AGIR CHAQUE JOUR DANS VOTRE INTÉRÊT
ET CELUI DE LA SOCIÉTÉ

ASSURANCES

CACI Reinsurance Designated Activity Company (DAC)

SOLVENCY AND FINANCIAL CONDITION REPORT 2021

SOLVENCY II NARRATIVE REPORT

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SUMMARY

This is the solvency and financial condition report (SFCR) of CACI Reinsurance DAC (the Company) as described in the Commission Delegated Regulation (EU) 2015/35. It is presented in conjunction with the quantitative reporting templates append to this report. The aim of this report is to provide explanations on the activity and performance, adequacy of its system of governance, the differences in valuation between Irish accounting and Solvency II, and to evaluate the solvency needs of the Company.

This report was presented to the Audit Committee on 29 March 2022 and approved by the Board of Directors (Board) on 30 March 2022.

The principal activity of the Company is to reinsure protection life and non-life insurance business in several European countries including France, Italy, Germany, Spain and Portugal.

Business and Performance

The Covid-19 pandemic continues to affect the performance of the Company but to a lesser extent than anticipated.

The Company continues to show its resilience during this pandemic time and service to its cedents and related partners has been maintained. The Board thanks its employees for their diligence and commitment during this difficult period. Further information is contained in sections A2 and A3.

Systems of governance

The Company is equipped with a system of governance that provides for sound and prudent management. The Board defines the guidelines of the Company's activities and ensures their consistent implementation. The Board is also responsible for the legal, regulatory and administrative rules adopted pursuant to the implementation of Solvency II. This system of governance contributes to the realisation of the strategic objectives of the Company and supports an effective control of its risks considering their nature, scale and complexity.

Risk profile

The main risks for the Company are the health and non-life underwriting risk followed by the market risk. The risk profile describes the risks whether covered by the standard formula or not that are identified, measured and controlled using quantitative data, mitigation techniques and sensitivity analysis.

Prudential balance sheet valuation

The reporting date for the Company's solvency balance sheet is 31 December.

The solvency balance sheet is based on an economic valuation of assets and liabilities:

a. Assets are measured at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction;

b. Liabilities are measured at the amount for which they could be transferred or settled between knowledgeable willing parties in an arm's length transaction.

In most cases the Irish accounting standards provide a valuation at fair value in accordance with the Solvency II principles. The main exceptions are technical provisions (gross and ceded) which have a different valuation basis using best estimate principles and the elimination of intangible assets.

Capital management

The Company has adopted a capital management policy that describes the procedures to manage, monitor and classify own funds. At 31 December 2021, the Company's eligible own funds amounted to € 23,058k and a solvency capital requirement of € 8,583k and a minimum capital requirement (MCR) of € 3,600k. No transitional measures have been applied by the Company to calculate its solvency capital requirement (SCR).

At 31 December 2021 the SCR ratio of the company is 268.7% and MCR ratio is 547.9%.

A. BUSINESS AND PERFORMANCE

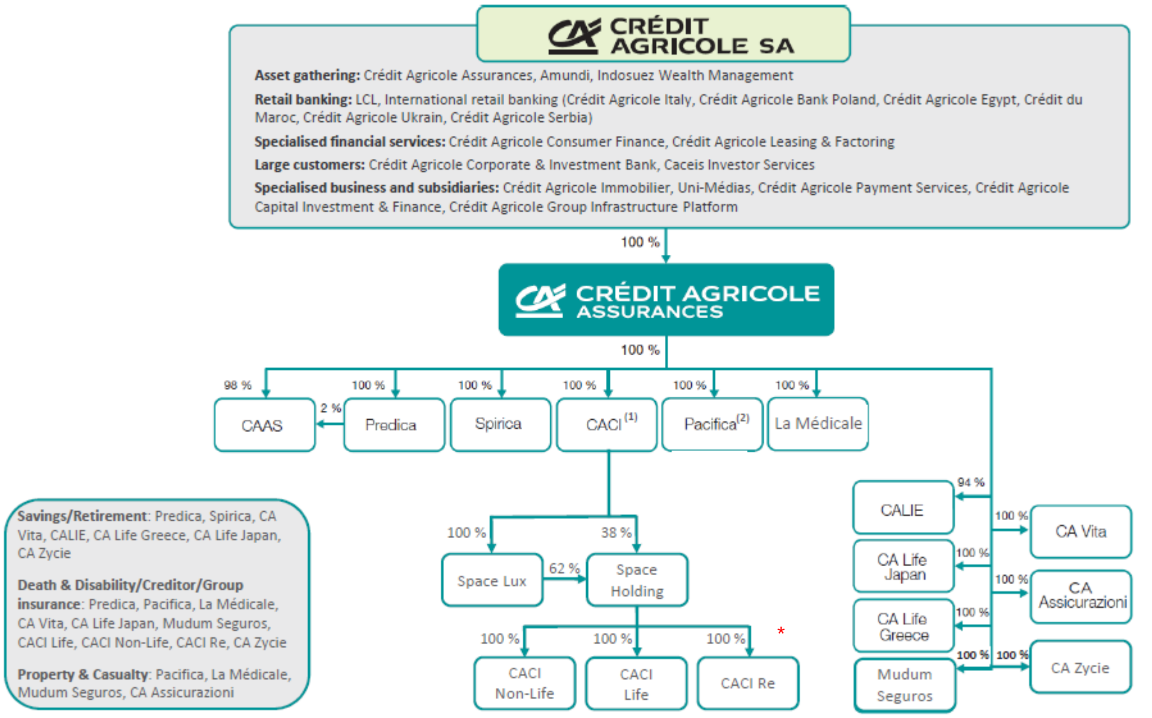
A.1 BUSINESS

A.1.1 Introduction

CACI Reinsurance DAC (the Company) is a designated activity company incorporated in Ireland, with a registered office at Beaux Lane House, Mercer Street Lower, Dublin 2.

