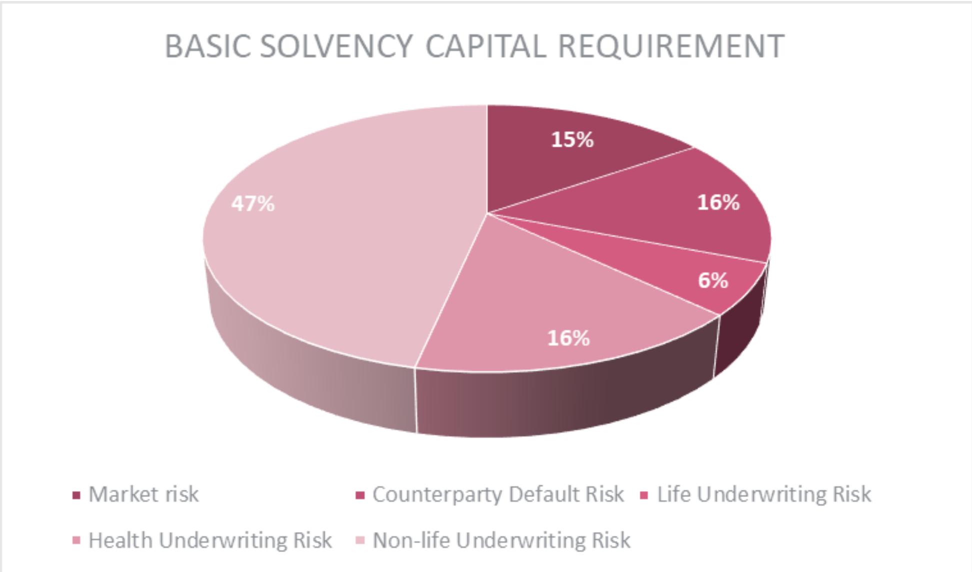


Figure 1 Main capital requirement

D. Valuation for Solvency purposes

OHL produces the RSR in line with the annual quantitative reporting templates referred to in Article 304 of the Commission Delegated Regulation. The values which have been disclosed in the document are according to the Solvency II regime. As a result of the different valuation methodologies, the reported figures may vary from those being reported in the Annual Financial Statements. An analysis of the valuation of assets, technical provisions and other liabilities as per Solvency II methodology and as per IFRS standard is given in Section D of this report.

E. Capital Management

The Capital Management Section provides an analysis of the Company's own funds held as at the reporting date. The company's own funds are mainly composed of Tier 1 capital, which is highly liquid and able to absorb any losses which might arise.

APPROVAL BY THE BOARD OF DIRECTORS OF THE SOLVENY AND FINANCIAL CONDITION REPORT

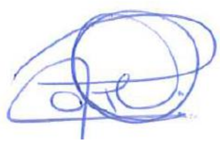
The Directors of Oney Insurance (PCC) Ltd, which is the entity responsible for fulfilling the governance requirements of the Group, certify that the SFCR for the financial period ended 31 December 2022 has been properly prepared in all material respects in accordance with the requirements of the MFSA rules and Solvency II Regulations as applicable to the Group.

The Directors are satisfied that:

(a) throughout the financial year in question, the Group has complied in all material respects with the requirements of the MFSA rules and Solvency II Regulations as applicable to the Group; and

(b) it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in future.

The RSR was approved by the Board of Directors on the 29th March 2023 and was signed on its behalf by:



Mr Antonio Portelli

Director of Oney Insurance (PCC) Ltd & Oney Life (PCC) Ltd

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

This Regular Supervisory Report relates to OHL and its subsidiary insurance companies, OIL and OLL, which constitute an insurance group at the level of OHL, in terms of Articles 218 to 258 of the Solvency II Directive 2009/138/EC. OHL is a non-regulated limited liability holding company registered in Malta at 171, Old Bakery Street, Valletta, VLT 1455.

Both OIL and OLL are limited liability companies with the Registered Office situated at:

171, Old Bakery Street,

Valletta, VLT 1455,

Malta.

Supervisory Body

The Malta Financial Services Authority ("MFSA") is responsible for the supervision of both OIL and OLL. The address of the MFSA is:

Malta Financial Services Authority,

Triq l-Imdina, Zone 1,

Central Business District,

Birkirkara, CBD1010,

Malta

External Auditors

PricewaterhouseCoopers are the appointed external auditors of the companies. The address of PricewaterhouseCoopers is:

78, Mill Street,

Zone 5, Central Business District,

Qormi, CBD 5090.

Malta

OIL and OLL are wholly owned subsidiaries of OHL. OHL is a wholly owned subsidiary of Oney Bank S.A. whose registered office is situated at 34, Avenue de Flandre, 59170 Croix, France. The Group has two shareholders which are ELO whose registered office is situated at 40, Avenue de Flandre, 59170 Croix, France and BPCE SA which is the ultimate parent company holding 50.1% of the shares. Its registered office is situated at 50 avenue Pierre Mendès– 75201 Paris Cedex 13, France. An extract of the Group's organisation structure showing the position of the companies directly relevant to OIL & OLL is shown below:

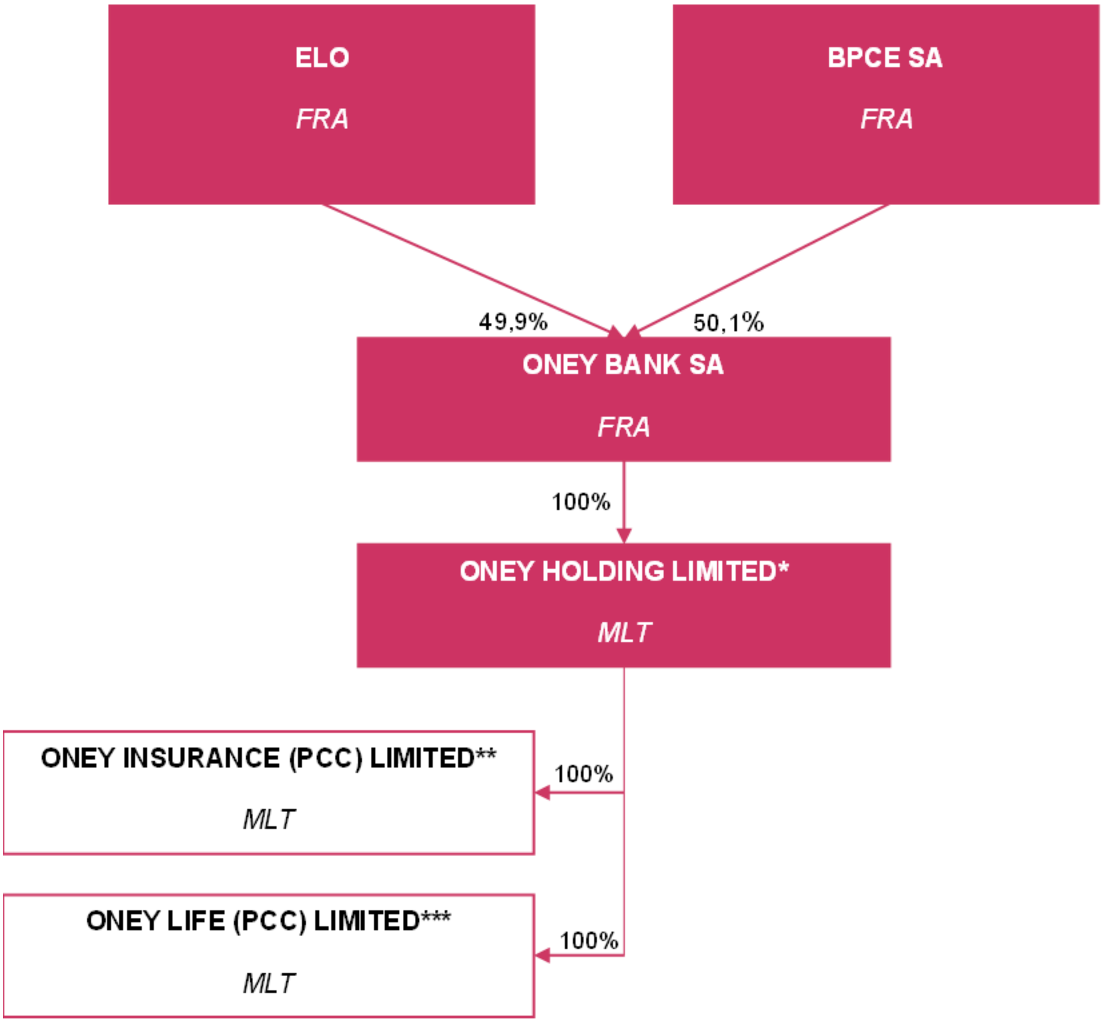


FIGURE 2 SHAREHOLDING STRUCTURE

OIL is authorised by the MFSA to carry on general business of insurance in accordance with the Insurance Business Act, Cap 403. OIL was granted rights to provide insurance services under the Freedom to Provide Services Legislation in terms of the European Passporting Rights in Denmark, Ireland, Italy, France, Germany, Portugal, Spain, Romania, Sweden, Poland and Hungary and is also licensed to offer reinsurance business in France, Poland and Italy. The operations are restricted to the following Classes:

- Class 1 - Accident
- Class 2 - Sickness
- Class 3 - Land vehicles (other than railway rolling stock)
- Class 8 - Fire and natural forces
- Class 9 - Other damage to property
- Class 16 - Miscellaneous financial loss

OIL's non-life insurance obligations fall into the following Solvency II lines of business ("LoBs"):

- Income protection insurance (health similar to non-life)
- Other motor damage insurance
- Fire and other damage to property insurance

- Miscellaneous financial loss

These Solvency II lines of business are used when reporting the premium, claims, expenses and technical provisions in the Quantitative Reporting Templates (“QRTs”).

OLL is authorised by the MFSA to carry on long-term business of insurance under the Insurance Business Act, Cap 403. OLL was granted rights to provide insurance services under the Freedom to Provide Services Legislation in terms of the European Passporting Rights in France, Germany, Portugal, Spain, Poland and Hungary and is also licensed to offer reinsurance business in Poland and Italy. The operations are restricted to Class I Life and Annuity.

OLL’s business provides death and accidental death cover. OLL prepares its financial statements in accordance with IFRS. Under IFRS, all business is considered to be one type of business, namely Life business. For Solvency II reporting, death cover falls under the Other Life LoB and the accidental death cover falls under income protection insurance (health similar to non-life).

A.2. PERFORMANCE FROM UNDERWRITING ACTIVITIES

The breakdown of the consolidated underwriting performance of the Companies as at 31 December 2021 and 2022 by the Solvency II LoBs is provided in Table A.1 below. Figure A.1 below also compares the underwriting performance as at year end 2022 against the underwriting performance as at year end 2021.

Technical Account	Income protection insurance 000s		Other motor insurance 000s		Fire and Other Damage to Property 000s		Miscellaneous financial loss 000s		Total Non-Life 000s		Other Life Insurance 000s		Total Life 000s		Total 000s	Total 000s
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Premiums written																
Direct Business	29,560	26,807	2,910	9,177	17,850	17,080	25,233	28,269	75,553	81,334	27,496	25,330	27,496	25,330	103,049	106,664
Proportional reinsurance accepted	-	-	-	-	5,298	4,718	3,686	3,222	8,984	-	-	-	-	-	8,984	-
Reinsurers' share	-	-	6,736	460	224	295	94	48	7,054	803	-	-	-	-	-	803
Total	29,560	26,807	(3,826)	14,091	22,924	21,504	28,825	31,443	77,483	80,530	27,496	25,330	27,496	25330	104,979	105,861
Premiums earned																
Direct Business	28,882	26,649	8,293	7,827	17,132	16,731	27,801	27,718	82,108	78,926	26,963	25,297	26,963	25,297	109,070	104,223
Proportional reinsurance accepted	-	-	-	-	4,651	2,891	1,306	(1,167)	5,957	1,724	-	-	-	-	5,957	1,724
Reinsurers' share	-	-	5,022	460	222	230	19	17	5,263	-	-	-	-	-	5,263	-
Total	28,882	26,649	3,271	7,827	21,561	19,392	29,088	26,534	82,802	80,650	26,963	25,297	26,963	25,297	109,765	105,947
Claims incurred																
Direct Business	832	1,950	11,319	9,247	4,256	4,081	3,309	4,141	19,716	19,420	4,742	2,921	4,742	2,921	24,458	22,341
Proportional reinsurance accepted	-	-	-	-	3,529	2,192	1,086	(821)	4,615	1371	-	-	-	-	4,615	1,371
Reinsurers' share		-	7,014	1,278	98	254	14	12	7,127	1,544	-	-	-	-	7,127	1,544
Total	832	1,950	4,305	7,969	7,687	6,019	4,380	3,308	17,204	19,247	4,742	2,921	4,742	2,943	21,946	22,168
Changes in other technical provisions																
Direct Business	- 0	(0)	387	-	6	- 51	-	(4)	392	(55)	0	2,921	-	2,921	392	2,865
Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	-	-	510	-	-	-	-	-	510	-	-	-	-	-	-	-
Total	- 0	1	- 123	-	6	(51)	-	(4)	(117)	(55)	0	2,921	-	-	392	2865
Expenses incurred	16,285	14,653	683	1,352	10,124	9,418	16,369	16,360	43,461	41,783	15,210	14,066	15,210	14,066	58,671	55,849
Other Expenses															-	-
Total Expenses		-		-								-		-	58,671	55,849

TABLE A.1 GROUP TECHNICAL ACCOUNT SUMMARY FOR YEARS END 2022 AND 2021

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations in 000's					Total Top 5 and home country
		DK	FR	PT	ES	IT	
Premiums written							
Gross - Direct Business		225	58,713	11,862	961	3,780	75,540
Gross - Proportional reinsurance accepted		-	8,984	-	-	-	8,984
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		94	-	-	-	6,960	7,054
Net	-	131	67,697	11,862	961	- 3,181	77,470
Premiums earned							
Gross - Direct Business		119	59,969	11,506	585	9,904	82,083
Gross - Proportional reinsurance accepted		-	5,957	-	-	-	5,957
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		19	-	-	-	5,244	5,263
Net	-	99	65,926	11,506	585	4,660	82,777
Claims incurred							
Gross - Direct Business		72	4,334	3,730	48	11,496	19,680
Gross - Proportional reinsurance accepted		-	4,615	-	-	-	4,615
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		14	-	-	-	7,112	7,127
Net	-	58	8,950	3,730	48	4,506	17,292
Changes in other technical provisions							0
Gross - Direct Business		-	-	11	- 5	387	393
Gross - Proportional reinsurance accepted		-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers'share		-	-	-	-	510	510
Net	-	-	-	11	- 5	- 123	- 117
Expenses incurred		8	35,937	6,263	357	884	43,451
Other expenses							
Total expenses							43,451

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		FR	ES	PT	PL		
Premiums written							
Gross	-	22,634	1,092	3,769	2	-	27,496
Reinsurers' share	-	-	-	-	-	-	-
Net	-	22,634	1,092	3,769	2	-	27,496
Premiums earned							
Gross	-	22,634	559	3,769	2	-	26,963
Reinsurers' share	-		-	-	-	-	-
Net	-	22,634	559	3,769	2	-	26,963
Claims incurred							
Gross	-	4,277	46	431	- 11	-	4,742
Reinsurers' share	-	-	-	-	-	-	-
Net	-	4,277	46	431	- 11	-	4,742
Changes in other technical provisions							
Gross	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Expenses incurred	-	12,737	350	2,121	2	-	15,210
Other expenses							-
Total expenses							15,210

TABLE A.2 GROUP TECHNICAL ACCOUNT TOP 5 COUNTRIES FOR 2022 BOTH NON- LIFE AND LIFE OBLIGATIONS

A.3. PERFORMANCE FROM INVESTMENT ACTIVITIES

The Group's investments comprise solely of cash and term deposits. The income on these investments for the year ended 31 December 2022 has been €343k.

