Stadhold Insurances (Luxembourg) S.A.

solvency and financial condition report

April 8, 2024

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Summary

This report covers the business and performance of Stadhold Insurances (Luxembourg) S.A. ("the Company"), its system of governance, risk profile, valuation for Solvency II purposes and capital management.

The Company is a non-life insurance company under the supervision of the Commissariat aux Assurances ("CAA"). The Company is a direct subsidiary of Randstad Group Luxembourg S.à r.l. and the ultimate parent company is Randstad N.V. in the Netherlands. The objective of the Company is to contribute to improve the global risk management process of Randstad Group.

The ultimate administrative body with responsibility for all of these matters is the Company's Board of Directors ("BOD"), with the help of various governance and control functions that have been put in place to monitor and manage the business.

The Company's material underwritten line of business is health insurance. The main geographic area in which the Company operates is the Netherlands.

Business performance 2023

- **Technical account**

In 2023, the Company has underwritten risks of companies of Randstad Group in the following classes of insurance:

- Accident / Sickness (Dutch Disability scheme "WGA" written within The Netherlands, belonging to classes 1 and 2 of Non-Life insurance.)
- General Liability XS
- Miscellaneous Financial Loss
- Suretyship (this is a new line of business compared with 2022)

Premiums earned, net of reinsurance, during the year have slightly increased to an amount of € 6.6 million (2022: € 6.4 million).

The Company experienced a decrease of its gross and net claims incurred, recording claims incurred to € 4.7 million (2022: € 6.5 million).

The loss ratio (Claims Incurred / Earned Premiums) has improved this year, decreasing from 102.22% in 2022 to 70.50% in 2023.

Total EUR '000s	2022	2023
Net Premiums	6,390	6,615
Claims excl. Claim mgt cost	-2,718	-2,444
Change in Reserves	-3,813	-2,220
Costs (Acq + Admin)	-707	-769
Allocation from non-Tech ac	-102	738
Technical result	**-950**	**1,920**

- **Investment results**

The Company applies a very conservative investment policy that adheres to the prudent person principle as defined in the Solvency II directive. The Company had a positive financial result this year of € 1,351,262 largely improved compared with last year (2022: negative result € 216,954). This is due to positive interest rates available on the market during the year.

In 2023, investment allocation remained unchanged. The Company focuses on cash and short term deposit investments with no exposure to shares or derivatives.

- **Result allocation**

After deducting net operating expenses of € 769,185 and taxes of € 466,375, The net result during the year has been a net profit of € 2,067,001 (2022: loss € 1,200,589).

- **Capital management**

As at 31 December 2023, the Company's Solvency ratio is 205% (222.4% as at 31 December 2022).

SCR ratio	2022	2023
Available Own Funds SCR (EUR '000s)	29,247	30,742
Solvency Capital Requirement (EUR '000s)	13,153	14,997
SCR ratio	**222.4%**	**205.0%**

The reduction in the Solvency ratio is mainly driven by onboarding of a new Surety contract from 01.01.2024 in the Netherlands, which increased the solvency capital requirements, partly offset by growth in own funds due to positive investment performance.

- **New products for 2024**

From 1 January 2024, Stadhold Insurances (Luxembourg) S.A. received approval for an extension of its licence to underwrite suretyship insurance in the Netherlands.

- **Compliance matters**

During the past fiscal year, in accordance with the evolution of prudential regulations and the fight against money laundering and the financing of terrorism, the Company has taken care to strengthen the documentation of its subcontracted activities. Particular attention has been paid to compliance with the sanctions enacted by the European Union and introduced following the Russian-Ukrainian conflict. It should be noted that the Company has not reinsured any risks located in Russia or Ukraine, nor in Israel.

The Board of Directors also discussed the Environment, Social and Governance (ESG) themes, in particular the possible consequences of climate change. At the asset level, no impact is expected. With regard to the underwriting program, the Board of Directors considers that, given the structure of the programs and the risks underwritten, climatic events should not jeopardize the financial strength of the Company.

Finally, with regard to the General Data Protection Regulation, no claims or violations have been recorded.

- **Subsequent events and future business outlook**

Subsequent to the balance sheet date annual account closing, no event that could have a significant impact on the annual accounts of the Company as at December 31, 2023 occurred.

In 2024 the Board of Directors will continue to support the risk management policy of Randstad Group and will stay attentive to any request that could improve Group's risk financing solutions.

The continued macroeconomic and geopolitical events, including inflation, rising interest rates, rising energy prices, supply chain issues, market volatility and continued geopolitical conflicts, resulted in considerable economic uncertainty worldwide.

The Company's Board of Directors has identified and considered the impacts of the current economic conditions on its balance sheet position and operations. It has closely monitored the impact of inflation, rising interest rates and market volatility on its balance sheet position. As a result of this assessment, the Company's balance sheet position at year-end remains appropriate and meets regulatory capital and solvency requirements.

The Board of Directors will continue to monitor these economic uncertainties closely, but considers the financial impact being partially offset by the increase of interest rates and premium income expected as a result of the tightening insurance market.

A. Business and Performance

A.1 Business

- Stadhold Insurances (Luxembourg) S.A. is a public limited company domiciled in Luxembourg.
- The Company is supervised by the Commissariat aux Assurances ("CAA") in Luxembourg. The CAA may be contacted at 11 Rue Robert Stumper, 2557 Gasperich Luxembourg.
- The external auditor is Deloitte Audit S.à.r.l., 20, Boulevard de Kockelscheuer, L-1821 Luxembourg.
- The Company is held directly by Randstad Group Luxembourg S.à r.l. with the following address: 5, rue des Primeurs, L-2361 Strassen.
- Stadhold Insurances (Luxembourg) S.A. does not belong to an insurance Group.
- The Company's material underwritten line of business is health insurance. From 1 January 2023, the Company received approval for an extension of its licence to underwrite credit & suretyship insurance in Luxembourg and France. From 1 January 2024, the Company received approval for an extension of its licence to underwrite credit & suretyship insurance in the Netherlands.
- The main geographic area in which the Company operates is the Netherlands.
- There was no notable transaction or event in 2023 with a material impact on the Company.

A.2 Underwriting Performance

Net earned premium for 2023, amounted to EUR 6.6 million, most of which relates to the Dutch Disability scheme "WGA" written within The Netherlands, belonging to classes 1 and 2 of Non-Life insurance. The technical results for years 2023 and 2022 are summarised below:

Total EUR '000s	2022	2023
Net Premiums	6,390	6,615
Claims excl. Claim mgt cost	-2,718	-2,444
Change in Reserves	-3,813	-2,220
Costs (Acq + Admin)	-707	-769
Allocation from non-Tech ac	-102	738
Technical result	**-950**	**1,920**

WGA EUR '000s	2022	2023
Net Premiums	6,151	6,329
Claims excl. Claim mgt cost	-2,716	-2,435
Change in Reserves	-3,814	-2,220
Costs (Acq + Admin)	-685	-354
Allocation from non-Tech ac	-98	706
Technical result	**-1,162**	**2,026**

A small increase in premium is driven by the change in the composition of the WGA scheme membership. Reserves have increased in 2023 on a Statutory basis due to the impact of increased minimum wages in the Netherlands. As there is no discounting on a statutory basis, there is no positive impact due to the increase in interest rates, which is applicable to Solvency II technical provisions.