The principal activity of the Company is to reinsure protection life and non-life insurance business in several European countries including France, Italy, Germany, Spain and Portugal.

The Company is a member of the Crédit Agricole Assurances group as illustrated below:



(1) On 30th November 2021, CACI has absorbed Assur&me
(2) On 13th January 2021, Pacifica has acquired 50% of Europ Assistance France and sold ViaVita to Europ Assistance France.

Other entities:
- CAAS is the common employer for Crédit Agricole Assurances, Predica, CACI Gestion and CAAGIS employees
- CACI, Space Lux and Space Holding are holdings

* one share held by Space Lux

On February 1st 2022, Crédit Agricole Assurances and Generali signed the sale agreement for La Médicale. The completion of this transaction remains subject to obtaining the authorizations of the competent regulatory and competition authorities.

The Company is regulated by the Central Bank of Ireland, which has its offices at New Wapping Street, North Wall Quay, Dublin 1, Ireland.

The Company is audited by PricewaterhouseCoopers, which has its offices at One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

A.1.2 Significant events

Refer to Part D Subsequent events.

A.2 UNDERWRITING PERFORMANCE

As mentioned previously, the Company reinsures protection life and non-life insurance business which are categorised as follows in accordance with Solvency II standards:

- Life (excl. health and indexed and unit-linked)
- Health (similar to life)
- Non-Life (excluding health)

Performance by line of business

The table below summarises the underwriting performance in 2021 and 2020 by line of business:

	2021			
(€ '000)	Non-Life	Life	Health	**Total**
Premium written	355	3,744	9,293	**13,392**
Premium earned	361	3,976	9,058	**13,395**
Claims incurred	(6)	(2,039)	(2,136)	**(4,181)**
Change in other technical provisions	-	347	-	**347**
Expenses incurred	(312)	(1,656)	(6,772)	**(8,740)**
Reinsurance ceded	(11)	-	(58)	**(69)**

	2020			
(€ '000)	Non-Life	Life	Health	**Total**
Premium written	451	6,368	14,051	**20,870**
Premium earned	453	7,341	16,377	**24,171**
Claims incurred	(119)	5,497	(3,224)	**2,154**
Change in other technical provisions	-	312	667	**979**
Expenses incurred	(271)	(7,184)	(10,990)	**(18,445)**
Reinsurance ceded	(10)	-	(176)	**(186)**

Note: The above figure are gross of reinsurance with the exception of reinsurance ceded.

Performance by main countries

The table below summaries the underwriting performance of the Company in 2021 and 2020 by its main countries. It does not include investment income, which is discussed in section A-3 Investment performance.

	2021					
(€ '000)	France	Italy	Germany	Portugal	Others	**Total**
Premium written	8,051	2,987	545	1,297	512	13,392
Premium earned	8,064	2,215	1,102	1,294	720	13,395
Claims incurred	(3,970)	635	(410)	6	(442)	(4,181)
Change in other technical provisions	347	0	-	-	-	347
Expenses incurred	(4,876)	(2,169)	(309)	(1,175)	(211)	(8,740)
Reinsurance ceded	-	0	-	(69)	0	(69)

	2020					
(€ '000)	France	Italy	Germany	Portugal	Others	**Total**
Premium written	12,285	5,715	666	1,701	503	20,870
Premium earned	12,248	8,504	1,053	1,637	729	24,171
Claims incurred	(6,068)	9,703	(471)	(565)	(445)	2,154
Change in other technical provisions	309	670	-	-	-	979
Expenses incurred	(6,186)	(12,130)	(292)	(985)	1,148	(18,445)
Reinsurance ceded	-	(3)	-	(76)	(107)	(186)

Note: The above figure are gross of reinsurance with the exception of reinsurance ceded

The Company's largest country by premium income remains **France** accounting for 60% of total business in 2021 (2020: 59%). The reduction in premiums is due to the run-off status of contracts in place and delay in receipt of annual contracts from cedents.

Italian business has decreased to € 2,987k (22% of total business) as anticipated. The decrease is attributable to (i) contracts in run-off status and (ii) 2020 premiums included a regularization cedent account.

Premiums from the **German** market remain active and represent 4% of total business for 2021. The decrease is attributable to the slow recovery of the automotive consumer finance business.

Business from **Portugal** decreased in 2021 as contract in run-off status and account for 10% of total business.

Claims incurred of (€ 4,181k) include claims paid and variation in claims reserving (claims outstanding and incurred but not reported). The increase in claims incurred in the year is distorted due to the cancellation of an Italian retrocession treaty in 2020 (approx. € 9,509k). Excluding this amount, claims incurred are lower and in line with the reduction of premium income.

Expenses incurred of € 8,740k include the acquisition cost of premiums sold by distributors, the variation in the deferred acquisition costs for longer duration insurance covers (in conjunction with unearned premiums) and the allocation of operating expenses.

Reinsurance ceded includes the cost of three small retrocession treaties the Company has in place.

A.3 INVESTMENT PERFORMANCE

The financial year 2021 marked a return to economic growth despite the ongoing Covid-19 pandemic. The cumulative effect of a recovery in demand and supply issues has pushed inflation to very high levels almost everywhere. At the end of the year, the major central banks of advanced economies announced a gradual easing of their support measures, as those of emerging economies have already tightened their monetary policies.

