



2022

Solvency and Financial Condition Report

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Executive Summary

A Business and Performance

A.1 Business

Economic and Regulatory Framework, Company Objectives and Strategy

UnipolRe Designated Activity Company ('UnipolRe or the Company hereafter') is a reinsurance undertaking authorised by the Central Bank of Ireland under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015), to carry on Reinsurance business. The Company's registered office is The Watermarque, Ringsend Road, Dublin 4.

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is: Central Bank of Ireland, N Wall Quay, North Dock, Dublin, D01 F7X3.

The Company's external auditor is Ernest & Young, Chartered Accountants and Statutory Audit Firm, Harcourt Centre Harcourt Street Dublin 2, Ireland.

The Company is a wholly owned subsidiary of UnipolSai Assicurazioni S.p.A. based in Italy.

Qualifying Shareholders of the Company:

- Unipol Gruppo S.p.A. – Via Stalingrado 45, 40128 Bologna – 84.97%;
- UnipolSai Assicurazioni S.p.A. – Via Stalingrado 45, 40128 Bologna -100%
- UnipolSai Nederlands B.V. – Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands 100%

Subsidiaries of the Company:

- DDOR Re a.d.o. - 8 Mihajlo Pupin Blvd, 21000, Novi Sad, Serbia – 100%

UnipolRe was launched in 2014 as a professional reinsurer and has grown substantially in premium volumes and company structure from 2014 to date. In early 2023 the company has decided to no longer underwrite active reinsurance business and it is planned that it will be merged by absorption into its parent UnipolSai Assicurazioni S.p.A.

UnipolRe underwrote life and non-life proportional and non-proportional reinsurance business with cedants domiciled in Europe and the Middle East. The company's current portfolio of reinsurance contracts is predominantly motor due to the company exiting the non-proportional nat cat market in November 2021. The Company considered, within the framework of its Risk Appetite, and the constraints of its UW Policy other lines of business including other motor insurance, fire and other damages, non-proportional casualty, and non-proportional property. UnipolRe's business model was to differentiate itself from competitors by offering a full suite of reinsurance solutions for its clients through its capital protection, product know-how and building on the data and technical knowledge at Group level, to grow and strengthen its relationship with its client base. UnipolRe's value proposition was supported by its highly technical team and cutting-edge technology.

Significant Events During the Year 2022

UnipolRe's premium income for 2022 reduced by 24% to €193m primarily driven by the company's decision in November 2021 to exit the Nat Cat excess of loss market. The inflationary environment in Europe and the Middle East drove a deterioration in observed results across most classes during 2022, this effect was seen most notably across the proportional book of business. There was also a further uplift in loss reserves related to the Covid 19 pandemic as well as the Storm Bernd flood losses of 2021.

During 2022, the reinsurance market experienced a meaningful direction change driven by a combination of events, the macro-economic effects of the war in Ukraine and the global pandemic, market loss experience and the erosion of capital within the global reinsurance marketplace. This resulted in a tumultuous January 2023 renewal period where the reinsurance market underwent a fundamental change in terms of pricing and risk appetite which resulted in increased costs and retentions for insurers globally.

For UnipolRe this resulted in improved pricing conditions across most territories and lines at 1/1/2023 as well as the opportunity to begin repositioning the company's portfolio in line with the company's then business strategy of reducing the volatility within the portfolio. Consequently, the company reduced the 1/1 renewal income by a further 18%, declining treaties which did not meet the company's margin requirements and reducing capacity in areas of higher volatility and concentration.

As a result of the Company's decision to exit the active reinsurance market in quarter one 2023 and the portfolio changes completed during 1st January renewals, the premium volume for underwriting year 2023 is expected to reduce circa 47% in comparison to the previous year to €104m.

From 01/01/2023 UnipolRe has the benefit of a 50% quota share treaty with UnipolSai which supported the underwriting strategy at 01/01/2023. The SCR calculation at year end 2022 has the benefit of the alternative method referred to in article 116, paragraph 4, of the Delegated Regulation (EU) 2015/35 for the calculation of the volume measures for premium risk.

Post Year End Event

On 6th February 2023, a series of strong earthquakes occurred in the Turkish Syrian border region, resulting in significant casualties and severe damage to property in both countries. The Company has several treaties with Turkish cedants which have earthquake exposure and we are liaising with these cedants to understand the potential impact on UnipolRe of this event. While it is too early to have any credible estimate of losses, an initial very high-level estimate of losses showed that the Solvency II SCR Coverage would have moved from 143,5% as at 31 December 2022 to 135,4% assuming this initial estimate had been included in the year end reserves for this event.

A.2 Underwriting Performance

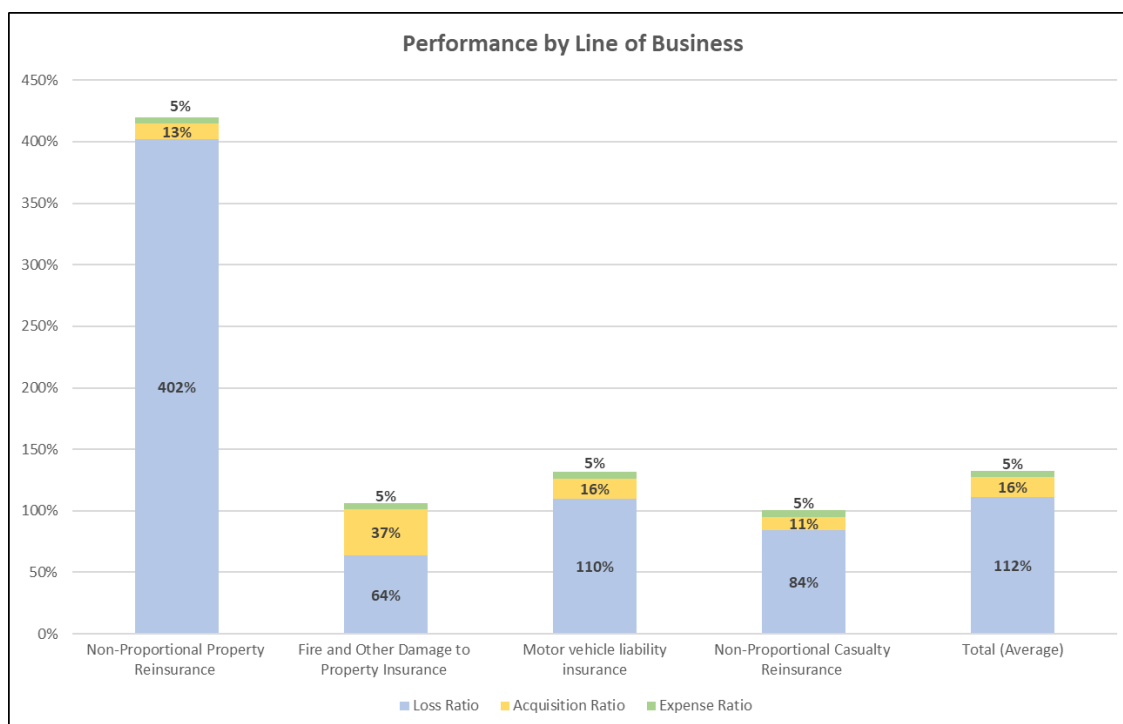
Underwriting Results for the Financial Year 2022

The tables and charts below show a breakdown of the gross written premium by lines of business, a breakdown of the performance of each line of business and the overall performance of business written by the Company as a professional reinsurer which excludes the captive business. This is in line with the QRT S.05.01.02 which is included in the Annexe of this report.

Non-Life GWP & Profit by Line of Business

In thousands of Euros

Line of Business	Gross Written Premiums	Net Earned Premiums	Net Incurred Claims	Commissions	Other Expenses	Profit by Line of Business
Motor vehicle liability insurance	76,910	77,845	(85,726)	(12,624)	(4,020)	(24,526)
Non-Proportional Casualty Reinsurance	63,800	58,715	(49,575)	(6,253)	(3,032)	(146)
Other Motor Insurance	14,062	13,946	(21,758)	(742)	(720)	(9,275)
Non-Proportional Property Reinsurance	10,100	6,805	(27,351)	(868)	(351)	(21,766)
Fire and Other Damage to Property Insurance	19,185	16,712	(10,650)	(6,230)	(863)	(1,031)
Credit and Suretyship	4,395	91	(134)	(41)	(5)	(89)
Medical Expenses Insurance	738	454	(57)	(263)	(23)	111
Non-Proportional Health Reinsurance	518	504	(613)	(49)	(26)	(184)
Proportional Marine, Aviation and Transport Insurance	890	572	(484)	(207)	(30)	(148)
Non-Proportional Marine, Aviation and Transport Insurance	7	7	(137)	-	(0)	(130)
General Liability Insurance	1,621	1,075	(802)	(448)	(56)	(230)
Miscellaneous Non-life insurance	301	447	(321)	(173)	(23)	(70)
Total	192,527	177,174	(197,608)	(27,900)	(9,150)	(57,484)

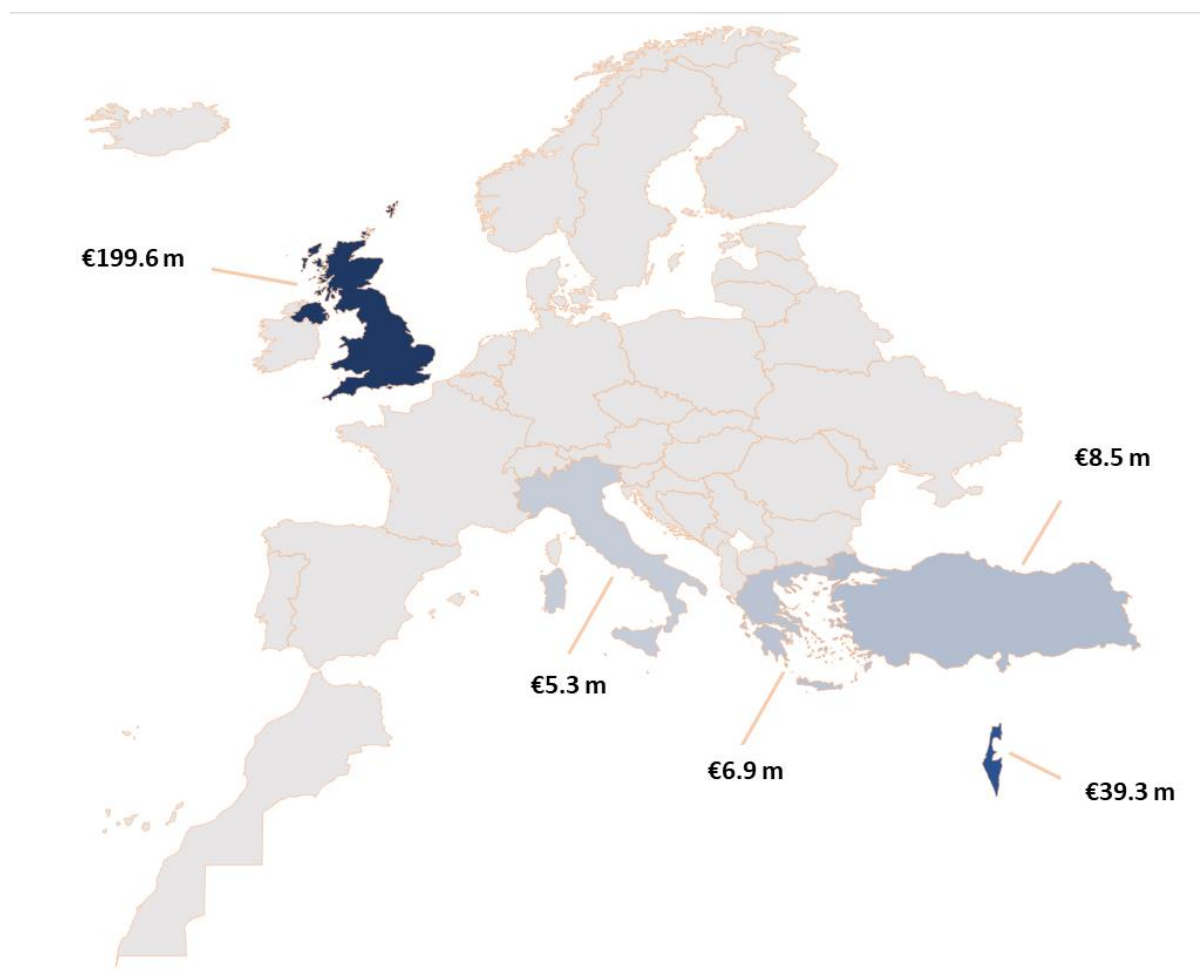


Overall, the Company had Gross Written Premiums of €192.5, Net Earned Premiums of €177.2m, Net Incurred Claims of €197.6m and Total Expenses of €37.1m.

Geographical Areas

In relation to the geographical location of the underwriting activities during the year 2022, the following table shows the gross written premium broken down by geographic area, showing the 5 largest countries by Gross Written Premium, in line with the QRT Report S.05.02.01 annexed.

For proportional and non-proportional reinsurance information, the data relates to where the cedant is located.



Underwriting by Geographical Area - Gross Written Premium by Country (Top 5 countries)

The above map represents the result of the underwriting for the first 5 countries, compared to the overall underwriting result.

As shown above the main geographical areas the Company wrote business in 2022 are United Kingdom, Italy, Israel, Greece, and Turkey.

A.3 Investment Performance

This section shows the results of the Company's investments, broken down by asset class and type of income or expense in the period, as reported in the financial statements.

Details of income and assets and liabilities, profits and losses from trading and the investment recoveries and adjustments are reported in the following tables.

Investment Income

<i>In thousands of Euros</i>	2021	2022	Percentage of Total
Financial Income and Ordinary Capital			
Interest on Bonds	6,374	8,230	92.76%

Interests on Deposits	0	9	0.10%
Interests on Reinsurance Deposits	329	435	4.91%
Total (a)	6,703	8,674	97.77%
Profits on gains			
Realised and Unrealised Gains on Bonds	440	198	2.23%
Total (b)	440	198	2.23%
TOTAL	7,143	8,872	100.0%

87% of the Company's total assets are composed of bonds therefore the main driver of the investment return is the bond portfolio. This coupled with the low interest rate environment is the main driver of the investment return of the Company.