A.3 Investment Performance

Investment Performance EUR '000s	2022	2023
Bank charges and interest accrued	-133	1,442
Administrative expenses - investment mgt allocation	-84	-91
Net investment result	**-217**	**1,351**

The Company applies a very conservative investment policy that adheres to the prudent person principle as defined in the Solvency II directive. The Company had a positive financial result this year of € 1,351,262 largely improved compared with last year (2022: negative result € 216,954). This is due to positive interest rates available on the market during the year.

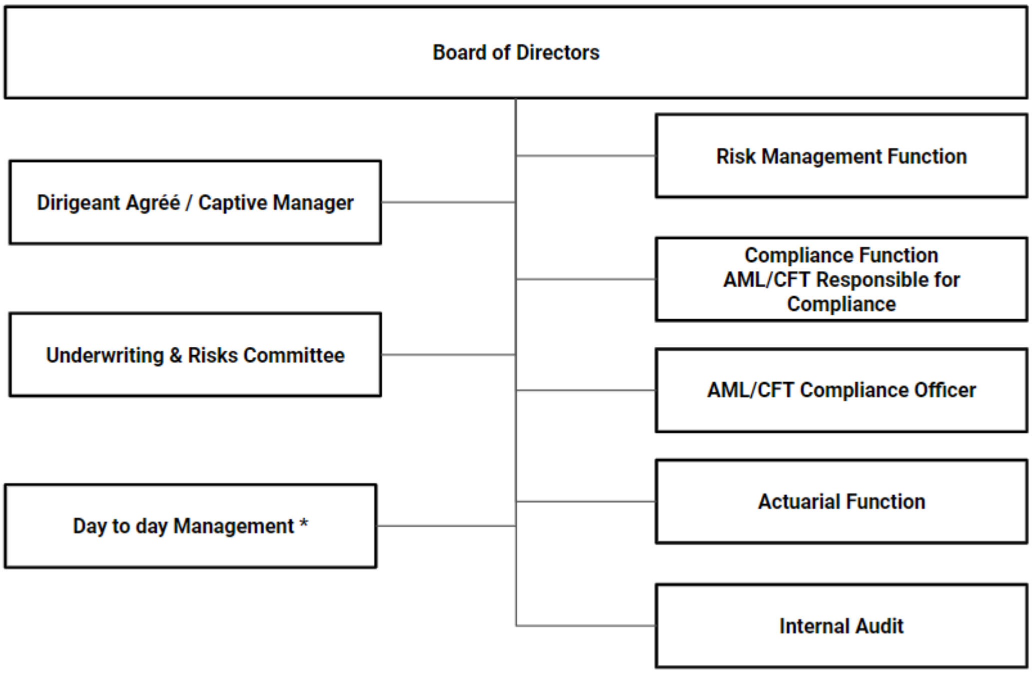
A.4 Performance of other activities

The Company does not perform any other activities.

A.5 Any other information

Non

B. System of Governance



Authorized Manager being also responsible for the distribution of insurance products.

B.1 General information on the system of governance

There have been no material changes to the system of governance during the reporting period.

B.1.1 Board of Directors

The Board of Directors is responsible for:

- Establishing and maintaining an effective governance framework in compliance with applicable laws and regulations;
- Defining and communicating the overall strategy to operating functions;
- Validating policies, procedures, and recommendations of key functions;
- Ensuring financial integrity, oversight of risk management, and approving accounts;
- Approving the internal audit plan and ensuring recommendations are followed;
- Adopting an outsourcing policy and selecting appropriate persons for key functions;
- Ensuring an effective internal control system is in place;
- Allocating resources to enable successful functioning of various functions.

B.1.2 Dirigeant Agréé/Captive Manager

The Dirigeant Agréé has the following duties:

- Coordinate and manage the Company's business activities, executing decisions made by the Board of Directors and presenting goals and guidelines for the Company's operations;
- Maintain regular contact with the CAA;
- Ensure effective daily management, including internal control systems and financial reporting in compliance with regulations;
- Take legal decisions on minor disputes involving the Company and refer significant disputes to the Board of Directors;
- Make urgent decisions when necessary, consulting with the Chairperson of the Board of Directors, and informing the Board of Directors about measures taken;
- Prepare Board matters and present them at Board of Directors meetings, keeping the Board informed on a regular basis.
- Ensure that the Company's accounting and reporting records are complying with Luxembourg law and regulations and that the management of the Company's funds is handled in line with the investment policy

B.1.3 Underwriting & Risks Committee

The Underwriting & Risks Committee has the following duties:

- Negotiate reinsurance contracts for the Company and submit them to the Board of Directors for approval;
- take care of renewal of contracts and of the respective follow-up;
- monitor the Company's exposures;
- advise the Company on its retrocession policy when applicable;
- analyse and study new opportunities;
- develop the insurance business of the Company and make any proposal to the Board of Directors regarding all (re)insurance matters;
- check and analyse all the technical statements received;
- review the adequacy of the product offered within the renewal process.

B.1.4 Key Function Holders

Risk Management Function

The Company has established a Risk Management function to set up and manage a centralized, robust and suitable risk management system, adapted to the risk profile (short, medium and long-term) of the organization.

Compliance Function

The Company has implemented a Compliance function to ensure the compliance with applicable laws and regulations, and with group policies.

Actuarial Function

The Company has implemented an Actuarial function to oversee all actuarial calculations needed for the Company's management, and to contribute to the risk management process with a mathematical and actuarial approach.

Internal Audit Function

The Company has implemented an Internal Audit function in order to independently verify the adequacy of the organisation, its policies and governance procedures, and their application in daily management.

B.1.5 Remuneration Policy

The Remuneration Policy outlines the terms and conditions for the remuneration of the members of the Board, responsible persons for key functions, service providers and other categories of staff whose professional activities have a material impact on the Company's risk profile. The remuneration policy sets out to preclude the possibility of manipulation, negative incentives and undesired risk taking.

Remuneration practices should be aligned with the Company Strategy, Risk Management Strategy and Risk Appetite Framework, objectives, values and long-term interests of the Company.

The remuneration is in line with the services and independent from the financial result of the Company. There can be no incentive to risk-taking.

