



Solvency & Financial Condition Report

**KPN Insurance Company DAC**

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# Summary

This Solvency and Financial Condition Report has been prepared to allow KPN Insurance Company DAC ('KPNIC' or 'the Company') to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ('the Solvency II Directive').

This document has been conducted with reference to:

- Article 35, 51, 53, 54, 55, 254 (2) and 256 of the Solvency II Directive 2009/138/EC
- Chapter XIII of the EU Delegated Acts (2015/35)
- Guidelines on reporting and public disclosure issued by EIOPA on 28 January 2015 ("the EIOPA Guidelines")

The Company's business remained largely unchanged from the prior year with no adjustments to the lines of business underwritten. The Mobile line of business continues to run-off with KPNIC retaining no net risk on this line of business. After operating expenses and provision for unrecognised profits, the Company made a profit of €1,351,552 before tax (2023: €1,499,920). The Board considers the Company's strategy to be appropriate. From the information disclosed below and the risk management activities carried out during the year, the Board is satisfied that:

- its risk profile allows the Company to continue pursuing its business strategy
- the simplistic composition of its Balance Sheet does not require different valuation methods for solvency purposes
- its Capital Management is subordinated to the respect of the Regulatory Capital Requirements and the Appetite and Tolerance level agreed by the Board of Directors.

# A. Business Performance: Year Ended 31st December 2024

This Solvency and Financial Condition Report has been prepared to allow KPN Insurance Company DAC ("KPNIC" or "the Company") to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ("the Solvency II Directive").

The Company has set a target risk appetite Solvency Capital Requirement ("SCR") coverage ratio of 150%.

## A.1 General Information about the Business

### Legal Form

The Company was licensed in Ireland on 1<sup>st</sup> October 2000 and is a wholly owned subsidiary of Koninklijke KPN N.V. It is authorised by the Central Bank of Ireland ('CBI') to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

### Shareholder

Koninklijke KPN N.V., a Dutch registered group.

### Supervisory Authority

The Central Bank of Ireland

Principal office: New Wapping Street, North Wall Quay, Dublin 1, Ireland

### Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 336752

### Auditor

Ernst & Young Chartered Accountants, Harcourt Centre, Harcourt Street, Dublin 2, Ireland

## Risk Profile

KPN Insurance Company DAC is licenced to write the following classes of business:

- Class 1: Accident
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 13: General Liability
- Class 16: Miscellaneous Financial Loss

## Material Geographical Areas

- EU/EEA

## Significant events in the reporting period

There were no significant events within the reporting period that had a material impact on the Company. Mobile line of business volumes continued to decline having been placed into run-off during 2020.

## A.2 Underwriting Performance

| 2024 (all in €)                     |           |           |                   |                   |           |
|-------------------------------------|-----------|-----------|-------------------|-------------------|-----------|
| Gross Premium Written:              | Property  | Crime     | General Liability | Personal Accident | Total     |
| Risks located in other EU countries | 3,551,050 | 1,390,881 | 2,509,833         | 226,600           | 7,678,364 |
| Total                               | 3,551,050 | 1,390,881 | 2,509,833         | 226,600           | 7,678,364 |

| 2023 (all in €)                     |           |           |                   |                   |           |
|-------------------------------------|-----------|-----------|-------------------|-------------------|-----------|
| Gross Premium Written:              | Property  | Crime     | General Liability | Personal Accident | Total     |
| Risks located in other EU countries | 4,643,590 | 1,587,617 | 2,705,358         | 236,800           | 8,896,671 |
| Total                               | 4,643,590 | 1,587,617 | 2,705,358         | 236,800           | 8,896,671 |

| 2024 (all in €)                    |                 |                   |                   |                 |                  |
|------------------------------------|-----------------|-------------------|-------------------|-----------------|------------------|
| Technical Result:                  | Property        | General Liability | Personal Accident | Crime           | Total            |
| Gross earned premium               | 3,551,050       | 2,509,833         | 226,600           | 1,390,881       | 7,678,364        |
| Gross unearned premium             | 1,429,500       | -                 | -                 | -               | 1,429,500        |
| Gross incurred claims              | (895,280)       | (1,997,889)       | 30,608            | (104,666)       | (2,967,227)      |
| Gross operating expenses           | (511,825)       | (361,751)         | (32,661)          | (200,473)       | (1,106,710)      |
| Provision for unrecognised profits | (371,706)       | (391,107)         | (218,061)         | (446,894)       | (1,427,768)      |
| Gross underwriting result          | 3,201,739       | (240,914)         | 6,486             | 638,848         | 3,606,159        |
| Reinsurance balance                | (3,267,390)     | 171,837           | (45,000)          | (717,779)       | (3,858,332)      |
| Net underwriting result            | <u>(65,651)</u> | <u>(69,077)</u>   | <u>(38,514)</u>   | <u>(78,931)</u> | <u>(252,173)</u> |
| Net technical result               | <u>(65,651)</u> | <u>(69,077)</u>   | <u>(38,514)</u>   | <u>(78,931)</u> | <u>(252,173)</u> |

| 2023 (all in €)                    |                  |                   |                   |                |                  |
|------------------------------------|------------------|-------------------|-------------------|----------------|------------------|
| Technical Result:                  | Property & Crime | General Liability | Personal Accident | Mobile Phone   | Total            |
| Gross earned premium               | 4,643,590        | 2,705,358         | 236,800           | 1,310,924      | 8,896,671        |
| Gross unearned premium             | -                | -                 | -                 | -              | -                |
| Gross incurred claims              | (1,859,571)      | (1,676,586)       | 118,502           | (305,593)      | (3,723,248)      |
| Gross operating expenses           | (705,168)        | (410,831)         | (35,960)          | (199,075)      | (1,351,034)      |
| Provision for unrecognised profits | (1,721,336)      | 740,694           | (445,788)         | -              | (1,426,430)      |
| Gross underwriting result          | 357,515          | 1,358,635         | (126,446)         | 806,256        | 2,395,959        |
| Reinsurance balance                | (1,019,523)      | (1,073,771)       | (45,000)          | (585,835)      | (2,724,129)      |
| Net underwriting result            | <u>(662,008)</u> | <u>284,863</u>    | <u>(171,446)</u>  | <u>220,421</u> | <u>(328,169)</u> |
| Net technical result               | <u>(662,008)</u> | <u>284,863</u>    | <u>(171,446)</u>  | <u>220,421</u> | <u>(328,169)</u> |

### A.3 Financial Performance

|                                                               | 2024<br>€          | 2023<br>€          |
|---------------------------------------------------------------|--------------------|--------------------|
| Gross premiums written                                        | 7,678,364          | 8,896,671          |
| Outward reinsurance premiums                                  | (5,203,133)        | (4,671,234)        |
| <b>Net premiums written</b>                                   | <b>2,475,231</b>   | <b>4,225,437</b>   |
| <b>Earned premiums, net of reinsurance</b>                    | <b>2,475,231</b>   | <b>4,225,437</b>   |
| Claims paid - Gross Amount                                    | (1,494,378)        | (2,981,744)        |
| Claims Paid - Net of Reinsurance                              | (1,044,754)        | (2,573,020)        |
| Change in provision for claims – Gross Amount                 | 1,472,848          | (741,503)          |
| Change in provision for claims – Net of Reinsurance           | (1,790,611)        | (778,929)          |
| Total recovered from salvage/subrogation                      | 1,212,940          | 1,575,807          |
| <b>Claims incurred, net of reinsurance</b>                    | <b>(1,622,425)</b> | <b>(1,776,142)</b> |
| Net operating expenses                                        | (1,106,710)        | (1,351,034)        |
| Provision for unrecognised profits                            | (1,427,768)        | (1,426,430)        |
| <b>Balance on the technical account for non-life business</b> | <b>(252,172)</b>   | <b>(328,169)</b>   |
| Investment income / (expense)                                 | 1,603,724          | 1,828,089          |
| <b>Profit on ordinary activities before taxation</b>          | <b>1,351,552</b>   | <b>1,499,920</b>   |
| Taxation charge                                               | (202,733)          | (187,490)          |
| <b>Profit on ordinary activities after taxation</b>           | <b>1,148,819</b>   | <b>1,312,430</b>   |

From 2021, KPN Group began reporting its insurance activities of the Irish entity in line with the outcome of the mutual agreement procedure over 2014 and 2015. The Company recognised a provision in the amount of €1,427,768 (2023: €1,426,430) in this regard. The Provision for Unrecognised Profits will be settled on an annual basis upon approval of the Financial Statements.