Investment Charges

<i>In thousands of Euros</i>	2021	2022	Percentage of Total
Expenses			
Interest Costs on Deposits	115	203	10.79%
Interest Costs on Reinsurance Deposits	3	63	3.36%
Total (a)	118	266	14.15%
Realised and Unrealised Losses on Bonds	471	1,614	85.85%
Total (b)	471	1,614	85.85%
TOTAL	589	1,880	100.00%

The main drivers of the expenses are the interest paid on deposits and the realised and unrealised losses on the bond portfolio.

A.4 Performance of Other Activities

Below are details of other significant income and expenses, which have not already been included in previous sections A.2 and A.3, that the company has incurred in the period.

Other income and expenses

<i>In thousands of Euros</i>	2022	2021
Other technical income	606	0
Other income	1,075	1,497
Foreign Exchange gains	23,900	26,510
Total Other Income	25,581	28,007

The Other Income relates to reinsurance services and administration provided to Group Companies.

<i>In thousands of Euros</i>	2022	2021
Other technical costs	0	694
Other costs	62	13
Foreign Exchange losses	24,069	25,129
Total Other Expenses	24,131	25,836
Deferred Tax	7,984	(6,958)
Current Tax	0	0
Income Tax Charges Total	7,984	(6,958)

B System of Governance

B.1 General information on the Governance System

B.1.1 Governance System

The Company is classified as a Low Risk firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The Board of Directors is the focal point of the corporate governance system. It is ultimately accountable and responsible for the performance and conduct of the Company. Delegating authority to Board committees or management does not in any way mitigate or dissipate the discharge by the Board of Directors of its duties and responsibilities. In the case of a policy established by the Board, the Board would need to be satisfied that the policy has been implemented and that compliance has been monitored. Similarly, the Board needs to be satisfied that applicable laws and regulations have been complied with. The responsibilities of the governing body must be consistent with the rules on governance structure established in the jurisdiction.

The Board has established a sub-committee structure to assist it in performing its duties. Currently the Board has appointed an Audit Committee, a Risk Committee, and a Governance Remediation Project Committee. The responsibilities of the Board include (but are not limited to):

- a) Setting the direction, strategies, and financial objectives of the Company, supported by professional business advisors such as lawyers, tax advisers and actuaries.
- b) Oversight of the Company, including its control and accountability systems.
- c) Monitoring compliance with statutory and regulatory requirements.
- d) Reviewing and ratifying systems of risk management and internal control.
- e) Approval of Financial Statements and Report of the Directors
- f) Returns to the Central Bank of Ireland
- g) Election of Directors. Pursuant to the Articles of Association of the Company, the Directors have the power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing Directors.
- h) Approval of Appointments. The Directors are responsible for ensuring that any proposed appointment to Director or to senior management meets the Central Bank's "fitness and probity" regime and that a letter of no objection is received from the Central Bank.
- i) Monitoring senior management's performance and their implementation of strategies and policies.
- j) Ensuring appropriate resources are available for the Company in the pursuit of its objectives.
- k) Formal approval of principal Company Procedures.
- l) Approval of all policies.
- m) Approval of key strategic decisions such as:
 - Renewal of principal third party contracts,
 - New proposed territories/markets,
 - Mergers and Acquisitions, sale, and purchase of shareholdings, etc.

The Audit Committee of the Board has been established to assist the Board of Directors in fulfilling its corporate governance and its internal control responsibilities. The Audit Committee assists the Board in discharging its responsibilities for:

- The integrity of the Company's financial statements.
- The effectiveness of the Company's internal controls.
- The Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- The effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system;
- Monitoring the effectiveness, independence, and objectivity of the external auditor.
- Monitoring the effectiveness of Compliance function

The Risk Committee of the Board has been established to assist the Board of Directors of the Company in fulfilling its oversight responsibilities in relation to enterprise risk management. The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems.
- The implementation of the Company's risk strategy and maintenance thereof.
- The oversight of Solvency II developments.
- Making of recommendations to the board on the risk appetite of the company and ensuring timely reporting of material deviations from defined risk appetite.
- Monitoring the effectiveness, independence, and objectivity of the Risk function.

Governance Remediation Project Subcommittee

The role of the Governance Remediation Project Subcommittee is to support the Board in the overseeing the implementation of the CBI RMPs.

In addition to the Board Committees above, the company operates key management committees as follows:

Reserve Committee

The primary goals of the Reserve Committee are to oversee the determination of the reserves held by the Company on a consolidated basis, to oversee, review and challenge the Company's assumptions and methodology for developing the estimate of reserves, and to review the development of the Company's strategy for managing claims.

Management Committee

The role of the Management Committee is to assist the Chief Executive Officer in the operational management of the Company. The Management Committee meets monthly to discuss Company strategic, risk, financial and operational matters.

Outsourcing Committee

The purpose of the Outsourcing Oversight Committee is to ensure compliance with the Outsourcing policy, assist Relationship Owners in the discharge of their duties relating to outsourcing and to support the Chief Risk Officer to monitor the risk profile arising from outsourcing. The remit of the Outsourcing Oversight Committee includes:

Ensuring compliance with all aspects of the Outsourcing Policy on an ongoing basis;
Overseeing Relationship Owners' monitoring, control and reporting of outsourcing activities and related risks;

Evaluating the management information (accurate and timely reporting against agreed service standards) presented to the committee from Relationship Owners across the business;

Reviewing and, where appropriate, recommending to the Board new outsourcing arrangements or changes to existing ones. This includes the outcome from the cost / benefit analysis, the outcome of the risk assessment process, the outcome of the criticality assessment, the presentation of the exit strategies and termination processes as well as the GDPR approval requirements;

In the event that a Relationship Owner determines that they are not able to comply with the UnipolRe Outsourcing Policy, an exception request must be submitted to the Outsourcing Oversight Committee for review and escalation to the Risk Committee and Board. Any conditions attached to the approved exception to the Outsourcing Policy will be tracked and monitored by the Outsourcing Oversight Committee;

Escalating matters in relation to breaches or deviations from the Outsourcing Policy or issues which increase the risk profile of UnipolRe's Outsourcing arrangements or are reportable to a regulatory authority, to the Risk Committee and Board in a timely manner.

B.1.2 Role and Responsibilities of the Core Functions

The Head of Internal Audit is responsible for assessing the completeness, functionality, reliability and adequacy of the internal control system and risk management, checking, both on an ongoing basis and in relation to specific needs, the operation, and the suitability, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritization of the main risks;

The Chief Risk Officer is responsible for identifying, measuring, assessing, and monitoring on an ongoing basis the current and future risks at the individual level and aggregate to which the Company is or could be exposed, and their interdependencies.

The Compliance Officer is responsible for assessing, according to a risk-based approach, the adequacy of the procedures, processes, policies, and internal organization in order to prevent the risk of non-compliance, or the risk of incurring legal or regulatory sanctions, material financial losses or reputational damage as a result of noncompliance with relevant regulations.

The Head of Actuarial Function verifies - based on the principles of Solvency II - the adequacy of technical reserves, the reliability and sufficiency of the data used for the calculation of the same and assesses the adequacy of the global policy underwriting of risks and reinsurance agreements.

B.1.3 Remuneration System

The following remuneration policy is in accordance with Section 14.7 of the Corporate Governance Code Insurance Undertakings, which applies to all Company Directors as well as to all employees of the Company.

The Board will review annually the remuneration policy and any changes must be approved by the Board itself.

Only independent directors of the Board are remunerated. This remuneration is in line with generally accepted market standards and reflects their independence and impartiality from the Company and the Group as a whole.

The policy reflects the Company's standards of good corporate governance, and it intends to incentivise sustainable long-term value creation and the avoidance of unreasonable risk taking. In addition, it had an objective to ensure that:

- The Company could attract, develop, and retain high-performing and motivated employees in a competitive market
- the Company is only exposed to a reasonable and predictable cost burden
- employees are offered an adequate and competitive remuneration package
- employees feel encouraged to create sustainable results and that a link exists between shareholder and employee interests

The CEO implements, and the Board of Directors monitors compliance with the remuneration policy on an annual basis.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the needs of the business unit, the employee's position in the Company and professional contribution as well as reflecting market practice around total reward levels.

The remuneration components are:

- Fixed Salary
- Variable component or bonus scheme
- Other benefits including pension.

The fixed remuneration is determined based on the role of the individual employee, including responsibility and job complexity, local market conditions and according to the guidelines issued by the ultimate holding company of the Group.

The variable pay component or bonus scheme may arise subject to the performance of UnipolRe, as well as the individual performance of the staff member.

The defined contribution pension scheme provides the employees with a basic cover in the event of illness or death, and a pension payment based on the value of the funds on retirement.

The other benefits are awarded based on individual employment contracts.

B.2 Fit and Proper Requirements

The Company has adopted a Fitness and Probity Policy, which sets out the due diligence checks that must be performed in the following areas, prior to appointment and on a regular basis, and which aligns with the Central Bank of Ireland's Guidance on Fitness and Probity Standards 2018. These include:

- Identification (copy of passport)
- Professional qualification(s)
- Continuous Professional Development
- Interview and application
- References
- Record of previous experience
- Record of experience gained outside the State
- Individual Questionnaire

The recruitment process for a candidate for a Control Function role includes the following:

- A written job description outlining the duties and responsibilities of the role.
- An assessment of the level of fitness and probity required for the role, based on the formally documented job description and person specification.
- A process (i.e number and diversity of interviews) that matches the person with the requirements of the role.
- Verification of identity, relevant qualifications, experience, references, and professional memberships.

For key Control Functions (referred to as Pre-Approved Control Functions or “PCFs”), approval from the Company's regulator is required prior to appointment by the Company's Board. Members of the Board are all PCF functions as are all of the Control Functions listed above. Additionally, PCF holders, including external service providers, annually attest to the Company in respect of fitness and probity.

B.3 Risk Management System, Including the Own Risk and Solvency Assessment

B.3.1 Risk Management System

The risk management system is the set of processes and tools used to support the risk management strategy of the Company and allows an adequate understanding of the nature and significance of the risks to which the Company is exposed to. The risk management system allows the company to have a unique perspective and a holistic approach to risk management, which is an integral part of running the business. The risk management system consists of the following areas;

- Identification of risks, which is the identification of significant risks, for instance those risks whose consequences may threaten the solvency or reputation of the Company or constitute a serious obstacle to achieving its strategic objectives.
- Current and prospective evaluation of exposure to risks (Own Risk and Solvency Assessment, “ORSA”), which is carried out using methodologies provided by regulations and best practices regarding the risks for which the measurement is not regulated or defined by high-level principles.
- Monitoring of exposure to risks and reporting, - based on the principles of completeness, timeliness, and effectiveness of the information - to ensure an early and continuous monitoring of the evolution of the risk profile and compliance with the defined Risk Appetite. This system ensures that the quality and quantity of the information provided are commensurate with the needs of different audiences and complexity of managed business, to be used as a strategic and operational tool for the evaluation of the possible impacts of decisions on the risk profile and solvency.
- Mitigation of risks, which consists of identifying and proposing actions and interventions necessary and / or useful to mitigate the risk levels present or prospective that are not in line with the risk objectives defined within the company.

The processes of identification, evaluation and monitoring of risks are carried out on an ongoing basis, considering both the changes in the nature and size of the business and the market environment, and in the occurrence of new risks or change of existing ones.

The risk management system is based on the logic of Enterprise Risk Management, which is based on an integrated perspective of all current and future risks which the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives.

To pursue these high-level goals, the approach considers the need to balance multiple instances from key stakeholders. The risk management system is designed to reflect:

- the need to safeguard net worth and reputation.
- solvency requirements.
- ratings requirements.
- the need to diversify risks and to ensure sufficient liquidity.

To implement these principles and to pursue the objectives assigned, the risk management system is based on a fundamental element: the Risk Appetite. The Risk Appetite is formalized through the Risk Appetite Statement, indicating the risk that the Company intends to take or avoid, setting the limits in terms of quantity as well as quality criteria to be considered for the management of non-quantified risks.

The Risk Appetite can be fixed as a single measure (target) or as a range of possible values (range) and is divided into quantitative and qualitative elements.

The determination of the risk appetite is divided, in quantitative terms, per the following elements:

- risk capital.
- capital adequacy.
- Liquidity / ALM (Asset Liability Management) indicators.

These are defined as objectives in terms of quality regarding non-compliance risk, strategic risks, reputational and emerging risks, and operational risks.

The Risk Appetite fits within a frame of reference, the Risk Appetite Framework (“RAF”). The RAF is defined strictly in line, and in a timely connection with the business model, the strategic plan, the process called ORSA, the budget, the organization, and the internal control system. The RAF defines the Risk Appetite and other components that allow the management, both in normal conditions, and under stress conditions. These components are:

- the Risk Capacity.
- the Risk Tolerance.
- the Risk Limit (or risk operating limits).
- Risk Profile.

The individual components of the RAF change as the business develops and reflects the strategic objectives of the business. The RAF supports the business in carrying out capital adequacy tests during the course of the normal business process as well as extraordinary transactions including (mergers, acquisitions, sales, capital injections etc)

The Risk Management System is formalized by the Risk Management Policy, adopted by the Board of Directors, and subjected to periodic updates, the last of which occurred on Q3 2022, which defines, in reference to the perimeter of competence, the appropriate guidelines for identification, evaluation, monitoring and mitigation of risks and operational limits consistent with the defined Risk Appetite. The parent company ensures that the Risk Management Policy is implemented in a manner consistent and continuous within the entire Group.

The principles and processes of the Risk Management System as a whole are also set out in the following Company policies: “Own Risk and Solvency Assessment Policy” and “Operational Risk management policy”

In the Risk Management System, the Risk Management Department has the responsibility to identify, measure, assess and monitor on an ongoing basis the current and future risks at the individual level and aggregate to which the Company is or could be exposed, and their interdependencies. In the exercise of its role, the Risk Management Department is responsible for the design, implementation, development, and maintenance of systems for measuring and controlling risks. The Risk Management Department also contributes to the spread of a risk culture throughout the Company.