Remuneration will not be used as a tool for the integration of sustainability risks in the investment decisions.

Any remuneration must:
- appropriately compensate service providers and employees for the services they provide to the Company;
- be competitive with appropriate reference to comparable industry positions;
- not promote actions which would result in deviations from the Company's Overall Business Strategy or result in assuming risks in excess of the Company's risk tolerance as dictated by the Company's Risk Appetite Framework.

B.2 Fit and proper requirements

The purpose of the fit and proper policy is to set out the Company's approach to the assessment of the Fitness and Propriety of the members of the Board, the Dirigeant Agréé and of the persons who are responsible for key functions internally or externally. Furthermore, this policy shall set out the notification procedures to the regulator of the identified key positions mentioned above.

Any member of the Board, Licensed Manager or person who is responsible for a key function should, at all times:
- possess professional and formal qualifications, knowledge and relevant experience to enable sound and prudent management (fit);
- be of good repute and integrity (proper).

In addition to the above criteria, the person should:
- not have a conflict of interest in performing its duties;
- should adhere to Randstad corporate policies and Code of Conduct;
- not have been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding its honesty, integrity, or business conduct;
- not have been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on its competence, diligence or judgment;
- not have been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;
- have sufficient time to devote to the role and associated responsibilities;
- be declared financially sound.

An assessment shall be documented in a Board resolution or in minutes of a Board meeting. Board members under scrutiny are excluded from the voting.

Assessments of a person's Fitness and Propriety for a responsible person position must be made:
- before the person is appointed;
- on at least a five-year basis following appointment;
- at material change of the business strategy.

If an adverse finding is made such that a person is assessed to be not fit and proper to hold a responsible person position:
- a person, whose appointment to the relevant position is subject to a fit and proper assessment, must not be appointed to the position;
- a person, who is currently acting in a responsible person position must vacate their position within a reasonable timeframe.

Notification to the Regulator

The Board must ensure that the Company provides appropriate notification to the supervisory authority (CAA) of all appointments, replacements and changes, including all information required to assess whether any relevant persons are fit and proper. This includes at least a CV, judicial record not older than 3 months, a copy of a passport/identity card, a non-bankruptcy declaration and other information as required in the Fit & Proper Questionnaire (FP_0) from the regulator.

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

The goal of the Company's risk management strategy is to achieve and to control as much as possible a reduction in the Company's risk exposure as a means of minimizing the impact of undesired and/or unexpected events, and to increase the likelihood of achieving the Company's strategic and business objectives.

The risk management program of the Company is to:

- set out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identify all kind of risks which represent a threat to the achievement of its strategic objectives;
- identify, define and regularly measure key risk indicators enabling an efficient monitoring of risks;
- define and take appropriate actions to reduce the Company's risk exposure;
- ensure the risk management framework implementation in day-to-day business processes;
- regularly review controls and mitigation actions to ensure that they remain relevant and effective;
- the preservation or timely recovery of essential data and functions;
- the maintenance or timely resumption of insurance and reinsurance activities.

In order to achieve these Risk Management objectives, the Risk Management System of the Company has been clearly documented and specified through risk management policies for each key risk category.

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques

In addition to these policies, an outsourcing policy defining the key rules and criteria to be respected by a service provider has been determined. These policies detailing all key components of the Company's Risk Management System ensure that it:

- contains clearly assigned overall risk management responsibilities;
- is defined to be consistent with the strategic objectives of the Company;
- operates across all the activities of the Company;
- is a continuous approach which is referred to in all major decision-taking processes of the Company.

Using the key risk indicators metrics for each of the above risks, the Risk Management Function verifies the adequacy of results obtained with the limits defined in the Risk Appetite framework.

As soon as:

- the tolerance levels defined in the Risk Appetite framework are exceeded;
- a risk of reduced profitability appears;
- any event that the Risk Management Function may consider as an increase of the risk(s) the Company can be exposed to occur,

The Risk Management Function, in collaboration with other relevant departments, defines appropriate measures to reduce the risk within the limits acceptable by the Company. These measures include corrective actions to be undertaken in respect of technical items and/or of a total or partial transfer of the risk to a third party. In respect of this last point, the measures and guidelines defined in the reinsurance policy apply. The said corrective measures and their related implementation plan are submitted to the Board of Directors for approval.

B.3.7 ORSA Policy

The Company regularly performs an Own Risk Solvency Assessment ("ORSA") process to provide its Board of Directors with a forward looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile.

Risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

The ORSA process supports the Board of Directors in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

Within this context, the prime purposes of the ORSA process are to:

- provide the Board and Senior Management with an assessment of whether risk management and solvency position are currently and prospectively adequate;
- provide the shareholders with a plan for capital needs over the time horizon of the financial planning;
- serve as an essential insight for any strategic decision to be made;
- serve as a supervisory tool by providing a detailed understanding of the evolving risk exposure, solvency position and capital planning of the Company to the Supervisory Authority.

The ORSA process is performed within the Company at least once a year or when any of the following triggers occurs and the Risk Management Function thinks it's necessary:

- exceeding the risk tolerances defined in the Risk Appetite statement;
- material change of the applied risk limits;
- net premium increase or decrease of 20% or more;
- introduction of new lines of business or extension of existing lines;
- material change in the Company's risk profile, due to internal or external evolutions;
- change in strategy.

Depending on the trigger and on initial assessment of the impact it will be decided whether a full or a partial ORSA will be conducted, focused on the triggering event while keeping other variables constant.

The following underlying principles must be respected whilst conducting the Company's ORSA process:

- time horizon of the ORSA is over three years, following the financial planning timeframe;
- the ORSA focuses on material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds, these risks could result from either internal or external events;
- it is based on adequate measurement and assessment processes;
- the Financial Plan, Risk Appetite framework and the Risk Register will be updated and documented beforehand;
- consideration is given to the risks included in the calculation of the SCR, as well as to the risks which are not or not fully captured in the SCR calculation and identified in the risk profile;
- it is a forward-looking process, combining the Company's strategic objectives, financial planning and its risk profile;
- stress and reverse stress-testing as well as scenario analysis are based on adequate assumptions in accordance with the Company's risk profile;
- the ORSA process and outcome are appropriately evidenced and documented by issuing an ORSA report.

The ORSA process is carried out under the ultimate responsibility of the Board of Directors by the Risk Management Function, in close cooperation with the Actuarial Function.

The Company's ORSA approach is formalized through the four work processes detailed in the Architecture of Controls and processes hereafter.

The approach may be summarized as follows:

Define the base scenario
Once a year, the Company elaborates a business plan which will be the Base Scenario for the ORSA. Base Scenario is designed by the Risk Management Function, in collaboration with the Actuarial Function and the captive manager.