Investment Performance	Total Amount € 000s		Interest Receivable € 000s		Percentage Yield € 000s	
	2022	2021	2022	2021	2022	2021
Deposits including cash and cash equivalents	101,664	108,709	343	118	0.34%	0.11%

TABLE A.3 INVESTMENT PERFORMANCE

A.4. PERFORMANCE OF OTHER ACTIVITIES

The Group had no other material income and expenses from other activities in the reporting period.

A.5. ANY OTHER INFORMATION

The Passway book had been performing poorly for a number of years, largely due to high and volatile levels of hail claims. Despite numerous remediations being made to policy conditions and premium rates the profitability of the portfolio remained too low. As a result, no new Passway business has been written since 17 May 2022 and the book has formally entered run-off. In addition, an 80% Quota Share reinsurance arrangement was effected with Hannover Re, to provide protection against excessive claims volatility during the 2022 hail season. Note that this reinsurance covers all risks including hail risks.

B. SYSTEM OF GOVERNANCE

B.1. GENERAL GOVERNANCE ARRANGEMENTS

B.1.1. BOARD OF DIRECTORS

The Board of Directors is the entity responsible for fulfilling the governance requirements at the level of the Group. It is also the focal point of the Group's corporate governance regime and is ultimately responsible for all decisions made regarding the company's governance. The Board may delegate some decision-making responsibility to sub-committees or senior management. However, delegating authority or responsibility does not relieve the Board of its own duties and responsibilities and it remains ultimately accountable for the performance and conduct of the Group. To this end it must have regular and robust interaction with sub-committees and management requesting information from them proactively and challenging information provided, and the status quo, where necessary, to satisfy itself that the systems established by it have been effectively implemented as intended and that compliance is being continually monitored.

The Board of Directors is responsible for:

- The effective, prudent and ethical oversight of the Companies.
- Setting the business strategy for the Companies.
- Ensuring that risk and compliance are properly managed in the Companies; and
- Making all decisions regarding the governance of the Companies unless such decisions have been formally delegated by the Board as described above.

Furthermore:

- Each member of the Board shall have sufficient time to devote to the role of director and associated responsibilities.
- The Board shall ensure that a majority of its directors are reasonably available to the MFSA at short notice to explain its decisions; and
- If the Companies apply Oney Bank SA Group policies or use Oney Bank SA Group functions, the Board shall satisfy itself as to the appropriateness of these policies and functions for the Companies and in particular that these policies and functions take full account of Maltese laws and regulations and the supervisory requirements of the MFSA.

The current number of Directors is stipulated at a minimum of two Directors and a maximum of seven. Furthermore, the Group, by ordinary resolution shall from time to time, increase or reduce such parameters.

The Board of Directors is currently composed of 6 Directors as follows:

- 1 Managing Director
- 2 Independent Non-Executive Directors
- 3 Non-Executive Directors

One Independent Non-Executive Director is the Chairman of the Audit Committee and the other is the Chair of the Investment Committee. In this way, the Independent Non-Executive Directors have significant influence on the proper conduct of Oney Insurance. The Board of Directors meet at least three times per year.

The Board may directly appoint sub-committees composed of directors and management which provide valuable hands-on assistance to the Board by taking on the burden of detailed research, investigation, analysis, guidance and oversight of particular areas of activity, thus giving the Board assurance that the business is being managed, conducted and controlled in a prudent manner and in accordance with sound administrative, insurance and accounting standards. The Board itself retains responsibility for oversight of these sub-committees, for guiding them, for setting their terms of reference and for ensuring that they operate as intended.

Based on the nature, scale and complexity of the Companies, the Board has established an Audit Committee, an Investment Committee, an Underwriting Committee, Affinity Cell Committee and a Management Committee ("COMEX").

B.1.2. THE AUDIT COMMITTEE

The Board has established an Audit Committee whose members include both the Non-Executive Directors and the Independent Non-Executive Directors of the Company. The Committee operates in a manner consistent with ensuring its independence and reports its activities and decisions to the Board. The Chairman of the Audit Committee is an Independent Non-Executive Director.

The Committee has been appointed by the Board in line with the following criteria:

- The Audit Committee shall be composed entirely of non-executive directors and shall have at least three members with the majority of the members being independent.
- At least one member of the Audit Committee shall have competence in accounting and/ or auditing.
- Members of the Audit Committee as a whole shall possess the necessary competence, knowledge and experience in the business of insurance carried on by Oney.
- All the members of the Audit Committee shall be non-executive directors with the majority of the members being independent of Oney.

The Board ensures that the members of the Committee shall at all times collectively possess a diversity of qualifications, knowledge and relevant experience so that Oney Companies is managed and overseen in a professional manner.

Meetings of the Committee are held three times a year or more often as the Committee itself deems fit. The Committee oversees the following functions and their respective duties and responsibilities:

- Financial reporting

- Internal control function
- Compliance function
- Risk Management function
- Internal audit function
- External audit function

B.1.3. THE INVESTMENT COMMITTEE

The Board of Directors established an Investment Committee with an appropriate representation of Executive, Non-Executive and Independent Non-Executive Directors. The Investment Committee has, in its discretion, authority to approve and monitor the short-term liquidity of the Companies and also their medium and long-term investments. The Committee operates within the long-term policy adopted by the Board, but also advises the Board on changes to the long-term policies and sets short term strategic and tactical policies in line with achieving specific investment goals.

The committee has been appointed by the Board in line with the following criteria:

- The members shall be appointed by the Board and shall be comprised of not less than three members. A minimum of two members shall be independent non-executive directors of the company.
- The Board shall appoint the Committee Chairman and determine the period for which they shall hold office. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting.
- Care shall be taken to minimize the risk of any conflict of interest or coalition of interest that could arise.
- The Board shall ensure that the members of the Committee shall collectively possess a diversity of qualifications, knowledge and relevant experience so that Oney is managed and overseen in a professional manner as required by laws and regulations and more specifically Article 41 of the Solvency II Directive.

The Board ensures that the members of the Committee shall at all times collectively possess a diversity of qualifications, knowledge and relevant experience so that Oney is managed and overseen in a professional manner.

Safety of principal is the foremost objective of the investment policy. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The idea of safety is to mitigate credit risk, interest rate risk, currency risk and liquidity risk.

The Group minimises credit risk, which entails the risk of loss due to the failure of a counterparty to a financial instrument, by:

- Pre-approving all financial institutions with which the Companies plan to invest and do business.
- Ensuring that the asset quality adhere to the Oney's Investment Policy.
- Diversifying the portfolio so that potential losses on an individual counterparty will be minimised; and
- Monitoring performance and credit ratings of counterparties.

Furthermore, the Group minimises interest rate risk, which includes the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, by:

- Investing operating funds primarily in shorter-term deposits.
- Structuring the investment portfolio so that interest bearing liabilities (if any) will be matched with interest bearing assets, where applicable.

In order to ensure that the Group minimises currency risk, which entails the risk of loss resulting from changes in exchange rates, the Group holds all of its investments in Euro or by matching assets and liabilities on non-euro denominated amounts.

Further to the above, the investment portfolio is kept sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio includes financial instruments which are callable on demand with no penalties involved, and financial instruments which could easily be traded on an open market. Funds are invested to enable the Companies to meet all liabilities as they fall due by matching term, nature and currency of the assets, to the term, nature and currency of the liabilities.

B.1.4. THE UNDERWRITING COMMITTEE

The Board of Directors delegated its responsibilities to oversee the underwriting operations of the Companies to the Underwriting Committee. The Committee is composed of no less than three members of senior management who collectively possess technical knowledge on insurance underwriting, financial and operational matters. Accordingly, the following members have been appointed to the Committee:

- Chief Executive Officer
- Head of Underwriting
- Chief Partnership Officer
- Chief Financial Officer
- Chief Operations Officer

The Committee is furthermore supported by the Chief Compliance and Risk Officer, Head of Risk, the Actuarial Function and the Chief Legal Officer as permanent invitees, and any other officer or consultant as may be required for the proper execution of the Committee.

The purpose of the Underwriting Committee is to:

- To periodically approve and review policies, procedures, processes, controls and guidelines governing insurance and reinsurance underwriting activities and evaluate whether these are consistent with the Companies' risk profile, strategic plan and underwriting risk appetite and tolerances.
- Review and monitor compliance with underwriting guidelines and policies and any exceptions thereto. Any risks that fall outside of these criteria and limits will require the approval of the

Committee and this shall be evidenced in writing. It is the obligation of the Underwriter seeking to rely on such authorisation to ensure that it is properly recorded.

- To approve and review any major new lines of insurance/reinsurance business or material changes in coverage within the parameters set forth in the Underwriting Policy of the Companies to determine current risk profile and the efficacy of the Company's underwriting standards and practices.
- Review periodically performance targets, including any loss ratio targets, combined ratio targets, return on equity targets or other measurement devices employed by the Companies to monitor their underwriting performance.
- To review the performance of existing lines of business for continued underwriting or eventual cessation.
- To assess the potential impact of emerging insurance risks on the performance of existing lines of business.
- To periodically review the appropriateness of pricing to absorb risks resulting from exogenous shifts in the assumptions underlying a pricing decision (transformation risk) and evolutions in the insurance portfolio giving rise to anti-selection.
- To evaluate the need for reinsurance programs for the purpose of capital optimisation or risk mitigation.
- To review the performance of the reinsurance programmes in place.
- To evaluate the effectiveness of tools and reporting employed to monitor underwriting performance.
- To periodically review the level of risk assumed by the Companies in its insurance and reinsurance underwriting activities.
- To periodically report, as appropriate, to the Board on its activities and make recommendations to the Board as it deems appropriate on any area within its remit; and
- To perform such other responsibilities regarding the Company's underwriting policies or activities or other matters as the Board may assign the Committee from time to time.

In relation to the Product Oversight and Governance Policy, the responsibilities of the Underwriting Committee shall extend to:

- Reviewing the appropriateness and proportionality of procedures adopted to govern the product
- Design, development and approval cycle of the Companies.
- Reviewing the suitability of products in terms of price and coverage for target markets.
- Assessing the financial and operational feasibility of products and selected distribution channels. and
- Reviewing periodically product coverage and features taking into consideration developments in customer behaviour (for example using subscription take up and complaint indicators) and other relevant market observations.

B.1.5. The Executive Committee ("COMEX")

The Executive Management Committee ("COMEX") of the Group is composed of the Managing Director, the Chief Financial Officer, the Chief Compliance and Risk Officer also overseeing the Risk Function, the Chief Information & Operations Officer, Chief Partnership Officer and the Chief Legal Officer and Head of HR.

The COMEX of the Group is charged with multiple responsibilities as indicated in the terms of reference of the executive committee. Some of these responsibilities include:

- Overseeing the Company Values, Integrity and Diversity.
- Overseeing the Company Strategy.
- Overseeing the Company Performance, Business and Commercial Development and Operations.
- Overseeing Risk Management, Compliance and Internal Control matters.
- Overseeing Underwriting and Claims.
- Overseeing the IT and Digital matters.
- Overseeing the Finance function.
- Overseeing the General Management of the Companies within the Group.

B.1.6. The Affinity Cell Committee

The Board has delegated its responsibilities to oversee the Affinity Cell operations to the Affinity Cell Committee. The Committee is made up of a minimum of 4 members including the Chairman with at least one representative each of the cell shareholders and Oney Insurance PCC (OIL). The members of the committee may include member(s) of the Board of Directors and as it is required from time to time, professionals in an advisory non-voting capacity with specific technical skills and support may be invited to attend the committee.

The purpose of the committee is to:

- Oversee the Cell's Underwriting operations,
- Oversee the Cell's Claims handling operations, and
- Oversee the Cell's Investment strategy and portfolio.

B.1.7. Remuneration Policy

Under the principle of proportionality, the Group does not have a dedicated remuneration committee and the duties otherwise pertaining to such a Committee are vested by the Board of Directors which are however guided by Oney Bank SA Group's Remuneration Policy.

A Remuneration Policy is required to ensure that remuneration of staff and directors of the Companies within the Group is in line with the approved business and risk management strategies of the Group and aligned with the approved Government Framework and Policies. Furthermore, the Remuneration Policy must ensure that the terms of engagement of staff and outsourcing partners do not encourage excessive risk-taking. Finally, the Remuneration Policy is required to ensure that commitments made to staff or partners do not threaten the Insurer's ability to maintain an adequate capital base at all times.

The Remuneration Policy applies to all Independent Directors, COMEX members, employees engaged by the Group, and third-party service providers. In setting this remuneration policy, the Board recognizes the need to be competitive in an international market and hence the Board adopted a policy to set remuneration levels which ensure that persons engaged are fairly and responsibly rewarded in return for high levels of performance. Furthermore, the Remuneration Policy is designed to support key business strategies and create a strong, performance-orientated environment whilst also attracting, motivating and retaining talent.

The main principles found in the Remuneration Policy are as follows:

- Directors who are employed by the Shareholder shall receive no remuneration from the Group for their position on the Board.
- The Independent Non-Executive Directors are paid a fixed annual fee and travelling expenses relating to attending Board meetings but shall not be entitled to any bonuses.
- The Remuneration for COMEX members shall be decided and agreed upon, jointly between the Managing Director, the Chairman of the Board of Directors as well as the Head of Human Resources of Oney Bank SA Group.
- The Remuneration for Non-COMEX members shall be decided and agreed upon, jointly between the Managing Director and the remaining COMEX members, as necessary. The Remuneration shall be in line with the Group's budget and assigned responsibilities; and
- There are currently no supplementary pension or early retirement schemes for Board members and/or other key function holders.

B.2. FIT AND PROPER

Fit and proper requirements demand qualities in relation to the integrity demonstrated in personal behaviour and business conduct, soundness of judgment and a sufficient degree of knowledge, experience and professional qualifications.

The shareholder must ensure that persons appointed on the Board satisfy all fit and proper requirements and that it appoints persons whose integrity is above reproach. The shareholder must also ensure that it appoints people with the relevant knowledge, experience and qualifications necessary to control an insurance operation.

When appointing Key management personnel, the Board must ensure that each respective Manager or Officer has the necessary experience and knowledge to occupy that post and that all personnel are of sound integrity.

The Board also acknowledges that new appointments for Directors, persons sitting on Board Committees and Key Management Personnel, can only be effective once approval has been obtained from the MFSA.

To satisfy the fitness criteria, the collective knowledge, competence and experience of the Board of Directors and Key Management Personnel collectively, will include at a minimum the following:

- Market knowledge
- Business strategy and business model
- System of governance
- Financial and actuarial analysis
- Regulatory framework and requirements

It is recognized that Board members and Key Management Personnel have a requirement for continuous professional development and that training is therefore an important issue. If Key Management Personnel are members of any professional body that stipulates a minimum number of CPE hours, then they are required to ensure that those requirements are met. If Key Management Personnel are not members of any professional body that manages CPE training, the Group will ensure that the individual receives relevant structured training annually to maintain their competence and keep abreast with recent developments. In any case, the training should be adequate and fit to their roles within the Group.