B.3.2 Own Risk and Solvency Assessment

Through the Own Risk and Solvency Assessment, the Company intends to pursue the following objectives:

- highlight the link between the business strategy, the process of capital allocation and risk profile.

- a general overview of all the risks facing the Company and those they might be exposed in the future, and the solvency position, current and future.
- provide the Board of Directors and top management feedback on the design and effectiveness of the risk management system and highlighting any shortcomings and suggesting remedial action.

The ORSA process is achieved through:

- the measurement of capital required per current regulations and based on the requirements of Solvency II, in the latter case with the use of the Standard Formula.
- assessment of the capital adequacy of the Company, based on the results obtained above. When setting the ORSA process, the Company was guided by the following principles:
- the ORSA, in addition to being a regulatory requirement, constitutes an internal process evaluation element to support operational and strategic decisions; the ORSA and strategic planning processes are interconnected:
- the forecast within the latest Business Plan approved by the Board of Directors is the basis of the ORSA evaluation.
- the ORSA process considers all the risks that can lead to a significant reduction in the Own Funds of the Company or have impact on the ability to meet commitments towards the policyholders, in line with the Risk Management Policy. A qualitative assessment is produced for risks not included in the calculation of capital requirements under the first Pillar of Solvency II. Therefore, the assessment of these risks is completed, not by quantification of the possible loss, but rather by verifying the effectiveness of control measures in place and the proper functioning of the management and monitoring processes.
- the ORSA process is carried out in compliance with the standards of data provided by the Standard Quality of Data Governance and Data Quality Management Policy in force, adopted by the Board of Directors.
- the current process provides for the monitoring of the indicators defined in the Risk Appetite Statement and is carried out on at least a quarterly basis and, in any case, where circumstances arise that could significantly alter the risk profile.
- the performance of ORSA and editorial activities of its report shall be initiated following the closing of the reporting period and closed within timelines consistent with the deadlines set out by supervisory regulations.

The ORSA process is an integral part of the risk management system and decision-making of the Company and therefore has points of contact with other core business processes such as:

- strategic planning and capital allocation.
- definition of Risk Appetite.
- monitoring and mitigation of risks.

As described above, the present evaluation, carried out on a quarterly basis at least, provides for the monitoring of the defined indicators in the Risk Appetite Statement. The Company ORSA forms part of the overall Group ORSA which is submitted to the Group Supervisory Authority IVASS and the Company's supervisory authority the CBI.

The ORSA process goes through a strict governance process involving all aspects of the Company including the business planning process, the risk management process, and the capital management process. The Risk Committee plays a key part in setting and approving the material risks which form the basis of the company specific scenarios in the ORSA. The ORSA is approved by the Board of Directors where all parts of the ORSA are considered before approval including the need for any management actions.

B.4 Internal Control System

The system of internal control and risk management is a key element of the corporate governance system; it consists of a set of rules, procedures and organizational structures which aim to ensure:

- the effectiveness and efficiency of business processes.
- monitoring and mitigation of current and future risks.
- prevention of the risk that the company is involved, even unintentionally, in illegal activities, especially those related to money laundering and the financing of terrorism.
- prevention and proper management of potential conflicts of interest with Related Parties and Connected Persons, as identified by the relevant regulations.
- verifying the implementation of corporate strategies and policies.
- safeguarding the company's assets, in the medium to long term, and the management of those held on behalf of customers.
- the reliability and integrity of information provided to the corporate bodies and the market and IT systems.
- the adequacy and timeliness of business information reporting system.
- the compliance of the company and of the operations carried out on behalf of customers with the law, supervisory regulations, self-regulatory standards, and internal rules.

The Company implements an articulated and efficient internal control system and risk management, considering the different applicable regulations and of the various fields of activity, consistent with the guidelines provided by the parent, with the aim of ensuring that the main risks relating to its activities are properly identified, measured, managed, and controlled.

The system of internal control and risk management is an integral part of the company and must permeate all its sectors and its facilities, involving every resource, each for their own level of competence and responsibilities to ensure steady and effective risk management.

The system of internal control and risk management is defined in the Internal Control Policy approved by the Board of Directors.

The Board of Directors is responsible for the internal control system and risk management, which, in accordance with the guidelines laid down by the parent company, periodically checks its adequacy and effective functioning, the systems of internal control system and risk management - and ensuring that the main business risks (current and prospective) are identified, evaluated - also prospectively - and adequately controlled.

The Board of Directors is also responsible for, as well as approving an organizational structure that ensures, through an adequate and coherent articulation of the same, the separation of roles in the performance of the process activities, the traceability and visibility of the operations and the transparency of the decision-making processes involved in each of the operating processes.

The senior management team supports the Board of Directors in the design and implementation of the internal control system and risk management, including those resulting from regulatory non-compliance, consistent with the policies and the risk management policies defined by the administrative body and the guidelines set out by the parent company.

The internal control system and risk management is set per the guidelines outlined below:

- separation of duties and responsibilities: the skills and responsibilities are allocated among the functions and structures clearly, in order to avoid gaps or overlaps that may affect the business functionality.
- integrity, completeness, and correctness of the data stored: the data recording system and the related reporting procedures must ensure that they have adequate information about the elements that can affect the risk profile of the company and on its solvency.
- independence of the controls: the necessary independence of the inspection structures with respect to the operating units must be ensured.

The system of internal control and risk management is regularly subjected to evaluation and review.

The internal control system and risk management are divided up into several levels:

- i. line controls (“first level controls”), aimed at ensuring the proper conduct of operations. They are carried out by the operational structures (for instance hierarchical controls, systematic and random), even across different units which report to the heads of operational structures or executed as part of the back-office; as far as possible, they are incorporated in IT procedures. The operational structures are the first responsible for the risk management process and must ensure compliance with the procedures adopted and compliance with the tolerance level established at risk.
- ii. controls on risk and compliance (“second-level controls”), which aim to ensure the correct implementation of the risk management process, the implementation of activities entrusted to them by the risk management process, respect the operational limits for the various functions and compliance with corporate operations standards. The functions assigned to these controls are distinct from operational ones; they contribute to the definition of governance policies of risks and of the risk management process.
- iii. internal audit (“third-level controls”), checks on completeness, functionality and adequacy of the internal control system and risk management (including the first and second level) as well as the consistency with company operations.

As part of the internal control system and risk management, the task of assessing the organization and internal company procedures are adequate to prevent the risk of non-compliance – i.e., the risk of incurring in legal or administrative sanctions, financial losses, and reputational damage because of violations of laws, regulations or supervisory authority measures or self-regulation - is attributed to the Anti-Money Laundering and Compliance function. The compliance operational process is divided into the following phases:

- regulatory analysis.
- assessment of risk.
- identification of adjustments.
- monitoring.
- reporting.

B.5 Internal Audit Function

The Audit Department is responsible for assessing the completeness, functionality and adequacy of the internal control system and risk management, including through support and advisory services to other business functions. The role of Head of Internal Audit is outsourced to KPMG Ireland.

The main role of the Internal Audit Function is as follows;

- Develop and execute a comprehensive, risk-based financial, operational, and IT systems audit program, with a goal of both maximizing Company performance and control, while minimizing risk. The plan must reflect a thorough understanding of the company's business and operations, as well as the changing regulatory environment and its impact on corporate governance and internal controls.
- Continue to evolve the scope and perspective of audit so that it aligns with cross-functional business processes, rather than solely around discrete functions.
- Respond effectively to management's request for specific and/or special audit projects.
- Prepare the annual internal audit plan and submit to the Audit Committee for approval.
- Carry out the activities planned in the annual internal audit plan and report regularly to the Audit Committee
- Assist management in responding to his/her findings and recommendations.
- Ensure that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:
 - a clear statement on the effectiveness of internal controls.
 - major internal (financial) control weaknesses discovered.
 - progress on the implementation of internal audit recommendations.
 - progress against plan over the previous year.
 - strategic audit plan covering the coming five years.
 - a detailed plan for the coming year.

B.6 Actuarial Function

The Actuarial services to support the business are outsourced to Allied Risk Management. The Head of Actuarial Function works closely with the Company's Reserving Actuary.

The key responsibilities of the HoAF include:

- Co-ordination of the calculation of technical provisions. This consists of assessing the sufficiency of the provisions, assessing the uncertainty in the estimates, and justifying the differences between successive periods.
- Review the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience. There is also a requirement to consider the verifiability of assumed management actions.

The HoAF is responsible for the production of the following for submission to the Board of Directors;

- Opinion on the overall Underwriting Policy
- Opinion on the adequacy of Reinsurance arrangements
- Opinion on the ORSA
- Opinion to the CBI on the adequacy of the Technical Provisions
- Actuarial Report on Technical Provisions
- Actuarial Function Report

Contribution to Risk Management

The Actuarial Function works closely with the CRO. The contribution to Risk Management includes:

- Detailed review and replication of SCR calculation;
- Review of reserving policy;
- Review of reinsurance programme and impact on balance sheet and SCR;
- Review of treatment of Future Premium in the Company's SCR calculation for its Strategic Plan;
- Review of impact of proposed changes in the Solvency II Standard Formula, expected to be implemented during the lifetime of the current Strategic Plan; and
- Review of ORSA and provision of Opinion on ORSA Projections.

B.7 Outsourcing

The guidelines for outsourcing are defined in the policy on outsourcing ("Outsourcing Policy") of the Group, adopted by the Board of Directors and subject to periodic updates, which governs the decision making, responsibilities, tasks and controls expected in terms of outsourcing of activities and business functions within the Unipol Group, as well as to third parties, thus strengthening the supervision of the risks arising from outsourcing choices.

The policy specifically states:

- criteria for the identification of activities to outsource.
- criteria for the qualification of activities as essential or important and important operational functions.
- constraints for outsourcing.
- the service provider selection criteria.
- the decision-making process to outsource functions or operations.
- the minimum content of the outsourcing contracts and the logical definition of expected service levels of outsourced activities.
- internal reporting mechanisms to ensure that the various business departments and control functions have full knowledge and governance of risk factors related to the outsourced functions; guidelines to be followed in case of inadequate execution of the outsourced functions by the service provider, including those relating to contingency plans and exit strategies in case of outsourcing of functions and activities essential or important.
- communication obligations to the Supervisory Authority.

The Company considers as essential or important functions or activities, those that meet at least one of the following conditions:

- i. failure to perform can seriously affect:
 - a. the financial results, the strength of the Company or the continuity and quality of services rendered; or,
 - b. the Company's ability to continue to comply with the requirements for the preservation of its authorization to carry out business or the obligations required by the applicable regulatory provisions.

- ii. that regard operational processes of corporate control functions or have a significant impact on corporate risk management.

For the qualification of the activities or functions as essential or important, the economic activity importance and the volumes of the same compared to the total volumes and the degree of autonomy of the supplier in the performance of activities included in the outsourcing contract, can be considered as additional elements for assessment.

The Company may enter into outsourcing arrangements, provided that the nature and amount of activities to outsource, as well as the modalities of the sale do not result in the emptying of the Company. The use of outsourcing cannot:

- delegate the responsibilities or liability of the Company
- affect the quality of the internal control system and the Company's governance.
- alter the relationship and obligations towards customers.
- jeopardize the ability to fulfil obligations under the regulatory provisions or under Company or other relevant laws.
- outsource the underwriting of risks.

The table below is information relating to the essential or important functions or activities outsourced and the jurisdiction in which the suppliers of those functions or activities are located.

#	Outsourced Essential or Important Activities	Name of the Provider	Legal Office
1	Investment Management	UnipolSai Assicurazioni S.p.A.	Via Stalingrado 45, 40128 Bologna. Italy
2	Head of Actuarial Function	Allied Risk	13 Fitzwilliam St Upper, Dublin 2, Ireland.
3	Head of Internal Audit	KPMG	1 Harbourmaster Place, Dublin 1, Ireland.
4*	Head of Compliance with responsibility for Anti Money Laundering	KPMG*	1 Harbourmaster Place, Dublin 1, Ireland.

*From March 2023 the Head of Compliance function is temporarily vacant, pending CBI approval to Grant Thornton Dublin 13-18 City Quay Dublin 2 D02 ED70

B.8 Other Information

The Board of Directors has assessed its corporate governance system and has concluded that it provides for the sound and prudent management of the business, which is proportionate to the nature, scale, and complexity of the operations of the Company.

C Risk Profile

C.1 Underwriting Risk

Non-Life and Health Insurance Risk

The Non-Life and Health Insurance Risk is represented within the Standard Formula, through the following risk sub-modules:

- **Premium Risk:** This is the risk resulting from fluctuations in the timing, frequency and severity of insured events related to contracts in force at the valuation date or that will be signed in the following year.
- **Reserve Risk:** This is the risk resulting from fluctuations in the timing and amount of future payments for claims already occurred at the valuation date.
- **Catastrophe Risk:** this is the risk of loss or adverse changes in the value of insurance liabilities due to extreme or exceptional events.
- **Lapse Risk:** this is the risk of early termination - on the insurer's initiative – of multi-year contracts.

following table shows the volume measures for premium and reserve risk of Non-Life and Health. The data are reported for each of the LOB in which the Company operates.

Volume Measures for Non-Life and Health Premium Risk and Reserve Risk

In thousands of Euros

Line of Business	Premium Volume	% of total	Reserve Volume	% of total
Motor Third Party Liability	72,635	39%	147,173	28%
Fire and Other Damage to Property	20,032	11%	13,077	2%
General Liability	1,724	1%	7,358	1%
Other Motor	6,517	4%	13,158	2%
Marine, Aviation and Transport	1,046	1%	655	0%
Credit and Suretyship	5,812	3%	1,649	0%
Miscellaneous Financial Loss	- 0	0%	1,031	0%
Non- Proportional Property Reinsurance	2,757	1%	129,923	24%
Non- Proportional Casualty Reinsurance	72,277	39%	217,096	41%
Non- Proportional Marine, Aviation and Transport	-	0%	846	0%
Medical Expenses	876	0%	1,365	0%
Non- Proportional Health	374	0%	1,321	0%
Total	184,048	100 %	534,652	100 %

Non-Life and Health SCR Sub Risk Modules

In thousands of Euros

Line of Business	2022	2021	Variation
Non Life total	226,071	266,663	(40,592)
<i>Non Life CAT</i>	<i>31,550</i>	<i>52,014</i>	<i>(20,464)</i>
<i>Non Life Premium and Reserve Risk</i>	<i>216,095</i>	<i>248,792</i>	<i>(32,697)</i>
<i>Non Life Lapse Risk</i>	<i>2,612</i>	<i>5,989</i>	<i>(3,377)</i>
<i>Diversification within Non Life risk module</i>	<i>(24,186)</i>	<i>(40,132)</i>	<i>15,946</i>
Health total	1,882	1,993	(111)
Non Life and Health SCR	226,079	266,670	(40,591)

Non-Life and Health SCR as at December 31, 2022, in accordance with the Standard Formula was €226,079 thousand.