On the economic front, in Europe, after a first quarter severely affected by the pandemic and its consequences, a very clear recovery of the economic climate was achieved due to the reopening of many sectors, made possible in particular to the roll out progress of vaccination. Disruptions in global industrial chains, strong rises in energy prices, base effects and strong demand generated by the reopening of the economy have generated a very strong rise in inflation across the area. The labour market has also improved despite the easing of support arrangements. In this context, the ECB, which maintained a very accommodative attitude, announced at the end of the year the adjustment of its monetary policy in 2022.

The U.S. economy also experienced a very strong recovery in 2021, albeit on an uneven trajectory, in response to changing Covid-19 contamination. The year was marked by significant difficulties in the supply of intermediate products, due to disruptions and bottlenecks in the global industrial chains, generating price pressures. The labour market continued to recover, while the business climate remained buoyant. The Federal Reserve, after having maintained an accommodative attitude, announced at the end of the year the gradual reduction of its asset purchases.

Despite the emergence of new Covid-19 variants and issues related to inflation, the equity stock markets produced promising results during 2021. However, there was a sharp divergence between developed country indices and emerging markets, which notably suffered from the rise of the dollar, announcements of less support for the Chinese economy and its unprecedented regulatory tightening.

In bond markets, 2021 was marked by a sharp rise in sovereign yields. Investors, and then central bankers, have sharply increased their expectations of higher rates in the face of inflationary pressures and a strong recovery in economic activity.

The investment performance of the Company for 2021 and 2020 as reported in its Irish GAAP financial statements is shown below:

(€ '000)	2021	2020
Fixed rate securities	440	449
Other financial investments	-	-
Cash and deposits	(6)	-
Gains and losses recognised through the income statement	(4)	(42)
Total financial income	**430**	**407**
Investment expenses	**(206)**	**(215)**
Financial income net of expenses	**224**	**195**

The investment performance realised in 2021 was slightly higher than prior year.

Investment expenses incurred relate to investment management fees, custodian fees and transaction charges € 12k and interest on subordinated loans € 194k.

Gains and losses recognised directly in equity

Gains and losses recognised directly in equity, such as they appear in the Irish GAAP financial statements for 2021 amount to (€ 4k) which represent the net unrealised gains (change in fair value) on financial investments.

A.4 OTHER

Other charges and income as reported in the Company's local financial statements comprise of corporation and deferred taxation.

B. SYSTEM OF GOVERNANCE

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

The general organization of the Company is centred on:

- Board of Directors and General management;
- Hierarchical operation (department – function) and
- Transverse operation carried out by committees

The company optimizes delivery of expert functions by leveraging those established at CAA Group. These intra group outsourcing arrangements include investment management, management of corporate communication and internal audit.

B.1.1 Role, responsibilities and duties of participants governance

B.1.1.1 Board of Directors

The Board has responsibility for compliance with the legal, regulatory and administrative requirements pursuant to the Solvency II directive and all other relevant laws and regulations. The Board meets at least four times per year (seven meetings held in 2021) and is comprised of seven members as at 31 December 2021.

The Board is responsible for the effectiveness of the system of risk governance, setting the risk appetite and risk tolerance limits and approving the principal risk management policies for the Company. The Board must comply with the Corporate Governance Requirements for (Re) Insurance Undertakings, 2015 of the Central Bank of Ireland, which is a detailed framework stipulating requirements as to good and appropriate systems of governance, control and risk management.

To this end, it determines appropriate actions which are in line with Crédit Agricole Assurances group (CAA group) strategy and approves its general organisation, its system of risk governance and management, and its internal control framework, whilst relying on certain Group functions and expertise for some disciplines. It ensures that these are appropriate for the nature, scale and complexity of operations and reviews them at regular intervals to guarantee sound and prudent management of the business. It is thus involved in understanding the principal risks incurred by the Company and in setting limits, and is kept informed on a regular basis as to whether these are observed. It ensures that the system of risk governance introduced at Group and at Company level provides integrated, consistent and effective management.

The Board interacts with senior management - the Dublin Management Committee (DMC) overseeing its stewardship, and the heads of the key functions, who, keep it informed of business trends and of the results of internal control within the Group.

B.1.1.2 Committees under the responsibility of the Board of Directors

Audit Committee

Normally it has three Directors as its members, two independent non-executive Directors and one non-executive Director from within the CAA Group. The Company Secretariat Assistant of the Company attends all meetings coordinating the agenda with the Chair, documenting the minutes and action points and follows up on same.

Committee meetings may also be attended by the Statutory Auditors and any person responsible for or authorised to report on matters related to risk controls, audit work, finance and accounting, duly invited at the discretion of the Chairman.

The Committee meets at least three times a year when convened by its Chairman. The Committee reports on its work at the subsequent meeting of the Board and informs the Board as swiftly as possible of any difficulties it encounters.

Its mission is to provide a link between the Board and the external auditors; it is independent of the Group's management and can make recommendations in respect of the appointment of external auditors and for reviewing the scope of the audit.

It helps the Board in its general oversight of the Company's accounting and financial reporting practices, internal controls and audit functions, and is directly responsible for making proposals for the appointment, compensation and oversight of the work of the Company's independent auditors.

Risk Committee

As part of its mission, the Risk Committee is authorised by the Board to oversee and advise on the Company's risk management systems and controls ensuring that risk appetite is appropriate and adhered to and that key risks are identified and managed. That includes the appropriate management of the Company's investment portfolio.

The Committee has four members appointed by the Board comprising two executive Directors and two non-executive Directors of the Company. The Company Secretariat Assistant of the Company attends all meetings coordinating the agenda with the Chair, documenting the minutes and action points and follows up on same.