All Directors and Key Management Personnel will submit an annual list of relevant training attended as per the Fit and Proper Procedure. The Company acknowledges that this continued professional development is integral to its operations and will finance this training accordingly.

The Maltese resident Directors are expected to attend conferences organised by the MFSA dealing with matters that could be relevant with the Business of Insurance or General Corporate Governance Matters. The non-Executive Directors of the company which are also shareholders employees are expected to attend training as organised by the Group. In addition, if the MFSA requests attendance of the non-resident Directors at certain seminars, then such Directors will do their utmost to attend.

To satisfy the propriety of a person, the Board of Directors must be satisfied with the reputation and integrity of a person. In assessing the propriety, consideration will be given to honesty, financial soundness and conflicts of interest.

The fit and proper requirement is an ongoing one and is assessed on an annual basis. In addition, the Directors and the Key Management Personnel will need to confirm annually that there were no changes from the last Personal Questionnaire lodged with the Regulator, however, should during any given period, a significant change to the Personal Questionnaire occurs, the Director or Key Management Personnel is obliged to inform the Group of such changes, immediately. The decision as to whether the change is of such significance as to impact the propriety of that particular person, will rest with the Managing Director as for the Key Management Personnel, and with the Board as for a Director.

B.3. RISK MANAGEMENT SYSTEM

The Risk Management System is a central part of the Companies' strategic management and is organised in a way that ensures that all employees at every level of the organisation seek to promote an effective risk culture. As a result of this, a Risk Management Function is established to secure the following strategic objectives:

- To protect and generate sustainable shareholder value.
- To ensure that policyholders' claims are met with the highest degree of confidence.
- To ensure that regulatory solvency capital requirements are adequately satisfied at all times.
- To maintain the sound reputation of the Companies.

In order to achieve these objectives, risk management system sets out to ensure that Management pursues the right levels and types of risks and that such risks can be adequately monitored and controlled.

The objective of the Risk Management Function is to regularly review the Companies' risk management processes and procedures, and to test the appropriateness and relevance of, risk management practices, tools and methodologies employed.

The Risk Management function is maintained in-house, and the Chief Risk and Compliance Officer is responsible to perform this key function. Ultimate responsibility for the oversight of the Risk Management System lies with the Board.

The responsibilities of the Risk Management Function shall be to:

- Develop, implement, animate and maintain Oney's Risk Management Framework and Risk Appetite Framework.
- Evaluate and review the effectiveness and suitability of Oney's risk governance organisation in line with organisational developments and evolutions in the business model of the Companies.
- Develop risk measurement tools and methodologies including risk assessments, risk criteria, stress and scenario testing and incident loss databases.
- Advise on proposals and risk decisions made by Management and business units which may be inconsistent with the Companies' risk appetite and assess any resulting impact on the risk profile of the Companies.
- Maintain an organisation-wide and aggregated view on the risk profile of the Companies and update Oney's risk mapping to take account of current, emerging and developing risks emanating from the Companies' business strategy in collaboration with Process Owners.
- Monitor the Companies' exposure to insurance, market, liquidity, operational, strategic, reputational and other risks including external risks, advise Management on risk mitigation measures and report on actions taken by the respective risk originating units to manage key risks.
- Design, execute and develop the Own Risk and Solvency Assessment process for the Companies aligning the process with the risk profile of the Companies and key risk sensitivities.
- Maintain and review the Internal Controls Framework, assist Process Owners in the definition, implementation and follow up of first level controls and execute a second level control plan

to evaluate the ongoing effectiveness and relevance of internal controls, procedures and tools in mitigating key operational risks.

- Maintain and develop the Companies' business continuity measures alongside key stakeholders.
- Monitor the Solvency Capital Requirements of the Companies.
- Monitor and report on the effectiveness of the risk management system and implementation of corrective or continuous improvement action plans to COMEX, the Audit Committee and Board of Directors; and
- Deliver regular communication and training programmes to promote risk management awareness across the organisation.

The Companies use the standard formula to calculate the regulatory SCR. As described in Section C, other material risks that are not assessed by the standard formula, but which are considered by the Companies for the purposes of assessing own overall solvency needs are strategic risk, reputational risk and geographical and product concentrations. These are analysed and assessed through stress and scenario testing. Additionally, as part of the ORSA process, the operational risk module in the standard formula is replaced by an internally quantified solvency requirement to cover the specific operational risk profile of the Companies as captured in the Risk Map of the Group. Further information is provided in the 2022 ORSA Reports of the Companies.

The assets of the Companies carried out in the statement of financial position as at 31 December 2022 mainly comprise of cash balances and term deposits with maturities spread over the short term (up to 3 years) . In this regard, the Companies' assets, in particular those covering the MCR and SCR, are considered to be invested in such a manner where the security, quality, liquidity and profitability of the portfolio as a whole is ensured. Furthermore, assets held to cover the technical provisions are also invested in a manner appropriate to the nature and duration of the insurance liabilities (see Table C.3). The Companies therefore comply with the Prudent Person Principle by investing in a manner which is in the best interest of policy holders and beneficiaries.

Furthermore, the Companies have procedures in place to mitigate their exposure to liquidity risk (See Section C.4). In line with the Companies' Investment Policy, management monitors asset allocations and maturity profiles of assets in order to ensure sufficient funding is available to meet insurance and other contractual obligations.

The Companies regularly monitor the credit ratings of their counterparties, and the Investment Committee reviews these credit assessments on a quarterly basis. The appropriateness of the credit assessments by external credit assessment institutions is verified by comparing the assessments carried out by at least three reputable credit assessment institutions. The extent to which these assessments are used is explained in Section C.3.

B.4. ORSA

B.4.1. ORSA Roles and Responsibilities

The ORSA is a key process within the risk management framework of the Group. The ORSA aims to:

- Assess the Group's overall solvency needs, taking into account all risks that affect the Companies within the Group, any approved risk tolerance limits and business strategies, both during the calendar year and over the business planning period.
- Test the appropriateness of the Capital Management framework over the business planning period against the results of stress and scenario testing performed.
- Carry out the internal own assessment of capital needs and assess the deviations from assumptions underlying the SCR calculation according to the standard formula.
- Express the overall own solvency needs in quantitative terms, complemented by a qualitative description of the risks, and carry out a forward-looking assessment of the overall solvency needs over the business planning period; and
- Monitor compliance with Solvency II regulatory capital requirements over the business planning period and demonstrate continuous compliance with regulatory capital requirements.

B.4.2. ORSA Governance

The Risk Management Function prepares the ORSA report for consideration by the Management and the Board of Directors, and the Board approves the methodology adopted to carry out the annual ORSA process and the results thereof. This approval is given in line with the Group ORSA policy and in accordance with paragraph 3 of Part II – Guidelines on Own Risk and Solvency Assessment of Annex I of Chapter 6 of the Insurance Rules, whereby the Board of Directors is required to take an active part in the ORSA, including steering, how the assessment is to be performed and challenging the results.

Following discussions, the Board also validates the assumptions used, as well as the stress scenarios applied in carrying out the internal own assessment of capital needs and in demonstrating the Companies' continuous compliance with regulatory capital requirements.

The ORSA process is also integrated into the business strategy of the Oney Bank SA Group. Internal discussions between the Risk Management and Finance functions of the Companies are carried out in order to review and update the assumptions applied in the 3-year business plans in light of the outcome of the initial runs of the ORSA. This process includes investigating the adequacy of own funds, the sustainability of dividend payments, testing the Group's resilience to stresses, improving the understanding of the dynamics of the business and the associated risks, and considering the risks posed by new business and the ability to absorb poorer performance than expected. The 3-year business plans are then utilised to determine the projections of the P&L, Balance Sheet and Solvency Positions under Solvency II.

B.5. INTERNAL CONTROL

B.51.1. DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

The Companies within the Group are equipped with a comprehensive and effective internal control system encompassing all activities, including those carried out by third party service providers, to ensure the effectiveness and efficiency of operations, continuous improvement of the activity and enhanced risk control. The five main components of the system are:

- A strong control environment and culture across all levels of the organisation, steered by the Management of the Companies.
- A framework supporting the identification, assessment and managing of risks inherent in core business processes.
- Control activities – the policies and procedures implemented to ensure management directives are carried out whilst managing and controlling the risks which the Companies are exposed to.
- Effective information and communication procedures; and
- Monitoring processes to assess the quality of the system's performance over time, accomplished through permanent and periodic control procedures.

The Companies' internal control framework includes:

- A qualitative and relevant system for controlling operations and internal procedures.
- An accounting and information processing organisation.
- Qualitative and relevant systems for measuring risks and results.
- Qualitative and relevant monitoring and risk control systems.
- Qualitative and understandable documentation.
- Reliable and accurate information systems which secure the confidentiality, availability and integrity of data and report outputs; and
- A system for monitoring cash and securities flows.

B.51.2. IMPLEMENTATION OF THE COMPLIANCE FUNCTION

The Compliance Function is an integral part of the Company's Internal Control System as it is responsible for ensuring that the Companies within the Group are adhering to all applicable Legislation, Regulation, all supporting Rules and the General Good Practice Provisions imposed by host jurisdictions when the Companies within the Group carry out activities under freedom of services provisions in the various EU countries.

As stated in the Company's Compliance Policy, the Chief Compliance and Risk Officer is responsible for:

- Ensuring that the Company complies with applicable legislation.
- Advising the Board on Compliance with applicable legislation.
- Keeping the Board informed of any amendment to the applicable legislation or the addition of any new requirements.
- Monitoring projected revisions of legislation and plans to introduce new legislation and assessing their potential impact on the Company, and also monitoring relevant court decisions, in order to assess the possible impact of significant changes in the legal environment on the Company, as well as identifying and assessing the compliance risk that could arise from such changes.
- Facilitating the establishment of procedures to ensure that compliance is an integral part of the day-to-day operations;
- Implementing the prior approval procedure and providing preliminary and systematic advice on new products, services or activities.
- Ensuring that all personnel comply with internal strategies, policies, processes and reporting procedures.
- Advising and training operational personnel on carrying out the specific tasks needed to achieve compliance.
- Assessing the appropriateness of the Company's compliance procedures and guidelines, following up identified deficiencies promptly and making suggestions for improvements as necessary.
- Communicating on its own initiative with any staff member and to obtain access to any records necessary to allow it to carry out its responsibilities.
- Reporting regularly to the Executive Committee, to the Audit Committee and to the Board of Directors on compliance matters. As a minimum, the compliance report must include findings of non-compliance.
- Reporting upwards to the Compliance Function at Group Level on a quarterly basis, in accordance with specific group requirements, and, where necessary, reporting to the MFSA.
- Promptly reporting to the Board and/or to the Compliance Function at Group Level on any major compliance problems identified.
- Developing an annual Compliance Action Plan to undertake a compliance program on the key internal controls, as identified by the Board, to ensure that they are operating effectively and to document the tests undertaken and the results obtained. The Compliance Action Plan ensures that all relevant areas of the Company are appropriately covered, taking into account their susceptibility to compliance risk.

The Chief Compliance and Risk Officer has the authority to communicate on its own initiative with any staff member and to obtain access to any records necessary to allow it to carry out its responsibilities.

The Chief Compliance and Risk Officer is appointed with responsibility for the implementation of the Group's Compliance Monitoring Framework and Policy. The Chief Compliance and Risk Officer reports to the Board of Directors and Audit Committee on a regular basis; usually quarterly whilst on a continuing basis, the Chief Compliance and Risk Officer reports and raises any issues directly to the Managing Director.

The Chief Compliance and Risk Officer also acts as the Money Laundering Reporting Officer ("MLRO") of Oney Life (PCC) Limited and the Data Protection Officer of the Companies.

B.6. INTERNAL AUDIT FUNCTION

The remit of the internal audit function is to objectively examine and evaluate the functioning, adequacy and effectiveness of the internal controls and all other elements of the Group's System of Governance. The internal audit function is also an important part of the Risk Management system, providing an independent assessment of the adequacy of, and compliance with internal strategies, policies, processes, reporting procedures and the Group's risk management framework.

To ensure its effectiveness as an independent function within the organisation and to enable it to carry out its duties in an objective and impartial manner, the Internal Audit Function:

- Is not subject to the instructions of the general management or the Board, except to the extent that the Board must approve all audit plans.
- Is able to exercise its assignments on its own initiative in all areas of the Companies within the Group.
- Is free to communicate directly with all staff, including those of third-party service providers and to express its opinion.
- Has a complete and unrestricted right to obtain information, which includes the prompt provision of all necessary information, the availability of all essential documentation and the ability to see into all the Companies' activities and processes relevant for the discharge of its responsibilities, including those at third party service providers.
- Is granted access to any of the Companies' records, files or data including management information and Board and Committee meeting minutes whenever relevant for the performance of its tasks, including those at the third-party service providers.
- Works under an annual audit plan, based on a methodical risk analysis, which takes into account all activities and the complete System of Governance, as well as expected developments of activities and innovations. The plan ensures that all significant activities are reviewed within a reasonable period of time, in accordance with an established audit cycle.
- Every activity and every unit of the Companies fall within its scope.
- All business units have an obligation to inform the internal audit function when control deficiencies are recognised, losses are sustained, or there is a definite suspicion concerning irregularities; and
- The internal audit reports are complemented by an adequate follow-up procedure in order to keep track of the status of remedial measures.

The responsibilities of the Internal Audit function are the following:

- To review, on a sample basis, the risk management arrangements, including the key controls to manage risk.
- To review the Risk Management assessment processes.
- To assess the correct implementation of strategies, management capabilities and the qualitative aspects of activities.
- To carry out investigations in all areas, either included in the internal audit plan or following a request by the Board.
- To evaluate the adequacy and effectiveness of the internal control system and other elements of the system of governance.
- To evaluate the controls which reduce the risk of fraud or abuse of the Companies' assets.
- To carry out fraud investigations at the request of the Board.

- To evaluate the compliance of activities with internal strategies, policies, processes and reporting procedures.
- To document the audits in a way that makes it possible to retrace the audit procedures undertaken and the findings produced, in order to permit a review of the effectiveness of the work of the internal audit function.
- To prepare reports from discussions with the line managers of the audited units and then provide a copy of the final report to the manager responsible for the area in question.
- To issue these written reports regardless of whether material shortcomings have been found.
- To report, at least annually, to the Board and management on efficiency, suitability of the internal control system as well as major shortcomings with regard to the compliance with internal policies, procedures and processes.
- To report also to the Board on the achievement of the internal audit function's objectives, in particular, on the execution of the audit plan.
- To make recommendations in the reports on how to remedy inadequacies and also specifically address how past points of criticism and past recommendations have been followed up.
- To generally make any recommendation that will improve the Companies' operation.

The Internal Audit function is outsourced to Oney Bank SA and the Audit Committee is responsible for the oversight of the function.