### A.4 Investment Performance

Net investment income was €1,603,724 (2023: expense of €1,828,089). The table below outlines a breakdown of the investment performance by asset class:

| Asset Class                | 2024<br>€ | 2023<br>€ |
|----------------------------|-----------|-----------|
| Cash and Deposits Interest | 303,396   | (18,514)  |
| Intercompany Loan          | 1,300,328 | 1,846,603 |

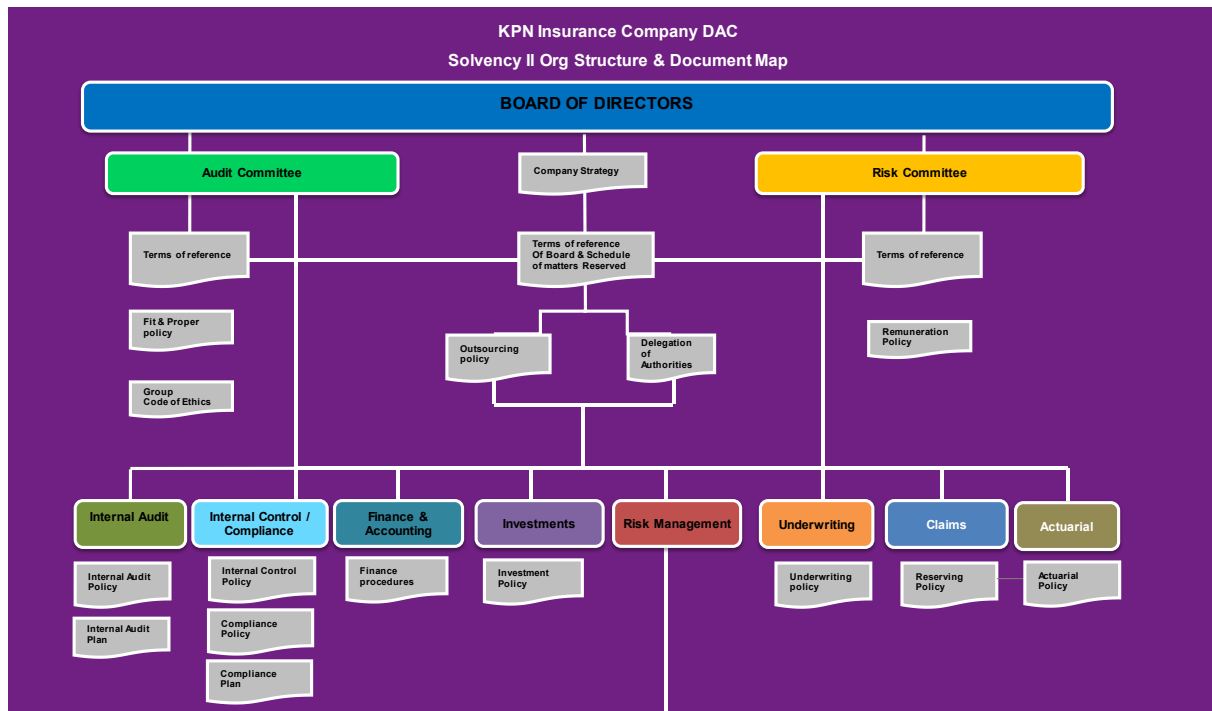
## A.5 Any Other Information

No other information.

## B. Systems of Governance

### B.1 General Information

The Organisational Structure of the Company is as follows:



### Board of Directors

The Board of KPN Insurance Company DAC as at 31st December 2024 comprised as follows:

| Name                   | PCF                                                          | Date Appointed by the Board | Date Resigned |
|------------------------|--------------------------------------------------------------|-----------------------------|---------------|
| Eddy Van Cutsem        | Non-Executive Director (PCF2) & Chair of the Board (PCF3)    | 13/12/2016                  | N/A           |
| Marius Heemstra        | Executive Director (PCF1) & Chief Executive (PCF8)           | 28/12/2000                  | N/A           |
| Jan – Maarten Van Osch | Non-Executive Director (PCF2)                                | 28/06/2017                  | N/A           |
| Valerie Henderson      | Non-Executive Director (PCF2) & Audit Committee Chair (PCF4) | 22/12/2011                  | N/A           |
| Trevor Madden          | Non-Executive Director (PCF2)                                | 22/05/2025                  | N/A           |

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company
- Setting the business strategy for the Company
- Determining any significant changes to the structure or operations of the mobile phone insurance programme
- Establishing banking mandate(s)
- Determining Investment Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including reinsurance)
- Insurance pricing
- Loss Reserve strategy
- Appointment of Reinsurers
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Actuary
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors/Heads of Key Functions
- Removal of the Head of a Control Function and consequent notification of such decision to CBI within 5 working days
- Dividend Recommendations

- Setting the Risk Appetite of the Company
- Overall responsibility for the Company's risk
- Establishing and maintaining the Company's Internal Control Framework
- Identification and appointment of the Key Functions within the Company
- Own Risk and Solvency Assessment ("ORSA") approval procedures
- Review of the Company's Policies and Procedures (annually) and approval of any material changes to same
- Establishment (if appropriate) of various Committees and related delegation of duties
- Sign-off various Committees' Terms of Reference (if appropriate)
- Fit and Proper procedures and approval process.

### **Audit Committee**

The Company established an Audit Committee in 2015, the duties of the Audit Committee include:

- To monitor the financial reporting process
- To monitor the effectiveness of the entity's systems of internal control, internal audit and risk management
- To make recommendations to the Board on appointment of statutory auditor or audit firm
- To monitor the statutory audit of the annual accounts
- To monitor the Internal Audit Function and consider the recommendations of the internal audit reports.

### **Information on Remuneration Policies and Practices**

Given the primary focus of the Company is to provide Insurance to KPN Group subsidiaries and KPN Mobile customers the following directors are individually remunerated for their role as Director in line with the Company's Remuneration Policy:

- Eddy Van Cutsem
- Valerie Henderson

- Trevor Madden

The remaining director positions are held by Group employees who are not directly paid by the Company for their positions.

## Overview of Year Ended 31st December 2024

Four Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 26<sup>th</sup> March 2024
- 11<sup>th</sup> June 2024
- 8<sup>th</sup> October 2024
- 16<sup>th</sup> December 2024

## Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Marius Heemstra, Executive Director, as the designated person, with the overall responsibility for the outsourced functions. Mr. Heemstra has sufficient knowledge and experience with regard to the outsourced key functions and has the ability to challenge the performance and results of the respective service providers.

The following key functions are outsourced by the Company:

### Management Service

KPN Insurance Company DAC has outsourced the management of the Company to Willis Towers Watson Management (Dublin) Limited ('WTWMDL') and this arrangement is governed by the Management Services Agreement.

The Management Services Agreement is evergreen with an annual Board review of services and fees and the captive management services to be provided by WTWMDL are set out in Schedule A of the agreement.

The Board is responsible for monitoring the performance of the Captive Manager.

### Claims Handling

KPNIC's claims handling is outsourced to a number of service providers who provide claims handling and administration services as outlined in the Claims Handling Service Agreements.



The Property Damage/Business Interruption, General Liability, Crime and Cyber claims having historically been managed internally, were transitioned to Crawford & Company International, Inc. ('Crawfords') during 2022.

W.A. Hienfeld provides claims handling and administration services to the Company in respect of the Personal Accident insurance program.

KPN Mobile claims handling has been outsourced to Chubb Europe.

It is the Board's responsibility to review and ensure that the outsourced service providers are performing the responsibilities to a satisfactory level.

### **Risk Management Function**

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited ('WTWMDL'), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board will review the appointment and operation of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

### **Compliance Function**

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.