The Chief Risk Officer of the Company attends these meetings and any other members of senior management or staff may be requested to attend for part of the agenda and report to it accordingly.

The Committee has a minimum of three meetings per year per its Terms of Reference and typically meets at least four times a year.

Ad Hoc Committees

The Board may decide to set up committees responsible for considering specific matters falling within its jurisdiction. Such committees operate under its responsibility.

B.1.1.3 General Management

The Managing Director of the Company is supported by the Chief Financial Officer, Chief Risk Officer, Head of Compliance & Regulatory Affairs, Head of International Development & Data Management, Actuarial and Underwriting, Head of Operations, Head of Human Resources and the Financial Controller.

The general management (DMC) of the Company puts in place the operational arrangements for implementation of the strategy decided upon by the Board and reports to the latter on its actions. It proposes priorities to the Board and oversees the formulation policies that the Board approves. It procures the establishment of effective decision-making procedures, an organisational structure clearly stating reporting lines, assigns internal control roles and responsibilities and endeavours to allocate adequate resources.

It seeks to ensure that key information about entities and the Group is reported regularly and correctly documented, the main system failings are identified and remedial measures implemented.

It interacts appropriately with the committees implemented within the Company, the key function managers and the Risk Department to ensure risk management and control of internal systems, and that the risk management strategies and limits are compatible with the financial position (level of own funds, earnings) and strategies set for the Group.

It holds a monthly management meeting (MMM) with other managers and key function holders.

The executive committee “CODIR” of the CAAPE business unit (Accident & Health and PPI businesses within the Credit Agricole Group), with representation from DMC has responsibility for the validation of proposed strategic directions and to undertake studies or reviews on the transversal issues of general management and the direction of companies within the CACI Group.

Certain functions are located centrally within the CAA Group, such as those performed by the Investment division and the Internal Audit division.

B.1.1.4 Key functions

Four key functions form part of the systems of governance, namely:

- risk management,
- actuarial function,
- compliance function,
- internal audit function

These key functions inform and guide the Company in the requirements of the system of governance.

They have the authority and the independence required to perform their duties and missions.

Risk Management Function

Function’s roles and responsibilities

The Risk Management function is organised in accordance with the internal standards and organisational principles of the Crédit Agricole Group. Banking standards are adapted and supplemented to incorporate the risks inherent in the insurance business line and the requirements of the Solvency II directive. The Risk Management function aims to meet the Company’s and CAA Group’s following goals:

- Possessing a risk management framework and risk management strategy,
- Implementing a risk management system (detection, measurement, control, management and reporting),
- Meeting the steering and communication needs,
- Meeting requests for analysis of the risks originating from the various parties involved.

Organisation of the function and relationship with other divisions and insurance entities

The Risk Management function is built around:

- Chief Risk Officer - Pursuant to the Corporate Governance Requirements of the Central Bank of Ireland, the Company and the Group’s organisation governance structure, the position of Chief Risk Officer is filled, which reports to the Chairman of the Risk Committee and CEO on all matters concerning the risk appetite. Such a position is a Pre-Approved Control Function of the Central Bank of Ireland under its Fitness & Probity regime.
- Risk Management Team - this team under the supervision of the Chief Risk Officer monitors the risk and control environment and receives reporting from the Company’s key functions and management.

It is supported by:

- Contributions made by other key functions, especially the actuarial function on technical risks and the Group's and entities' internal control frameworks,
- Group risk management systems deployed in the entities.

Actuarial Function

Function's roles and responsibilities

The Guidelines issued by the Central Bank of Ireland in 2013 required the Actuarial Function to be in place from 1 January 2014. The role of Head of Actuarial Function has been outsourced to Milliman.

The mission of the Actuarial Function is:

- to ensure the reliability and adequacy of technical provisions in terms of risk. The Actuarial Function is expected to inform the Board of this adequacy;
- to express an opinion of the overall underwriting policy;
- to express an opinion on the adequacy of reinsurance arrangements;
- to contribute to the effective implementation of the risk-management system in particular with respect to the risk modelling underlying the calculation of the capital requirements.

Organisation of the function and relationship with other divisions and insurance entities

The Group Actuarial function builds on the principles of subsidiarity. Each subsidiary has the requisite resources to manage the risks arising in its business activities and puts in place a solo actuarial function compliant with the Solvency II requirements and the principles of proportionality (controls and analyses by the Group Actuarial function are concentrated in the material activities/portfolios/risks at Group level). Group Actuarial Function also issues standards and guidelines, to be implemented by each entity's Actuarial Function.

Compliance Function

Function's roles and responsibilities

The Compliance Function, overseen by a function manager, the Compliance Manager, aims to protect the Company against regulatory risk of non-compliance with laws, regulations and internal standards of the Crédit Agricole S.A. Group. Its organisational principles are predicated on:

- The requirements the Solvency II framework,
- The organisational principles of the Crédit Agricole S.A. Group's Compliance business line as laid down in Procedural Memo NOP 2010-06 (implementation of Compliance within the Group) and the Group's Compliance procedures,
- Corporate Governance Requirements of the Central Bank.