B.7. ACTUARIAL FUNCTION

The Actuarial Function is outsourced to Lane Clark & Peacock Ireland Limited ("LCP") and headed by an approved fully qualified Actuary. The Actuarial Function holder has a direct reporting line to the Board and is responsible for:

- Coordinating the calculation of technical provisions.
- Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions.
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparing best estimates of technical provisions against experience.
- Informing the Board of Directors of the reliability and adequacy of the calculation of technical provisions.
- Overseeing the calculation of technical provisions in the cases where approximations may be used in the calculation of the best estimate.
- Expressing an opinion on the overall underwriting policy and on the adequacy of the reinsurance arrangements.
- Contributing to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the Own Risk and Solvency Assessment; and
- Providing other assistance: in the production of quarterly and annual regulatory returns for the Companies within the Group, in designing and developing management information and product activity and in financial and business modelling.

The Managing Director is responsible for the oversight of the outsourced Actuarial function.

B.8. OUTSOURCING

The Companies within the Group have established an outsourcing policy to minimize risk relating to outsourcing arrangements which may impact the financial performance or the reputation of the Group. This policy applies to the delegation of critical functions from the Group to a related or third-party service provider. All outsourcing partners, whether these are related entities within the Oney Bank Group or third parties, are subject to this Outsourcing Policy.

Article 49 of the Solvency II Directive outlines the obligations of insurance and reinsurance undertakings when critical or important functions are outsourced. Such outsourcing arrangements also include the granting of underwriting and claims settlement authority to an Insurance Intermediary through a brokerage agreement or an underwriting authority agreement or a claims handling agreement. Without exception, when such functions are outsourced an outsourcing contract should be put in place and should include the following clauses:

- The respective rights and duties and responsibilities of Oney and the service provider involved.
- The service provider’s commitment to comply with all applicable laws, regulatory requirements and guidelines as well as policies approved by the insurance or reinsurance undertaking and to cooperate with the MFSA with regard to the outsourced function or activity.
- The service provider's obligation to disclose any development which may have a material impact on its ability to carry out the outsourced functions and activities effectively and in compliance with applicable laws and regulatory requirements.
- That the service provider can only terminate the outsourcing agreement with a notice period and that the notice period is sufficiently long to enable Oney to find an alternative solution.
- that Oney undertaking is able to terminate the outsourcing arrangement, where necessary, without detriment to the continuity and quality of its provision of services to policyholders
- That Oney reserves the right to be informed about the outsourced functions and activities and their performance by the services provider as well as a right to issue general guidelines and individual instructions at the address of the service provider, as to what has to be taken into account when performing the outsourced functions or activities.
- that the service provider is subject to confidentiality obligations and shall protect any confidential information relating to the insurance or reinsurance undertaking and its policyholders, beneficiaries, employees, contracting parties and all other persons.
- That Oney, its external auditor and the MFSA have effective access to all information relating to the outsourced functions and activities including carrying out on-site inspections at the business premises of the service provider.
- That, where appropriate and necessary for the purposes of supervision, the MFSA may address questions directly to the service provider to which the service provider shall reply.
- The terms and conditions, where applicable, on which the service provider may sub-outsource any of the outsourced functions and activities.
- That the service provider’s duties and responsibilities under its agreement with Oney shall remain unaffected by any sub-outsourcing taking place according to point 9. The MFSA may require a copy of the sub-outsourcing agreement and / or information about the sub-outsourced activities.

- Name of the individual within the Third-Party Service Provider as well as within Oney who are responsible for the oversight of the outsourced activity (may be shown in the agreement on an addendum/annex to facilitate any changes that may occur during the term of the agreement).

Apart from the requirements applicable to written agreements for outsourcing arrangements as specified in Article 274 of the Commission Delegated Regulation (EU) 2015, outsourcing contracts should also include terms which reflect the following:

- Prior to entering into a critical or important agreement, a specific non-disclosure agreement may be required to ensure all parties maintain confidentiality.;
- The right to perform annual due diligence checks.
- Data ownership and GDPR Obligations are to be clearly stated in the agreement.
- That the parties agree to inform each other in the event that a conflict of interest or potential thereof arises. At the point of notification, the Parties shall agree on the solution of the matter on a case-by-case basis. A specific 'Right of Audit' in favor of Oney (or its brokers/distributors) and the MFSA is to be included in all agreements including regular inspection visits and/or remote data access and/or access to the Internal Control reports of the other party.
- The current Information Security Policy of the Companies is to be also referenced in all contracts.
- The current Business Continuity Plan of all third parties is to be required under all agreements.
-
- Clauses relating to anti-money laundering as may be required.

B.9. ANY OTHER INFORMATION

There is no other material information regarding the system of governance that has not already been disclosed in Sections B.1 to B.8 above.

C. RISK PROFILE

The Group maintains a risk register identifying all risks to which the companies are exposed together with an assessment of likelihood and severity of impact. The register captures business and financial risks as well as operational risks and other non-financial risks. The summarised result of risk identification and risk assessment processes determine the risk profile of the Companies. As part of the monitoring process, a review of the risk register is carried out on a regular basis to identify new risks ('emerging risks') as well as changes in exposure to existing risks. The risk profile of the Companies is articulated through a risk appetite framework which prescribes the Companies' risk tolerance and limits with regard to the Group's material risks. Figure 3 below provides an overview of the Group's most significant financial risks.

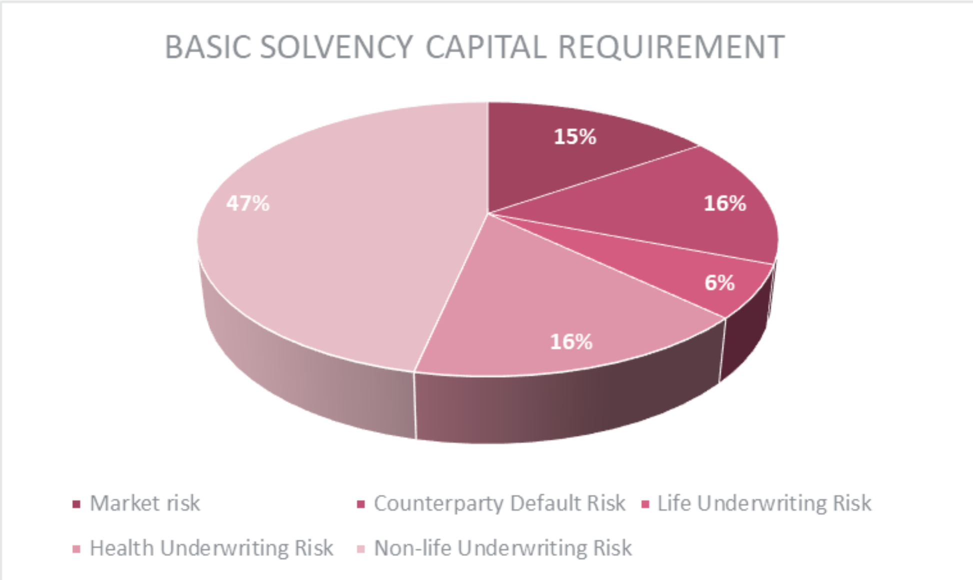


FIGURE 3 THE MOST SIGNIFICANT RISKS OF THE GROUP FOR 2022

C.1. UNDERWRITING RISK

Underwriting risk is the risk of loss or of adverse changes in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions (namely a deviation of actual claim payments from expected amount of claims payments).

Underwriting risk is evaluated on a regular basis and discussed during Underwriting Committee meetings and other management meetings. Trends which impact the underwriting risk for the Companies, for example macroeconomic factors, policyholder and commercial preferences and changes in incidence rates are investigated regularly. Material changes to underwriting parameters are approved by the Group's Underwriting Committee subject to Board approval.

Management information, including sales volumes, premiums written, reserves, loss ratios, claims data and complaints data is regularly reviewed by the Underwriting Committee and reported to the Board on a quarterly basis. The Underwriting Committee uses this information to ensure that the performance of the business remains within the prescribed risk appetite and where necessary, action is taken to manage and mitigate underwriting risk.

The Companies decide on their underwriting acceptance criteria in order to maintain an acceptable level of insurance risk notably to minimise volatility of the results both in terms of sales and risk acceptance as well as claims performance. Where new products or developments to existing products are considered, due consideration is given to identifying past and current market performance of the prospective coverage and the overall projected impact of any changes to the profitability of the policy or programme for the Companies.

When developing new products, the Companies seek to mitigate and manage risks associated with underwriting concentrations by developing business across different LoBs, with different partners and intermediaries and in different geographical territories.

As at 31st December 2022, non-life underwriting risk represented 69.1% of all the undiversified BSCR. The below chart details the components which make up the underwriting risk.

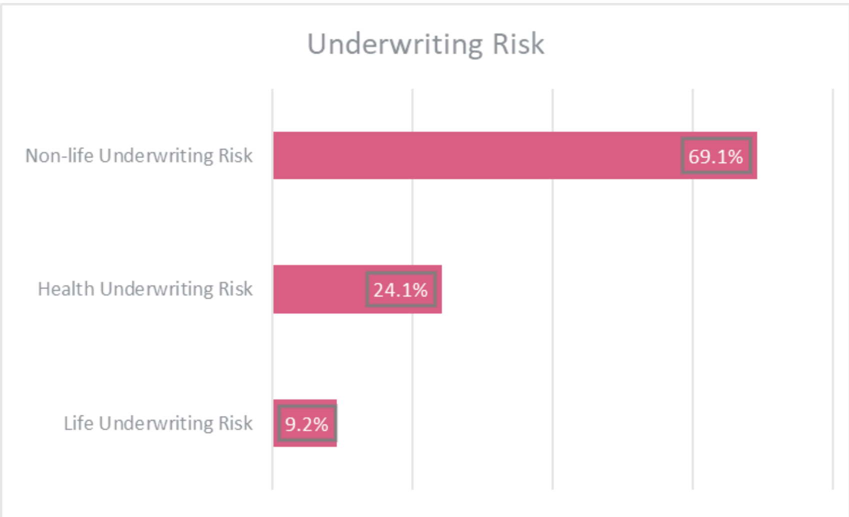


FIGURE 4 COMPONENTS WHICH MAKE UP THE UNDERWRITING RISK

C.2. MARKET RISK

Market risk is the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Market risk comprises risk arising from the level or volatility of: foreign exchange rates (currency risk), market interest rates (interest rate risk), market prices of equities (equity risk) and property (property risk), asset concentrations (concentration risk) and the volatility of credit spreads over the risk-free interest rate term structure (spread risk).

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Companies invest in bank deposits, comprising demand and non-demand (term) fixed income deposits. The risk associated with demand deposits is assessed under Counterparty Default risk module whereas the risk associated with term deposits is assessed under spread and concentration risk modules. The term deposit portfolio is sufficiently diversified to minimize the risk of loss resulting from over-concentration of investments with a specific counterparty. Diversification strategies are periodically reviewed by the Investment Committee.

The majority of the Companies' assets and liabilities are all denominated in Euro thereby the exposure to currency risk is virtually immaterial. The Companies are not exposed to property risk since there are no investments in property. With regards to equity risk, the company's exposure is very limited. The discounted value of future cash-flows, in particular the valuation of technical provisions of the Companies, is sensitive to a change in the rate at which those cash-flows are discounted. However, the Companies' business is short tailed in nature therefore the exposure to interest rate risk is deemed minimal.

The only material change over the reporting period is the increases in interest rate risk. This increase is due to the company's increase in interest bearing deposits which are mainly term deposits spread over a low / medium term.

The below chart shows the component which drives the market risk SCR.

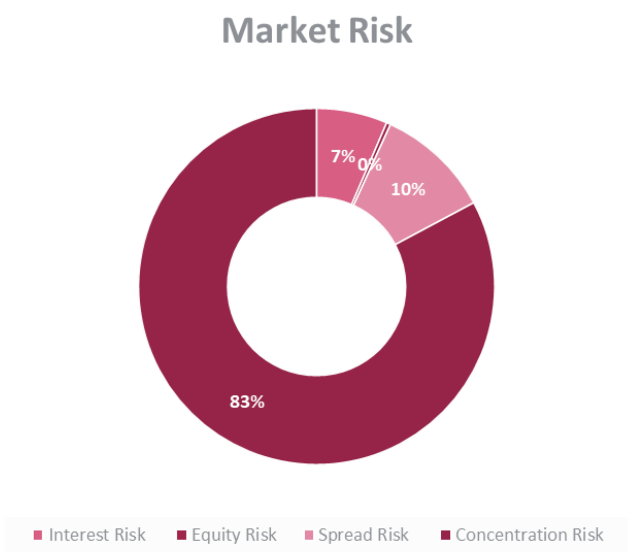


FIGURE 5 COMPONENTS MAKING UP THE MARKET RISK

C.3. CREDIT RISK

Credit risk is the risk of losses due to unexpected default of the counterparties and any debtors of the Companies.

The Companies have exposures to counterparty default risk in relation to the deposits with credit institutions (Type 1 exposures) and in relation to receivables from intermediaries (Type 2 exposures).

To manage these risks the Companies may invest with approved financial institutions and counterparties, provided that these institutions have a minimum Standard & Poor's (S&P) credit rating of A-. Any investments in counterparties which are downgraded below the minimum allowable credit rating of A- must be expressly approved by the Investment Committee and Board of Directors. Additionally, the investments in individual credit institutions are subject to the specified limits expressed as a proportion of the total deposit fund in order to maintain a sufficiently diversified portfolio to minimise the risk of loss resulting from over-concentration of investments with a specific counterparty.

The chart below indicates the split between the Type 1 and Type 2 components as at 31st December 2022

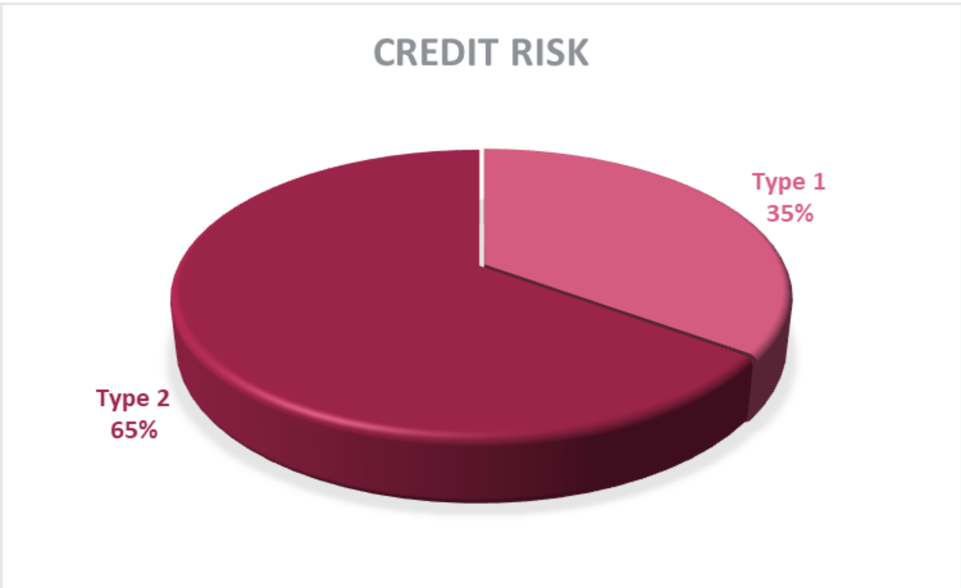


FIGURE 6 COMPONENTS MAKING UP THE CREDIT RISK

C.4. LIQUIDITY RISK

Liquidity risk is the risk that the Companies will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Companies' approach to managing liquidity risk is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Companies' reputation.