In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

### **Actuarial Function**

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson Global Solutions Consulting Group.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness and Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48).

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations
- Co-ordinating the calculation of the Technical Provisions
- Provision of an opinion on the underwriting and reinsurance policy of the Company
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Function and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied
- Assess the sufficiency and quality of the data used in the calculation of technical provisions
- Comparison of best estimates against experience.

### **Internal Audit Function**

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an internally outsourced service provided by KPN Group Internal Audit with the Audit Committee acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and management's remediation activity. The Internal Audit Function provides a formal report to the Audit Committee and Board at least annually. The findings of Internal Audit reviews conducted are discussed with, and challenged by, the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13).

## **B.2 Fit and Proper Requirements**

KPN Insurance Company DAC deems the following personnel to hold Pre-Approved Controlled Functions ("PCF") and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

- The Board of Directors
- The Chief Risk Officer
- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance.

### **Fitness:**

The members of the Board of the Company collectively possess the required qualifications, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company
- Of the business strategy and business model of the Company
- Of the Company's system of governance
- To perform required financial and actuarial analysis in respect of the Company
- Of the regulatory framework and requirements applicable to the Company; and
- Generally, to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must possess the appropriate qualifications and knowledge as well as sufficient experience in their relevant disciplines, in compliance with the CBI's F&P Standards.

### **Probity:**

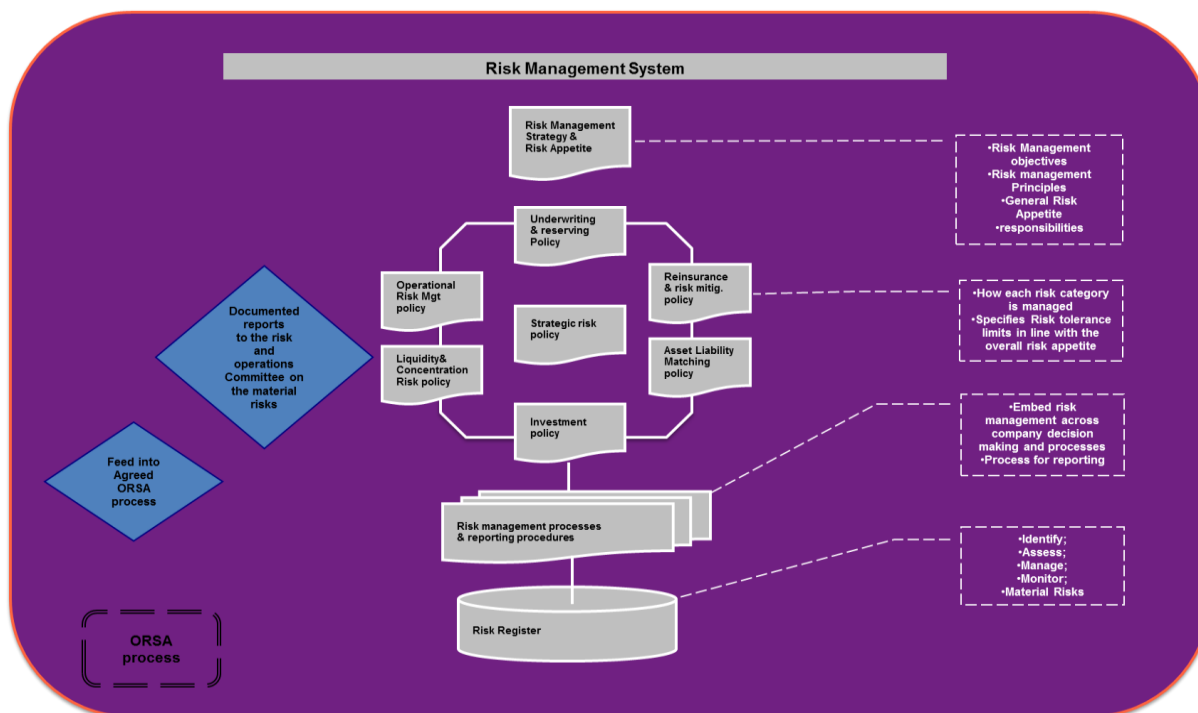
The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

In line with the F&P Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

## **B.3 Risk Management System**

The Company's Risk Management System is comprised of the following elements:

- Risk Appetite Statement (RAS)
- Risk Register (RR)
- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment (ORSA)
- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

## Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business is appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision-making process.

## Risk Profile

The Company, in considering its risk profile, has regard to the following factors:

### Nature:

The nature of the Company's risk is confined mainly to the KPN Group with third party policy holders in the form of KPN Mobile customers and therefore represents limited systemic risk.

**Scale:**

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

**Complexity:**

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

**Risk Function**

The Risk Management Function of the Company is responsible for the operational coordination and application of all risk management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board/Risk Committee with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement. An appropriately experienced individual has been named as the Head of Risk Management Function; Chief Risk Officer (PCF-14).

**Risk Categories & Key Risks**

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the

risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are:

- Underwriting Risk
- Reinsurance Risk
- Investment Risk
- Liquidity Risk
- Asset-Liability Management Risk / FX Risk
- Outsourcing Risk
- Reputational Risk
- Compliance Risk
- Cyber Risk
- Expense Risk
- Strategic Risk.

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least:

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board.

## Risk Appetite Statement

The Company has in place a Risk Appetite Statement ("RAS"). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for establishing and maintaining the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision-making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

## Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

## Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting of the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Management Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

## ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an ORSA at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

### **ORSA - Approach taken:**

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management Function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following provides a summary of the approach taken in 2024:

- A detailed review of the Risk Register and Risk Appetite Statement was carried out by the Board at their meeting on 11<sup>th</sup> June 2024. In addition, the Board assessed the continuing appropriateness of the ORSA framework and agreed the assumptions to be incorporated into the financial projections as well as a selection of reasonable and realistic stressed scenarios for testing.
- The Board approved the ORSA Report as well as the CBI ORSA reporting template at its meeting on 16<sup>th</sup> December 2024 with the latter being filed within two weeks of Board approval.

The Board of Directors provided substantial input and discussed in detail the various aspects of the ORSA and adjusted as and when considered necessary. This is documented in the minutes of the Board meetings where the ORSA process is an Agenda item.

### Own Risk Assessment

The ORSA process includes the Company's Own Risk Assessment. This is a method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk ("VaR") for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term,
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

### Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

## **B.4 Internal Control System**

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of internal controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance Function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedure manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Claims reserving

- Claims settlement
- Management accounts preparation
- General bank payments
- Bank reconciliations
- Compliance.

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

### **Regular**

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Monthly financial reporting to Group
- Detailed reporting at every Board of Directors meeting on compliance matters.

### **Periodic**

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory Report is circulated to the Board
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients
- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company.

## B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ("SLA"). The SLAs include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers is formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies noted.

## B.6 Any Other Information

No other information.

## C. Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

| Solvency Capital Requirement (Undiversified) | SII Valuation Principles |
|----------------------------------------------|--------------------------|
| Market Risk                                  | 6,678,061                |
| Default Risk                                 | 4,468,165                |
| Health Risk                                  | 482,730                  |
| Non-Life Risk                                | 7,568,012                |
| Operational Risk                             | 230,351                  |

### C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable.

As its primary insurance activity, the Company assumes risks relating to Property Damage and Business Interruption (PDBI), General Liability (GL), Crime, Personal Accident, Cyber and KPN Mobile (in run-off) relating to the Group's telecommunications operations in the Netherlands. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportional facultative reinsurance to reduce the Company's net exposure.

The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

## **C.2 Counterparty Default Risk**

The Company has minimal appetite for counterparty default risk in relation to investments and reinsurance.

### **Reinsurance**

The Group utilises reinsurance to manage efficiently insurance risk. The Group is therefore exposed to the failure of these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a general minimum credit rating of A or greater, as documented in the Company's Reinsurance Policy.

### **Investment**

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk, which is achieved in a number of ways such as investing in interest bearing current account deposits and fixed term bank deposits, as well as an intercompany loan.