Define the Stress Scenarios
Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations. The appropriateness of the risk limits is also assessed by stress testing. Reverse-stress testing is used to provide a sensitivity analysis.
Stress Scenarios and Reverse Stress Test Scenarios are designed by the Risk Management Function, reviewed by the Actuarial Function.

Stress the Financial Plan
Stress and Reverse Stress Test Scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of validated scenarios.
The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs
On the basis of the Stressed Financial Plan, the Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios.
The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to match prospective solvency needs with capital position. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

B.4 Internal control system

The Internal Control System embedded in the Company's operations is a mix of actions and processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

The objectives of the Company's Internal Control System are therefore to ensure:

- an ordered execution of ethical, economical, efficient and effective operations;
- accountability obligations are fulfilled;
- availability and reliability of financial and non-financial information;
- compliance with applicable laws, regulations and administrative provisions;
- resources are protected against losses, misuses and damages.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1. Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the Governance manual.
2. Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.

3. Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4. Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt its Internal Control System when necessary.
5. Control activities	The Company developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Process Architecture

The purpose of the processes detailed hereafter is to define and formalize the key processes needed to manage the Company's activities and operations in accordance with the specified governance framework, policies, roles and responsibilities.

The global Process Architecture of the Company is divided in three categories of macro-processes specified as follows:

Each of these macro-processes are then broken down in several key processes detailing the operational flow and embedding the relevant control activities formalizing the functioning of the Internal Control System of the Company.

In order to set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are designed by the Risk Management Function, approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

As described each of the aforementioned macro-process is detailed in key processes and workflow processes aimed at describing how the tasks and actions composing the given process are shared between the key functions of the Company and at clarifying related roles, responsibilities and embedded control activities.

B.5 Internal audit function

The purpose of the Internal Audit Function is to serve as a Board oversight function that objectively evaluates and recommends improvements to the Company's Internal Control System by facilitating an objective and independent assessment.

The main objective of the Internal Audit Function is to ensure governance, risk management and control systems are effective, efficient and correctly designed.

The Internal Audit Function must ensure that all aspects and processes of the Company are assessed at least once over a three to five year period. The internal Audit function takes a risk-based approach in deciding its priorities.

Independence and objectivity

- the Internal Audit Function is independent and reports directly to the Board of Directors, i.e. is free from interference in determining the scope of internal auditing, performing work, and communicating results;
- it shall not audit activities or functions they performed during the last year;
- the person(s) in charge of the Internal Audit Function is (are) appointed by the Board of Directors;
- no member or representative of the Internal Audit Function may be responsible or involved in the operational activities of the Company, nor in Risk Management, Actuarial or Compliance activities;
- members or representatives of the Internal Audit Function are free from conflict of interest and in line with the ethical values of the Company;
- the Board of Directors must ensure that the Internal Audit Function has sufficient skills, resources and all necessary personal and IT accesses to perform its duties.

Scope and Responsibilities

The scope of the Internal Audit Function includes the review of risk management, internal control, information and governance systems. To fulfil its responsibilities, the Internal Audit Function must:

- review the adequacy of control activities to ensure compliance with policies, plans, procedures, and business objectives;
- assess the reliability and security of financial and management information and the systems and operations (in-house or outsourced) that produce this information;
- review established procedures and systems and propose improvements;
- evaluate controls and monitor the ORSA process design, effectiveness and control actions;
- follow up recommendations to make sure that effective remedial actions are undertaken;
- carry out adequate investigations, appraisals or reviews requested by the Board of Directors.

The Internal Audit Function submits a three to five year audit plan to the Board of Directors for review and approval.

The audit plan contains at least the proposed work schedule and related resources and budget requirements.

It provides information about the systems and processes to be assessed, the current order of priority of audit projects and how they are to be carried out.

The Internal Audit Function is responsible for planning, conducting, reporting audits and special assignments and monitoring the following up of findings reported from audit projects.

Authority

The Internal Audit Function, with strict accountability for confidentiality and safeguarding records and information, has a full and unrestricted access to any and all of the Company's records, physical properties and/or members of staff needed for carrying out any engagement.

With regard to outsourced activities or functions, the Internal Audit Function must have effective access to data, information and external service providers' premises.

All employees and external services providers' staff members are requested to assist the Internal Audit Function in fulfilling its roles and responsibilities.

Reporting

The Internal Audit Function submits at least annually an audit report to the Board of Directors, the said report contains conclusions about each audit engagement, significant findings and proper recommendations. The report includes the envisaged period of time to remedy the shortcomings and information on the achievement of previous audit recommendations. The board of Directors evaluates the internal audit function annually and provides feedback on the improvement of the function.

B.6 Actuarial function

Key responsibilities include:

- Coordination of the calculation of technical provisions;
- Review the appropriateness of the methods, underlying models and assumptions used to calculate technical provisions and premiums; assess the sufficiency and quality of data used in the calculation of technical provisions; compare of the best estimate against experience;
- Issuing an annual report to the Board of Directors summarising the activities performed by the actuarial function during the year and commenting on the results, including an opinion on the overall underwriting policy and an opinion on the adequacy of reinsurance arrangements;
- Contributing to the effective implementation of the Risk Management System and providing support to the Risk Management Function to calculate the ORSA.
- calculate the premium in accordance with the overall underwriting policy.

B.7 Outsourcing

The Company has implemented an outsourcing policy to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for any function or activity, in order to ensure that the outsourcing activities are carried out appropriately. The Company remains fully responsible for discharging all of its obligations when it outsources functions or activities.

It is a requirement that outsourcing of critical or important operational functions or activities shall not be undertaken in such a way as to lead to any of the following:

- materially impairing the quality of the system of governance of the Company;
- unduly increasing the operational risk;
- impairing the ability of the supervisory authorities to monitor the compliance of the Company with its obligations;
- undermining continuous and satisfactory service to the insured.

The Company must have a written agreement with the outsourcing provider, which clearly defines the rights and obligations of the Company and the outsourcing provider (even for intra-group outsourcing).

The Risk Management Function performs the qualitative assessment of the capabilities, risk and control processes of any service provider and informs the Board of Directors.

In order to ensure against an undue increase in operational risk, when outsourcing critical or important functions or activities the Board of Directors must, in case it's not pre-approved by the supervisory authorities or a group Company:

- verify that the service provider has adequate financial resources to take on the additional tasks the Company plans to transfer and to properly and reliably discharge its duties towards the Company;
- verify that the staff of the service provider is chosen on the basis of criteria that give reasonable assurance that they are sufficiently qualified and reliable. A detailed examination is performed to ensure that the service provider has the ability, the capacity and any authorisation required by law to deliver the required functions or activities satisfactorily, taking into account the Company's objectives and needs;
- ensure that the service provider has adopted all means to ensure that no explicit or potential conflict of interests jeopardizes the fulfilment of the needs of the outsourcing undertaking;
- verify that the service provider properly isolates and identifies the information, documentation and assets belonging to the Company and its clients in order to protect their confidentiality;
- ensure that the outsourcing does not entail the breaching of any law in particular with regard to rules on data protection;

- make sure the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and has periodic testing of backup facilities where that is necessary having regard to the function, service or activity outsourced.
- takes into account the extent to which it controls the service provider.