The Companies have procedures in place to mitigate their exposure to liquidity risk. Management monitors asset allocations, and maturity profiles of assets, in order to ensure sufficient funding is available to meet all contractual obligations. Additionally, forecasts are prepared regularly to predict the required liquidity levels over both the short- and medium-term.

The Companies' exposure to liquidity risk is considered to be very low since they maintain a high level of liquid assets to meet their liabilities. Furthermore, as indicated in the below table, should the need arise, 33% of the company's assets are immediately available with another 33% is available within a short notice.

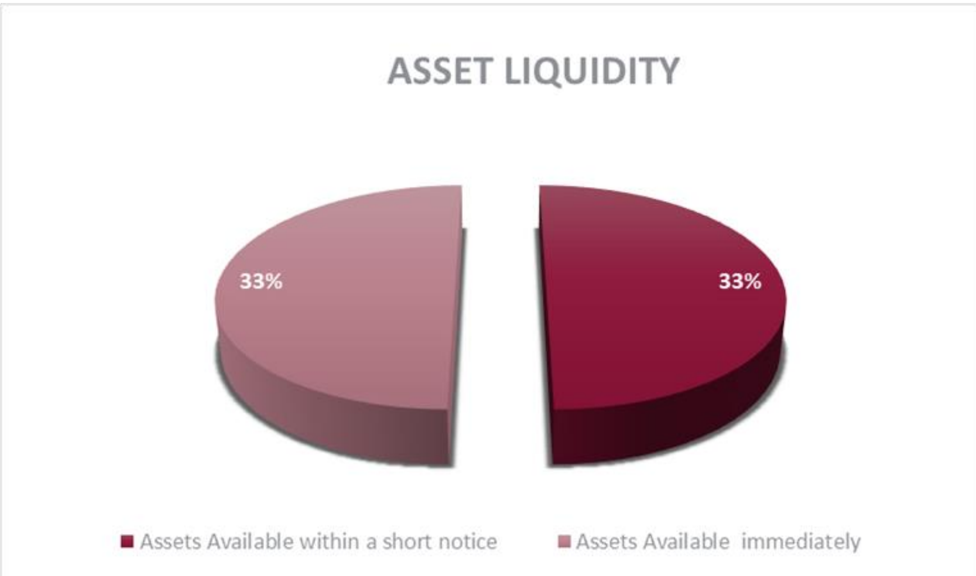


FIGURE 7 COMPONENTS MAKING UP THE LIQUIDITY RISK

C.5. ASSET-LIABILITY MANAGEMENT ("ALM") RISK

Since the Companies do not have interest-bearing liabilities and hold adequate levels of liquid assets in order to meet their future cash flows arising from technical provisions and other payables, the exposure to ALM risk is considered to be nil.

C.6. OPERATIONAL RISK

Operational risk is the risk inherent in all of the Companies' operations in conducting business. Operational risks are analysed by operational processes and sub processes in the risk register, which assigns a risk score (and classification) to each risk. The review of likelihood and severity of each risk to determine the risk score focuses predominantly on identified operational risks. Internal controls and other mitigating measures identified in response to key operational risks are captured in the risk register. Internal controls are formalised and reviewed on a regular basis (at least quarterly).

The Risk Management Function of the Companies maintains a log of all operational risk incidents. The Operational Risk Management Policy of the Companies describes the overall incident management system linked to operational risks. Historical data of operational incidents is also utilised in the assessment of operational risk exposures. Action plans to mitigate the reoccurrence of operational incidents are put in place and the status of implementation is monitored and reported periodically by the Risk Management Function.

The quantification of operational risks is also carried out in the annual ORSA process of the Companies. Worst case costs are determined through historical incident experience, workshops held with key internal function holders, and the application of expert judgement on possible loss scenarios.

The Group has set up a business continuity plan and technical and operational contingency measures to secure the continuity of critical activities in the event of disruption. Risks to business continuity are reviewed annually and formal response plans are developed with regard to defined scenarios.

There have been no material changes to the Companies' exposure to operational risk or how it is measured over the reporting period. Furthermore, there are no specific operational risk concentrations which are considered to be significant.

C.7. OTHER MATERIAL RISKS

Other material risks that were considered in the Companies' 2022 ORSA process are strategic risk, reputational risk and geographical and product concentrations. These are analysed and assessed through stress and scenario testing.

In line with the planned strategy over the business planning period, the Companies aim to mitigate geographical and product concentrations by diversifying their line of products across different geographical territories.

The Companies have in place delegated distribution agreements with their Intermediaries to formalise the procedures that are to be followed. These procedures serve to reduce any reputational risk for the Companies through activities carried out by the Intermediaries on the Companies' behalf.

A strong compliance culture is adopted to mitigate any regulatory and legal risks that could have an impact on the reputation of the Companies. Internal controls are regularly monitored, as are the compliance breaches and complaints logs. The outcome of the compliance monitoring is reported to and reviewed by the Audit Committee and is also subject to internal audit. Regulatory compliance is also reviewed regularly (at least quarterly).

C.8. THE NATURE OF MATERIAL RISK CONCENTRATIONS

As described under the individual risk categories, there are no risk concentrations that are considered as material.

C.9. RISK MITIGATION PRACTICES

The Companies' risk mitigating measures are described under the individual risk categories in the preceding sections.

C.10. RISK SENSITIVITIES

The Companies carry out stress and scenario testing as part of the ORSA process. The 2022 ORSA process included assessing of the base solvency position and the projected solvency position over the business planning period following adverse stress scenarios, chosen in order to reflect extreme outcomes for the higher risk exposures of the Companies.

In the case of underwriting risk, combinations of claim and premium stresses were applied, with larger claims stresses being applied for new products where claims experience is less certain. Also, the impact of changes to the mix of business over the business planning period was assessed.

In respect of market and credit risk, sensitivities of the capital requirements to credit rating downgrades of the Companies' counterparties were assessed.

Hypothetical stress scenarios for operational risk were also adopted to assess the financial impact if the central assessment for operational risk was subjected to a significant shock.

The results of the projected regulatory solvency positions under the stressed scenarios demonstrate that the Companies are sufficiently resilient to various possible outcomes of the chosen scenarios and it is only under the reverse loss ratio scenario and the extreme combined multi-year & PPI scenario where the solvency position of OIL falls under the required minimum during the business planning period, and this after applying the extreme scenarios over the whole of the business planning period whilst not allowing for any management actions to be taken throughout the same period.

A number of controls are in place within the Company which enables management to periodically monitor extreme changes such as increase in loss ratios, acute reductions in sales or changes in the Company's portfolio composition and in turn anticipate and mitigate the potential downside of such circumstances.

Furthermore, management contemplates a number of complementary one-off actions which could be taken should such events occur to mitigate the impact of such extreme developments.

C.11. ANY OTHER INFORMATION

Following recent developments, the Group is following closely the evolving conflict between Ukraine and Russia and the geopolitical and economic repercussions that this is causing on a global scale. While the Group's exposure in the region is immaterial, the Company does not carry out any business in these countries.

Notwithstanding the ongoing geopolitical and economic repercussions, the directors are confident that the Company will continue to achieve satisfactory results during the next financial period in line with its financial projections.

D.VALUATION FOR SOLVENCY PURPOSES

D.1. ASSETS

The Group's consolidated total assets under IFRS as at the valuation date 31 December 2022 amounted to €204,217k. These mainly consisted of cash and cash equivalents, insurance and intermediaries' receivables, deferred acquisition costs, deferred tax assets and intangible assets. The valuation of assets under Solvency II amounted to €166,802k.

Asset Type	IFRS € 000s	Solvency II € 000s
Deferred Tax Asset	8,778	8,778
Insurance & Intermediaries Receivable	41,146	28,896
Deposits Other than Cash Equivalents	38,000	50,828
Cash and Cash Equivalents	63,436	50,836
Deferred Acquisition Costs	17,988	-
Intangible Assets	667	-
Property, Plant and Equipment held for own use	432	432
Reinsurance Recoverables	5,162	(1,576)
Receivables (trade, not insurance)	28,606	28,606
Total	**204,217**	**166,802**

TABLE D.1 VALUATION OF ASSETS AS AT YEAR ENDED 2022

The Group classifies its financial assets as those to be measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition.

The Group initially recognises financial assets on the date that they are originated, i.e., when the Group becomes a party to the contractual provisions of the financial asset.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Insurance and intermediaries' receivable are recognised when due. If there is objective evidence that an insurance receivable is impaired, the Group reduces the carrying amount of the insurance and intermediaries' receivable to their recoverable value.

Financial assets (including insurance and intermediaries' receivable) and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

D.1.1. Cash and Cash Equivalents

As at the valuation date, the Group's consolidated total assets mainly consisted of cash and cash equivalents and investments (deposits placed) with primarily highly rated financial institutions. Cash and cash equivalents comprise cash balances and term deposits with maturities of up to three years or less. As at 31 December 2022, cash and cash equivalents, which are carried in the statement of financial position at face value, amounted to €63,436,202 under IFRS of which are cash and cash equivalents with the remaining are funds held to maturity.

In relation to the valuation of assets under Solvency II, Table D.1 shows that the value of cash and cash equivalents in the Group's financial statements is split into deposits other than cash equivalents and into cash and cash equivalents. This is because under the Solvency II valuation a distinction is made between demand and non-demand (term) fixed income deposits (as discussed under Section C.2).

D.1.2. Insurance and Intermediaries' Receivables

Insurance and intermediaries' receivable arise when the Companies within the Group underwrite insurance contracts. Insurance contracts are those contracts in which the Companies within the Group (the insurers) have accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. The Companies within the Group issue contracts that transfer significant insurance risk and have defined all their contracts as insurance contracts.

A significant amount of the Group's consolidated total assets is due to insurance and intermediaries' receivables which represent premiums owed to the Companies from intermediaries. As at 31 December 2022, these amounted to €41,146,050 under the IFRS balance sheet.

Table D.1 shows the difference between the value of insurance and intermediaries' receivable under the IFRS balance sheet and the Solvency II balance sheet. The difference between the two values is due to the fact that insurance and intermediaries' receivables under IFRS include: i) future premiums which are not yet due in relation to written annual policies with a monthly premium collection, and ii) amounts withheld by an insurer (policyholder of the Group's reinsurance inwards contract) to cover claims outstanding. Under Solvency II both future premiums and amounts withheld are taken into consideration in the calculation of the Technical Provisions and hence these were excluded from insurance and intermediaries' receivables to avoid double counting.

D.1.3. Deferred Acquisition Costs

Deferred acquisition costs ("DAC") are derived from those direct costs incurred during the financial period arising from the writing or renewing of insurance contracts, and which are deferred to the extent that these costs are recoverable out of future earned premium. All other acquisition costs are recognised as an incurred expense.

Subsequent to initial recognition, deferred acquisition costs are amortised over the period in which the related income is earned. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

DAC as at 31 December 2022 amounted to €17,987,989 within the IFRS balance sheet. DAC are reported as nil in the Solvency II balance sheet.

D.1.4. Intangible Assets

The intangible assets of the Group comprise computer software which is capitalised on the Group's IFRS balance sheet on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four to five years. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. As at 31 December 2022, intangible assets amounted to € 666,611.

Under Solvency II, these have a value of zero and can only be recognised in the Solvency II balance sheet at a value other than zero if they can be sold separately and the Group can demonstrate that there is a value for the same or similar assets that has been derived from quoted market prices in active markets.

D.1.5. Deferred Tax Asset

The recognition and valuation basis of deferred tax assets are very similar to that of deferred tax liabilities described below. As at 31 December 2022, deferred tax assets under IFRS and Solvency II balance sheets amounted to €8,778,428. This value is equivalent to an anticipated 30% tax refund which the Group will be entitled to receive at the level of the holding company of the Group.

D.1.6. Receivables (trade, not insurance)

This balance, totalling €28,606,406 as at 31 December 2022, mainly relates to two items as follows:

a. Accrued income in terms of Articles 48(4)(a) and 48(4A)(a) of the Income Tax Management Act, 1994 (Chapter 372, Laws of Malta) amounting to €23,760,091; and
b. Insurance premium tax deposit amounting to €3,521,430 in line with Italian regulations on car damage insurance.

These assets are unsecured, interest free and current in nature. The Solvency II valuation does not differ from the IFRS valuation in this respect.

D.1.7. Reinsurance Recoverable

Reinsurance Recoverable are mainly supported by the reinsurance treaty on the Company's motors product. This treaty is covering Earned Premiums and the risk attached from 1*st* of May 2022 to 30*th* of April 2023.

Under solvency II these Recoverable are built as follow:

- Ultimate Earned Claims occurred during the period cover by treaty until the closing date from which the amounts already paid by the company are deducted (i.e. the provision for claims minus claims paid)
- Reinsured Earned Premiums during the period cover by treaty until the closing date
- Reinsured Earned Premiums and the risk attached during the coverage period of the treaty beyond the closing date (i.e. the premium provision)

Since the settlement of the treaty between the Reinsurer and the Company will happen after the closing date, these amounts are not considered as due yet at the closing date.

D.2. TECHNICAL PROVISIONS

Table D.2 shows the breakdown of the technical provisions as at 31 December 2022:

Technical Provisions 2022	Non-Life € 000s	NSLT Health € 000s	Life € 000s	Total € 000s
Best Estimate	37,557	(1,672)	(1,704)	34,181
Risk Margin	2,406	649	317	3,371
SII Gross Technical Provisions	**39,963**	**(1,023)**	**(1,387)**	**37,553**
Reinsurance Recoverables	(1,576)	0	0	(1,576)
SII Net Technical Provisions	**41,539**	**(1,023)**	**(1,387)**	**39,129**
IFRS Net Technical Provisions	**60,835**	**7,607**	**4,806**	**73,248**

TABLE D.2 TECHNICAL PROVISIONS AS AT YEAR END 2022

The amount of -€1.5m in relation to the reinsurance recoverable showing in the above table mainly relates to the amount of recoverable emanating from out other motor exposure in the Italian market

The below table shows the Best estimate split.

SII Line of Business	Gross Claims Provision € 000s	Gross Premium Provision € 000s	Risk Margin € 000s	Total € 000s
Non-Life				
Fire and Damage	4,494	3,094	452	8,039
Motor damage	5,991	13,154	469	19,614
Miscellaneous	3,544	7,281	1,485	12,310
Total Non Life	14,028	23,529	2,406	**39,963**
NSLT Health				
Income Protection	3,280	(4,695)	585	(831)
Health Insurance	166	(423)	64	(192)
Total NSLT Health	3,446	(5,118)	649	(1,023)
Other Life				
Other Life	1,997	(3,700)	317	(1,387)
Total SII Gross Technical Provision	19,471	14,711	3,371	37,553

TABLE D.3 VALUATION OF TECHNICAL PROVISIONS AS AT YEAR END 2022

Negative technical provisions arise where future premiums exceed provisions for claims and expenses.

D.2.5. METHODOLOGY USED TO CALCULATE THE TECHNICAL PROVISIONS

The methodology used to calculate the Companies' Solvency II technical provisions is in accordance with articles 76-86 of the Solvency II directive.