The Company seeks to spread investments across a number of institutions to reduce concentration risk and the Board will also annually review the amount of funds invested with any one institution.

## **C.3 Market Risk**

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets.

### **Liquidity Risk**

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when policyholder obligations will and could fall due given the nature and scale of the Company. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

## Asset Liability Matching Risk

All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

## C.4 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

## C.5 Regulatory Risk

The Regulatory Risk is described as the risk of non-compliance with the Regulatory Capital requirements and with the appetite and tolerance levels agreed in the Risk Appetite Statement. The approach of the Company towards Regulatory Risk is very conservative and is managed in the context of the Capital Management strategy of the Company

## C.6 Other Material Risks

### Environmental, Social and Governance Issues (including Climate Change)

The Board of Directors are aware of the increased focus on Environmental, Social and Governance (ESG) issues including Climate Change Risk. During 2024 the Board of Directors in conjunction with the Risk Management function completed an exercise to evaluate and incorporate relevant and appropriate ESG risks which could potentially impact the Company within the Risk Management Framework.

The ESG related risks which were identified as being appropriate and relevant risks given the nature, scale and complexity of the Company and which were approved by the Board of Directors on 11th June 2024 as additional risks on the Risk Register. In line with the assessment process, the residual risk, following consideration of mitigants and controls for each of the above, was deemed to be low and hence have not been included in the Company's Risk Appetite Statement for the time being.

The Board have considered the materiality of climate change risk above and beyond the existing risk exposures and do not deem any additional exposure arising from this risk. Whilst the Company's underlying risks may not be directly impacted by the effects of climate change the increased frequency

and severity of natural catastrophe events are a potential risk arising from Climate Change Risk. Whilst climate change risk may not be directly linked to claim events experienced within KPN Group, some events in recent years such as flood or hurricane events could be associated with the effects of climate change.

## **C.7 Any Other Information**

No other information

## D. Valuation for Solvency Purposes

### D.1 Assets

#### Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive with the valuation and recognition for material classes as follows:

##### Intangible Assets

Intangible assets are recognised under Financial Reporting Standard 102 on the basis that the expected future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. The Company holds no intangible asset and thus no recognition and valuation methodology was applied in respect of this category.

##### Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Under Solvency II which recognises unrealised gains and respective tax, deferred tax is recognised and no adjustments were considered applicable to the valuation.

##### Investments

Investments are recognised under Financial Reporting Standard 102 on the basis that the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

Realised and unrealised gains and losses arising from the changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Interest income is recognised when earned and investment management and other related expense are recognised when incurred.

##### Reinsurance share of Technical Provisions

Reinsurance share of Technical Provisions under current accounting basis consists of reinsurance claims provision. Under Solvency II Valuation, reinsurance claims provision is adjusted for the probability of default of reinsurer and is further adjusted on discounted cash flow basis.

### Material Differences in the above used for valuation in Financial Statements

| KPN Insurance Company DAC Assets (EUR)              | 2024                     |                          |
|-----------------------------------------------------|--------------------------|--------------------------|
|                                                     | Current Accounting Bases | SII Valuation Principles |
| Deferred tax asset                                  | -                        | 193,361                  |
| Intercompany loan                                   | 25,000,000               | 25,000,000               |
| Reinsurance share of TP - non-life excluding health | 1,434,318                | (25,626)                 |
| Cash at bank and on hand                            | 22,161,463               | 22,161,463               |
| Any Other Assets, Not Elsewhere Shown               | 3,322,736                | 454,235                  |
| <b>Total assets</b>                                 | <b>51,918,517</b>        | <b>47,783,432</b>        |

| KPN Insurance Company DAC Assets (EUR)              | 2023                     |                          |
|-----------------------------------------------------|--------------------------|--------------------------|
|                                                     | Current Accounting Bases | SII Valuation Principles |
| Deferred tax asset                                  | -                        | 225,464                  |
| Intercompany loan                                   | 50,000,000               | 50,000,000               |
| Reinsurance share of TP - non-life excluding health | 322,581                  | 268,079                  |
| Insurance & Intermediaries Receivables              | -                        | -                        |
| Cash at bank and on hand                            | 20,484,604               | 20,484,604               |
| Any Other Assets, Not Elsewhere Shown               | 2,310,434                | 498,209                  |
| <b>Total assets</b>                                 | <b>73,117,619</b>        | <b>71,476,356</b>        |

Key points to note:

The Solvency II reinsurance share of technical provisions ("TP") value is a discounted best estimate which is derived by the Company's Head of Actuarial Function ("HoAF").

All other assets remain unchanged when presented under Solvency II valuation principles with the exception of insurance premiums receivable in respect of expired policies, which are removed under Solvency II and the creation of a deferred tax asset, which is generated as a result of the revaluation of the technical provisions under Solvency II.

### Overview of any assets not regularly traded in Financial Markets

The Company has no financial assets that are not regularly traded in financial markets.

## D.2 Technical Provisions

### Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

#### Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in claims provision between Financial Statements and Solvency II. The tables below set out the results of the Technical Provisions calculations on the current accounting (Financial Statements) and Solvency II basis.

| KPN Insurance Company DAC Liabilities (EUR)<br>2024       | Current<br>Accounting<br>Bases | SII Valuation<br>Principles |
|-----------------------------------------------------------|--------------------------------|-----------------------------|
| Gross Technical Provisions – Non-Life (Excluding Health)  | 9,368,766                      | 7,879,044                   |
| TP calculated as a whole (Best estimate + Risk margin)    | 9,368,766                      | -                           |
| Best Estimate                                             | -                              | 7,033,640                   |
| Risk Margin                                               | -                              | 845,404                     |
| Gross Technical Provisions - Health (Similar to Non-Life) | -                              | 168,365                     |
| Best Estimate                                             | -                              | 144,105                     |
| Risk margin                                               | -                              | 24,260                      |
| Insurance & intermediaries payables                       | 36,496                         | 36,496                      |
| Reinsurance payables                                      | 1,460,205                      | -                           |
| Any other liabilities, not elsewhere shown                | 1,615,647                      | 1,615,647                   |
| <b>Total liabilities</b>                                  | <b>12,481,114</b>              | <b>9,699,553</b>            |

| KPN Insurance Company DAC Liabilities (EUR)<br>2023       | Current<br>Accounting<br>Bases | SII Valuation<br>Principles |
|-----------------------------------------------------------|--------------------------------|-----------------------------|
| Gross Technical Provisions – Non-Life (Excluding Health)  | 7,895,917                      | 7,759,969                   |
| TP calculated as a whole (Best estimate + Risk margin)    | 7,895,917                      | -                           |
| Best Estimate                                             | -                              | 6,912,673                   |
| Risk Margin                                               | -                              | 847,296                     |
| Gross Technical Provisions - Health (Similar to Non-Life) | -                              | 171,545                     |
| Best Estimate                                             | -                              | 146,956                     |
| Risk margin                                               | -                              | 24,589                      |
| Contingent Liabilities                                    | -                              | -                           |

|                                            |                  |                  |
|--------------------------------------------|------------------|------------------|
| Insurance & intermediaries payables        | 64,034           | 64,034           |
| Reinsurance payables                       | 44,288           | -                |
| Any other liabilities, not elsewhere shown | 1,824,796        | 1,770,468        |
| <b>Total liabilities</b>                   | <b>9,829,035</b> | <b>9,766,017</b> |

The Solvency II Directive regulation requires the inclusion of “run-off” expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

### Claims Provision

As at the reporting date, the Company’s claims provision consisted of the Outstanding Losses Reserves (“OLR”) balance, which related predominantly to reported Property Damage/Business Interruption claims combined with the appropriate portion of Incurred But Not Reported (“IBNR”) provisions, booked in line with the Reserving Policy.

| Line of Business                      | OSLR             | IBNR             |
|---------------------------------------|------------------|------------------|
| Property Damage/Business Interruption | 3,712,858        | 262,366          |
| General Liability                     | 3,758,998        | 1,129,967        |
| Crime                                 | 2,903            | 299,495          |
| Personal Accident                     | 31,333           | 167,642          |
| KPN Mobile                            | 3,203            | -                |
| <b>Total</b>                          | <b>7,509,294</b> | <b>1,859,470</b> |

### Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

### Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement (“SCR”). Simplification method one is used for the standard formula.

### Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Assumed loss ratio:** This is used to capture the expected profit in the unearned premium reserve. We have assumed loss ratios of 100%. This is a prudent assumption and using a lower loss ratio would improve the solvency position further.
- **Settlement period:** Most of the risks being underwritten are short-tailed. Liability and Personal Accident policies have a longer settlement pattern with liability stretching over 10 years and personal accident for 7 years.
- **Discount rate:** Current yields are very low and even negative in the next few years, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by the Company are short-tailed.
- **Expenses:** The total expenses involved in the operation of the Company are small when compared to other elements in the calculation of the technical provisions.
- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

### Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to increase the Company's Gross Technical Provisions by €25,626.

### Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, dated 8 October 2024, refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement.

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels. The Board were satisfied with the effectiveness of the reinsurance arrangements in place".

It is also noted that, the KPN Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

### Matching Adjustments, Volatility Adjustments and Transitional Measures

The Company has no matching adjustments, volatility adjustments or transitional measures as at the reporting period.

### D.3 Other Liabilities

#### Valuation of liabilities per Class of Liability

##### Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

##### Initial measurement

All financial liabilities are initially measured at transaction price.

| LIABILITIES<br>2024                           | €                |
|-----------------------------------------------|------------------|
| Creditors arising out of insurance operations | 1,496,700        |
| Intercompany payable                          | 1,427,567        |
| Other creditors                               | 15,243           |
| Accruals and deferred income                  | 172,838          |
| <b>Total</b>                                  | <b>3,112,348</b> |

| LIABILITIES<br>2023                           | €                |
|-----------------------------------------------|------------------|
| Creditors arising out of insurance operations | 158,963          |
| Intercompany payable                          | 1,426,430        |
| Other creditors                               | 164,200          |
| Accruals and deferred income                  | 183,525          |
| <b>Total</b>                                  | <b>1,933,118</b> |

#### Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under local GAAP financial statements and Solvency II valuation.

### D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

## D.5 Any other Information

No other information

## E. Capital Management

### E.1 Own Funds

#### Objectives, Policies and Processes for Management of Own Funds

The Own Funds are managed in accordance with the Company's Capital Management Policy and the main objective is continuously maintaining the SCR coverage using a time horizon of three years in accordance with the Own Risk and Solvency Assessment. There have been no material changes to the Capital Management Policy, its main objective or the length of the business planning period, over the course of the reporting period. Any change in the policy is reserved for the Board of the Company.

#### Structure, Amount and Quality of Own Funds

The Company has Tier 1 unrestricted own funds composed of ordinary share capital and retained earnings, as well as Tier 3 own funds; deferred tax asset.

The table below sets out the Company's Pillar I capital position as at the current and prior financial year-end:

| Composition         | 2024<br>EUR       |                  | 2023<br>EUR       |                  |
|---------------------|-------------------|------------------|-------------------|------------------|
|                     | Available Capital | Eligible Capital | Available Capital | Eligible Capital |
| Tier 1 unrestricted | 37,890,519        | 37,890,519       | 61,484,876        | 61,484,876       |
| Tier 1 restricted   | -                 | -                | -                 | -                |
| Tier 2 basic        | -                 | -                | -                 | -                |
| Tier 2 ancillary    | -                 | -                | -                 | -                |
| Tier 3              | 193,361           | 193,361          | 225,464           | 225,464          |
| Total               | 38,083,880        | 38,083,880       | 61,710,340        | 61,710,340       |

#### SCR and MCR Cover

The following tables depict the SCR and MCR coverage for the current and prior reporting periods:

| 2024     |                     |                  |                |              |
|----------|---------------------|------------------|----------------|--------------|
| Solvency | Capital Requirement | Eligible Capital | Solvency Ratio | MCR as % SCR |
| SCR      | 14,328,700          | 38,083,880       | 266%           | 28%          |
| MCR      | 4,000,000           | 37,890,519       | 947%           |              |

| 2023     |                     |                  |                |              |
|----------|---------------------|------------------|----------------|--------------|
| Solvency | Capital Requirement | Eligible Capital | Solvency Ratio | MCR as % SCR |
| SCR      | 19,239,314          | 61,710,340       | 321%           | 25%          |
| MCR      | 4,809,829           | 61,484,876       | 1,278%         |              |

### Shareholder's Equity versus Excess of Assets Over Liabilities

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities, as calculated for solvency II purposes, is called Reconciliation Reserve and is composed of:

- the difference between the technical provisions calculated in accordance with Solvency II valuation principles; and
- the reclassification of the premium receivable balance (in respect of unexpired policies) from being an asset to being netted against the Premium Provision component of Technical Provisions for the purposes of Solvency II.

| Reconciliation of Basic Own Funds to Equity as per Financial Statements as at 31 <sup>st</sup> December | 2024             | 2023             |
|---------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                         | EUR              | EUR              |
| Solvency II – Excess Assets Over Liabilities                                                            | 38,083,880       | 61,710,340       |
| Financial Statements – Shareholder's Equity                                                             | 39,437,403       | 63,288,584       |
| <b>Difference:</b>                                                                                      | <b>1,353,523</b> | <b>1,578,244</b> |
|                                                                                                         |                  |                  |
| <u>Represented by:</u>                                                                                  |                  |                  |
| Difference between Net Technical Provisions and BEL                                                     | 2,104,311        | 1,030,439        |
| Risk Margin – Non-Life & Health                                                                         | 869,664          | 871,885          |
| Removal of Premium Receivable & Reinsurance payable                                                     | (1,427,091)      | (98,616)         |
| Adjustment to Deferred Tax                                                                              | (193,361)        | (225,464)        |
| <b>Difference:</b>                                                                                      | <b>1,353,523</b> | <b>1,578,244</b> |

### Transitional Arrangements

None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

## Ancillary Own Funds

There are no ancillary own funds items.

## Deductions and Restrictions

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability.

## Deferred Tax Asset

A deferred tax asset in the amount of €193,361 (2023: €225,464) has been calculated as a result of the revaluation of the Company's assets and liabilities applying Solvency II valuation principles. The full deferred tax asset has been recognised on the Company's Solvency II Balance Sheet for the current reporting period.

The Company has determined that sufficient probable future taxable profits would be earned in order to fully utilise the deferred tax asset being recognised.

In revaluing its assets and liabilities using Solvency II principles, the Company is recognising a net deferred tax asset, as quantified above. The net deferred tax asset is available as basic own funds, classified as tier 3 in accordance with Article 76(a)(iii).

In line with the eligibility limits set out in Article 82, tier 3 own funds items, including the net deferred tax asset, do not exceed 15% of the SCR – 2024: 0.40% (2023: 0.32%) – as such the full net deferred tax asset is recognised as eligible own funds.

The amount of deferred tax asset is not deemed to be material.

## E.2 Solvency Capital Requirement and Minimum Capital Requirement

### Requirements for the Reporting Period

The Minimum Capital Requirement ("MCR") and SCR are calculated using the standard formula.

The Company has achieved SCR coverage of 266% (2023: 321%) and MCR coverage of 947% (2023: 1,278%) as at 31 December 2024.

### SCR Risk Modules

The table below shows the SCR components by risk module (using the Standard Formula) as at the current and prior financial year end:

| SCR Overview                              | €<br>2024         | €<br>2023         |
|-------------------------------------------|-------------------|-------------------|
| Market Risk                               | 6,678,061         | 13,359,245        |
| Default Risk                              | 4,468,165         | 3,608,818         |
| Health Risk                               | 482,730           | 484,144           |
| Non-Life Risk                             | 7,568,012         | 7,758,301         |
| Diversification                           | (5,098,620)       | (6,238,095)       |
| <b>Basic Solvency Capital Requirement</b> | 14,098,349        | 18,972,414        |
| Operational Risk                          | 230,351           | 266,900           |
| <b>Solvency Capital Requirement</b>       | <b>14,328,700</b> | <b>19,239,314</b> |

## Simplifications

Simplified calculations are not used for any of the risk modules or sub-modules.