The role of the Compliance Function is to:

- Implement a consistent and clear framework of operation for the Company, within the Crédit Agricole S.A. Group,
- Obtain a consolidated overview of the risks of non-compliance and demonstrate that they are under control,
- Ensure that new products, partnerships and distribution channels are properly validated prior to launch in terms of oversight and governance,

- Facilitate sharing of the best practices applicable more specifically to the Insurance business for the prevention of risks of non-compliance,
- Monitor the risks specific to the Group,
- Arrange compliance training for staff as required by the Group and regulation,
- Handle communications related to its duties,
- Represent the Group vis-à-vis the regulator and the supervisory authority while drawing support from consistent non-compliance risk governance across the Insurance business.
- Ensure submissions and filings are made to the Central Bank of Ireland concerning Fitness & Probity requirements, Anti money laundering (AML) and other compliance matters,
- Implement policies, procedures and frameworks relevant to financial security-AML, fraud, and the United States office of foreign assets control (OFAC) sanctions

Organisation of the function and relationship with other divisions and insurance entities

The Compliance Manager reports hierarchically to the Head of Compliance & Regulatory Affairs and functionally to CAA's Head of Compliance.

Internal Audit function

Function's roles and responsibilities

The Internal Audit function is under the responsibility of the Head of Internal Audit and acts as a third-level control across the entire Group and aims to ensure the correct measure and control risks; the adequacy and effectiveness of the control devices, compliance of operations with respect for procedures, the correct implementation of corrective actions, and to assess the quality and effectiveness of the operation. They provide a professional and independent opinion on the functioning and the internal control of the Group and its entities. These duties help to provide the Company's Managing Director, the Board, the Audit Committee with a professional and independent opinion on the Group's operations and internal control.

The Head of Internal Audit is authorised by the Central Bank of Ireland as a Pre-Approved Control Function under its Fitness & Probity regime.

Organisation of the function and relationship with other divisions and insurance entities

The Internal Audit function (hereafter called "DAA" - Direction de l'Audit des Assurances) is discharged at the level of the Crédit Agricole Assurances Group by the CAA Group's Head of Audit. DAA's organisational framework, principles and arrangements are laid down in the internal audit policy approved by the Board of Directors of the CAA Group and of its subsidiaries. Furthermore, to guarantee his/her independence, the CAA Group's Head of Audit has dual reporting lines to both Crédit Agricole's Audit-Inspection business line and to CAA Group's Chief Executive Officer. The CEO makes sure that the requisite resources are provided so that it can perform its duties.

B.1.2 Material changes in the system of governance

During the 2021 financial year, there were no material changes in terms of committee procedures.

The following changes were made to the Board of Directors:

	Members
Appointment of two Directors	Anthony O'Riordan on 25 March 2021 Axel Marmottant on 30 March 2021
Resignation of one Director	Tom Woulfe on 15 July 2021

B.1.3 Information on the remuneration policy

The Company follows the remuneration policy aligned with that of the Credit Agricole Group.

Responsible remuneration policies are adopted to prevent any excessive risk taking by its officers and employees in respect of all stakeholders: employees, customers and shareholders.

B.1.3.1 Overview and main components of the remuneration policy

Board of Directors

Directors' fees

The aggregate allocation of Directors' fees is disclosed in the audited financial statements and is approved every year at the shareholder Annual General Meeting.

Non-executive members of the Board receive a fixed fee which is set at a level on a par with the rest of the local market and reflects the qualifications and contribution required in view of the complexity of the business, the extent of the responsibilities and the number of Board meetings.

Total emoluments of Directors are stated in the notes to the financial statements to include interest in shares in CA Group, where relevant, and approved at the shareholder's Annual General Meeting.

General principles

The Company's Remuneration Policy is prepared in line with the Crédit Agricole S.A. Group's ethos. This policy is reviewed and approved every year the Board.

The Remuneration Policy is also prepared in line with Corporate Governance Requirements of the Central Bank.

Objectives

Taking into account the specific characteristics of its business lines, its legal entities and country specific legislation, the Group aims to develop a remuneration system providing employees with rewards in keeping with those customary in their reference markets to attract and retain the talent that the Group needs. Remuneration is linked to individual performance and also to the collective performance of the business lines. Lastly, the remuneration policy tends to curb excessive risk-taking.

The remuneration policy is thus tailored to reflect the objectives set by the Group, while striving to adapt them to the various employee categories and the specific features of the Insurance market.

For the Company, it is a general principle of the performance based remuneration that it is awarded in a manner which promotes sound and effective risk management and does not induce or encourage excessive risk-taking beyond the level of tolerated risk. This is done by ensuring that the criteria chosen for targets are appropriate.

Governance

On a day to day basis the management of remuneration is carried out by the Managing Director and Head of Human Resources.

The Board has decided that, given the size and profile of the Company, the establishment of a Remuneration Committee is not warranted. The Board is satisfied that there are robust systems in place for measuring and monitoring remuneration of staff and management in alignment with performance and the business strategy of the Company.

The Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of the Companies and Group.

B.1.3.2 General principles objectives and governance framework for the Company's Remuneration Policy

Employees

Initial salaries for posts are determined by management based on a range of factors including, benchmarking on the basis of salary surveys in the local market, individual experience and competences and Group budgetary guidelines. Proportionality is applied and in considering the nature, scope and complexity of the business activities, the underlying risk profiles of the business activities that are carried out is taken into account.

A formal salary review is conducted by management each year with each employee and salaries may be adjusted based on local market conditions and to take account of individuals increase in skills and competencies.

A Performance Management System operates to:

- Create a clear direction for employees by ensuring that work is aligned with the strategic efforts and directions of the company;
- Assist employees to improve performance;
- Provide an equitable and transparent framework for regular and constructive discussions between managers and employees;
- Create a process for determining how performance should be rewarded, improved and identifying unsatisfactory performance.

An individual-related bonus may be paid to all permanent employees contingent on achieving agreed targets.

In addition a collective bonus may be granted based on a series of group objectives which are proposed each year by the Managing Director in consultation with the CAA group. The latter is used as the determination for the variable element of the bonus scheme.