The technical provisions take the Companies' Actuarial Best Estimate Reserves as a starting point. The Best Estimate reserves are determined using recognised actuarial methods and are made up of the sum of the following components:

- In Course of Payment (ICOP) – this reserve is in respect of the future payments which will need to be paid for claims with multiple payments and which are currently in course of payment as at the year end.
- Incurred but Not Reported (IBNR) – this reserve is in respect of claims which occurred prior to the financial year-end but have not yet been reported (or not yet enough reported) as at the year-end. Also included in this reserve are claims which have been reported but have not yet had any payments made as at the year-end. Therefore, there is no separate reserve for claims reported but not yet paid.
- Unearned Premium Reserve (UPR) – this reserve represents the portion of the premium that the Companies within the Group have booked as written but have not yet earned because the period on risk covered by that premium has not yet expired.
- Additional Unexpired Risk Reserve (AURR) – this is a reserve held in excess of the unearned premium reserve, in cases where the unearned premium reserve is expected to be insufficient to cover the cost of claims and expenses incurred during the period of unexpired risk. For most of the Companies' products, this reserve is nil at 31 December 2022.
- Claims Handling Reserve – this reserve covers the future cost of claims management for claims which have occurred on or prior to 31 December 2022.

The Solvency II technical provisions comprise of the sum of the Claims Provision, the Premium Provision and the Risk Margin.

The claims provision is derived from the Actuarial Best Estimate claims reserve (i.e., sum of ICOP, IBNR and claims handling reserve) by including a loading for 'events not in data' (ENID) and discounting using the risk-free discount rates published by EIOPA. The application of discounting requires a run-off pattern for outstanding claims. The run-off pattern is derived from the historical claims' payment patterns used in the calculation of the actuarial best estimate.

The Actuarial Best Estimate premium reserves is the sum of the UPR and AURR. By contrast, the Solvency II premium provisions recognise only the claims and expense components of the Actuarial Best Estimate and offset these by the future premium cashflows, for all business which is legally obliged as at the valuation date. The premium provision is calculated as claims plus commissions, administration expenses and claims expenses less premiums. Premiums, commissions and administration expenses use the same run-off pattern based on future expected premium cashflows. Claims and claims expenses use run-off patterns derived from, and consistent with, the patterns used for the claims provision. All values are discounted using risk-free rates.

The Risk Margin represents the amount that would theoretically have to be paid to another insurer in addition to the best estimate to compensate them for taking over the insurance obligations. It is based on the cost of capital held to support the insurance obligations over their lifetime. The Commission Delegated Regulation (EU) 2015/35 specifies that the Risk Margin should be calculated as the SCR (excluding avoidable market risk) in all future years multiplied by 6%, which is the cost of capital rate prescribed by EIOPA, and discounted at the risk-free yield curve published monthly by EIOPA.

The Companies' risk margin is calculated using the following simplification, which is in line with Article 58 of the Solvency II delegated act.

- The "reference undertaking" SCR at time zero is decomposed into the following components: Other life Insurance, Health Insurance, Income protection Insurance, Fire and Other Damage to Property Insurance and Miscellaneous Financial Loss, and Other Motor.
- The SCRs for underwriting risk in each future year are projected in line with outstanding claims and exclude premium risk, catastrophe risk and lapse risk from year-two onward. SCR's are assumed to be level throughout each year.
- The projected SCRs for underwriting risk are combined using the standard formula aggregation matrix, to project an overall reference undertaking Basic Solvency Capital Requirement (BSCR).
- Operational risk is assumed to halve in year-two and to reduce in line with the projected BSCR thereafter.
- The total reference undertaking SCR is projected as the sum of the BSCR and the Operational Risk SCR.
- The risk margin is calculated as the discounted value of the total reference undertaking SCR, using a cost of capital rate of 6% and the EIOPAs risk free discount rates.
- The risk margin is calculated for the Companies as a whole and allocated to the Lines of Business in proportion to the claims' element of the Technical Provisions.

The Risk Margin is added to the Claims Provision and Premium Provision to arrive at the total Technical Provisions.

Figures 8 and 9 below respectively show the split of technical provisions between Best Estimate and Risk Margin and the combined technical provisions by insurance business type.

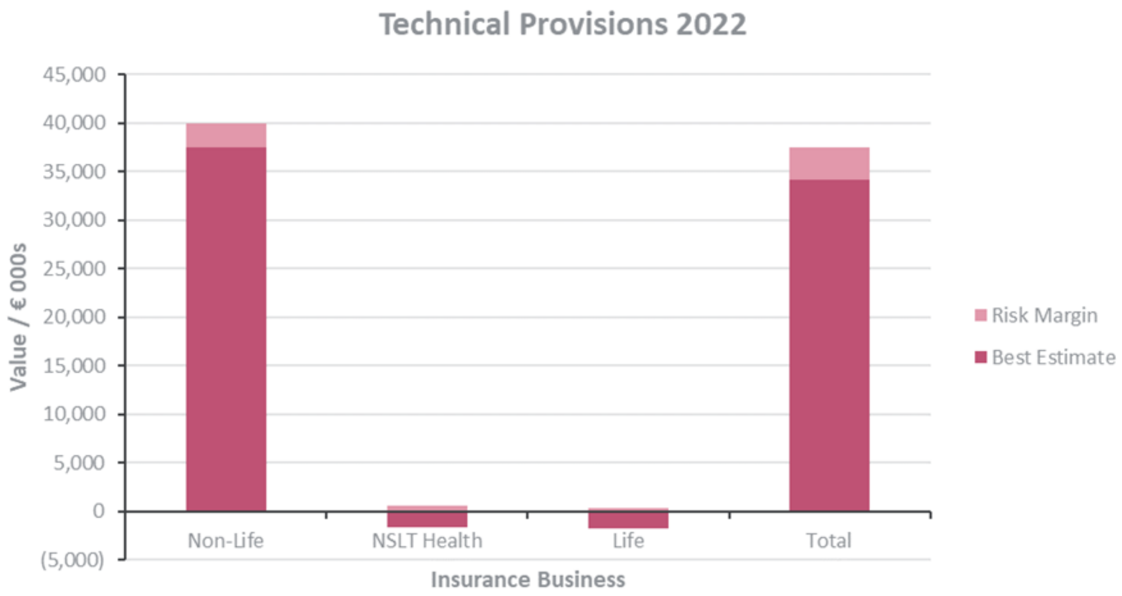


FIGURE 8 SPLIT OF TECHNICAL PROVISIONS AS AT YEAR END 2022

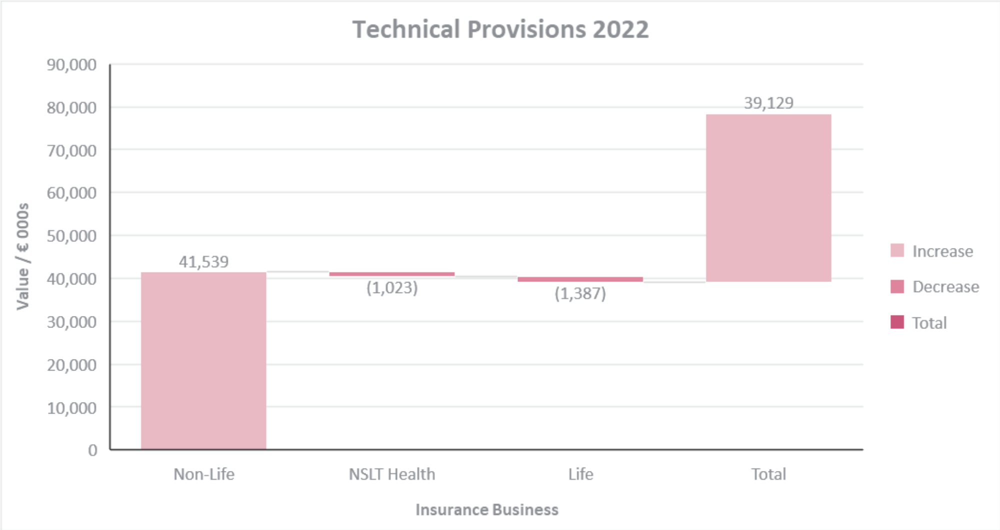


FIGURE 9 COMBINED TECHNICAL PROVISIONS BY INSURANCE BUSINESS TYPE AS AT YEAR END 2022

D.2.6. ASSUMPTIONS USED TO CALCULATE THE TECHNICAL PROVISIONS

For the claims provision, the key assumptions are:

- the claim reporting and payment patterns seen in the historic data will be replicated in future.
- past loss ratios are a good predictor of current and future loss ratios.

These are appropriate assumptions given the stability of the Companies' business and premium rates.

For the premium provision, the key assumptions are:

- the volume of future premium and the assumed lapse rate. A significant proportion of the Companies' business is written under Group Policies which provide for a guarantee of the continuation of the current premium rate for six months into the future, with the ability for the Companies to vary premium rates thereafter. These future premiums explain the negative SII Technical Provisions for NSLT Health and Life TPs and are part of the reason behind the significant reduction in Non-Life TPs.
- the assumption for future management expenses, which is derived from the actual values for 2021 and the Companies' business plan for 2022-24; and
- the future expected loss ratios which are derived from historical loss ratios.

Implicit in the premium provision is the assumption of a going concern, i.e. that future business will be available to share the overhead expenses while the existing business is run-off. This is in accordance with Article 31.4 of the delegated act. Refer also to section D.4 in relation to going concern.

The Companies' technical provisions do not require assumptions regarding:

- contractual options and guarantees.
- discretionary benefits.
- policyholder behaviour.
- future management actions; or

- amounts recoverable from counterparties.

D.2.7. Areas of Uncertainty

As with any underwriting entity, there is significant uncertainty within the claims and premium components of the technical provisions. As the policies underwritten in relation to the Group's traditional book have relatively low and fixed sums insured, the Companies within the Group are not exposed to shocks from very large individual claims. Also, owing to the geographical spread of business underwritten, it is unlikely that the portfolio would be significantly exposed to very large aggregations of claims from a single loss event, other than in relation to one line of business having Natural Catastrophe (including hail) cover. Therefore, for the majority of business lines, any material deviations from the claims estimates would more likely be caused by changes in the frequency rather than the severity of claims or aggregations of claims.

D.2.8. Matching Adjustment to the EIOPA risk-free interest rates

The Companies do not apply the matching adjustment.

D.2.9. Volatility Adjustment to the EIOPA risk-free interest rates

The Companies do not apply the volatility adjustment.

D.2.10. Transitional risk-free interest rate-term structure

The Companies do not apply the transitional risk-free interest rate-term.

D.2.11. Transitional deduction

The Companies do not apply the transitional deduction.

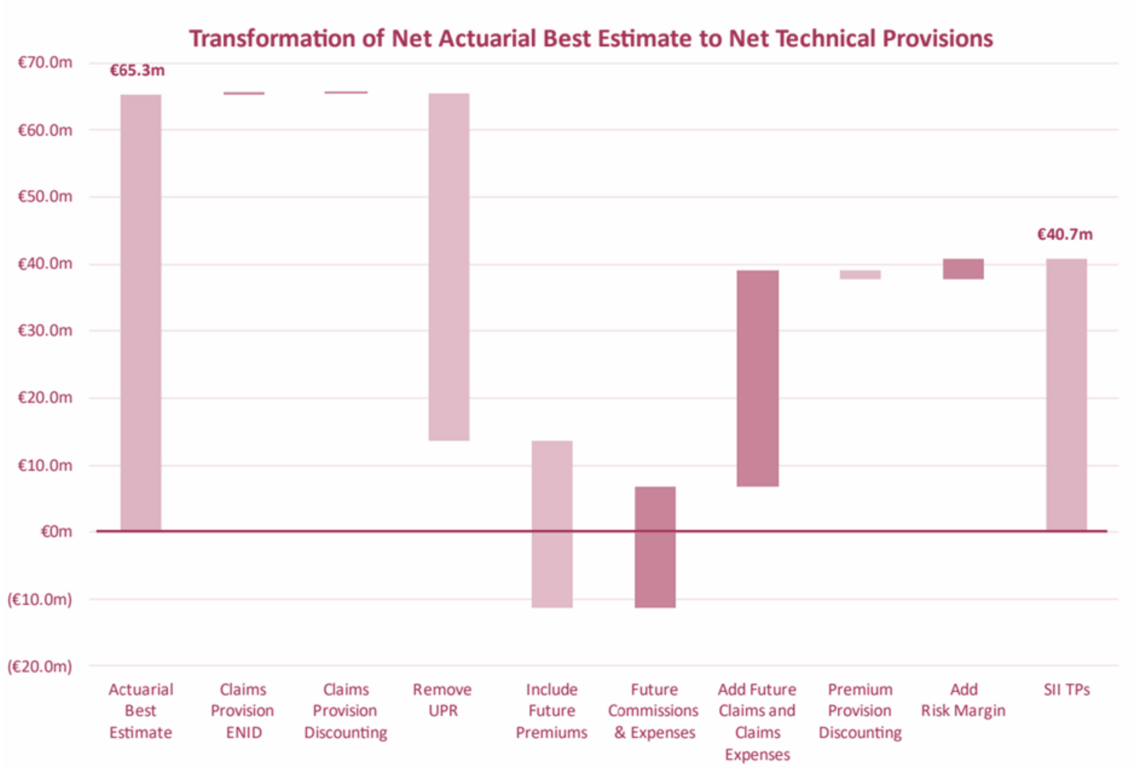
D.2.12. Material Differences between the Solvency II and IFRS Valuations

As discussed above, the technical provisions under Solvency II follow from the Actuarial Best Estimate. On the other hand, the technical provisions under the IFRS balance sheet are equivalent to the Booked Reserves. The Booked Reserves and the Actuarial Best Estimate are directly comparable. The main area of difference between these is in the IBNR. The booked IBNR is based on expected ultimate loss ratios selected by the company. The gap between best estimate and booked IBNR results from:

- A desire by the Companies within the Group to hold a level of prudence in the booked reserve given the relatively short history of claims experience in the Companies within the Group, and the consequent uncertainty in the best estimate.
- Additional uncertainty arising from newer product lines where the Companies within the Group do not have an established record of claims experience; and
- The uncertainty arising from macroeconomic environments which could potentially lead to a heavier underlying claims experience and a greater propensity to claim in situations where claims may not have been made in the past.