## Undertaking-Specific Parameters

The Company does not use undertaking specific parameters in its computation.

## MCR Inputs

The Minimum Capital Requirement is calculated using the Standard Formula specifications.

The table below shows the inputs into the MCR calculation as at the current and prior reporting period:

| MCR Overview                       | €<br>2024        | €<br>2023        |
|------------------------------------|------------------|------------------|
| Linear MCR                         | 1,035,347        | 1,165,852        |
| SCR                                | 14,328,700       | 19,239,314       |
| MCR cap                            | 6,447,915        | 8,657,691        |
| MCR floor                          | 3,582,175        | 4,809,829        |
| Combined MCR                       | 3,582,175        | 4,809,829        |
| Absolute floor of the MCR          | 4,000,000        | 4,000,000        |
| <b>Minimum Capital Requirement</b> | <b>4,000,000</b> | <b>4,809,829</b> |

## Loss-Absorbing Capacity of Deferred Taxes ("LACDT")

The SCR has not been adjusted for LACDT (2023: € nil). This is a prudent assumption as making such an adjustment would improve the solvency position further.

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

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

### **E.4 Internal Model Information**

The Company applies the Standard Formula model and does not use an internal model to calculate the Solvency Capital Requirement.

### **E.5 Non-Compliance with MCR and SCR during the period**

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

### **E.6 Any Other Information**

No other information

# Appendix

## Annual Quantitative Reporting Templates 31 December 2024

# KPN Insurance

## Solvency and Financial Condition Report

### Disclosures

31 December

**2024**

(Monetary amounts in EUR thousands)

General information

|                                                     |                                                               |
|-----------------------------------------------------|---------------------------------------------------------------|
| Undertaking name                                    | KPN Insurance Company DAC                                     |
| Undertaking identification code                     | 635400XVVOPIODWMYY36                                          |
| Type of code of undertaking                         | LEI                                                           |
| Type of undertaking                                 | Non-Life insurance undertakings                               |
| Country of authorisation                            | IE                                                            |
| Language of reporting                               | en                                                            |
| Reporting reference date                            | 31 December 2024                                              |
| Currency used for reporting                         | EUR                                                           |
| Accounting standards                                | Local GAAP                                                    |
| Method of Calculation of the SCR                    | Standard formula                                              |
| Matching adjustment                                 | No use of matching adjustment                                 |
| Volatility adjustment                               | No use of volatility adjustment                               |
| Transitional measure on the risk-free interest rate | No use of transitional measure on the risk-free interest rate |
| Transitional measure on technical provisions        | No use of transitional measure on technical provisions        |

List of reported templates

- S.02.01.02 - Balance sheet
- S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## S.02.01.02

## Balance sheet

|        |                                                                                        | Solvency II<br>value |
|--------|----------------------------------------------------------------------------------------|----------------------|
| Assets |                                                                                        | C0010                |
| R0030  | Intangible assets                                                                      | 0                    |
| R0040  | Deferred tax assets                                                                    | 193                  |
| R0050  | Pension benefit surplus                                                                | 0                    |
| R0060  | Property, plant & equipment held for own use                                           | 0                    |
| R0070  | Investments (other than assets held for index-linked and unit-linked contracts)        | 0                    |
| R0080  | <i>Property (other than for own use)</i>                                               | 0                    |
| R0090  | <i>Holdings in related undertakings, including participations</i>                      | 0                    |
| R0100  | <i>Equities</i>                                                                        | 0                    |
| R0110  | <i>Equities - listed</i>                                                               | 0                    |
| R0120  | <i>Equities - unlisted</i>                                                             | 0                    |
| R0130  | <i>Bonds</i>                                                                           | 0                    |
| R0140  | <i>Government Bonds</i>                                                                | 0                    |
| R0150  | <i>Corporate Bonds</i>                                                                 | 0                    |
| R0160  | <i>Structured notes</i>                                                                | 0                    |
| R0170  | <i>Collateralised securities</i>                                                       | 0                    |
| R0180  | <i>Collective Investments Undertakings</i>                                             | 0                    |
| R0190  | <i>Derivatives</i>                                                                     | 0                    |
| R0200  | <i>Deposits other than cash equivalents</i>                                            | 0                    |
| R0210  | <i>Other investments</i>                                                               | 0                    |
| R0220  | Assets held for index-linked and unit-linked contracts                                 |                      |
| R0230  | Loans and mortgages                                                                    | 25,000               |
| R0240  | <i>Loans on policies</i>                                                               | 0                    |
| R0250  | <i>Loans and mortgages to individuals</i>                                              | 0                    |
| R0260  | <i>Other loans and mortgages</i>                                                       | 25,000               |
| R0270  | Reinsurance recoverables from:                                                         | -26                  |
| R0280  | <i>Non-life and health similar to non-life</i>                                         | -26                  |
| R0290  | <i>Non-life excluding health</i>                                                       | -26                  |
| R0300  | <i>Health similar to non-life</i>                                                      | 0                    |
| R0310  | <i>Life and health similar to life, excluding index-linked and unit-linked</i>         | 0                    |
| R0320  | <i>Health similar to life</i>                                                          |                      |
| R0330  | <i>Life excluding health and index-linked and unit-linked</i>                          |                      |
| R0340  | <i>Life index-linked and unit-linked</i>                                               |                      |
| R0350  | Deposits to cedants                                                                    | 0                    |
| R0360  | Insurance and intermediaries receivables                                               | 0                    |
| R0370  | Reinsurance receivables                                                                | 0                    |
| R0380  | Receivables (trade, not insurance)                                                     | 0                    |
| R0390  | Own shares (held directly)                                                             | 0                    |
| R0400  | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0                    |
| R0410  | Cash and cash equivalents                                                              | 22,161               |
| R0420  | Any other assets, not elsewhere shown                                                  | 454                  |
| R0500  | <b>Total assets</b>                                                                    | <b>47,783</b>        |

## S.02.01.02

## Balance sheet

|                    |                                                                                        | Solvency II<br>value |
|--------------------|----------------------------------------------------------------------------------------|----------------------|
|                    |                                                                                        | C0010                |
| <b>Liabilities</b> |                                                                                        |                      |
| R0510              | Technical provisions - non-life                                                        | 8,047                |
| R0520              | <i>Technical provisions - non-life (excluding health)</i>                              | 7,879                |
| R0530              | <i>TP calculated as a whole</i>                                                        | 0                    |
| R0540              | <i>Best Estimate</i>                                                                   | 7,034                |
| R0550              | <i>Risk margin</i>                                                                     | 845                  |
| R0560              | <i>Technical provisions - health (similar to non-life)</i>                             | 168                  |
| R0570              | <i>TP calculated as a whole</i>                                                        | 0                    |
| R0580              | <i>Best Estimate</i>                                                                   | 144                  |
| R0590              | <i>Risk margin</i>                                                                     | 24                   |
| R0600              | Technical provisions - life (excluding index-linked and unit-linked)                   | 0                    |
| R0610              | <i>Technical provisions - health (similar to life)</i>                                 | 0                    |
| R0620              | <i>TP calculated as a whole</i>                                                        |                      |
| R0630              | <i>Best Estimate</i>                                                                   |                      |
| R0640              | <i>Risk margin</i>                                                                     |                      |
| R0650              | <i>Technical provisions - life (excluding health and index-linked and unit-linked)</i> | 0                    |
| R0660              | <i>TP calculated as a whole</i>                                                        |                      |
| R0670              | <i>Best Estimate</i>                                                                   |                      |
| R0680              | <i>Risk margin</i>                                                                     |                      |
| R0690              | Technical provisions - index-linked and unit-linked                                    | 0                    |
| R0700              | <i>TP calculated as a whole</i>                                                        |                      |
| R0710              | <i>Best Estimate</i>                                                                   |                      |
| R0720              | <i>Risk margin</i>                                                                     |                      |
| R0740              | Contingent liabilities                                                                 | 0                    |
| R0750              | Provisions other than technical provisions                                             | 0                    |
| R0760              | Pension benefit obligations                                                            | 0                    |
| R0770              | Deposits from reinsurers                                                               | 0                    |
| R0780              | Deferred tax liabilities                                                               | 0                    |
| R0790              | Derivatives                                                                            | 0                    |
| R0800              | Debts owed to credit institutions                                                      | 0                    |
| R0810              | Financial liabilities other than debts owed to credit institutions                     | 0                    |
| R0820              | Insurance & intermediaries payables                                                    | 36                   |
| R0830              | Reinsurance payables                                                                   | 0                    |
| R0840              | Payables (trade, not insurance)                                                        | 0                    |
| R0850              | Subordinated liabilities                                                               | 0                    |
| R0860              | <i>Subordinated liabilities not in BOF</i>                                             | 0                    |
| R0870              | <i>Subordinated liabilities in BOF</i>                                                 | 0                    |
| R0880              | Any other liabilities, not elsewhere shown                                             | 1,616                |
| R0900              | <b>Total liabilities</b>                                                               | 9,700                |
| R1000              | <b>Excess of assets over liabilities</b>                                               | 38,084               |