Risk Mitigation Techniques

The Company uses retrocession as a substantial risk mitigation technique.

The Company used the impact of the retrocession agreements when it was calculating the volume measures for the Premium and Reserve Risk Module.

The Company used the methodology in line with the EIOPA Guidelines on the Reinsurance to assess the impact of the retrocession on the Non-Life Catastrophe Risk.

C.2 Market Risk

Market risk refers to all the risks which result in impairment of financial investments or real estate as a result of adverse developments of the relevant market variables:

Interest rate risk, the risk of a loss in value of a financial asset in the portfolio in relation to movements in market interest rates;

- Equity Risk, the risk linked to losses due to movements in share prices;
- Exchange Rate Risk, the risk of possible losses on foreign currency positions in the portfolio due to changes in exchange rates;
- Spread Risk, the risk associated to a possible increase of spreads required by the market to a debtor.
- Real Estate Risk, the risk linked to losses due to movements in property prices;
- Concentration risk: the additional risk due to limited diversification of financial asset portfolio or from high exposure to the default risk to a single issuer.

The financial portfolio at 31 December 2022 is made up of 82.6% government bonds and 16.72% corporate bonds, with less than 1% in other assets.

Financial Portfolio Composition

Type <i>In thousands of Euros</i>	Fair value	% Total exposure to TFP
Property Plant and Equipment held for Own Use	359	0.04%
Participations and related Undertakings	5,229	0.64%
Equities	0	0.00%
Equities Unlisted	0	0.00%
Bonds	810,349	99.32%
Government bonds	673,953	82.60%
Corporate bonds	136,396	16.72%
Total Portfolio	815,936	100%

All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, are invested to ensure the security, quality, liquidity and profitability of the portfolio as a whole.

The following table shows the Market Risk SCR as per the Standard Formula as at 31 December 2022:

Standard Formula SCR Market Risk

In thousands of Euros

Risk Sub Module	SCR Market 2022	SCR Market 2021	Variation
Interest Rate	6,319	8,223	(1,905)
Equities	1,150	1,248	(98)
Property	-	0	-
Spread	11,953	14,977	(3,024)
Currency	10,216	26,169	(15,952)
Concentration	-	211	(211)
Total SCR Market Risk	20,207	36,418	(16,211)

The change in the market risk over the period is mainly driven by a decrease in currency risk, driven by a reduced mismatch between assets and liabilities in the currencies other than EURO.

Risk Mitigation Techniques

The Investment Policy sets out a Strategic Asset Allocation, any deviation from which must be approved by the Board of Directors. The asset liability matching is structured such that a mismatch of no more than two years is permitted.

C.3 Credit Risk

Credit Risk (Counterparty Default Risk) identifies the risk that a debtor or guarantor from which payment is due fails to comply, fully or partially, to its financial obligation accrued to the Company. Credit risk thus reflects the potential loss due to an unexpected default of the counterparties and debtors of insurance and reinsurance companies in the next 12 months.

The Solvency Capital Requirement relating to credit risk as at 31 December 2022 is as follows:

Credit – Exposures

In thousands of Euros

Type of Risk	Exposure 2022	% of Total
Type 1	335,102	99.9%
Type 2	204	0.1%
Total	335,306	100.0%

Standard Formula SCR Credit

In thousands of Euros

Type of Risk	SCR 2022	SCR 2021	Variation
Type 1	44,599	39,668	4,931
Type 2	31	21	9
Credit SCR	44,622	39,684	4,938

The SCR for Counterparty Default Risk as at 31 December 2022, in accordance with the Standard Formula, amounted to €44,622 thousand.

Risk Mitigation Techniques

The Company monitors its exposure to a single counterparty, or groups of related counterparties, and to territorial and industry segments. The Reinsurance Policy of the Company sets a minimum rating of A- for each reinsurance counterparty. The main mitigation for credit institutions are minimum credit ratings of credit institutions.

C.4 Liquidity risk

Gains Expected in Future Premiums

Liquidity risk is the risk of not having the cash resources necessary to meet its commitments, balance sheet and off-balance sheet, without having to suffer economic losses resulting from forced sales of assets in the event that adverse scenarios occur.

In order to assess the company's liquidity profile and its ability to meet its commitments without having to incur significant losses, even under stressful conditions, specific analysis is carried out. This analysis involves determining the liquidity gap between cash outflows and cash inflows on maturities up to 12 months, the cumulative liquidity gap and the liquidity buffer which considers any contingency instruments, both under normal conditions in situations of stress of the technical variables. The total amount of expected profits in future premiums calculated in accordance with Article 260, paragraph 2 of the Delegated Regulation (EU) 2015/35 is €6.48m.

C.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events such as fraud or the activities of service providers. Part of the operational risks, in terms of the identification and quantitative assessment are the legal risk, the risk of non-compliance and IT risk, while strategic risk and reputational risk is not included (covered in C.6).

As part of the Internal Control System and risk management, the operational risk management system facilitates the achievement of the following high-level goals:

- Avoiding exposure to operational risk is inconsistent with the defined Risk Appetite;
- Improve the overall efficiency of the processes ensuring that the potential operational risk is identified,
- Measured, controlled, and operated in accordance with methodologies defined and consistent within the Group.

The Company calculates the capital requirement for operational risk through the use of the Standard Formula as set out in Delegated Regulation (EU) 2015/35.

The SCR for operational risk as at December 31, 2022, measured using the Standard Formula was € 18.36m

The identification of operational risk is based on the collection of information on potential events or actual events from all relevant sources of information and classified in a coherent and coordinated way to represent and contribute to a continuous overall database on operational risk.

The identification activity consists in gathering as much information as possible about the event risk, its possible causes and effects with the aim of increasing knowledge specific exposure of the different business areas. Furthermore, this activity aims also at assessing the adequacy of controls and at identifying the best solutions for the management of any critical situations. The main method used by the Company for identifying and assessing operational risk is the risk register. This involves the compilation of a full suite of risks for each business area of the company. Where a risk falls outside of the risk tolerance approved by the Board a mitigation must be raised and agreed with the relevant line manager.

Business Continuity is a material operational risk within the Company. i.e. the evaluation of the impacts resulting from the interruption of business processes, following the occurrence of a disastrous event.

The Company has a Business Continuity Policy, which lays down the guidelines of operational continuity with the aim to minimize the impact of disaster events on the relevant services, whether they are caused by events of sectoral scope, corporate, local, or extended (Business Continuity Management).

C.6 Other substantial risks

The Company also identifies as significant the following risks:

Reputational Risks: Conducting an orderly run off is key to the company's and its parent's reputation, in a run-off scenario there are requirements within the reinsurance contracts which the company must follow whilst also maintaining a standard of service to their cedants most notably in regard to settling claims and preserving its current rating of A- from AM Best.

Strategic Risks: UnipolRe is facing a new phase since the beginning of 2023. The Company has decided to cease underwriting of reinsurance business in the professional reinsurance market and transfer the reinsurance portfolio to UnipolSAI Group by a cross border merger. The company is in the process of updating its risk register to ensure the new risks, mitigations, and controls to guarantee the achievement of the strategy are identified and implemented.

Cyber Risk: The Company has not underwritten treaties for specific IT risks but does have a number of cyber risks in its overall portfolio that could prove "silent" within the treaty. There are a number of treaties that include specific individual cyber risk limits, and these are tracked as part of the underwriting process. In operational terms, the Company has implemented a number of IT measures to counter cyber risks, including firewalls and other mitigation methods. Penetration tests are performed regularly on the security measures.

Political Risks: Three markets within the Company's territorial scope face significant political risk in the near future including the following;

- Turkey (increasingly autocratic government); The Company has continued to reduce exposures to Turkey since 2019. This approach limits the exposures to political risk. The volatility in the FX mismatch can cause potential issues for Turkish exposures, this is closely monitored within the finance, pricing, and reserving processes.
- Israel (potential conflict with Iran); The main mitigation for this risk is that any acts of war and/or terror events in Israel are covered by a government pool and excluded from the treaties covered by UnipolRe.
- War in Ukraine; note that the Company does not underwrite treaties for cedants based in Ukraine. Property contracts with exposure in the region contain exclusion clauses for losses deriving from military conflicts. A potential risk could emerge for marine hull & cargo contracts. However, UnipolRe's exposure in these lines of business is ancillary to relations with such cedants.

Climate Change: In 2021 UnipolRe introduced a management action to exclude non-proportional Treaties which cover natural perils on a per occurrence basis, including but not limited to Event/Cat excess of loss, Aggregate excess of loss and Stop Loss. The underwriting of per risk excess of loss Treaties where natural perils are covered on a per risk basis only or the underwriting of Motor excess of loss Treaties which combine liability and casco coverages exposed to natural perils was not part of the exclusion referenced.

Sensitivity Analysis

To monitor the sensitivity to risks, the Company has defined a set sensitivity analysis. The analysis of sensitivities on the main economic and financial variables of interest are carried out at least annually and used to assess the impact on the solvency ratio of the Company in the face of variations of the main risk factors.

Below is the list of sensitivities analysis carried out and their descriptions.

Sensitivities to the Interest Rate Curve

In order to analyse the impact of a shock on the interest rate curve, two sensitivity analysis on movements of the interest rate curve were carried out. These were a parallel shift up and a shift down of all yield curves (Euro and the rest of the world), shift of +100 bps and -100 bps.

Sensitivity to Bond Yields

In order to analyse the impact of a shock on bonds yields, a joint analysis was carried out in which was estimated an increase in interest rates by plus 100 bps and an increase of plus 100 bps for all government credit spreads, financial and corporate.

Below are the results of the sensitivity analysis carried out by the Company using the hypotheses and methodologies described above. The analysis assume, as the Central Scenario, the risk profile determined according to the Standard Formula.

Description	Impact on Central Scenario	Impact on SCR Ratio
Interest Rate Stress Up	+ 100 bps	-5.00%
Interest Rate Stress Down	- 100 bps	6.00%
Bond Yield Stress	Corporate Bond Spreads + 100 bps	-1.00%
Bond Yield Stress	Government Bond Spreads + 100 bps	-5.00%
Stock Market Stress	- 2000 bps	0.00%
Property Market Stress	- 1500 bps	0.00%

D Valuation for Solvency Purposes

The calculation of the solvency requirement set out in the Directive is defined as the economic capital that insurance and reinsurance undertakings must hold to ensure that the event of “ruin” does not occur in more than once in 200 cases or, alternatively, that the undertakings in question will still be able, with a probability of at least 99.5%, to meet their obligations towards policy holders and beneficiaries over the following twelve months. The capital is estimated based on a balance sheet prepared on “Market Consistent” criteria. These criteria are generally based on the fair value evaluation as defined by international accounting standards (IFRS 13), determined on the following hierarchy:

- i. quoted prices in active markets for the same assets and liabilities.
- ii. quoted prices in active markets for similar assets and liabilities, suitably adjusted to take account of the differences with the assets and liabilities listed.
- iii. evaluations derived from internal valuation models (“Mark to Model”). The data used in these models must derive as far as possible from information implicit in the market valuations of the previous points.

Consequently, the preparation of the Market Consistent Balance Sheet (MCBS) of the Company was made through the following phases:

- restatement of the individual assets and liabilities of the Company based on the classification criteria for compiling the QRT S.02.01 (Balance Sheet).
- evaluation of individual assets and liabilities under the criteria of the Regulations, in accordance, where applicable, with the assessments set out on the purpose of the consolidated financial statements prepared in accordance with IAS / IFRS principles.

Below is the content of the QRT S.02.01.02 (MCBS) as at 31/12/2022 which contains a valuation of the assets and liabilities of the Company to market consistent values (Solvency II Value) and a consistent evaluation with that adopted by the Company to prepare its financial statements (Statutory Account value).

Market Consistent Balance Sheet (MCBS)

Assets - In thousands of Euro	Solvency II Value	Statutory Account Value
Deferred Acquisition Costs	-	12,735
Intangible assets	-	74
Deferred tax assets	-	-
Property, plant & equipment held for own use	359	120
Investments (other than assets held for index-linked and unit-linked contracts)	815,577	816,592
Holdings in related undertakings, including participations	5,229	5,131
Equities	-	-
<i>Equities - unlisted</i>	-	-
Bonds	810,349	811,462
<i>Government bonds</i>	673,953	673,952
<i>Corporate Bonds</i>	136,396	137,509
Reinsurance recoverables from:	69,073	88,339
Non-life and health similar to non-life	69,073	88,339
<i>Non-life excluding health</i>	69,117	-
<i>Health similar to non-life</i>	- 45	-
<i>Life and health similar to life, excluding health, linked to an index and linked to shares</i>	-	-
<i>Life, excluding Health, linked to an index and linked to shares</i>	-	-
Deposits to cedants	121,122	121,122
Insurance and intermediaries receivables	-	-
Cash and cash equivalents	28,255	28,255
Reinsurance Receivables	26,481	141,935
Receivables (trade, not insurance)	-	-
Any other assets, not elsewhere shown	20,848	20,848
Total assets	1,081,715	1,230,021

Market Consistent Balance Sheet (MCBS)

Liabilities - In thousands of Euro	Solvency II Value	Statutory Account Value
Technical provisions - non-life	666,400	809,966
Technical provisions - non-life (excluding health)	663,267	809,966
<i>Best estimate</i>	609,333	-
<i>Risk Margin</i>	53,934	-
Technical provisions - health (similar to non-life)	3,132	-
<i>Best estimate</i>	2,633	-
<i>Risk Margin</i>	500	-
Technical provisions - life (excluding index-linked and unit-linked)	634	1,250
<i>Best estimate</i>	629	-
<i>Risk Margin</i>	5	-
Deposits from reinsurers	9,102	9,102
Deferred tax liabilities	-	-
Insurance & intermediaries payables	-	-
Reinsurance Payables	4,838	45,684
Payables (trade, not insurance)	1,318	1,318
Debts owed to non-credit institutions resident domestically	246	-
Any other liabilities, not elsewhere shown	3,126	3,126
Total liabilities	685,663	870,445
Excess of assets over liabilities	396,052	359,575

Comments are provided in the following sections for the differences between the two valuations.