In order to ensure that the outsourcing of critical or important functions or activities does not impair the ability of the supervisory authorities to monitor the compliance of the Company with its obligations, the Company must ensure:

- the service provider's cooperation with the supervisory authorities of the Company in connection with the outsourced functions or activities;
- the Company, the Group, its external auditors and the relevant supervisory authorities have effective access to data related to the outsourced functions or activities;
- the supervisory authorities have effective access to the business premises of the service provider and are able to exercise this right.

Where a material business activity or function is outsourced, the Company must ensure that the Business Continuity Management documentation of the service provider outlines the procedures to be followed in the event that the service provider is unable to fulfil its obligations under the outsourcing agreement for any reason.

All outsourcing arrangements must be organized in a way so that appropriate reporting capabilities are in place and meet the Company qualitative (contents, periodicity, etc.) requirements and needs. Reporting capabilities must equally enable effective management and control of outsourcing arrangements and to identify potential problems at an early stage.

Notification to the supervisory authority

The Company shall, in a timely manner, usually upon a Board decision, notify the supervisory authorities about the outsourcing of critical or important functions or activities as well as of any subsequent material developments with respect to those functions or activities.
The following table shows critical or important outsourced activities:

Activity	**Location**	**Internal/External**
Actuarial services	Luxembourg	External
Accounting	Luxembourg	External
Internal Audit services	Luxembourg	External

B.8 Any other information

The governance system of Stadhold Insurances (Luxembourg) S.A. is in line with the complexity of the risks inherent in its business.

C. Risk Profile

C.1 Underwriting risk

Underwriting risk is the risk that claims cannot be paid from premiums received or as a result of incorrect assumptions in calculations of the technical provisions. The Company has the following material insurance risks:

- Disability, recovery and longevity risk for the WGA ERD product;
- Catastrophe risk (for WGA ERD, Financial loss and Suretyship).

The Company manages the insurance risks through a quarterly monitoring of the technical provisions and key risk indicators (combined loss ratio), by an annual assessment of the actual developments in the portfolio and underlying assumptions for the reserves of the various products on the balance sheet, as well as a yearly profitability analysis.

C.2 Market risk

Market risk is the risk arising from the level or volatility of market prices of financial instruments. This also takes into account the possible mismatch between assets and liabilities, both in terms of development in value and in future cash flows.
The main risks identified for the Company are the Concentration risk and interest rate risk.

- Interest rate risk - The Company's assets entirely consist of cash at bank and term deposit, with a very short duration. The liabilities have a longer duration, which causes a duration mismatch between the assets and the liabilities. This results in an SCR for interest rate risk.
- Concentration risk - Due to a material investment in one term deposit of €17.4 million as at YE23, there is a capital charge for concentration risk.

C.3 Credit risk

The Company applies a very conservative investment policy that adheres to the prudent person principle as defined in the Solvency II directive. The Company focuses on cash and short term deposit investments with no exposure to shares or derivatives. This cash is held within three custodian banks. The credit risk relates to the default of these banks due to the concentration of cash holdings. The risk is considered low as it is required to invest with a bank with a minimum rating or meeting certain solvency requirements. Further, as from 2019 reinsurance is applicable. Once a reinsurer covers a large claim, a reinsurance asset will be held on the balance sheet. This asset will be subject to counterparty default risk as well. The risk is minimised by ensuring that the counterparty has a minimum rating.

C.4 Liquidity risk

Liquidity risk is the inability to meet payment obligations as they arise. Liquidity risk is minimised as investments are limited to cash and term deposit (duration 3 months), with receivables (outstanding premiums) making up a small proportion of the assets.

C.5 Operational risk

Operational risk is the risk of losses due to inadequate or failed internal procedures, employees, systems or external events. The risk also includes the integrity risk, IT risk, outsourcing risk and legal risk. The Company carries out a risk analysis in which the operational risks are assessed and monitored.

C.6 Other material risks

The current global economic environment is affected by the pandemic and the war between Russia and Ukraine with high inflation and increasing interest rates. Inflation has an effect on the different Liability and EB products, and operating expenses.
Amounts for which Liability claims are settled might be influenced by current and future expected inflation. The same holds for the EB products such as disability or medical where payments grow with inflation.

C.7 Any Other information

None

D. Valuation for Solvency Purposes

The below tables show the difference in the valuation between statutory LuxGAAP basis and Solvency II.

D.1 Assets

Balance Sheet (x Euro) as per 2023Q4	2023			2022		
	Lux GAAP basis*	Solvency II value	Revaluation	Lux GAAP basis*	Solvency II value	Revaluation
Assets						
Deferred tax assets	-	-	-	-	-	-
Investments	18,310,000	18,310,000	-	-	-	-
Insurance and intermediaries receivables	1,477,443	1,477,443	-	6,296,815	6,296,815	-
Receivables (trade, not insurance)	19,793	19,793	-	-	-	-
Reinsurance recoverable	-	(1,531)	(1,531)	-	-	-
Cash and cash equivalents	40,760,947	40,760,947	-	49,695,182	49,695,182	-
Any other assets, not elsewhere shown	12,496,858	496,858	(12,000,000)	12,004,935	4,935	(12,000,000)
Total assets	**73,065,041**	**61,063,510**	**(12,001,531)**	**67,996,933**	**55,996,933**	**(12,000,000)**

Under Solvency II assets are valued according to the fair value method, which corresponds to the market value. Intangible assets are removed under Solvency II. The assets consist of:

- Investments – this is deposits with credit institutions. Due to the favorable interest rate environment, 3-months term deposits and a 35 day notice account were added to the investment portfolio of the Company during 2023.
- Insurance and intermediaries receivables - premiums earned but not yet received. The amount is reduced compared to 2022 as the 2023 WGA contract was updated to request 80% of the estimated premium by May of the insured year. This in turn increased the amount of investable cash in the investment portfolio.
- Receivables (trade, not insurance) – this is other intragroup and tax receivables.
- Reinsurance recoverable – for 2023, the Solvency II calculation of the technical provisions has been enhanced to capture the effect of reinsurance for General Liability which is fully reinsured to Hannover Re and MapFre. The reinsurance recoverable asset must be shown separately on the Solvency II balance sheet. It does not feature on the Lux GAAP balance sheet, resulting in a revaluation difference of €1,531.
- Cash and cash equivalents consist entirely of cash held at three different banks: BMG, ING Luxembourg and BNP Paribas. This has decreased by €9 million since last year, and the cash was further diversified.
- Any other assets, not elsewhere shown - this consists of unpaid uncalled capital of €12 million (which is not recognized under Solvency II as it is an intangible asset) and accrued investment income. The revaluation difference is the same as last year.