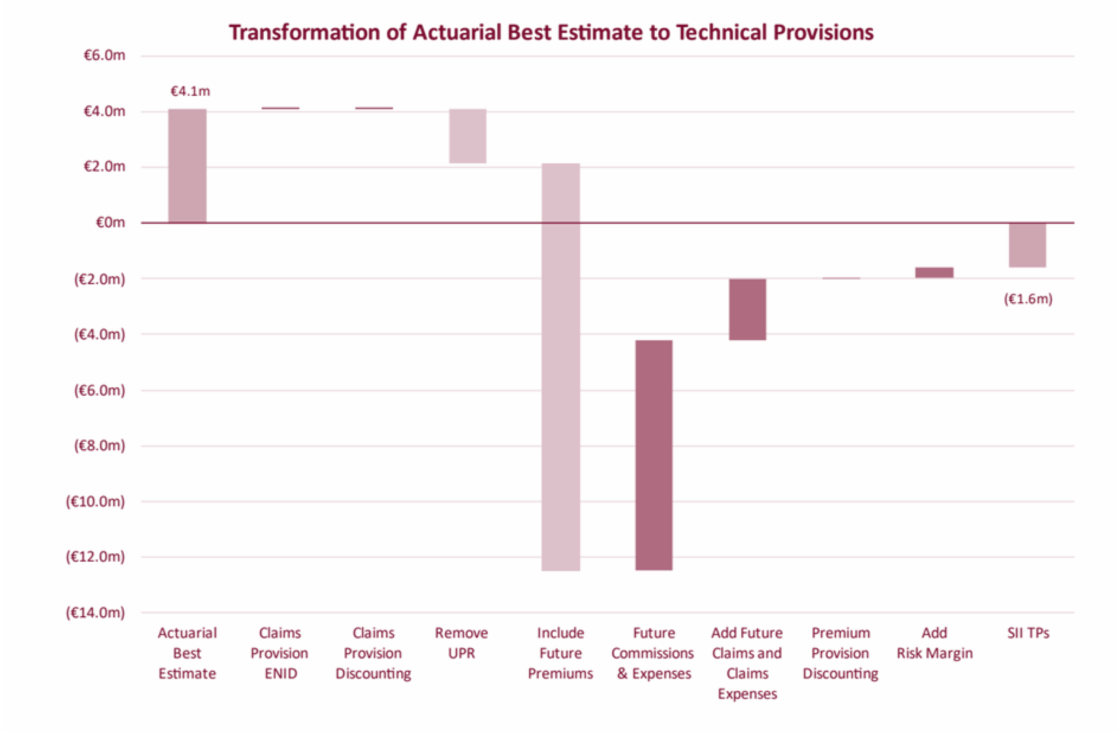
By far the largest components of the transformation are the removal of the UPR and the inclusion of future premiums. These are partially offset by the corresponding claims and expenses. The final net of reinsurance SII technical provisions are positive, €39.9m, but significantly lower than the actuarial best estimate – because of the best estimate surplus of future premiums over future claims and expenses. The impact of ENIDs and discounting are minimal in this context.

The graph below illustrates the components of the non- life transformation.



In terms of the life aspect, the largest component of the transformation is the inclusion of future premiums. Although this is partially offset by the corresponding claims and expenses, the final Technical Provisions are negative because the best estimate cashflows for future premiums exceed the cashflows for future claims and expenses. The impact of ENIDs and discounting are minimal in this context.

The graph below illustrates the components of the life transformation.



The difference between the Technical Provisions of the Group under Solvency II and under IFRS balance sheet result from the business being underwritten by OLL and long-duration business in OIL. OIL offers insurance business which falls under non-life insurance lines of business, Income protection, Fire and Other Damages, Other Motor Vehicle Damage and Miscellaneous financial loss and also underwrites a book of reinsurance business in France falling under Fire and other damage. In this regard, technical provisions under IFRS and Solvency II are consistent. In the case of OLL, the long-term insurance business underwritten also includes cover for accidental death. Whilst this falls under income protection insurance under the Solvency II balance sheet, under the IFRS balance sheet this business is considered under Other Life Insurance Business.

Effective 2019, management has changed its treatment on OIL's reinsurance business in France from the alternative accounting approach used by the cedant to a standard approach whereby premium is earned in line with the emergence of claims, consistent to the approach for purposes of SII technical provision.

D.3. OTHER LIABILITIES

The other liabilities of the Group other than technical provisions comprise mainly of Deferred Tax Liabilities and Payables and some other liabilities.

Other Liabilities	IFRS € 000s	Solvency II € 000s
Deferred Tax Liability	65	843
Reinsurance Payables	2,972	(3,891)
Insurance & Intermediaries Payables	17,222	11,959
Payables (trade, not insurance)	20,509	20,509
Other Liabilities, not elsewhere shown	26,359	26,359
Total	**67,128**	**55,780**

TABLE D.4: VALUATION OF OTHER LIABILITIES AS AT YEAR END 2022

D.3.1. DEFERRED TAX LIABILITIES

For IFRS purposes, the deferred tax liabilities are recognised as the temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences; however, they are not recognised if they arise from the initial recognition of goodwill. Moreover, deferred tax liabilities are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. For Solvency II purposes, deferred tax is adjusted in order to account for differences between the Solvency II and IFRS balance sheet. The deferred tax liabilities under the IFRS balance sheet amount to € 64,906 as at 31 December 2022. Under Solvency II deferred tax liabilities amount to €843,347.

D.3.2. REINSURANCE PAYABLES

Reinsurance Payables are mainly supported by the reinsurance treaty on the company's motors product. This treaty is covering Earned Premiums and the risk attached from 1st of May 2022 to 30th of April 2023.

Under IFRS these Payables are built as follow:

- Reinsured Earned Premiums during the period cover by the treaty (payable)
- Reinsurer's share of Paid Earned Claims and Commissions occurred during the period cover by treaty until the closing date (receivable)

Since the settlement of the treaty between the Reinsurer and the Company will happen after the closing date, the Reinsured Earned Premiums during the period cover by the treaty are not considered as due yet at the closing date under Solvency II. This leads to a difference of Payables between Solvency II and IFRS equal to the amount of the Reinsured Earned Premiums during the period cover by the treaty, which is reclassified to Reinsurance Recoverable within Assets.

Since the Earned Claims are paid by the Company at the closing date, the Company considers that the corresponding Reinsurer's share of Earned Claims (receivable) are not to be included in Reinsurance Recoverable but are to remain in the Reinsurance Payables.

D.3.3. PAYABLES

The payables of the Companies within the Group consist of insurance and intermediaries' payables and other payables which relate to trade and other non-insurance payables. Insurance and intermediaries' payables include amounts due to intermediaries and as at 31 December 2022 amounting to €17,222,493 under the IFRS balance sheet. For similar reasons as for insurance and intermediaries' receivables, the value for intermediaries' payables under Solvency II is less when compared to the value under the IFRS balance sheet and amount to €11,959,225.

Furthermore, payables relating to trade and non-insurance including balances owed in respect of salaries and other services, are recognised initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. Payables also include current taxes on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date. As at 31 December 2022, these payables amounted to €20,508,944 under the IFRS balance sheet. There are no differences between the Solvency II valuation and IFRS valuation of payables (trade, not insurance) and no change in valuation approach took place during the reporting period.

D.4. ANY OTHER DISCLOSURES

The Group is also closely following the conflict between Ukraine and Russia and the geopolitical and economic repercussions that this is causing on a global scale. The Group does not have a material exposure in the region and while it is recognised that there are macroeconomic uncertainties, on the basis of information available to the Group to date, the Group does not anticipate a material adverse impact on its Own Funds.

On the basis of the above, the Group has prepared the SFCR on a going concern basis.

E. CAPITAL MANAGEMENT

E.3. OWN FUNDS

The opening balance of equity under IFRS for year 2022 amounted to €32,047k split between ordinary share capital and retained earnings. The dividend paid throughout the year amounted to €27,400k. The remaining €25,981k make up the profit for the period between 1 January 2022 to 31 December 2022. Table E.1 below provides a breakdown of IFRS equity for 2022.

Changes in IFRS	Total € 000s	Share Capital € 000s	Shareholder's Contribution € 000s	Retained Earnings € 000s
Balance as 31 December 2021	32,074	10,000	0	22,074
Profit for the Period	25,981	0	0	25,981
Interim Dividend Paid	(27,400)	0	0	(27,400)
Balance at 31 December 2022	**30,655**	**10,000**	**0**	**20,655**

TABLE E.1 OPENING AND CLOSING OF OWN FUNDS 2022

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and the minimum consolidated SCR with a comfortable buffer. The SCR is derived using EIOPA's Standard Formula for the assessment of all risks while the minimum consolidated SCR is equivalent to the sum of the MCR of the two insurance Companies within the Group, OIL and OLL. The ratio of eligible own funds over SCR and minimum consolidated SCR are reviewed regularly (at least quarterly) and reported to the Audit Committee and to the Board. Additionally, as part of the annual ORSA processes, the Companies perform financial projections of own funds under central and adverse scenarios to assess the capital required over the three-year business planning period, thereby assessing the need for actions for future funding.

The own funds should be of sufficient quality to meet the eligibility requirements in Article 82 of the Commission Delegated Regulation (EU) 2015/35. A brief overview of the own funds eligible to cover the SCR and MCR under Solvency II is shown in Table E.2 below.

Own Funds 2022	Tier 1 € 000s	Tier 2 € 000s	Tier 3 € 000s	Total € 000s
Ordinary Share Capital	10,000	0	0	10,000
Other Items Approved by S.A.	0	0	0	0
Eligible DTA to cover MCR/SCR	0	0	5,789	5,789
Reconciliation Reserves	54,370	0	0	54,370
Total	**64,370**	**0**	**5,789**	**70,159**

Table E.2 Own fund items as at year end 2022 and 2021

Own Funds 2021	Tier 1 € 000s	Tier 2 € 000s	Tier 3 € 000s	Total € 000s
Ordinary Share Capital	10,000	0	0	10,000
Other Items Approved by S.A.	0	0	0	0
Eligible DTA to cover MCR/SCR	0	0	5,927	5,927
Reconciliation Reserves	51,802	0	0	51,802
Total	**61,802**	**0**	**5,927**	**67,729**

Basic eligible own funds in 2022 amounted to €70,159k compared to 2021 which had amounted to €67,729k. This attributable to an increase in the reconciliation reserve. steady increase in retained earnings. Basic own funds are higher than eligible own funds as a consequence of the limitation in relation to tier 3 capital consisting of the deferred tax asset. The solvency II own funds differ to the IFRS equity as a result of valuation differences pertaining to assets and liabilities as described in Chapter D.

The Group's consolidated ordinary share capital and reconciliation reserve are all available to cover the SCR and minimum consolidated SCR as Tier 1 unrestricted basic own funds as per Article 69 (a)(i) of the Commission Delegated Regulation (EU) 2015/35. The ordinary share capital is not subordinated and has no restricted durations while the reconciliation reserve represents retained earnings and reconciliation adjustments from IFRS balance sheet to the SII balance sheet. Table E.3 below provides the composition of the reconciliation reserve as at year end 2022.

Reconciliation Reserve	Value € 000s
Difference in the valuation of assets	(37,415)
Difference in the valuation of technical provisions	40,858
Difference in the valuation of other liabilities	11,348
Difference between SII and IFRS Balance Sheet	**14,791**
Retained Earnings	48,678
An amount equivalent to the Deferred Tax Asset	(8,778)
Adjustment for ring fenced funds	(320)
Forseable dividend	0
Reconciliation Reserve	**54,370**

Table E.3 Composition of reconciliation reserve as at year end 2022

The Group has no Tier 1 restricted own funds, no Tier 2 ancillary or basic own funds and €8.7m amounts equivalent to the available deferred tax asset as Tier 3 own funds as per Articles 72, 76 and 80 of the Commission Delegated Regulation 2015/35 respectively. None of the Group's own funds are subject to transitional arrangements. Figure 10 overleaf is a visual representation of the breakdown of own fund items available within the Group.

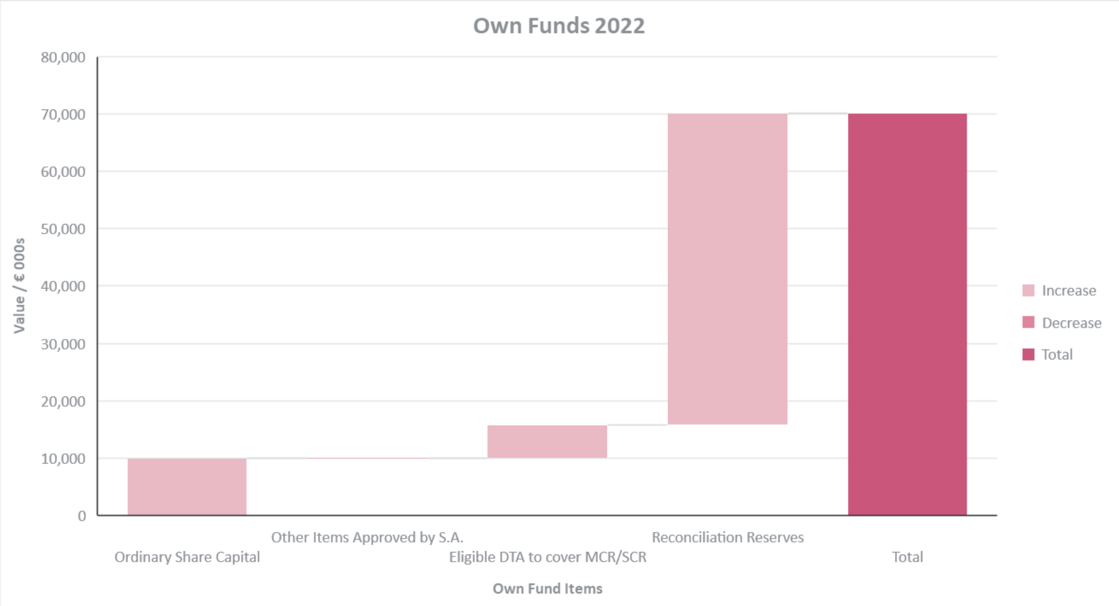


FIGURE 10 SUMMARY OF OWN FUNDS AS AT YEAR END 2022

E.4. MINIMUM CONSOLIDATED GROUP SOLVENCY CAPITAL REQUIREMENT AND SOLVENCY CAPITAL REQUIREMENT

The Group SCR and the minimum consolidated Group SCR as at 31 December 2022 as calculated by the standard formula, were €38,597k and €15,095k, respectively. When compared to previous year 2021, the Group SCR decreased by € 917k and the minimum consolidated Group SCR increased by €2,060k. Under its SCR calculation, the Group recognises €-2.03m as a loss absorbing capacity of deferred tax. This figure is calculated on the unadjusted group SCR and on Group's effective tax rate of circa 5% after accounting for the tax refund at a holding company level. The potential LACDT adjustment equates to change in value of deferred tax upon the undertaking suffering an Instantaneous Loss ("IL"). In the calculation of the LACDT benefit adjustment disclosed above, management used the following calculation: USCR x effective tax rate (35% for OIL and OLL and 5% for OHL/Group) to derive the value of the LACDT.

This was based on the following criteria as stipulated in the Company's Deferred Tax Policy:

LACDT benefit = the Minimum of:

1) USCR × effective tax rate

and

2) SII DTL + P × (the tax incurred in the previous 12 months)

(Where P represents an upper bound number of years' tax that may be recognized)

Our assessment was based on applying a coefficient of 1 years for P in the above formula. Applying this upper limit, the results obtained are higher than that achieved by applying the effective tax rate on the Unadjusted SCR.

Management believes that the 1-year coefficient applied above is deemed reasonable on the basis that:

- The company has a consistent history of profits since incorporation. There is no limit set by the Maltese tax authorities within which to carry forward and claim back the tax losses;
- Allowing for 1 years' profits is prudent and reasonable based on a 5-year business plan which projects a growing trend in business and profits, and
- Significant part of the Companies' profits come from Group business and therefore recovery in case of losses would be facilitated.

No Limit is yet required by the regulator within which to recover the LACDT benefit recognized in the SCR.

Based on this, management deems appropriate to recognize an LACDT benefit at 31 December 2022 which is equal to the USCR x effective tax rate.

Given the nature of the Group's deferred tax asset, the Group expects to realise this asset through eventual dividend distributions from the subsidiaries to the parent company which would trigger the eventual receipt of funds from the tax authorities.