B.1.4 Main characteristics of material transactions with shareholders

The main material transactions during the 2021 financial year can be classified under the following heading:

Dividends

- No dividend payment was made during 2021.

B.2 FITNESS AND PROBITY

B.2.1 Overview and requirements

The Crédit Agricole Assurances Group and the Company has formally defined the rules for assessing and documenting the (individual and collective) fitness and probity of the relevant individuals (Board members, effective managers and key function-holders) in its “fitness and probity policy for the Crédit Agricole Group’s insurance companies”. This policy is reviewed annually by the Board.

B.2.2 Regulatory fitness and probity requirements

Regulatory fitness requirements

Collective fitness of the Board

Collective fitness is assessed based on all the qualifications, knowledge and experience of its members. It reflects the various duties allocated to each of these individual members to ensure appropriate diversity of qualifications, knowledge and relevant experience. The ultimate goal is to guarantee the undertaking is managed and supervised in a professional manner.

Individual fitness of the Directors, effective managers and key function-holders

The assessment of individual fitness:

- **For Directors**: is a means of both assessing individual functions they are responsible for and determining collective fitness
- **For effective managers and key function-holders**: reflects qualifications and experience in a manner commensurate with their remit. It also reflects whether they have previously held office and all the training they have received throughout their term in office.

Skills

Five areas of skills are listed in the Solvency II regulation for assessing individual and collective fitness. They are insurance, financial, accounting, actuarial and management.

The Board must collectively possess the requisite knowledge and experience of insurance markets and capital markets, corporate strategy and business models, governance systems, financial and actuarial analysis and of the statutory and regulatory requirements applicable to the insurance undertaking.

Regulatory probity requirements

Principles

Probity is assessed by ensuring that each individual has not been convicted of an offence related to money-laundering, corruption, trading in influence, misappropriation of corporate assets, drug trafficking, tax fraud, personal bankruptcy, etc. Individuals’ reputation and integrity are also taken into account in the assessment.

Unfit persons

Individuals who are convicted of such an offence must leave office within one month of the court’s definitive ruling.

Evidence

Evidence is required to support probity and consists, at the very least, of submission of criminal records or, failing this, an equivalent document issued by a competent legal or administrative authority.

Regulatory requirements to notify the supervisory authority

The supervisory authority must be notified of all active effective managers and key function-holders and of all appointments and reappointments.

The Compliance Officer is responsible for identifying the requisite information for preparing notifications submitted to the Central Bank of Ireland.

B.2.3 Fitness and probity assessment and documentation process

Arrangements for assessing fitness

Individual fitness

The assessment is based predominantly on the experience gained (current duties, previous appointments, etc.), and the assessment principles adopted reflect:

- For effective managers and key function-holders: the assessment of their skills, in all five areas for effective managers and in their particular area of responsibility for key function-holders, which will be based on their qualifications, previous appointments, experience, training attended, which will be presented in detail in the submissions sent to the Central Bank of Ireland in respect of the duties they perform within an insurance company.
- For Directors: the assessment of their fitness in all five areas (listed in section 2), which is based on their qualifications, previous appointments and experience and authorisations in the management role they perform.

A supporting document has been prepared to help listing qualifications, appointments, experience and training attended. All Directors and senior managers complete this document entitled “Assessment and documentation of Skills/Experience/Knowledge”.

This tool for assessing individual competence should be completed for the first time prior to the entry into force of the Solvency II on 1 January 2016 and since then updated after every training course or change in appointments.

Collective fitness

The collective fitness of the Board is assessed based on consideration of all Directors’ individual skills. The qualifications, appointments and experience should all be brought to bear and the level of competence in the five areas required by the Solvency II Directive verified to establish and offer training plans for Directors.

Together with the document requested for assessing individual fitness, a questionnaire evaluating the expected level of skills in each of the five areas has been introduced for Directors. This is known as the “Self-assessment of Solvency II-related knowledge” questionnaire. For Directors already in office, it was completed on the introduction to the Solvency II framework on 1 January 2016. For new Directors, it should be completed upon their appointment.

Annual Board evaluation is carried out.

Training plan

The results of the skills evaluations are analysed to determine the training plans that need to be implemented.

- Effective managers and key function-holders: upon their appointment and depending on the needs identified, training plans may be arranged and followed by effective managers and key function-holders on an individual basis;

- Directors: the general training plan proposed is identical for all the members of the same Board. Following discussions with the Chairman, individual Directors may express certain training gaps which are catered for in the Board schedule of training, either backing up the collective training plan or taking place in sessions arranged specially for one individual.

B.3 RISK MANAGEMENT SYSTEM INCLUDING ORSA

B.3.1 Risk management framework

The primary objective of the Company's risk management framework is to protect the Company from events that hinder the sustainable achievement of the Company's performance objectives, including failing to exploit opportunities. The Company recognises the critical importance of having an efficient and effective risk management system in place.

Its risk management framework is organized around a three lines of defense model:

- **Under the 1st line**, the operational management of the company or process owners take direct responsibility for managing the risks arising from their business activities and are accountable for identifying, assessing and managing these risks;
- **Under the 2nd line of defense**, the Risk Management function together with the Compliance and Actuarial Functions for their respective areas are responsible for facilitating the implementation of effective risk management processes and internal controls by the 1st line through the definition of risk management procedures and policies. They also exert second-level controls on the risk management activities performed by the 1st line and assist the Risk Committee and the Board in reviewing and setting the risk strategy of the company;
- **Under the 3rd line**, the Audit function provides assurance to the Board on the effectiveness of the 1st and 2nd lines of defense risk management activities.