D.1 Assets

D.1.1 Evaluation Criteria

This section sets out the criteria, methods and models used by the Company for the detection and measurement of assets in MCBS.

Deferred Acquisition Costs

Deferred Acquisition Costs are set to zero under Solvency II as under a market consistency cash flow basis the deferred acquisition costs are zero.

Intangible Assets

The Regulations set out that intangible assets must be assigned a value equal to zero. Exceptions are intangible assets that can be sold separately from the rest of the Company and for which a quotation is available in an active market for similar assets. No asset of this type is held by the Company.

Financial Assets and Liabilities (Excluding Equity Investment) and Properties

The financial assets and liabilities are measured at fair value within the hierarchy set out by the Regulations. The valuation principles of fair value as adopted by the Company as part of the Unipol Group in accordance with IFRS 13 are set out below.

In accordance with IFRS 13, to determine the fair value of financial instruments, in instruments traded in an “active and liquid market”, a market price is used (Mark to Market).

“Active and liquid market” means:

- the regulated market where the instrument being valued is regularly quoted and traded.
- The multilateral trading facility (MTF) where the instrument being valued is regularly traded or quoted.
- quotes and transactions performed on a regular basis, or with high-frequency transactions and with low bid / offer spread, by an authorized intermediary (the “contributor”).

In the absence of the availability of prices on a liquid and active market, valuation methodologies that maximize the use of observable parameters and minimize the use of non-observable parameters are used. These methods could be summarized in Mark to Model evaluations, evaluations by the counterparty or evaluation to the book value in respect of certain categories of non-financial assets.

Equity Investments

The carrying value of equity investments¹ in MCBS is determined based on the following hierarchy:

- quoted prices in active markets for the same assets and liabilities.
- percentage held in shareholders’ equity determined based on the evaluation criteria MCBS.
- percentage held in shareholders’ equity determined based on international accounting standards, considering the evaluation criteria of intangible assets reported in paragraph 2.2.1.
- internal valuation models.

¹ Equity Investments are identified by the Regulation and the Directive such as investments in entities or subsidiaries, or those for which the Company holds at least 20% of the voting rights or capital.

Deferred Taxes

In March 2023, the Company ceased underwriting active reinsurance business and commenced a process to be merged by absorption into its parent UnipolSai Assicurazioni S.p.A. In anticipation of this merger by absorption, the relevant tax rules do not allow the transfer of any reportable tax losses still existing at the date of the incorporation of UnipolRe in UnipolSai. Therefore, the recoverability of potential tax assets does not fulfil the likelihood requirement, and the balance of deferred tax assets and liability have been written to zero.

Other Activities

For all other activities not included in the categories set out above, in view of its characteristics, the book value in the MCBS is consistent with the value of the specified purposes of the consolidated financial statements prepared and then by applying the relative IAS / IFRS.

D.1.2 Quantitative Information on the Valuation of Assets

Intangible Assets

The Company, in line with the regulatory requirements of the Directive, for solvency purposes, does not attribute value to goodwill or other intangible assets, as a quotation on an active market for similar assets is not available.

In thousands of Euros

Intangible Assets	Solvency II Value	Statutory Account Value	Difference
Deferred Acquisition Costs	-	12,735	- 12,735
Intangible assets	-	74	- 74
Total	-	12,809	- 12,809

Following the adjustments required for the two above items in MCBS, the Company recorded a decrease in equity resulting from the statutory financial statements of €12.81m, gross of the related tax effects.

Land Buildings and Other Tangible Assets

The land and buildings have been booked in MCBS at fair value. The measured value in the financial statements of the Company is the acquisition cost, adjusted to take account of revaluations provided for by laws, allocations of merger, or write-downs for permanent loss in value.

In thousands of Euros

Tangible Assets	Solvency II Value	Statutory Account Value	Difference
Property, plant and equipment held for own use	359	120	239
Total	359	120	239

Note that, in respect of other tangible assets (e.g. Equipment, plant, machinery, cars, etc.), the book value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and significance of those assets, has been considered adequately representing the fair value. Therefore, there is no difference between the two valuations.

Other Investments (Other Than Equity Investments)

As a general principle, all investments are stated at fair value as required by the Directive.

The measured value in the financial statements of the Company corresponds instead:

- in the case of investments qualified as long-term, at acquisition cost less any permanent impairment losses.
- in the case of other investments, at the lower of cost or fair value determined based on market developments.

In relation to investments consisting of deposits with financial institutions (“Deposits other than cash equivalents”) and loans and mortgages (“loans & mortgages”) the book value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and the significance of those assets, it was considered as adequately representing the fair value.

In thousands of Euros

Other Financial Investments	Solvency II Value	Statutory Account Value	Difference
Equities	-	-	-
Equities – Unlisted	-	-	-
Bonds	810,349	811,462	- 1,113
Total	810,349	811,462	- 1,113

As most of the other financial investments are held at market value on the statutory balance sheet there is only a very small non-material difference in the Solvency II value.

Equity Investments

The carrying value of equity investments² in MCBS is determined based on the following hierarchy:

- quoted prices in active markets for the same assets and liabilities.
- percentage held in shareholders’ equity determined based on the evaluation criteria MCBS.
- percentage held in shareholders’ equity determined based on international accounting standards, considering the evaluation criteria of intangible assets described in paragraph D.1.1.
- internal valuation models.

As UnipolRe does not have subsidiary companies whose securities are quoted in active markets, it was decided to adopt the following guidelines:

- investments in subsidiaries are valued based on the share of net assets of the associate, determined on the basis of preparation of the MCBS criteria.
- interests in associates are accounted for based on the share of net assets of the associate, determined on the basis of IFRS (less any intangible assets of the subsidiary).

These criteria differ from the valuation method of shareholdings in the financial statements of the Company. Based on local accounting standards, equity investments intended for a lasting nature must be valued at cost less any impairment losses also considered permanent.

² Equity Investments are identified by the Regulation and the Directive such as investments in entities or subsidiaries, or those for which the Company holds at least 20% of the voting rights or capital.

In thousands of Euros

Equity Investments	Solvency II Value	Statutory Account Value	Difference
Shares held in related undertakings, including equity investments	5,229	5,131	98

The different methods to determine the value of the equity investments, recorded an increase in MCBS compared to the statutory financial statements, gross of the related tax effect.

Deferred Taxes

As outlined in section D1.1 the balance of deferred tax assets and liability have been written to zero due to the planned incorporation of UnipolRe in UnipolSai.

In thousands of Euros

Deferred Tax Assets and Liabilities	Solvency II Value	Statutory Account Value	Difference
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	-
Net total	-	-	-

The differences compared to the figure recorded in the financial statements, are related to the deferred tax effect of temporary differences arising from adjustments of assets and liabilities valuations commented in paragraphs D.1, D.2 and D.3.

The Solvency II item is the tax asset generated by the change in valuation basis.

Other Assets

The following table shows the differences detected among other activities described in MCBS and the corresponding evaluations of the same, in the balance sheet.

In thousands of Euros

Other Assets	Solvency II Value	Statutory Account Value	Difference
Deposits with ceding undertakings	121,122	121,122	-
Cash and equivalent to cash	28,255	28,255	-
Reinsurance Receivables	26,481	141,935	- 115,454
All other assets not mentioned elsewhere	20,848	20,848	-
Total	196,706	312,160	- 115,454

In relation to the other activities listed in the table above, the carrying value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and the significance of those assets, has been considered as adequately representing the fair value.

The main change relates to the reinsurance receivables balance of which part have been determined under the Delegated Acts to be part of the overall Technical Provisions.

D.2 Technical Provisions

D.2.1 Evaluation criteria

Non-Life Technical Reserves

In accordance with what is defined in the Directive, the technical reserves are determined as the sum of a best estimate (Best Estimate of Liability or BEL) and a margin for risk (Risk Margin).

The main difference in relation to the legislation applicable for the preparation of financial statements is represented by the transition from an evaluation carried out according to the principle of prudence to the adoption of a “market” evaluation.

The value of technical reserves should be “*the amount an insurance or reinsurance undertaking would have to pay if it transferred immediately its rights and its contractual obligations to another company.*”

The risk margin therefore signifies the risk premium or, elements for contingencies, while prudence is included in the holding of an adequate level of capital.

These principles are reflected in the adoption of a Discounted Cash Flow (DCF) method for the evaluation of BEL, the elimination of all forms of prudence (for instance an evaluation at ultimate cost for reserves for outstanding claims, inclusion of the reserves for unexpired risks and additional reserves for unearned premiums) and the inclusion - in the evaluation - of all the variables that can affect the amount of future cash flows both inwards and outwards.

BEL corresponds to the expected present value of future cash flows calculated using the relevant term structure of interest rates without risk, taking into consideration of volatility adjustment.

The Best Estimate was calculated, per the principles laid down in the legislation, net of recoveries from recognisable risk mitigation contracts by applying appropriate statistical / actuarial models.

In relation to BEL of claims reserves, the Company’s Booked Reserves from its Management Accounts as at 31 December 2022 were taken as the basis for the undiscounted Best Estimate Claims Reserve with the Margin for Uncertainty deducted. As such, there are no material differences between the bases, methods and main assumptions used by that undertaking for the valuation for solvency purposes and those used for their valuation in financial statements. The above reserves are then discounted using risk free yield curve of the relevant currencies in accordance with a payment pattern that is based on the historic runoff of the book and analysis performed when pricing.

The Company considers this approach to be appropriate, given the risk profile and nature of their business. The methodology underlying the booked reserves involves reserving on a treaty by treaty basis based on the pricing loss ratios while considering actual claims experience to date. These pricing loss ratios, estimated using actuarial techniques, reflect the best estimate of ultimate cost of claims for the risks exposed in the Company's book given the limited data available and include considerations for events not in data.

An explicit allowance for expenses relating to the claims provision was made in accordance with Article 78 of the Solvency II Directive.

A portion of the payable and receivables have been included in the technical provisions as per Article 28 of the Delegated Acts. The Company has made the following assumptions in relation to how to treat these payables and receivables:

- Payables and receivables are allocated between the claims provisions and the premium provisions in accordance with type of outstanding balance involved.
- The allocation to technical provisions are those which are within credit terms.
- All other receivables and payables remain on the Solvency II balance sheet outside of technical provisions.

The BEL of premium provisions was calculated by considering all cashflows arising from the unexpired risk period of all existing contracts consistent with EIOPA's "Guidelines on contract boundaries". The cash flows consider all assets, incoming and outgoing, generated by the combination of written but not yet incepted business, future premiums, claims not yet incurred, claims handling expenses allocated and unallocated and administrative/overhead expenses in servicing those contracts.

Written but not incepted business (WBNI) are those 1 January 2023 reinsurance renewals for which contracts have been signed by the Company prior to the valuation date of 31 December 2022. They have been included in the technical provisions as part of the premium provisions as per Guideline 68 of EIOPA's "Guidelines on the valuation of technical provisions". The cash outflows relating to WBNI were estimated based on the pricing loss ratios and expenses assumptions which incorporated both expected commission ratio and all expenses incurred in servicing the related obligations as per Article 78 of the Solvency II Directive. The Company has made the following simplified assumptions, considering the proportionality principle:

- WBNI premiums are assumed to be fully received in the next 12 months.
- Expenses are to be paid in the next 12 months.
- Retrocession program relating to the WBNI businesses has been included as Future Management Actions, consistent with Article 23 of the Delegated Acts.

The risk margin as part of the technical provisions is calculated formulaically and represents the cost of holding the capital required to run-off the current portfolio. The weighted average cost of capital to be applied is prescribed at 6%. Undertakings are permitted to use simplification methods in order to calculate the risk margin as stated in Guideline 61 of EIOPA's "Guidelines on the valuation of technical provisions". The Company uses Method 2 of the simplifications in the document referred to above.

Solvency II requires the company to take into account all possible outcomes in settling its technical provisions, not just the reasonably foreseeable. This should allow for uncertainty and possibilities of events that have not occurred before within the company data or across the insurance industry. This typically involves binary events that are not part of the data available to the company within its pricing or claims data which is known as ENID or Events Not in Data.

The Company has included an allowance for ENID within its premium provisions such that a specific loading where necessary in the pricing loss ratio. Within the claims provisions the Company has including an allowance for ENID based on one of the scenarios in the ORSA.

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the prior year Technical Provisions calculations.

As with all reinsurance undertakings the Technical Provisions are subject to uncertainty. Sources of uncertainty particular to UnipolRe are as follows:

Claim Provisions

- Emergence of new claims, latent claims, or new types of claims.

Premium Provisions

- Exposure to natural catastrophe events in Europe.
- Large events being more frequent or severe than expected.

The above risks are mitigated by a comprehensive retrocession programme. Sliding scale and profit commission structures with quota share cedants mitigates the uncertainty attaching to these contracts. Inclusion of ENID loadings as described above also ensures that the Company's Technical Provisions allow for such uncertainty. The uncertainty around the discount rate to be applied in the UK and other jurisdictions in calculating the damages payable for loss of earnings and long-term care adds additional uncertainty to the Technical Provisions. The Company is of the view that it is adequately reserved in this regard.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC

D.2.2 Quantitative information on the valuation of assets

Non-Life Technical Reserves

The value of the entry in the Non-Life Technical Reserves of the MCBS corresponds to their fair value determined on the basis of the methodologies described in the previous paragraph 2.2.4.