S.04.05.21

**Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations**

R0010

| Home<br>Country | Top 5 countries (by amount of gross premiums written): non-life |       |       |       |       |
|-----------------|-----------------------------------------------------------------|-------|-------|-------|-------|
|                 | NL                                                              |       |       |       |       |
| C0010           | C0020                                                           | C0021 | C0022 | C0023 | C0024 |
|                 | 7,678                                                           |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 | 7,678                                                           |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 | 1,944                                                           |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 | 2,534                                                           |       |       |       |       |
|                 |                                                                 |       |       |       |       |
|                 |                                                                 |       |       |       |       |



S.17.01.02  
Non-Life Technical Provisions

R0010 Technical provisions calculated as a whole  
R0050 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

Technical provisions calculated as a sum of BE and RM

Best estimate  
Premium provisions  
R0060 Gross  
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default  
R0150 Net Best Estimate of Premium Provisions

Claims provisions  
R0160 Gross  
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default  
R0250 Net Best Estimate of Claims Provisions

R0260 Total best estimate - gross  
R0270 Total best estimate - net

R0280 Risk margin

R0320 Technical provisions - total  
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total  
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

| Direct business and accepted proportional reinsurance |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              | Accepted non-proportional reinsurance |                                       |                                                             |                                       | Total Non-Life obligation |
|-------------------------------------------------------|-----------------------------|---------------------------------|-----------------------------------|-----------------------|------------------------------------------|---------------------------------------------|-----------------------------|---------------------------------|--------------------------|------------|------------------------------|---------------------------------------|---------------------------------------|-------------------------------------------------------------|---------------------------------------|---------------------------|
| Medical expense insurance                             | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | Legal expenses insurance | Assistance | Miscellaneous financial loss | Non-proportional health reinsurance   | Non-proportional casualty reinsurance | Non-proportional marine, aviation and transport reinsurance | Non-proportional property reinsurance |                           |
| C0020                                                 | C0030                       | C0040                           | C0050                             | C0060                 | C0070                                    | C0080                                       | C0090                       | C0100                           | C0110                    | C0120      | C0130                        | C0140                                 | C0150                                 | C0160                                                       | C0170                                 | C0180                     |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       | 0                         |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       | 0                         |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             | 0                               |                                   |                       |                                          | 0                                           | 0                           |                                 |                          |            | 0                            |                                       |                                       |                                                             |                                       | 0                         |
|                                                       |                             | 0                               |                                   |                       |                                          | 0                                           | 0                           |                                 |                          |            | 0                            |                                       |                                       |                                                             |                                       | 0                         |
|                                                       |                             | 0                               |                                   |                       |                                          | 0                                           | 0                           |                                 |                          |            | 0                            |                                       |                                       |                                                             |                                       | 0                         |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             | 144                             |                                   |                       |                                          | 2,385                                       | 4,679                       |                                 |                          |            | -30                          |                                       |                                       |                                                             |                                       | 7,178                     |
|                                                       |                             | 0                               |                                   |                       |                                          | 0                                           | 0                           |                                 |                          |            | -26                          |                                       |                                       |                                                             |                                       | -26                       |
|                                                       |                             | 144                             |                                   |                       |                                          | 2,385                                       | 4,679                       |                                 |                          |            | -5                           |                                       |                                       |                                                             |                                       | 7,203                     |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             | 144                             |                                   |                       |                                          | 2,385                                       | 4,679                       |                                 |                          |            | -30                          |                                       |                                       |                                                             |                                       | 7,178                     |
|                                                       |                             | 144                             |                                   |                       |                                          | 2,385                                       | 4,679                       |                                 |                          |            | -5                           |                                       |                                       |                                                             |                                       | 7,203                     |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             | 24                              |                                   |                       |                                          | 258                                         | 489                         |                                 |                          |            | 99                           |                                       |                                       |                                                             |                                       | 870                       |
|                                                       |                             |                                 |                                   |                       |                                          |                                             |                             |                                 |                          |            |                              |                                       |                                       |                                                             |                                       |                           |
|                                                       |                             | 168                             |                                   |                       |                                          | 2,642                                       | 5,168                       |                                 |                          |            | 68                           |                                       |                                       |                                                             |                                       | 8,047                     |
|                                                       |                             | 0                               |                                   |                       |                                          | 0                                           | 0                           |                                 |                          |            | -26                          |                                       |                                       |                                                             |                                       | -26                       |
|                                                       |                             | 168                             |                                   |                       |                                          | 2,642                                       | 5,168                       |                                 |                          |            | 94                           |                                       |                                       |                                                             |                                       | 8,073                     |

### Non-Life insurance claims

|                                   |                   |
|-----------------------------------|-------------------|
| Accident year / underwriting year | Underwriting Year |
|-----------------------------------|-------------------|

(absolute amount)

R0260

(absolute amount)

R0260

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 |                                                                                                                                                                             |
| R0010                                                                                                                                   | Ordinary share capital (gross of own shares)                                                                                                                                |
| R0030                                                                                                                                   | Share premium account related to ordinary share capital                                                                                                                     |
| R0040                                                                                                                                   | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings                                                         |
| R0050                                                                                                                                   | Subordinated mutual member accounts                                                                                                                                         |
| R0070                                                                                                                                   | Surplus funds                                                                                                                                                               |
| R0090                                                                                                                                   | Preference shares                                                                                                                                                           |
| R0110                                                                                                                                   | Share premium account related to preference shares                                                                                                                          |
| R0130                                                                                                                                   | Reconciliation reserve                                                                                                                                                      |
| R0140                                                                                                                                   | Subordinated liabilities                                                                                                                                                    |
| R0160                                                                                                                                   | An amount equal to the value of net deferred tax assets                                                                                                                     |
| R0180                                                                                                                                   | Other own fund items approved by the supervisory authority as basic own funds not specified above                                                                           |
| R0220                                                                                                                                   | Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds |
| R0230                                                                                                                                   | Deductions for participations in financial and credit institutions                                                                                                          |
| R0290                                                                                                                                   | Total basic own funds after deductions                                                                                                                                      |
| Ancillary own funds                                                                                                                     |                                                                                                                                                                             |
| R0300                                                                                                                                   | Unpaid and uncalled ordinary share capital callable on demand                                                                                                               |
| R0310                                                                                                                                   | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand               |
| R0320                                                                                                                                   | Unpaid and uncalled preference shares callable on demand                                                                                                                    |
| R0330                                                                                                                                   | A legally binding commitment to subscribe and pay for subordinated liabilities on demand                                                                                    |
| R0340                                                                                                                                   | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC                                                                                           |
| R0350                                                                                                                                   | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC                                                                                |
| R0360                                                                                                                                   | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC                                                                          |
| R0370                                                                                                                                   | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC                                                             |
| R0390                                                                                                                                   | Other ancillary own funds                                                                                                                                                   |
| R0400                                                                                                                                   | Total ancillary own funds                                                                                                                                                   |
| Available and eligible own funds                                                                                                        |                                                                                                                                                                             |
| R0500                                                                                                                                   | Total available own funds to meet the SCR                                                                                                                                   |
| R0510                                                                                                                                   | Total available own funds to meet the MCR                                                                                                                                   |
| R0540                                                                                                                                   | Total eligible own funds to meet the SCR                                                                                                                                    |
| R0550                                                                                                                                   | Total eligible own funds to meet the MCR                                                                                                                                    |
| R0580                                                                                                                                   | SCR                                                                                                                                                                         |
| R0600                                                                                                                                   | MCR                                                                                                                                                                         |
| R0620                                                                                                                                   | Ratio of Eligible own funds to SCR                                                                                                                                          |
| R0640                                                                                                                                   | Ratio of Eligible own funds to MCR                                                                                                                                          |
| Reconcilliation reserve                                                                                                                 |                                                                                                                                                                             |
| R0700                                                                                                                                   | Excess of assets over liabilities                                                                                                                                           |
| R0710                                                                                                                                   | Own shares (held directly and indirectly)                                                                                                                                   |
| R0720                                                                                                                                   | Foreseeable dividends, distributions and charges                                                                                                                            |
| R0730                                                                                                                                   | Other basic own fund items                                                                                                                                                  |
| R0740                                                                                                                                   | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds                                                                 |
| R0760                                                                                                                                   | Reconciliation reserve                                                                                                                                                      |
| Expected profits                                                                                                                        |                                                                                                                                                                             |
| R0770                                                                                                                                   | Expected profits included in future premiums (EPIFP) - Life business                                                                                                        |
| R0780                                                                                                                                   | Expected profits included in future premiums (EPIFP) - Non- life business                                                                                                   |
| R0790                                                                                                                                   | Total Expected profits included in future premiums (EPIFP)                                                                                                                  |