D.2 Technical provisions

Balance Sheet (x Euro) as per 2023Q4	2023			2022		
	Lux GAAP basis*	Solvency II value	Revaluation	Lux GAAP basis*	Solvency II value	Revaluation
Liabilities						
Technical provisions - non-life	-	**1,104,815**	**1,104,815**	-	**526,134**	**526,134**
Best estimate		*596,650*			*387,901*	
Risk margin		*508,165*			*138,233*	
Technical provisions - health (similar to life)	**32,458,337**	**27,271,535**	**(5,186,802)**	**30,238,587**	**24,877,564**	**(5,361,023)**
Best estimate		*26,597,587*			*24,038,327*	
Risk margin		*673,947*			*839,237*	
Other technical provisions	-	-	-	14,875	-	(14,875)
Deferred tax liabilities	-	1,048,662	1,048,662	-	1,245,904	1,245,904
Payables (trade, not insurance)	839,345	839,345	-	100,147	100,147	-
Any other liabilities, not elsewhere shown	57,035	57,035	-			
Total liabilities	**33,354,717**	**30,321,392**	**(3,033,325)**	**30,353,609**	**26,749,749**	**(3,603,860)**
Excess of assets over liabilities	**39,710,324**	**30,742,118**	**(8,968,206)**	**37,643,324**	**29,247,183**	**(8,396,140)**

Technical provisions are valued differently under Solvency II compared to Lux GAAP:

- Under Lux GAAP, statutory provisions are valued as the Best estimate claims (undiscounted) based on realistic assumptions, plus a prudence margin. The prudence margin is added to cover future maintenance-type expenses and a risk margin.
- Under Solvency II, technical provisions are valued as the Best estimate claims (discounted using the prescribed EIOPA yield curve), based on realistic assumptions, including an explicit provision for maintenance-type expenses, a provision for new business accepted for accident year 2024

("premium provision") and an explicit risk margin per SII regulation.

- Technical provisions - non-Life consist of General Liability, Fraud and Surety. The increase compared to 2022 is due to the new Dutch Surety contract in-force from 01.01.2024. This contract also results in a higher risk margin.
- Technical provisions - health (similar to life) relate entirely to the WGA product. The revaluation difference is not materially different from last year.
- Other technical provisions are nil – last year they related to a pre-paid premium for 2024.
- Deferred tax liabilities - as a result of the difference between Lux GAAP and Solvency II valuations, a temporary gain arises leading to a deferred tax liability of € 1,0 million.
- Payables (trade, not insurance) – this increased compared to last year, and relates to taxes
- Any other liabilities, not elsewhere shown – this consists of accruals and deferred income. Last year, this figure was aggregated into Payables (it is not a new item).

Overall, the revaluation difference has increased by approx. €0,6 million over 2023. Solvency II own funds increased by €1,5 million during 2023.

D.2.1 Valuation methodology

Best Estimate Health similar to life product (WGA-ERD)

The insurance product WGA-ERD offers a compensation for the client for each employee that is declared (partially) disabled by the Dutch government organization 'Uitvoeringsinstituut Werknemersverzekeringen' or 'UWV'. Although based on the Solvency II requirements for modelling Health SLT products no split is required between different components, we determine the best estimate liability for the WGA-ERD product for the following three components:

- Claims provision - The claims provisions are equal to the present value of the projected benefits for the insured entities. The future benefits depend on the degree of disability and on the degree of recovery in the next 12 years. The future transition rates of the disabled population are estimated as well. The transition rates represent a transition from the disabled state to a different state, either through recovery, death or permanent disability. Once transferred to these states, the claims benefit stops. When an individual is deemed to be disabled permanently, this is treated like a transition because the Dutch government will take over the liabilities from the insurance company in that case.

- Premium provision - The projected benefits are calculated in a similar way as the claims provision, taking into account the projected premium for 2024. It allows for an allocation of acquisition costs.

- Expense provision - this provision allows for the administration costs and overheads that will be incurred to service the claims in the future.

Best Estimate Non-Life products

For the non-life products offered by the Company related to General Liability, Financial loss and Surety lines of business, the split between premium provision and claims provision is made.

Allowance is made for reinsurance for the General Liability product.

Risk Margin

The risk margin depends on the different SCR Underwriting risks and Operational risk components.
As per the Article 39 from the Delegated Acts (EU) 2015/35, a cost-of-capital of 6% is used.

Interest rate and inflation

- The provisions are determined by calculating the present value of future cash flows using the risk free interest rate without Volatility Adjustment, as published by EIOPA;
- Minimum wage indexation assumption is made for the projection of the WGA product benefits, based on historic and prospective Dutch minimum wage indexation trends;

- Expense inflation assumption, based on Luxembourg wage indexation, applies to the projected expense cash flows.

D.3 Other liabilities

- Not applicable.

D.4 Alternative methods for valuation

- Not applicable.

D.5 Any other information

- No other significant information to be disclosed.

E. Capital Management

E.1 Own funds

The Capital Management policy is established to ensure a sound and prudent solvency position and strives to achieve a good balance between the available capital and the risks of the Company.

Only the Company's own funds classified as Tier 1 are permitted to cover SCR and MCR. They consist of the following items:

- Issued Share Capital;
- Non-refundable capital contribution;
- Retained earnings;

The possible payment of dividends is considered on an annual basis by the Board.

When Company's own funds classified as Tier 1 don't cover SCR and MCR, a request for Tier 2 to cover SCR and MCR will be made to the regulator.

The SCR target as stated in the overall risk appetite must be considered when deciding upon dividend payments.

Governance

The Board is responsible for suggesting the amount and date for issuing ordinary share capital and payments of dividends. Results of the SCR, MCR and ORSA are to be considered when formulating the capital management plan.

In addition, any change to the share capital or capital contribution requires the approval of the Board.

The AGM makes the decisions regarding the issuance of ordinary shares, allocation of the net result, and the dividend payments.

Once a year or prior any decision deemed to significantly increase/decrease the own funds the Function Operations - Finance and Accounting review the adherence to the policy.

The Board reviews the Capital Management Policy annually.