Below are the values of the Non-Life Technical reserves divided into Line of Business (LoB).

Segmentation of the LoB Business Non-Life Technical Reserves

In thousands of Euros

Line of Business	Total Best Estimate Gross	Reinsurance Recoverables	Total Best Estimate Net	Risk Margin	Total
Proportional Lines of Business					
Medical expense insurance	1,392	- 27	1,419	243	1,661
Motor vehicle liability insurance	150,829	- 746	151,575	7,949	159,523
Other motor insurance	13,636	- 32	13,668	273	13,941
Marine, aviation and transport insurance	799	19	780	40	820
Fire and other damage to property insurance	18,183	6,057	12,127	2,724	14,850
General liability insurance	7,338	240	7,098	522	7,620
Credit and suretyship insurance	51,000	49,272	1,728	324	2,052
Miscellaneous financial loss	905	-	905	38	943
Non-Proportional					
Non-proportional health reinsurance	1,240	- 18	1,258	257	1,515
Non-proportional casualty reinsurance	219,640	- 2,629	222,269	36,822	259,091
Non-proportional marine, aviation and transport reinsurance	846	-	846	48	894
Non-proportional property reinsurance	146,157	16,936	129,221	5,195	134,416
Total	611,965	69,073	542,893	54,434	597,327

The table below summarizes the differences between the value measured in accordance with Solvency and evaluation for the purposes of the financial statements of the Company in non-life technical reserves (direct and indirect) net of amounts ceded to reinsurers.

In thousands of Euros

Non-Life Reserves	Solvency II Value	Statutory Account Value	Difference
Technical Reserves - non-life	666,400	809,966	- 143,566
Amounts recoverable from reinsurance: Non- life and health similar to non-life	69,073	88,339	- 19,267
Total	597,327	721,627	- 124,299

Please refer to paragraph D.2.1 for comments on the differences between the techniques for determining the non-life technical reserves for the Solvency II balance sheet and that recorded in the financial statements.

D.3 Other Liabilities

D.3.1 Evaluation Criteria

Financial Liabilities

The valuation of other financial liabilities (non-technical) fair value is determined by considering the merit of credit due to the time of issue (at inception) and not considering any subsequent changes in the merit of enterprise credit.

Other Liabilities

For all other liabilities not included in the categories set out in the previous paragraphs, taking into account its characteristics, the entry value in the MCBS is consistent with the value of the same determined for the purposes of the consolidated financial statements prepared and then by applying the IAS / IFRS of reference.

D.3.2 Quantitative information on the valuation of liabilities other than technical reserves

The following table shows the differences in other liabilities reported in the MCBS and the corresponding evaluations of the same in the balance sheet.

In thousands of Euros

Other Liabilities	Solvency II Value	Statutory Account Value	Difference
Deposits from reinsurers	9,102	9,102	-
Debts (commercial, non-insurance)	1,318	1,318	-
Reinsurance Payables	4,838	45,684	- 40,845
All other liabilities not reported elsewhere	3,126	3,126	- 0
Total	18,384	59,229	- 40,845

The main change relates to the net reinsurance payables balance of which part have been determined to be part of the overall Technical Provisions.

D.4 Alternative Methods

The table below shows the breakdown of valuation of the assets and liabilities recognized in MCBS, in order to identify the portions of assets and liabilities for which alternative methods of evaluation have been used, if the conditions provided by art. 10 of Regulation (lack of quoted prices in active markets for identical assets or liabilities or similar to those being valued, or other valuation methodologies defined in Articles 11 (contingent liabilities), 12 (intangible assets), 13 (holdings), 14 (financial liabilities), 15 (deferred taxes) and Chapter III (technical Reserves) of the Regulations, are met.

Alternative Evaluation Methods

In thousands of Euros

	Total	Of which evaluated based on prices of active markets for identical assets or liabilities or similar assets and liabilities	Of which evaluated based on other evaluation criteria specified in the Regulations	Of which evaluated using alternative methods of assessment
Assets				
Deferred tax assets	-	-	-	-
Property, plant and equipment held for own use	359	-	-	359
	-	-	-	-
Investments (other than assets held for contracts index-linked and unit-linked)	815,577	810,349	5,229	-
Shares held in investee companies, including investments	5,229	-	5,229	-
	-	-	-	-
Equities	-	-	-	-
<i>Equities - Unlisted</i>	-	-	-	-
	-	-	-	-
Bonds	810,349	810,349	-	-
<i>Government bonds</i>	673,953	673,953	-	-
<i>Corporate Bonds</i>	136,396	136,396	-	-
	-	-	-	-
Reinsurance Recoverables:	69,073	-	69,073	-
Non-life and health similar to non-life	69,073	-	69,073	-
<i>Non- life excluding health</i>				
<i>Health similar to non - life</i>	- 45	-	45	-
<i>Life and life similar to health, excluded health, linked to an index and linked to shares</i>	-	-	-	-
<i>Life, excluded health, linked to an index and linked to shares</i>				
	-	-	-	-
Deposits with ceding undertakings	121,122	-	-	121,122
Reinsurance Receivables	26,481	-	-	26,481
Cash and cash equivalents	28,255	-	-	28,255
All other assets not mentioned elsewhere	20,848	-	-	20,848
Total	1,081,715	810,349	74,301	197,065

Alternative Evaluation Methods

In thousands of Euros

		Of which evaluated based on prices of active markets for identical assets or liabilities or similar assets and liabilities	Of which evaluated based on other evaluation criteria specified in the Regulations	Of which evaluated using alternative methods of assessment
Liabilities	Total			
Technical reserves - non-life	666,400	-	666,400	-
	-	-	-	-
Technical reserves - non-life (without health)	663,267	-	663,267	-
<i>Best estimate</i>	609,333	-	609,333	-
<i>Risk Margin</i>	53,934	-	53,934	-
	-	-	-	-
Technical reserves – Health (similar to non-life)	3,132	-	3,132	-
<i>Best estimate</i>	2,633	-	2,633	-
<i>Risk Margin</i>	500	-	500	-
	-	-	-	-
Technical reserves- Life (except linked to an index and linked to shares)	634	-	634	-
<i>Best estimate</i>	629	-	629	-
<i>Risk Margin</i>	5	-	5	-
	-	-	-	-
Deposits from reinsurers	9,102	-	9,102	-
Debts owed to non-credit institutions resident domestically	246	-	-	246
Reinsurance Payables	4,838	-	4,838	-
Debts (commercial, non-insurance)	1,318	-	1,318	-
All other liabilities not reported elsewhere	3,126	-	-	3,126
	685,663	0	682,292	3,371

Alternative methods of evaluation were used for all the assets and liabilities for which an upper hierarchy evaluation input was not available or for which other methods of assessing were not envisaged by the Regulations.

The description of the methods used and of valuation uncertainty is shown as a comment of the evaluation criteria in sections D.1.1 and D.3.1.

D.5 Going Concern

The Directors have a reasonable expectation, having made appropriate enquiries that the Company has sufficient adequate resources to continue as a going concern for a period of at least twelve months from the date on which the solvency and financial condition report is authorized for issue. As a result of the decision of the Board, made on 20 March 2023, to cease underwriting of new active reinsurance business and to commence a process of merger by absorption with its parent, UnipolSai Assicurazioni S.p.A. The directors have highlighted uncertainties relating to the implementation of the merger as it is dependent on receipt of regulatory and court approvals in Ireland, as is the timing of such merger, even if approvals are achieved. As a result of these uncertainties, the directors have considered:

- the potential run-off scenarios
- the sensitivity to the timing of any transfer on the run-off
- if the Company has adequate resources to allow for an orderly run-off on the business and,
- specifically, whether the company has sufficient capital and liquidity to continue as a going concern for a period of at least twelve months from the date on which the solvency and financial condition report is authorised for issue.

As a result, the Directors consider it appropriate to adopt the going concern basis in preparing the annual solvency and financial condition report

E Capital Management

E.1 Own funds

E.1.1 Scope

Own Funds (the “Own Funds” or “OF”) represent the financial resources permanently acquired by the company and at its disposal to absorb losses and to meet the risks generated by the business.

The process of calculation of own funds eligible to cover the capital requirements (SCR and MCR) develops primarily in the determination of available own funds. These are then restated according to the eligibility criteria laid down in the Regulations, in order to get eligible own funds.

The Directive divides the Own Funds available in Basic OF and Ancillary Own Funds.

The Basic OF are constituted by the excess of assets over liabilities, measured at fair value in accordance with art. 75 of the Directive. The constituent elements are classified into 3 levels (Tier 1, Tier 2, Tier 3) based on their technical characteristics with the aim of stability and absorption of losses.

The reconciliation reserve within Tier 1 is equal to the amount which is the total surplus of assets over liabilities, reduced by the value:

- Of the own shares of the Company.
- Of expected dividends.
- Of own funds of Tier 2 and Tier 3.
- Of the elements of Tier 1 different, of course, from the reconciliation reserve itself.
- Of surplus of own funds on the notional SCR of Ring-Fenced Funds.

Ancillary OF, which the Company does not have as at 31/12/2022, are based on elements, which can be called up to absorb losses.

Within this category are included:

- share capital or initial fund unpaid and uncalled.
- letters of credit and guarantees.
- any other legally binding commitments received by the company.

Such elements, whose inclusion is subject to approval by the supervisory authority, cannot be computed in the Tier 1 and are not eligible to cover the MCR.

The eligibility limits used are those established by art. 82 of the Regulations, which provides the following criteria to satisfy the solvency capital requirement (SCR):

- the proportion of Tier 1 must be at least equal to 50% of the SCR.
- the amount of the elements belonging to Tier 3 must be less than 15% of the SCR.
- the sum of the elements of Tier 2 and Tier 3 cannot be higher than 50% of the SCR.

To cover the minimum solvency capital requirement (MCR), art. 82 of the Regulation provides for more restrictive requirements:

- the share of Tier 1 capital must be at least equal to 80% of the MCR.
- the amount of the elements belonging to the Tier 2 must be less than 20% of the MCR.

Tier 3 and ancillary own funds are not allowed to cover the MCR.

Within the limits of the above subordinated liabilities belonging to Tier 1 (defined as “Tier 1 restricted”) may not exceed the limit of 20% of the total of the elements of Tier 1. The elements that should be included in higher Tier levels, but more than the limits referred to above, they can be classified in the lower levels.

E.1.2 Capital Management Policy

The Company’s Capital Management Policy approved by the Board of Directors sets out the Company’s aim to hold Own Funds to meet its capital requirements on an ongoing basis. The capital planning process sets out the main needs of capital management, the sources of capital management if required and the roles and responsibilities in the capital management process. There were no additional Own Funds through the year. There were no distributions on Own Funds during the year including no payments of dividends. The time horizon of the Capital Management Planning Process is five years.

Based on the evaluations carried out for solvency purposes, the following tables represents the structure and the amount of OF to cover the SCR and the MCR determined for 2022.

E.1.3 Information on eligible own funds

Annual Movements of Own Funds of the Company

The table below shows the situation of the basic own funds and eligible in the Company, according to the tier level, between the 01/01/2022 and the situation at 31/12/2022.

<i>In thousands of Euro</i>	Situation at 1/1/2022	Issues	Refunds	Adjustments for Valuation Movements	Adjustments for Regulatory Interventions	Situation at 31/12/2022
Total own funds	469,267	-	-	- 73	-	396,052
Of which tier 1 unrestricted	459,117	-	-	- 63	-	396,052
Of which tier 1 restricted	-	-	-	-	-	-
Of which tier 2	-	-	-	-	-	-
Of which tier 3	10,150	-	-	-	-	-
Adjustments for eligibility limits	-	-	-	-	-	-
Of which tier 1 unrestricted	-	-	-	-	-	-
Of which tier 1 restricted	-	-	-	-	-	-
Of which tier 2	-	-	-	-	-	-
Of which tier 3	-	-	-	-	-	-
Total eligible own funds to cover the SCR	469,267	-	-	- 73	-	396,052
Of which tier 1 unrestricted	459,117	-	-	- 63	-	396,052
Of which tier 1 restricted	-	-	-	-	-	-
Of which tier 2	-	-	-	-	-	-
Of which tier 3	10,150	-	-	-	-	-

The following table shows in detail the annual movement of the core capital of the Company divided by type:

In thousands of Euros

Own Funds Components	Situation at 1/1/2022	Issues	Refunds	Adjustments for valuation movements	Adjustments for regulatory interventions	Situation at 31/12/2022
Ordinary share capital paid	375,635	-	-	0	-	375,635
Share premium on common shares	-	-	-	-	-	-
Reconciliation Reserve	56,998	-	-	-63,066	-	-6,067
Other elements of own funds approved by the supervisory authority	26,484	-	-	-	-	26,484
Total “Tier 1 unrestricted”	459,117	-	-	- 63,066	-	396,052
	0					
Ordinary share capital called but not yet paid	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Total “Tier 1 restricted”	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Total “Tier 2”	-	-	-	-	-	-
	0					
Subordinated liabilities	-	-	-	-	-	-
Amount net deferred tax assets	10,150	-	-	10,150	-	-
Total “Tier 3”	10,150	-	-	10,150	-	-
	0					
Total own funds	469,267	-	-	73.22	-	396,052

Composition and Characteristics of the Company Own Funds

The following are the substantive conditions underlying the individual elements of the own funds of the Company.

The **ordinary share capital** corresponds to the amount paid by the shareholders of the Company which, in the right level of stability of the same and the capacity to absorb losses, qualify as equity-type “Tier 1 unrestricted”.

The reconciliation reserves, based on the provisions of art. 69 of the Regulations, is the residual amount of own funds of the Company qualifies as an element of own funds Type “Tier 1 unrestricted”, which is determined by making some deductions to the amount of the difference between assets and liabilities resulting from MCBS. The table below shows the detail of the calculation of the reconciliation reserve.