To ensure the achievement of its objectives, the Company defines the control and monitoring framework for the various risks to which it is exposed (financial risks, technical risks and operational risks).

The identification and assessments of risks harness the measurement systems already in place, which have been standardised within the Company – risk dashboard, operational risk mapping updated on a regular basis, internal controls reporting, incident and operational loss compilation, audit assignment conclusions, etc.

The Risk Strategy is reviewed and modified annually by the Risk Committee and formulated in a “Risk Appetite Statement” with the following objectives:

- That the Company has sufficient capital to meet policyholder obligations as they fall due by maintaining sufficient capital to withstand adverse shocks;
- That the Company has enough available assets to cover its solvency capital requirements;
- That the Company underwrites profitable business for both its shareholders and business partners.

This Risk Appetite Statement reflects the current approach whereby measures are set for various exposures, which are then monitored to ensure compliance. This aligns with CAA's current approach to risk monitoring. The Risk Committee and Board review this at least annually at their meetings.

A quarterly risk dashboard is produced for the Company, which feeds from indicators normalized by risk management and which allows monitoring of the risk profile and identifies the possible deviations. Any deviation is presented to the Board and there are provisions to report to the Central Bank of Ireland (linked to the level and indicators associated with each risk) if necessary.

Senior management and key functions all contribute to risk management system process whether through writing policies, exercising required controls and proposing improvements.

B.3.2 Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) is produced by the Company on a solo basis and also for inclusion on a consolidation basis for CAA group. It is overseen by the Risk Management function, with a special contribution from the Actuarial and Finance functions, and is predicated on the existing risk management framework (Risk Strategy in particular).

The ORSA approach is integrated into the operation of the company and is part of the decision-making processes in place, both at the strategic levels or even operational management. The Company synchronizes its ORSA with the preparation of its budget process (medium term Plan) and use the results and analyses to refresh, consistent with budget items and capital planning, its framework of palatability and its policies. At the operational level, allocation studies, pricing include economic ORSA criteria.

The ORSA (solo basis and group basis) is carried out annually but may be updated during the year in the event of a major change in the environment or risk profile. It is derived from calculations and information produced by entities at solo level based on use of the standard formula, the overall consistency of which is safeguarded by the reference guidance framework established by CAA:

- Group forward-looking ORSA guidelines setting out key points of methodology;
- Group ORSA scenarios applied by all the entities and established in line with the CAA Group's consolidated risk profile. That does not exclude the insurance companies from supplementing these with scenarios capturing the significant risks affecting them and not reflected in Group scenarios;
- A set of common indicators shared at Group level used as input for the minimum common base of the Group and entities' risk dashboard and thus facilitating assessment of the risk profile at every level, the aggregation of the indicators and their analysis.

The ORSA exercise in 2021 covered three regulatory assessments of overall solvency needs, continuous compliance and adequacy of the assumptions of the standard formula to the risk profile. The ORSA selected scenarios for prospective evaluations included a mix of financial stresses and other events which present material risks to the Company such as demographic risks, regulatory risk, operational risk and others. The financial scenarios analysed included various combinations and severities over an extended period of time of low interest rates, strong increase in bond spreads, and strong decrease in equities. Non-economic scenarios included: a scenario with material permanent increase in Health and Non-Life claims, and a scenario focussed on a new wave of the Covid-19 pandemic resulting in higher mortality and unemployment claims for the first 2 projection years. For each of these scenarios, the assumptions of activity have been adapted to take into account the likely behaviour of the insured.

These works provide evidence on the needs of the Group's financing, in quality and quantity, which allow to define the possible operations of funding to implement (this is discussed in Section E). They also help to identify areas of action in the case of evolution toward one of the adverse scenarios.

B.4 INTERNAL CONTROL SYSTEM

Internal control is defined as a set of measures implemented to control the activities and risks of all kinds to which the Company is exposed, ensuring compliance (with regulations), safety and efficiency of operations.

It is under the responsibility of the Risk Management Department to ensure that there is an adequate and effective internal control framework in place, organised along the following common principles:

- exhaustive coverage of participants' activities, roles and responsibilities, with the general management directly involved in the organisation and operation of the internal control framework;
- clear definition of tasks, effective segregation of commitment and control functions, decision-making processes based on formal and up-to-date delegations of authority;
- formal and up-to-date standards and procedures, especially from an accounting perspective;
- control system consisting of permanent controls embedded in the processing of operations (1st line) or performed by operational staff who did not set in motion the operations being controlled (2nd line - 1st level) or by dedicated staff (2nd line-2nd level), and periodic controls (3rd line) performed by group internal audit.

Internal controls plans are based on a local control plan consisting of targeted controls in relation to the level of criticality assigned to the most important processes and risks identified in the Risk Control Self- Assessment mapping. These controls comprise level 1, 2.1 (defined with the process owners) and 2.2 controls, as well as a baseline of "key" level controls 2.2 established by the Group Risk Management Division (DRG) concerning the quality and proper functioning of the monitoring system and risk management and control.

Each Department is responsible for calculating indicators and implementing level 1, 2.1 controls. Risk Management Department monitors these indicators and organize second level controls.

Three different functions watch the coherence and the efficiency of the internal control system and the respect of these principles, overall scope of internal control of the Company.

- Risk Management to ensure the existence and effectiveness of the internal control framework;
- Compliance Officer who oversees alignment and coordination in tandem with Group compliance officers;
- Periodic control from the internal audit function.

Compliance Risk control is integrated into the entire internal control system: risk mapping, local and reinforced control plans, and annual reports. Regular interactions with the internal audit during the preparation of the assignments, and during the audit, the reports and the recommendations contribute to the update of the risk mapping.