Any deviation from the rules and limitations has to be reported to the Board, the Compliance and the Risk Management Functions.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency ratio
(figures x Euro)

SCR and MCR	2023	2022	Variation
Solvency capital requirement (SCR)	**14.996.676**	**13.152.719**	**1.843.957**
Minimum capital requirement (MCR)	**4.000.000**	**4.000.000**	**0**

Tiering own funds	2023	2022	Variation
Tier 1 unrestricted	30.742.118	29.247.183	1.494.935
Tier 1 restricted	0	0	0
Tier 2	0	0	0
Tier 3	0	0	0
Available Own Funds SCR	**30.742.118**	**29.247.183**	**1.494.935**

SCR ratio	2023	2022	Variation
Available Own Funds SCR	30.742.118	29.247.183	1.494.935
Solvency Capital Requirement (SCR)	14.996.676	13.152.719	1.843.957
SCR ratio	**205,0%**	**222,4%**	**-17,4%**

MCR ratio	2023	2022	Variation
Available Own Funds MCR	30.742.118	29.247.183	1.494.935
Minimum capital requirement (MCR)	4.000.000	4.000.000	0
MCR ratio	**768,6%**	**731,2%**	**37,4%**

The available own funds amount to € 30.7 million, an increase of €1.5 million compared to last year:

- Profit for the year +€2.1 million
- Revaluation difference -€0.6 million
- Total €1.5 million

The Solvency ratio as at YE23 is 205%. The ratio has reduced by 17% points:

- Increase in non-life risk due to Surety -35% point
- Counterparty default risk (less cash held) +22% point
- Market risk increase (term deposit) -18% point
- Profit in own funds €2.1m +8% point
- Lower Health risk charge +5% point
- Other -1% point
- Total -17% point

The Minimum Capital Requirement is calculated based on the absolute floor applicable to an insurance company (€4.0 million for insurance companies).

The Solvency Capital Requirement (SCR) per year-end 2023 is € 15.0 million, compared to last year it has increased by € 1.8 million.

SCR (Figures EURO)	2023	2022	Variation
Interest Rate Risk	1.336.341	1.600.526	-264.184
Spread Risk	270.900	0	270.900
Concentration Risk	3.562.297	0	3.562.297
Diversification-effect	-1.308.040	0	-1.308.040
Market Risk	**3.861.498**	**1.600.526**	**2.260.973**
Counterparty Default Risk	**6.150.605**	**8.450.793**	**-2.300.188**
Longevity Risk	24.358	23.207	1.151
Disability & Morbidity Risk	4.290.321	3.953.866	336.455
Expense Risk	428.127	337.862	90.265
Revisions Risk	1.180.798	1.092.758	88.040
Diversification-effect	-1.196.348	-1.087.563	-108.785
Health SLT	**4.727.256**	**4.320.130**	**407.126**
Cat Health	4.948.720	5.832.395	-883.675
Diversification-effect	-2.025.243	-2.073.001	47.758
Health Underwriting	**7.650.733**	**8.079.524**	**-428.791**
Premium and Reserve Risk	152.819	121.271	31.548
Catastrophe Risk	6.115.573	1.237.184	4.878.389
Diversification-effect	-112.836	-85.526	-27.310
Non-Life Underwriting	**6.155.557**	**1.272.929**	**4.882.627**
SCR undiversified	**23.818.393**	**19.403.771**	**4.414.622**
Diversification-effect	-8.035.929	-5.260.916	-2.775.013
BSCR	**15.782.464**	**14.142.855**	**1.639.609**
Operational Risk	262.875	255.768	7.106
LAC DT	-1.048.662	-1.245.904	197.242
SCR	**14.996.676**	**13.152.719**	**1.843.957**

The increase in SCR is driven by the increase of non-life underwriting risk, offset by additional diversification:

- Variation in Market Risk and Counterparty default risk mostly cancel each other out:
    - Counterparty default risk (-€ 2.3 million) decreased following a decrease in receivables and cash at bank. The decrease of the receivables is due to a change in WGA premium payments schedule, where 80% of estimated premium was received in May 2023. Part of the cash has been invested in term deposit and the 35 day notice account;
    - Market risk has increased (+€ 2.3 million). The majority of the increase is attributed to the € 17.4 million held in a term deposit account, which leads to a concentration capital charge;
- Health underwriting risk (-€ 0.4 million) has mainly reduced due to the decrease in the number of lives insured of the largest risk concentration.
- Non-Life underwriting risk (+€ 4.9 million) increased due to the new Surety contract for the Netherlands underwritten as of 01/01/2024, which mainly impacts the Catastrophe risk capital charge;
- Diversification effect increased by € 2.8 million;
- LAC DT (loss absorbing capacity of deferred taxes) has reduced, this has a minor negative impact on the SCR (+€ 0.2 million). This is the effect of utilising the deferred tax asset arising from the losses suffered following the shocks, which reduce the SCR.

The adjustment for the loss absorbing capacity of deferred taxes is tested for recoverability against future taxes on the value of expected future profits.

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

- Not applicable

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

- Not applicable

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

- The Company is compliant with the Minimum Capital Requirement and is compliant with the Solvency Capital Requirement, please refer to E.2.

E.6 Any other information

- No other information to be disclosed.

Appendix A - QRTs

The following QRTs can be found in the appendix, all figures in EUR:

S.02.01.02 - Balance sheet

S.04.05.21 - Premiums, claims and expenses by country

S.05.01.02 - Premiums, claims and expenses by line of business

S.12.01.02 - Life and Health SLT Technical Provisions

S.17.01.02 - Non-life technical provisions

S.23.01.01 - Own funds

S.25.01.21 - Solvency capital requirement - for undertakings on Standard Formula

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

S.02.01.02 - Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	18,310,000
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	0
Government Bonds	R0140	0
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	18,310,000
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	-1,531
Non-life and health similar to non-life	R0280	-1,531
Non-life excluding health	R0290	-1,531
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	1,477,443
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	19,793
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	40,760,947
Any other assets, not elsewhere shown	R0420	496,858
Total assets	**R0500**	61,063,510

Liabilities		
Technical provisions – non-life	R0510	1,104,815
Technical provisions – non-life (excluding health)	R0520	1,104,815
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	596,650
Risk margin	R0550	508,165
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	27,271,535
Technical provisions - health (similar to life)	R0610	27,271,535
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	26,597,587
Risk margin	R0640	673,947
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	1,048,662
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	0
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	839,345
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	57,035
Total liabilities	**R0900**	30,321,392
Excess of assets over liabilities	**R1000**	30,742,118

S.04.05.21 - Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

Country	R0010			
			Top 5 countries: non-life	
		Home country	NETHERLANDS	CZECHIA
		C0010	C0020	C0030
Premiums written (gross)				
Gross Written Premium (direct)	R0020	17,513	277,106	29,750
Gross Written Premium (proportional reinsurance)	R0021			
Gross Written Premium (non-proportional reinsurance)	R0022			
Premiums earned (gross)				
Gross Earned Premium (direct)	R0030	17,513	277,106	29,750
Gross Earned Premium (proportional reinsurance)	R0031			
Gross Earned Premium (non-proportional reinsurance)	R0032			
Claims incurred (gross)				
Claims incurred (direct)	R0040			
Claims incurred (proportional reinsurance)	R0041			
Claims incurred (non-proportional reinsurance)	R0042			
Expenses incurred (gross)				
Gross expenses incurred (direct)	R0050	104,205	145,146	177,016
Gross expenses incurred (proportional reinsurance)	R0051			
Gross expenses incurred (non-proportional reinsurance)	R0052			