| Total  | Tier 1<br>unrestricted | Tier 1<br>restricted | Tier 2 | Tier 3 |
|--------|------------------------|----------------------|--------|--------|
| C0010  | C0020                  | C0030                | C0040  | C0050  |
| 635    | 635                    |                      | 0      |        |
| 0      | 0                      |                      | 0      |        |
| 0      | 0                      |                      | 0      |        |
| 0      |                        | 0                    | 0      | 0      |
| 0      | 0                      |                      |        |        |
| 0      |                        | 0                    | 0      | 0      |
| 0      |                        | 0                    | 0      | 0      |
| 37,256 | 37,256                 |                      |        |        |
| 0      |                        | 0                    | 0      | 0      |
| 193    |                        |                      |        | 193    |
| 0      | 0                      | 0                    | 0      | 0      |
| 0      |                        |                      |        |        |
| 0      |                        |                      |        |        |
| 38,084 | 37,891                 | 0                    | 0      | 193    |

|   |  |   |   |
|---|--|---|---|
| 0 |  | 0 |   |
| 0 |  | 0 |   |
| 0 |  | 0 | 0 |
| 0 |  | 0 | 0 |
| 0 |  | 0 |   |
| 0 |  | 0 | 0 |
| 0 |  | 0 |   |
| 0 |  | 0 | 0 |
| 0 |  | 0 | 0 |
| 0 |  | 0 | 0 |

|        |        |   |   |     |
|--------|--------|---|---|-----|
| 38,084 | 37,891 | 0 | 0 | 193 |
| 37,891 | 37,891 | 0 | 0 |     |
| 38,084 | 37,891 | 0 | 0 | 193 |
| 37,891 | 37,891 | 0 | 0 |     |

|         |
|---------|
| 14,329  |
| 4,000   |
| 265.79% |
| 947.26% |

|        |
|--------|
| C0060  |
| 38,084 |
| 0      |
| 0      |
| 828    |
| 0      |
| 37,256 |

|   |
|---|
|   |
|   |
| 0 |

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

- R0010

Market risk
- R0020

Counterparty default risk
- R0030

Life underwriting risk
- R0040

Health underwriting risk
- R0050

Non-life underwriting risk
- R0060

Diversification
- R0070

Intangible asset risk
- R0100

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

- R0130

Operational risk
- R0140

Loss-absorbing capacity of technical provisions
- R0150

Loss-absorbing capacity of deferred taxes
- R0160

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
- R0200

Solvency Capital Requirement excluding capital add-on
- R0210

Capital add-ons already set
- R0211

of which, capital add-ons already set - Article 37 (1) Type a
- R0212

of which, capital add-ons already set - Article 37 (1) Type b
- R0213

of which, capital add-ons already set - Article 37 (1) Type c
- R0214

of which, capital add-ons already set - Article 37 (1) Type d
- R0220

Solvency capital requirement

Other information on SCR

- R0400

Capital requirement for duration-based equity risk sub-module
- R0410

Total amount of Notional Solvency Capital Requirements for remaining part
- R0420

Total amount of Notional Solvency Capital Requirements for ring fenced funds
- R0430

Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
- R0440

Diversification effects due to RFF nSCR aggregation for article 304

Approach to tax rate

- R0590

Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

- R0640

LAC DT
- R0650

LAC DT justified by reversion of deferred tax liabilities
- R0660

LAC DT justified by reference to probable future taxable economic profit
- R0670

LAC DT justified by carry back, current year
- R0680

LAC DT justified by carry back, future years
- R0690

Maximum LAC DT

| Gross solvency capital requirement | USP   | Simplifications |
|------------------------------------|-------|-----------------|
| C0110                              | C0090 | C0120           |
| 6,678                              |       |                 |
| 4,468                              |       |                 |
| 0                                  |       |                 |
| 483                                |       |                 |
| 7,568                              |       |                 |
| -5,099                             |       |                 |
| 0                                  |       |                 |
| 14,098                             |       |                 |
| C0100                              |       |                 |
| 230                                |       |                 |
| 0                                  |       |                 |
|                                    |       |                 |
| 0                                  |       |                 |
| 14,329                             |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 14,329                             |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| Yes/No                             |       |                 |
| C0109                              |       |                 |
| 0                                  |       |                 |
| LAC DT                             |       |                 |
| C0130                              |       |                 |
|                                    |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |
| 0                                  |       |                 |

USP Key

For life underwriting risk:

1 - Increase in the amount of annuity benefits

9 - None

For health underwriting risk:

1 - Increase in the amount of annuity benefits

2 - Standard deviation for NSLT health premium risk

3 - Standard deviation for NSLT health gross premium risk

4 - Adjustment factor for non-proportional reinsurance

5 - Standard deviation for NSLT health reserve risk

9 - None

For non-life underwriting risk:

4 - Adjustment factor for non-proportional reinsurance

6 - Standard deviation for non-life premium risk

7 - Standard deviation for non-life gross premium risk

8 - Standard deviation for non-life reserve risk

9 - None

**Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity**

R0010 MCR<sub>NI</sub> Result

C0010

1,035

Net (of reinsurance /SPV) best estimate and TP calculated as a whole

**Net (of reinsurance)  
written premiums in  
the last 12 months**

C0020

C0030

0 0

|   |  |   |
|---|--|---|
| 0 |  | 0 |
|---|--|---|

|     |     |
|-----|-----|
| 144 | 182 |
|-----|-----|

0 0

0 \_\_\_\_\_ 0

0 \_\_\_\_\_ 0

|       |   |
|-------|---|
| 2.385 | 0 |
|-------|---|

|       |       |
|-------|-------|
| 4,679 | 1,560 |
|-------|-------|

0 \_\_\_\_\_ 0

[illegible]

0 0

0 | 786

0 \_\_\_\_\_ 0

0 0

0 0

000000

### Linear formula component for life insurance and reinsurance obligations

C0040

0

Net (of reinsurance /SPV) best estimate and TP calculated as a whole

**Net (of reinsurance /SPV) total capital at risk**

C0050

C0060

### Overall MCR calculation

C0070

1.035

14,329

6,448

3,582

3,582

4,000

1,000

## Obligations with profit participation - guaranteed benefits

## Obligations with profit participation - future discretionary benefits

## Index-linked and unit-linked insurance obligations

Other life (re)insurance and health (re)insurance obligations

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