Table E.4 and Figure 11 below provide a breakdown of the SCR by risk modules:

SCR 2022	**Value € 000s**
Market risk	8,404
Counterparty Default Risk	8,479
Life Underwriting Risk	3,413
Health Underwriting Risk	8,909
Non-life Underwriting Risk	25,503
Diversification	(17,800)
BSCR	**36,908**
Operational Risk	**3,720**
LACDT	**(2,031)**
SCR	**38,597**

TABLE E.4 SCR SUMMARY AS AT YEAR END 2022

As already shown in Section C, Non-life underwriting risk is the main risk exposure of the Group, making up approximately 70% of the BSCR.

FIGURE 11 SOLVENCY CAPITAL REQUIREMENT AS AT YEAR END 2022

The Companies do not use an internal model or undertaking-specific parameters to calculate the Group SCR. Also, no simplifications have been used to calculate the Group SCR under the standard formula. The minimum consolidated Group SCR is calculated as the sum of MCRs of the insurance Companies within the Group, i.e., OIL and OLL.

The table below shows the Solvency Capital Requirement and Minimum consolidated SCR required for the Group and the Eligible Own Funds available for both the Minimum consolidated SCR and the SCR as at end December 2022. The table shows a very comfortable buffer of eligible own funds over both the SCR and Minimum consolidated SCR.

Own Funds to SCR Ratio 2022	Value € 000s
Solvency Capital Requirement	38,597
Eligible Own Funds	70,159
Ratio of Eligble Own Funds to SCR	**182%**
Minimum Consolidated Group SCR	15,095
Eligible Own Funds	70,159
Ratio of Eligble Own Funds to Min Cons. Group SCR	**465%**

TABLE E.5 RATIO OF OWN FUNDS TO SCR AS AT YEAR END 2022

Ratios of eligible own funds to Group SCR and minimum consolidated Group SCR in 2021 were 171% and 474%, respectively. The Group SCR as at 31 December 2022, as calculated by the standard formula, was €38,597k (with eligible own funds of €70,159k). The minimum consolidated Group SCR as at 31 December 2022 amounted to €15,095k (with eligible own funds of €70,159k).

The Group draws the balances for purposes of this report using consolidation-based method. Below is a comparison of the Group SCR and the aggregate solo SCR of the subsidiaries within the Group.

Solvency Capital Requirement	Group € '000
Market risk	8,404
Counterparty default risk	8,479
Health underwriting risk	8,910
Life underwriting risk	3,413
Non-life underwriting risk	25,503
Operational risk	3,720
Diversification	(17,800)
LACDT	(2,031)
Total SCR	**38,597**

Solvency Capital Requirement	OIL Agg € '000
Market risk	7,133
Counterparty default risk	6,425
Health underwriting risk	8,234
Life underwriting risk	0
Non-life underwriting risk	25,502
Operational risk	2,573
Diversification	(13,473)
LACDT	(11,713)
Total SCR	**24,681**

Solvency Capital Requirement	OLL € '000
Market risk	1,420
Counterparty default risk	948
Health underwriting risk	694
Life underwriting risk	3,413
Non-life underwriting risk	-
Operational risk	1,149
Diversification	(1,810)
LACDT	(2,035)
Total SCR*	**3,778**

* OLL's SCR is below the Minimum Capital Requirement (MCR). Thus, the MCR limit of € 4.0M would apply.

TABLE E.6 COMPOSITION OF GROUP SCR

E.6. USE OF THE OPTION SET OUT IN ARTICLE 304 FOR THE CALCULATION OF THE SCR

The duration-based equity risk sub-module has not been applied in the calculation of the SCR.

E.7. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

The Companies do not currently use an internal model to calculate the Group SCR.

E.8. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND SIGNIFICANT NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

Both Companies have complied with the SCR and MCR, on a solo level as well as at a consolidated group level during the financial year. The ORSA processes carried out during 2022 also show that the Companies are expected to continue to comply with the SCR and MCR throughout the business planning period.

E.9. ANY OTHER DISCLOSURES

There is no other information regarding the management of capital that has not been included in the preceding sections.

F. QUANTITATIVE REPORTING TEMPLATES

S.02.01.02- BALANCE SHEET

Solvency II Balance Sheet 2022	Value € 000s
Assets	
Intangible assets	0
Deferred tax assets	8,778
Pension benefit surplus	0
Property, plant & equipment held for own use	432
Investments (other than assets held for index-linked and unit-linked contracts)	50,828
Property (other than for own use)	0
Holdings in related undertakings, including participations	0
Equities	0
Equities - listed	0
Equities - unlisted	0
Bonds	0
Government Bonds	0
Corporate Bonds	0
Structured notes	0
Collateralised securities	0
Collective Investments Undertakings	0
Derivatives	0
Deposits other than cash equivalents	50,828
Other investments	0
Assets held for index-linked and unit-linked contracts	0
Loans and mortgages	0
Loans on policies	0
Loans and mortgages to individuals	0
Other loans and mortgages	0
Reinsurance recoverables from:	-1,576
Non-life and health similar to non-life	-1,576
Non-life excluding health	-1,576
Health similar to non-life	0
Life and health similar to life, excluding health and index-linked and unit-linked	0
Health similar to life	0
Life excluding health and index-linked and unit-linked	0
Life index-linked and unit-linked	0
Deposits to cedants	0
Insurance and intermediaries' receivables	28,896
Reinsurance receivables	0
Receivables (trade, not insurance)	28,606
Own shares (held directly)	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
Cash and cash equivalents	50,836

Any other assets, not elsewhere shown	0
Total assets	**166,800**
Solvency II Balance Sheet 2022	**Value € 000s**
Liabilities	
Technical provisions – non-life	38,939
Technical provisions – non-life (excluding health)	39,962
TP calculated as a whole	0
Best Estimate	37,557
Risk margin	2,405
Technical provisions - health (similar to non-life)	-1,024
TP calculated as a whole	0
Best Estimate	-1,672
Risk margin	648
Technical provisions - life (excluding index-linked and unit-linked)	-1,387
Technical provisions - health (similar to life)	0
TP calculated as a whole	0
Best Estimate	0
Risk margin	0
Technical provisions – life (excluding health and index-linked and unit-linked)	-1,387
TP calculated as a whole	0
Best Estimate	-1,704
Risk margin	317
Technical provisions – index-linked and unit-linked	0
TP calculated as a whole	0
Best Estimate	0
Risk margin	0
Contingent liabilities	0
Provisions other than technical provisions	0
Pension benefit obligations	0
Deposits from reinsurers	0
Deferred tax liabilities	843
Derivatives	0
Debts owed to credit institutions	0
Financial liabilities other than debts owed to credit institutions	0
Insurance & intermediaries payables	11,959
Reinsurance payables	-3,891
Payables (trade, not insurance)	20,508
Subordinated liabilities	0
Subordinated liabilities not in Basic Own Funds	0
Subordinated liabilities in Basic Own Funds	0
Any other liabilities, not elsewhere shown	26,359
Total liabilities	**93,333**
Excess of assets over liabilities	**73,467**

S.05.01.02.01 – PREMIUM, CLAIMS AND EXPENSES BY LINE OF BUSINESS

Non-Life Premium, Claims and Expenses by LoB 2022	Income Protection €000s	Other Motor Vehicle Damage €000s	Fire and other damage to property €000s	Miscellaneous financial loss €000s	Total €000s
Premiums written					
Gross - Direct Business	29,560	2,910	17,850	25,233	75,553
Gross - Proportional reinsurance accepted		-	5,298	3,686	8,984
Reinsurers' share		6,736	224	94	7,054
Net	**29,560**	**- 3,826**	**22,924**	**28,825**	**77,483**
Premiums earned					
Gross - Direct Business	28,882	8,293	17,132	27,801	82,108
Gross - Proportional reinsurance accepted	-	-	4,651	1,306	5,957
Reinsurers' share	-	5,022	222	19	5,263
Net	**28,882**	**3,271**	**21,561**	**29,088**	**82,802**
Claims incurred					
Gross - Direct Business	832	11,319	4,256	3,309	19,716
Gross - Proportional reinsurance accepted	-	-	3,529	1,086	4,615
Reinsurers' share	-	7,014	98	14	7,127
Net	**832**	**4,305**	**7,687**	**4,380**	**17,204**
Changes in other technical provisions					
Gross - Direct Business	- 0	-	6	-	6
Gross - Proportional reinsurance accepted	-	-	-	-	-
Reinsurers' share	-	-	-	-	-
Net	- 0	-	6	-	6
Expenses incurred	16,285	683	10,124	16,369	43,461
Other expenses	-	-	-	-	-
Total expenses	**16,285**	**683**	**10,124**	**16,369**	**43,461**

S.05.01.02.01 – PREMIUM, CLAIMS AND EXPENSES BY LINE OF BUSINESS – LIFE OBLIGATIONS

Life Premium, Claims and Expenses by LoB 2022	Other life insurance € 000s	Total € 000s
Premiums written		
Gross	27,496	27,496
Reinsurers' share	-	-
Net	**27,496**	**27,496**
Premiums earned		
Gross	26,963	26,963
Reinsurers' share	-	-
Net	**26,963**	**26,963**
Claims incurred		
Gross	4,742	4,742
Reinsurers' share	-	-
Net	**4,742**	**4,742**
Changes in other technical provisions		
Gross	-	-
Reinsurers' share	-	-
Net	-	-
Expenses incurred	15,210	15,210
Other expenses	-	-
Total expenses	**15,210**	**15,210**

S.05.02.01- PREMIUM, CLAIMS AND EXPENSES BY COUNTRY.

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations in 000's					Total Top 5 and home country
		DK	FR	PT	ES	IT	
Premiums written							
Gross - Direct Business		225	58,713	11,862	961	3,780	75,540
Gross - Proportional reinsurance accepted		-	8,984	-	-	-	8,984
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		94	-	-	-	6,960	7,054
Net	-	131	67,697	11,862	961	-3,181	77,470
Premiums earned							
Gross - Direct Business		119	59,969	11,506	585	9,904	82,083
Gross - Proportional reinsurance accepted		-	5,957	-	-	-	5,957
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		19	-	-	-	5,244	5,263
Net	-	99	65,926	11,506	585	4,660	82,777
Claims incurred							
Gross - Direct Business		72	4,334	3,730	48	11,496	19,680
Gross - Proportional reinsurance accepted		-	4,615	-	-	-	4,615
Gross - Non-proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers' share		14	-	-	-	7,112	7,127
Net	-	58	8,950	3,730	48	4,506	17,292
Changes in other technical provisions							0
Gross - Direct Business		-	-	11	-5	387	393
Gross - Proportional reinsurance accepted		-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted		-	-	-	-	-	-
Reinsurers'share		-	-	-	-	510	510
Net	-	-	-	11	-5	-123	-117
Expenses incurred		8	35,937	6,263	357	884	43,451
Other expenses							
Total expenses							43,451

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		FR	ES	PT	PL		
Premiums written							
Gross	-	22,634	1,092	3,769	2	-	27,496
Reinsurers' share	-	-	-	-	-	-	-
Net	-	22,634	1,092	3,769	2	-	27,496
Premiums earned							
Gross	-	22,634	559	3,769	2	-	26,963
Reinsurers' share	-		-	-	-	-	-
Net	-	22,634	559	3,769	2	-	26,963
Claims incurred							
Gross	-	4,277	46	431	- 11	-	4,742
Reinsurers' share	-	-	-	-	-	-	-
Net	-	4,277	46	431	- 11	-	4,742
Changes in other technical provisions							
Gross	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Expenses incurred	-	12,737	350	2,121	2	-	15,210
Other expenses							-
Total expenses							15,210

S.23.01.22- OWN FUNDS

Own Funds 2022	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector					
Ordinary share capital (gross of own shares)	10,000	10,000	0	0	
Non-available called but not paid in ordinary share capital at group level	0	0	0	0	
Share premium account related to ordinary share capital	0	0	0	0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0	0	0	
Subordinated mutual member accounts	0	0	0	0	0
Non-available subordinated mutual member accounts at group level	0	0	0	0	0
Surplus funds	0	0	0	0	
Non-available surplus funds at group level	0	0	0	0	
Preference shares	0		0	0	0
Non-available preference shares at group level	0		0	0	0
Share premium account related to preference shares	0		0	0	0
Non-available share premium account related to preference shares at group level	0		0	0	0
Reconciliation reserve	54,370	54,370			
Subordinated liabilities	0		0	0	0
Non-available subordinated liabilities at group level	0		0	0	0
An amount equal to the value of net deferred tax assets	8,778				8,778
The amount equal to the value of net deferred tax assets not available at the group level	0				0
Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0

Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
Own Funds 2022	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Non-available minority interests at group level	0	0	0	0	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					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
Deductions					
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	0	0	0	0	0
whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
Total of non-available own fund items	**0**	**0**	**0**	**0**	**0**
Total deductions	**0**	**0**	**0**	**0**	**0**
Total basic own funds after deductions	**73,148**	**64,370**	**0**	**0**	**8,778**
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	0			0	

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
Own Funds 2022	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Unpaid and uncalled preference shares callable on demand	0	0	0	0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0	0	0	0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0	0	0	0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0	0	0	0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	0	0	0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	0	0	0	0
Non available ancillary own funds at group level	0	0	0	0	0
Other ancillary own funds	0	0	0	0	0
Total ancillary own funds	**0**	**0**	**0**	**0**	**0**
Own funds of other financial sectors					
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
Institutions for occupational retirement provision	0	0	0	0	0
Non regulated entities carrying out financial activities	0	0	0	0	
Total own funds of other financial sectors	0	0	0	0	0

Own funds when using the D&A, exclusively or in combination of method 1					
Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
Own Funds 2022	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	73,148	64,370	0	0	8,778
Total available own funds to meet the minimum consolidated group SCR	64,369	64,370	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	70,159	64,370	0	0	5,789
Total eligible own funds to meet the minimum consolidated group SCR	64,369	64,370	0	0	
Minimum consolidated Group SCR	15,095				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)					
Ratio of Eligible own funds to Minimum Consolidated Group SCR	426%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**70,159**	**64,369**	**0**	**0**	**5,789**
SCR for entities included with D&A method					
Group SCR	38,597				

Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**182%**				
Reconciliation reserve					
Excess of assets over liabilities	73,467				
Own shares (held directly and indirectly)	0				
Forseeable dividends, distributions and charges	0				
Other basic own fund items	18,778				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	320				
Own Funds 2022	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Other non available own funds	0				
Reconciliation reserve before deduction for participations	**54,370**				
Expected profits					
Expected profits included in future premiums (EPIFP) - Life business	0				
Expected profits included in future premiums (EPIFP) - Non- life business	0				
Total Expected profits included in future premiums (EPIFP)	**0**				

S.25.01.22:- SOLVENCY CAPITAL REQUIREMENT – FOR UNDERTAKINGS ON STANDARD FORMULA.

SCR 2022	Value € 000s
Market risk	8,404
Counterparty Default Risk	8,479
Life Underwriting Risk	3,413
Health Underwriting Risk	8,909
Non-life Underwriting Risk	25,503
Diversification	(17,800)
Basic Solvency Capital Requirement	**36,908**
Operational Risk	**3,720**
Loss-Absorbing Capacity of Deferred Taxes	**(2,031)**
Solvency Capital Requirement	**38,597**