Home country: Life insurance and reinsurance obligations

		Country	R0010
			Top 5 countries: life
		Home Country	NETHERLANDS
		C0030	C0040
Gross Written Premium	R1020	0	6,328,594
Gross Earned Premium	R1030	0	6,328,594
Claims incurred	R1040	0	4,618,199
Gross Expenses Incurred	R1050	0	480,797

S.05.01.02 - Premiums, claims and expenses by line of business

Non-Life & Accepted non-proportional reinsurance

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	0	0	0	0	0	0	0	38,106	47,263	0	0	239,000					324,369
Gross - Proportional reinsurance	R0120	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140	0	0	0	0	0	0	0	38,106	0	0	0	0					38,106
Net	R0200	0	0	0	0	0	0	0	0	47,263	0	0	239,000					286,263
Premiums earned																		
Gross - Direct Business	R0210	0	0	0	0	0	0	0	38,106	47,263	0	0	239,000					324,369
Gross - Proportional reinsurance	R0220	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240	0	0	0	0	0	0	0	38,106	0	0	0	0					38,106
Net	R0300	0	0	0	0	0	0	0	0	47,263	0	0	239,000					286,263
Claims incurred																		
Gross - Direct Business	R0310	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Proportional reinsurance	R0320	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340	0	0	0	0	0	0	0	0	0	0	0	0					0
Net	R0400	0	0	0	0	0	0	0	0	0	0	0	0					0
Expenses incurred	R0550	0	0	0	0	0	0	0	61,597	281,221	0	0	81,645					424,463
Other expenses	R1200																	0
Total expenses	R1300																	424,463

S.05.01.02 - Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	6,328,594								6,328,594
Reinsurers' share	R1420	0								0
Net	R1500	6,328,594								6,328,594
Premiums earned										
Gross	R1510	6,328,594								6,328,594
Reinsurers' share	R1520	0								0
Net	R1600	6,328,594								6,328,594
Claims incurred										
Gross	R1610	4,618,199								4,618,199
Reinsurers' share	R1620	0								0
Net	R1700	4,618,199								4,618,199
Expenses incurred	R1900	480,797								480,797
Other expenses	R2500									0
Total expenses	R2600									480,797

S.12.01.02 - Life and Health SLT Technical Provisions

			Index-linked and unit-linked			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020																-
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030												26,597,587				26,597,587
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080																-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090												26,597,587				26,597,587
Risk Margin	R0100											673,947					673,947
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110																-
Best estimate	R0120																-
Risk margin	R0130																-
Technical provisions - total	R0200											27,271,535					27,271,535

S.17.01.02 - Non-life technical provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non proportional health reinsurance	Non proportional casualty reinsurance	Non proportional marine, aviation and transport reinsurance	Non proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050																	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060								128,334	394,059			74,257					596,650
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								-1,531									-1,531
Net Best Estimate of Premium Provisions	R0150								129,865	394,059			74,257					598,181
Claims provisions																		
Gross	R0160																	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																	0
Net Best Estimate of Claims Provisions	R0250																	0
Total Best estimate - gross	R0260								128,334	394,059			74,257					596,650
Total Best estimate - net	R0270								129,865	394,059			74,257					598,181
Risk margin	R0280								5,136	490,570			12,459					508,165
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	0
Best estimate	R0300																	0
Risk margin	R0310																	0
Technical provisions - total																		
Technical provisions - total	R0320								133,470	884,628			86,717					1,104,815
and Finite Re after the adjustment for expected losses due to counterparty default -	R0330								-1,531	0			0					-1,531
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340								135,001	884,628			86,717					1,106,346

S.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	28,000,000	28,000,000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,742,118	2,742,118			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	30,742,118	30,742,118			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	30,742,118	30,742,118			
Total available own funds to meet the MCR	R0510	30,742,118	30,742,118			
Total eligible own funds to meet the SCR	R0540	30,742,118	30,742,118			
Total eligible own funds to meet the MCR	R0550	30,742,118	30,742,118			
SCR	R0580	14,996,676				
MCR	R0600	4,000,000				
Ratio of Eligible own funds to SCR	R0620	205%				
Ratio of Eligible own funds to MCR	R0640	769%				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	30,742,118
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	28,000,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	2,742,118
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	2,138,438
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	-596,650
Total Expected profits included in future premiums (EPIFP)	R0790	1,541,788

S.25.01.21 - Solvency capital requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	3,861,498	
Counterparty default risk	R0020	6,150,605	
Life underwriting risk	R0030		
Health underwriting risk	R0040	7,650,733	
Non-life underwriting risk	R0050	6,155,557	
Diversification	R0060	-8,035,929	
Intangible asset risk	R0070		
Basic Solvency Capital Requirement	R0100	15,782,464	

Calculation of Solvency Capital requirement

			C0100
Operational risk		R0130	262,875
Loss-absorbing capacity of technical provisions		R0140	0
Loss-absorbing capacity of deferred taxes		R0150	-1,048,662
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	
Solvency Capital Requirement excluding capital add-on		R0200	14,996,676
Capital add-ons already set		R0210	
Solvency capital requirement		R0220	14,996,676
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 - No

Calculation of loss absorbing capacity of deferred taxes

			C0130
LAC DT		R0640	-1,048,662
LAC DT	LAC DT justified by reversion of deferred tax liabilities	R0650	-1,048,662
	LAC DT justified by reference to probable future taxable economic profit	R0660	
	LAC DT justified by carry back, current year	R0670	
	LAC DT justified by carry back, future years	R0680	
	Maximum LAC DT	R0690	

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

		MCR components
		C0010
MCRNL Result	R0010	131,435

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090	129,865	0
Credit and suretyship insurance and proportional reinsurance	R0100	394,059	47,263
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	74,257	239,000
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		Result
		C0040
MCRL Result	R0200	1,628,650

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	26,597,587	
Total capital at risk for all life (re)insurance obligations	R0250		1,528,715,505

Overall MCR calculation

		Value
		C0070
Linear MCR	R0300	1,760,085
SCR	R0310	14,996,676
MCR cap	R0320	6,748,504
MCR floor	R0330	3,749,169
Combined MCR	R0340	3,749,169
Absolute floor of the MCR	R0350	4,000,000
Minimum Capital Requirement	R0400	4,000,000