Reconciliation Reserve

In thousands of Euros

Reconciliation Reserve	Tier 1 Unrestricted
Surplus of assets over liabilities (A)	396,052
Own shares (held directly and indirectly) (B)	-
Dividends, distributions and predictable costs (C)	-
Other Basic Own Funds Items (D)	402,119
Adjustments for restricted own funds items in respect of matching adjustment portfolios and ring fenced funds (E)	-
Reconciliation reserve (A-B-C-D-E)	- 6,067

Included within the original own funds are the amount of the paid up share capital classified as “Tier 1 unrestricted” (thousands of 396,052 Euro)

Own Funds Eligible

The following table shows the structures and the OF to cover the SCR and the MCR, as at year end 2022:

Own Funds Available and Eligible for Coverage of the SCR

<i>In thousands of Euros</i>	Own funds available (“available”)	Adjustments for eligibility	Own funds eligible 2022	Own funds eligible 2021
Tier 1 unrestricted	396,052	-	396,052	459,117
Tier 1 restricted	-	-	-	-
Tier 2	-	-	-	-
Tier 3	-	-	-	10,150
Total OF	396,052	-	396,052	469,267
Total SCR	276,034	-	276,034	279,696
Surplus / (deficiency)	120,018	-	120,018	189,571

Own Funds Available and Eligible for Coverage of the MCR

<i>In thousands of Euros</i>	Own funds available (“available”)	Adjustments for eligibility	Own funds eligible 2022	Own funds eligible 2021
Tier 1 unrestricted	396,052	-	396,052	459,117
Tier 1 restricted	-	-	-	-
Tier 2	-	-	-	-
Total OF	396,052	-	396,052	459,117
Total MCR	103,057	-	103,057	113,667
Surplus / (deficiency)	292,994	-	292,994	345,450

Reconciliation with the Equity from Financial Statements

The MCBS as at 31/12/2022 closed with a surplus of assets over liabilities, amounting to €396.05m thousand compared to shareholders' equity in the financial statements of the Company on that date (the "Financial Statements") of €359.58m. This difference is due to the different evaluation of the equity components, as evidenced by the following statement of reconciliation:

Reconciliation of Equity as Financial Statements and MCBS

In thousands of Euros

A	Equity from financial statements	359,576
1	Intangible Assets and DAC	- 12,816
2	Other Financial Investments	98
3	Reinsurance Recoverables	- 19,267
4	Other Assets	- 1,113
4	Non-Life Gross Reserves	143,566
5	Life Gross Reserves	616
6	Reinsurance Receivables	- 115,454
7	Reinsurance Payables	40,845
8	Deferred Tax	-
	Total Adjustments	36,476
B	Equity from MCBS	396,052

Section D sets out the evaluation criteria adopted for the purposes of preparing the MCBS, as well as quantitative information of greater detail about the comparison with the balance of values.

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds.

E.2 Solvency Capital Requirement and the Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement and Minimum Capital Requirement at the end of the reporting period are €276.03m and €103.06m, respectively.

In thousands of Euros

SCR - Standard Formula Risk Modules	2022	2021
Non-Life Insurance Risk	226,071	266,663
Health underwriting risk	1,882	1,993
Market Risks	20,207	36,418
Credit Risk	44,622	39,684
Diversification Benefit	- 35,110	- 44,340
BSCR	257,672	300,417
Operational Risk	18,362	19,235
ALAC DT	-	- 39,957
SCR Estimate - Standard Formula	276,034	279,696

The Company uses simplified calculations in relation to Article 108 and Article 111 of the Delegated Regulations.

The table below outlines the components of the MCR:

In thousands of Euros

Components of the MCR	2022	2021
Linear MCR	103,057	113,667
SCR	276,034	279,696
MCR cap	124,215	125,863
MCR floor	69,008	69,924
Combined MCR	103,057	113,667
Absolute floor of the MCR	8,000	7,400
Minimum Capital Requirement	103,057	113,667

E.3 Use of the Equity Risk Sub-Module based on the Length in the Calculation of the Solvency Capital Requirement

The company does not use the duration-based equity risk sub-module from art. 304 to calculate the SCR.

E.4 Differences Between the Standard Formula and any Internal Model Used

The Company calculates its Solvency Capital Requirement in accordance with the Standard Formula.

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

The Capital Requirement was under stress during the last year, in particular it has remained below the Appetite, but above the tolerance. The Board of Directors has decided to move the business into Run-Off and based on the new ORSA evidence will set the Risk Appetite to 130% and the Risk Tolerance to 120% during Q2 2023.

E.6 Any Other Information

There is no other material information regarding the capital management of the Company.

F Attachments

F.1 Balance Sheet (S.02.01.02)

F.2 Premiums, Claims and Expenses per LOB (S.05.01.02)

F.3 Premiums Claims Expenses by Country (S.05.02.01)

F.4 Life and Health STL Technical Reserves (S.12.01.02)

F.5 Non-Life Technical Reserves (S.17.01.02)

F.6 Non-life Insurance Claims Information (S.19.01.21)

F.7 Own Funds (S.23.01.01)

F.8 SCR - Undertakings for Using the Standard Formula (S.25.01.21)

**F.9 MCR - Only Life or Only Non-Life Insurance or reinsurance Activity
(S.28.01.01)**

S.02.01.02
Balance sheet

Assets

Goodwill
Deferred acquisition costs
Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Participations and related undertakings
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown

Total assets

Liabilities

Technical provisions - non-life
Technical provisions - non-life (excluding health)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-linked)
Technical provisions - health (similar to life)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding health and index-linked and unit-linked)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - index-linked and unit-linked
Technical provisions calculated as a whole
Best Estimate
Risk margin
Other technical provisions
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institutions
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in BOF
Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

	Solvency II value
	C0010
R0010	
R0020	
R0030	0.00
R0040	0.00
R0050	
R0060	359,090.73
R0070	815,577,318.95
R0080	
R0090	5,228,807.37
R0100	
R0110	
R0120	
R0130	810,348,511.58
R0140	673,952,998.29
R0150	136,395,513.29
R0160	
R0170	
R0180	
R0190	
R0200	0.00
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	69,072,575.85
R0280	69,072,575.85
R0290	69,117,144.49
R0300	-44,568.64
R0310	
R0320	
R0330	
R0340	
R0350	121,121,545.90
R0360	0.00
R0370	26,480,844.51
R0380	0.00
R0390	
R0400	
R0410	28,255,014.28
R0420	20,848,464.18
R0500	1,081,714,854.40
	Solvency II value
	C0010
R0510	666,399,876.11
R0520	663,267,480.32
R0530	0.00
R0540	609,332,990.70
R0550	53,934,489.62
R0560	3,132,395.79
R0570	
R0580	2,632,540.62
R0590	499,855.17
R0600	633,656.05
R0610	
R0620	
R0630	
R0640	
R0650	633,656.05
R0660	0.00
R0670	628,946.63
R0680	4,709.42
R0690	
R0700	
R0710	
R0720	
R0730	
R0740	
R0750	
R0760	
R0770	9,102,039.69
R0780	0.00
R0790	
R0800	
R0810	245,658.16
R0820	0.00
R0830	4,838,415.63
R0840	1,318,008.06
R0850	
R0860	
R0870	
R0880	3,125,657.01
R0900	685,663,310.71
R1000	396,051,543.69

S.05.01.01

Premiums, claims and expenses by line of business

		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																	
Gross - Proportional reinsurance accepted		R0120	737,547.36			76,910,286.53	14,062,482.38	890,224.75	19,183,399.05	1,621,135.99	4,394,651.02		300,635.32					118,102,362.40	
Gross - Non-proportional reinsurance accepted		R0130												512,612.93	63,799,816.31	7,447.41	10,099,799.18	74,424,527.83	
Reinsurers' share		R0140							117,818.72	2,547.62	4,288,069.05			5,713.88	4,406,251.09		2,491,529.84	11,311,721.80	
Net		R0200	737,547.36			76,910,286.53	14,062,482.38	890,224.75	19,067,580.33	1,618,588.37	106,590.37		300,635.32	511,799.05	59,393,565.22	7,447.41	7,688,469.34	181,215,216.43	
Premiums earned																			
Gross - Direct Business		R0210																	
Gross - Proportional reinsurance accepted		R0220	454,312.90			77,845,218.11	13,946,062.93	572,164.55	17,759,622.22	1,097,561.48	4,004,186.24		447,334.77					116,126,463.20	
Gross - Non-proportional reinsurance accepted		R0230												509,515.78	63,005,303.68	7,447.41	11,306,810.38	74,929,157.25	
Reinsurers' share		R0240								1,047,540.47	22,363.35	3,913,532.38		5,713.88	4,290,494.07		4,501,827.36	13,781,413.51	
Net		R0300	454,312.90			77,845,218.11	13,946,062.93	572,164.55	16,712,079.75	1,075,258.13	90,653.86		447,334.77	503,801.90	58,714,889.61	7,447.41	6,804,983.02	177,174,206.34	
Claims incurred																			
Gross - Direct Business		R0310																	
Gross - Proportional reinsurance accepted		R0320	56,516.05			85,566,641.55	21,758,144.35	459,438.84	9,372,547.22	885,107.75	4,019,937.46		320,378.62					114,898,036.52	
Gross - Non-proportional reinsurance accepted		R0330												612,649.28	49,644,650.98	137,397.72	32,345,350.80	82,748,048.78	
Reinsurers' share		R0340				159,486.33	24,638.37	477,274.06	3,372.00	4,174,004.99	793.48			0.03	49,736.23		4,994,173.11	30,943,641.41	
Net		R0400	56,516.05			85,726,127.88	21,758,144.35	484,077.21	10,649,821.28	881,785.25	134,067.53			612,649.25	49,574,914.75	137,397.72	27,351,177.69	197,687,942.06	
Changes in other technical provisions																			
Gross - Direct Business		R0410																	
Gross - Proportional reinsurance accepted		R0420																	
Gross - Non-proportional reinsurance accepted		R0430																	
Reinsurers' share		R0440																	
Net		R0500																	
Expenses incurred		R0550	286,872.68			16,644,636.65	1,462,659.69	236,411.88	7,093,476.82	803,338.43	45,545.15		196,005.31	75,165.29	9,285,511.20	384.61	1,219,761.41	37,049,769.12	
Administrative expenses																			
Gross - Direct Business		R0610																	
Gross - Proportional reinsurance accepted		R0620	9,537.92			1,634,295.20	292,785.92	12,012.12	350,856.13	22,574.14	1,903.20		9,891.42					2,333,566.05	
Gross - Non-proportional reinsurance accepted		R0630												10,576.90	1,232,669.96	156.35	142,864.92	1,886,268.13	
Reinsurers' share		R0640																	
Net		R0700	9,537.92			1,634,295.20	292,785.92	12,012.12	350,856.13	22,574.14	1,903.20		9,891.42	10,576.90	1,232,669.96	156.35	142,864.92	3,719,624.18	
Investment management expenses																			
Gross - Direct Business		R0710																	
Gross - Proportional reinsurance accepted		R0720	1,612.10			276,228.23	49,486.63	2,030.29	59,301.63	3,815.48	321.68		1,587.34					394,381.36	
Gross - Non-proportional reinsurance accepted		R0730												1,787.71	208,345.62	26.43	24,147.00	234,386.76	
Reinsurers' share		R0740																	
Net		R0800	1,612.10			276,228.23	49,486.63	2,030.29	59,301.63	3,815.48	321.68		1,587.34	1,787.71	208,345.62	26.43	24,147.00	628,690.12	
Claims management expenses																			
Gross - Direct Business		R0810																	
Gross - Proportional reinsurance accepted		R0820	2,744.26			470,221.10	84,240.67	3,456.14	100,948.69	6,495.06	547.59		2,702.11					671,355.62	
Gross - Non-proportional reinsurance accepted		R0830												3,043.20	354,665.07	44.99	41,105.24	388,858.50	
Reinsurers' share		R0840																	
Net		R0900	2,744.26			470,221.10	84,240.67	3,456.14	100,948.69	6,495.06	547.59		2,702.11	3,043.20	354,665.07	44.99	41,105.24	1,070,214.12	
Acquisition expenses																			
Gross - Direct Business		R0910																	
Gross - Proportional reinsurance accepted		R0920	263,410.67			12,624,488.79	742,445.44	206,863.67	6,255,041.43	448,509.68	1,700,501.10		172,903.67					22,414,164.45	
Gross - Non-proportional reinsurance accepted		R0930												49,147.52	6,253,307.77		898,332.79	7,178,788.08	
Reinsurers' share		R0940							24,623.82	700.63	1,659,637.57							1,684,962.02	
Net		R1000	263,410.67			12,624,488.79	742,445.44	206,863.67	6,280,417.61	447,889.65	40,863.53		172,903.67	49,147.52	6,253,307.77		898,332.79	27,894,990.51	
Overhead expenses																			
Gross - Direct Business		R1010																	
Gross - Proportional reinsurance accepted		R1020	9,567.73			1,639,403.33	293,701.05	12,049.66	351,952.76	22,644.70	1,909.15		9,420.77					2,340,649.15	
Gross - Non-proportional reinsurance accepted		R1030												10,669.96	1,236,522.78	156.84	143,311.46	1,390,601.04	
Reinsurers' share		R1040																	
Net		R1100	9,567.73			1,639,403.33	293,701.05	12,049.66	351,952.76	22,644.70	1,909.15		9,420.77	10,669.96	1,236,522.78	156.84	143,311.46	3,731,250.19	
Other expenses		R1200																	
Total expenses		R1300																37,049,769.12	

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							248,049.80		248,049.80		
Reinsurers' share	R1420							248,049.80		248,049.80		
Net	R1500											
Premiums earned												
Gross	R1510							246,876.66		246,876.66		
Reinsurers' share	R1520							246,876.66		246,876.66		
Net	R1600											
Claims incurred												
Gross	R1610							384,688.46		384,688.46		
Reinsurers' share	R1620							384,688.46		384,688.46		
Net	R1700											
Changes in other technical provisions												
Gross	R1710											
Reinsurers' share	R1720											
Net	R1800											
Expenses incurred												
Gross	R1900							81,802.45		81,802.45		
Reinsurers' share	R1910							81,802.45		81,802.45		
Net	R2000											
Investment management expenses												
Gross	R2010							527.77		527.77		
Reinsurers' share	R2020							527.77		527.77		
Net	R2100											
Claims management expenses												
Gross	R2110							898.42		898.42		
Reinsurers' share	R2120							898.42		898.42		
Net	R2200											
Acquisition expenses												
Gross	R2210							74,839.50		74,839.50		
Reinsurers' share	R2220							74,839.50		74,839.50		
Net	R2300											
Overhead expenses												
Gross	R2310							2,414.23		2,414.23		
Reinsurers' share	R2320							2,414.23		2,414.23		
Net	R2400											
Other expenses												
Gross	R2500							81,802.45		81,802.45		
Total expenses	R2600							81,802.45		81,802.45		
Total amount of surrenders	R2700											

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
	R0010	<del></del>	UNITED KINGDOM	GREECE	ISRAEL	ITALY	TURKEY	<del></del>
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120		56,001,869.88	6,613,915.91	38,983,369.01	4,674,780.01	7,611,183.48	113,885,118.29
Gross - Non-proportional reinsurance accepted	R0130	1,645,108.21	63,563,878.70	298,688.75	318,444.56	625,553.03	862,446.55	67,314,119.80
Reinsurers' share	R0140		4,311,170.00			4,912,806.24		9,223,976.24
Net	R0200	1,645,108.21	115,254,578.58	6,912,604.66	39,301,813.57	387,526.80	8,473,630.03	171,975,261.85
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220		53,406,611.95	6,485,175.51	39,419,242.81	4,864,011.57	5,111,398.67	109,286,440.51
Gross - Non-proportional reinsurance accepted	R0230	1,565,063.15	63,482,378.53	298,395.80	318,444.56	625,553.03	902,620.22	67,192,455.29
Reinsurers' share	R0240		4,195,412.98			5,487,757.45		9,683,170.43
Net	R0300	1,565,063.15	112,693,577.50	6,783,571.31	39,737,687.37	1,807.15	6,014,018.89	166,795,725.37
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320		59,156,675.75	3,625,280.10	45,980,927.60	-5,296,340.10	5,776,473.92	109,243,017.27
Gross - Non-proportional reinsurance accepted	R0330	1,171,508.28	48,722,187.64	216,811.73	250,969.56	4,721,953.02	849,887.64	55,933,317.87
Reinsurers' share	R0340					29,659.64		29,659.64
Net	R0400	1,171,508.28	107,878,863.39	3,842,091.83	46,231,897.16	-604,046.72	6,626,361.56	165,146,675.50
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	156,506.36	13,888,224.05	2,755,239.83	6,282,258.79	5,901.31	1,113,372.42	24,201,502.76
Other expenses	R1200	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>
Total expenses	R1300	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	24,201,502.76

S.12.01.01
Life and Health SLT Technical Provisions

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Accepted reinsurance				Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)		
		Contracts without options and guarantees	Contracts with options and guarantees	Contracts without options and guarantees	Contracts with options and guarantees			Insurance with profit participation on Accepted reinsurance (Gross)	Index-linked and unit-linked insurance on Accepted reinsurance (Gross)	Other life insurance on Accepted reinsurance (Gross)	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations (Gross)		Contracts without options and guarantees	Contracts with options and guarantees						
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0.00	0.00			0.00				0.00	0.00		0.00		0.00					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020		0.00				0.00			0.00	0.00		0.00		0.00					
Technical provisions calculated as a sum of BE and RM																				
Best Estimate																				
Gross Best Estimate	R0030	0.00		0.00			0.00			628,946.03	0.00		628,946.03		628,946.03					
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040																			
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050																			
Recoverables from SPV before adjustment for expected losses	R0060																			
Recoverables from Finite Re before adjustment for expected losses	R0070																			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						0.00				0.00		0.00		0.00					
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0.00		0.00			0.00			628,946.03			628,946.03		628,946.03					
Risk Margin	R0100	0.00	0.00			0.00				4,709.42	0.00		4,709.42		4,709.42					
Amount of the transitional on Technical Provisions																				
Technical Provisions calculated as a whole	R0110																			
Best estimate	R0120																			
Risk margin	R0130																			
Technical provisions - total	R0200	0.00	0.00			0.00				633,656.05			633,656.05		633,656.05					
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	0.00	0.00			0.00				633,656.05	0.00		633,656.05		633,656.05					
Best Estimate of products with a surrender option	R0220	0.00	0.00	0.00		0.00				0.00					0.00					
Gross BE for Cash flow																				
Cash out-flows																				
Future guaranteed and discretionary benefits	R0230			0.00		0.00									628,946.03					
Future guaranteed benefits	R0240	0.00								628,946.03					628,946.03					
Future discretionary benefits	R0250	0.00								0.00					0.00					
Future expenses and other cash out-flows	R0260	0.00	0.00			0.00				0.00					0.00					
Cash in-flows																				
Future premiums	R0270	0.00	0.00			0.00				0.00					0.00					
Other cash in-flows	R0280	0.00	0.00			0.00				0.00					0.00					
Percentage of gross TP calculated using approximations	R0290																			
Surrender value	R0300	0.00	0.00			0.00				0.00					0.00					
Best estimate subject to transitional of the interest rate	R0310																			
Technical provisions without transitional on interest rate	R0320																			
Best estimate subject to volatility adjustment	R0330																			
Technical provisions without volatility adjustment and without others transitional measures	R0340																			
Best estimate subject to matching adjustment	R0350																			
Technical provisions without matching adjustment and without all the others	R0360																			

Non-life Technical Provisions

Solvency and Financial Condition Report 2

S.19.01.21

Non-life Insurance Claims Information

Accident year / Underwriting year **Z0020** Underwriting year [UWY]Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)
	0	1	2	3	4	5	6	7	8	9	10 & +		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100										9,733,395.72	R0100	9,733,395.72
N-9	R0160	8,515,378.35	7,899,338.42	2,961,053.42	1,229,373.48	1,425,504.40	1,180,904.44	741,775.25	425,352.31	-3,239.26	76,645.02	R0160	76,645.02
N-8	R0170	120,354.92	525,899.53	577,092.95	735,975.90	217,043.72	151,042.05	169,266.45	274,953.01	9,035.95		R0170	9,035.95
N-7	R0180	8,596,162.48	2,874,838.02	2,603,988.10	181,293.14	669,744.96	33,400.58	60,072.05	32,125.55			R0180	32,125.55
N-6	R0190	8,378,918.08	5,907,636.19	2,340,036.23	1,774,067.05	1,448,649.16	932,389.52	1,343,708.96				R0190	1,343,708.96
N-5	R0200	13,925,860.27	11,665,960.54	8,052,364.04	3,093,597.35	4,342,521.51	3,785,119.29					R0200	3,785,119.29
N-4	R0210	5,013,773.59	30,688,978.08	12,338,089.28	9,612,429.82	10,841,022.04						R0210	10,841,022.04
N-3	R0220	6,911,672.54	36,418,556.69	25,171,261.34	15,311,711.70							R0220	15,311,711.70
N-2	R0230	5,792,478.76	33,869,113.47	18,837,394.50								R0230	18,837,394.50
N-1	R0240	12,592,846.56	83,437,964.74									R0240	83,437,964.74
N	R0250	5,554,336.25										R0250	5,554,336.25
Total												R0260	148,962,459.76

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												
Year		0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)	
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
Prior	R0100											68,133,354.86	R0100	57,354,428.35
N-9	R0160				12,574,307.65	8,769,226.71	7,620,685.79	5,475,525.65	5,015,042.82	4,622,428.53	5,020,817.54		R0160	3,835,157.96
N-8	R0170			4,688,791.78	5,497,374.70	5,448,076.65	5,177,519.85	5,177,746.19	4,789,692.80	4,699,884.51			R0170	4,567,428.11
N-7	R0180		235,243.00	2,351,505.05	897,459.50	538,779.89	341,243.42	415,365.41	323,137.44				R0180	234,238.38
N-6	R0190	6,294,686.39	17,546,754.76	11,842,894.96	17,960,276.24	13,500,934.04	12,723,608.54	13,308,576.96					R0190	9,139,279.70
N-5	R0200	47,715,133.63	40,842,594.48	45,449,226.48	36,859,844.22	31,623,654.59	30,965,146.59						R0200	20,586,578.82
N-4	R0210	54,211,674.01	#####	91,352,505.56	88,540,887.09	84,986,234.07							R0210	57,558,816.93
N-3	R0220	#####	#####	#####	110,653,091.80								R0220	75,984,065.49
N-2	R0230	#####	#####	#####									R0230	120,446,682.20
N-1	R0240	#####	#####										R0240	201,875,989.04
N	R0250	86,369,950.79											R0250	63,230,077.38
Total													R0260	614,812,742.36

S.23.01.01

Own funds

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)
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Surplus funds
 Preference shares
 Share premium account related to preference shares
 Reconciliation reserve
 Subordinated liabilities
 An amount equal to the value of net deferred tax assets
 Other own fund items approved by the supervisory authority as basic own funds not specified above

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions**Ancillary own funds**

Unpaid and uncalled ordinary share capital callable on demand
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
 Unpaid and uncalled preference shares callable on demand
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Other ancillary own funds

Total ancillary own funds**Available and eligible own funds**

Total available own funds to meet the SCR
 Total available own funds to meet the MCR
 Total eligible own funds to meet the SCR
 Total eligible own funds to meet the MCR

SCR**MCR****Ratio of Eligible own funds to SCR****Ratio of Eligible own funds to MCR****Reconciliation reserve**

Excess of assets over liabilities
 Own shares (held directly and indirectly)
 Foreseeable dividends, distributions and charges
 Other basic own fund items
 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve**Expected profits**

Expected profits included in future premiums (EPIFP) - Life business
 Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	375,635,000.00	375,635,000.00		0.00	
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	-6,067,395.31	-6,067,395.31			
R0140					
R0160	0.00				0.00
R0180	26,483,939.00	26,483,939.00	0.00	0.00	0.00
R0220					
R0230					
R0290	396,051,543.69	396,051,543.69	0.00	0.00	0.00
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	396,051,543.69	396,051,543.69	0.00	0.00	0.00
R0510	396,051,543.69	396,051,543.69	0.00	0.00	
R0540	396,051,543.69	396,051,543.69	0.00	0.00	0.00
R0550	396,051,543.69	396,051,543.69	0.00	0.00	
R0580	276,033,522.08				
R0600	103,057,333.19				
R0620	1.43				
R0640	3.84				
C0060					
R0700	396,051,543.69				
R0710					
R0720					
R0730	402,118,939.00				
R0740					
R0760	-6,067,395.31				
R0770					
R0780	28,131,400.00				
R0790	28,131,400.00				

S.25.01.01
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112

Z0010

No

	Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
	C0030	C0040	C0050
Market risk	R0010 20,206,963.86	20,206,963.86	0.00
Counterparty default risk	R0020 44,621,918.89	44,621,918.89	0.00
Life underwriting risk	R0030 0.00	0.00	0.00
Health underwriting risk	R0040 1,881,572.69	1,881,572.69	0.00
Non-life underwriting risk	R0050 226,070,982.16	226,070,982.16	0.00
Diversification	R0060 -35,109,711.72	-35,109,711.72	
Intangible asset risk	R0070		
Basic Solvency Capital Requirement	R0100 257,671,725.88	257,671,725.88	

Calculation of Solvency Capital Requirement

Adjustment due to RFF/MAP nSCR aggregation

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency Capital Requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement
Other information on SCR

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirements for remaining part

Total amount of Notional Solvency Capital Requirement for ring fenced funds

Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

Method used to calculate the adjustment due to RFF/MAP nSCR aggregation

Net future discretionary benefits

C0100

R0120	0.00
R0130	18,361,796.20
R0140	0.00
R0150	0.00
R0160	
R0200	276,033,522.08
R0210	
R0220	276,033,522.08
R0400	
R0410	
R0420	0.00
R0430	0.00
R0440	0.00
R0450	No adjustment
R0460	0.00

Approach to tax rate
C0109

S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR _{NL} Result	R0010	103,040,831.56

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
	C0020	C0030
Medical expenses and proportional reinsurance	R0020 1,418,674.02	737,547.36
Income protection insurance and proportional reinsurance	R0030 183.19	0.00
Workers' compensation insurance and proportional reinsurance	R0040	
Motor vehicle liability insurance and proportional reinsurance	R0050 151,574,551.30	76,910,286.53
Other motor insurance and proportional reinsurance	R0060 13,667,746.63	14,062,482.38
Marine, aviation and transport insurance and proportional reinsurance	R0070 779,961.81	890,224.75
Fire and other damage to property insurance and proportional reinsurance	R0080 12,126,802.28	19,067,580.33
General liability insurance and proportional reinsurance	R0090 7,097,766.89	1,618,588.37
Credit and suretyship insurance and proportional reinsurance	R0100 1,728,121.63	106,590.37
Legal expenses insurance and proportional reinsurance	R0110 0.00	0.00
Assistance and proportional reinsurance	R0120 0.00	0.00
Miscellaneous financial loss insurance and proportional reinsurance	R0130 904,835.31	300,635.32
Non-proportional health reinsurance	R0140 1,258,252.06	511,799.05
Non-proportional casualty reinsurance	R0150 222,268,906.09	59,399,280.58
Non-proportional marine, aviation and transport reinsurance	R0160 846,425.19	7,447.41
Non-proportional property reinsurance	R0170 129,220,729.06	7,608,469.34

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR _L Result	R0200	16,501.63

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
	C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210 0.00	
Obligations with profit participation - future discretionary benefits	R0220 0.00	
Index-linked and unit-linked insurance obligations	R0230 0.00	
Other life (re)insurance and health (re)insurance obligations	R0240 628,946.63	
Total capital at risk for all life (re)insurance obligations	R0250	4,705,357.00

Overall MCR calculation

		C0070
Linear MCR	R0300	103,057,333.19
SCR	R0310	276,033,522.08
MCR cap	R0320	124,215,084.94
MCR floor	R0330	69,008,380.52
Combined MCR	R0340	103,057,333.19
Absolute floor of the MCR	R0350	8,000,000.00

Minimum Capital Requirement	R0400	103,057,333.19
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UnipolRe DAC is regulated
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