The Compliance function covers, the application of the Crédit Agricole Group "FIDES" policy, which covers operational procedures; defines the permanent controls plan; and compliance risk management identified during the establishment or the updating of the risk mapping. In addition the Compliance function will also coordinate training programmes; provide information to employees and management and; to issue compliance opinions on various topics, in particular during the launch of new products or new activities to the New Activities and Products committee.

The Compliance Officer is Permanent Secretary of the New Activities and Products Committee and the Head of Compliance & Regulatory Affairs is the Chairman.

The Compliance Officer presents annual objectives to the first Risk Committee meeting of each year and provides a report to the Board quarterly. The Compliance Officer reports annually to the Board in relation to AML and Terrorist Financing.

B.5 INTERNAL AUDIT FUNCTION

B.5.1 General principles

The Internal Audit function conducts its activities in accordance with the Internal Audit Policy approved in 2021 by the Board of Directors of the Crédit Agricole Assurances Group and the Company. This policy – firmly embedded in the framework laid down in the Solvency II Directive – is reviewed on an annual basis. It also complies with the principles and standards laid down by the Crédit Agricole Group's Audit-Inspection business line (LMAI).

The Internal Audit function has operated centrally since 2010 within Crédit Agricole Assurances' Internal Audit Division (hereafter called "DAA" - Direction de l'Audit des Assurances). It has 28 employees in Paris and also draws on LMAI's methodological resources and standards. DAA covers the entire scope of the Crédit Agricole Assurances Group's internal control perimeter. It also controls directly CACI Life, CACI Non-life, CACI Re and their Outsourced Essential Service providers.

B.5.2 Role of the Internal Audit function

DAA is responsible for discharging the Crédit Agricole Assurances Group's Internal Audit function as defined in the Solvency II Directive and "Periodic control" as defined in Article 17 of the decree of 3 November 2014, modified by the decree of 25 February 2021. DAA conducts off- and on-site audit assignments in order to cover all the entities, activities, processes and functions falling within the scope of the Crédit Agricole Assurances Group's internal control perimeter in France and across the international network (no "sanctuaries"). It also encompasses governance and the activities of the three other key functions defined in the Solvency II Directive. Lastly, it also extends to the outsourcing of services or of critical or important operational functions as defined in the above mentioned decree.

The annual audit plan is prepared using a risk-based approach. It also employs a risk mapping across the full breadth of activities and the entire system of governance, as well as expected changes in the activities. Both the Crédit Agricole Assurances Group and each of its subsidiaries individually are involved in its design. At these levels (Group and subsidiaries), it gives rise to the formulation of a multi-year audit plan providing an extensive review of activities over a period not exceeding 5 years (reviews may be more frequent, depending on the risk assessment). The audit plan is reviewed annually by the Audit and Accounts Committee for approval by the Board.

The duties performed by DAA represent insurance rather than advisory duties as defined by the professional standards. They aim to ensure the risk management system and internal control system are both appropriate and effective. This specifically covers:

- accurate risk measurement and proper risk management and control at the activities conducted by the Crédit Agricole Assurances Group (identification, recording, control, hedging);
- appropriate and effective control measures to ensure the reliability and accuracy of financial information, management and operation of the domains audited, in accordance with the framework of standards and procedures in force;
- proper implementation of the remedial measures formulated (including after assignments by the Supervisory Authorities or by the Crédit Agricole Group's General Inspection);
- assessing the quality and efficacy of the organisation's general operations

They can thus provide the administration, management or supervisory body (AMSB) members of the Crédit Agricole Assurances Group or of its entities and the Crédit Agricole Group's Audit-Inspection business line (conglomerate) with an independent professional and objective opinion on the operations, risk management system and internal control system of the Crédit Agricole Assurances Group entities.

B.6 ACTUARIAL FUNCTION

B.6.1 Role and principles

The actuarial function is organised in accordance with the new regulatory requirements of Solvency II. It ensures the coordination and the management of the function and is based on the principle of subsidiarity: each entity of the Group CAA organises its actuarial function based on its own specific features and according to the expectations of local regulators. As described previously the Actuarial function is required to:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the Board of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions in cases where there is insufficient data quality (as set out in Article 82 of the Directive);
- express an opinion on the overall underwriting policy and on new products or product updates;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the Own Risk and Solvency Assessment.

B.6.2 Key deliverables

The following key deliverables were made during the year:

- Presentation to the Board on key assumptions to be used in the calculation of Solvency II technical provisions;
- Review of the Reserving Policy;
- Production of an Actuarial Report on Technical Provisions for the Board, incorporating the specific requirements set out by the Central Bank of Ireland (CBI) in its Domestic Actuarial Regime;
- Submission of an Actuarial Opinion on Technical Provisions to the CBI;
- Expressing an opinion to the Board on the overall underwriting policy;
- Expressing opinions on all new products and/or changes to existing products, in accordance with CAA Group Actuarial Function standards;
- Expressing an opinion to the Board on reinsurance arrangements;
- Expressing opinions on any material changes in reinsurance policies or reinsurance arrangements, as required by CAA Group guidelines;
- Providing an actuarial opinion to the Board (in accordance with the scope of the CBI's requirements) in respect of the ORSA process;
- Providing an opinion on any changes to models, in accordance with CAA Group Risk Function templates and standards.

B.7 OUTSOURCING

B.7.1 General Principles

In November 2000 and in February 2021, EIOPA and the Central Bank of Ireland published revised guidance on the management of Outsourcing. The Company, along with the CAA Group, organized a key regulatory project to amend systems and controls in line with the revised expectation to ensure continued compliance.

The outsourcing arrangements are focused on:

- Establishing what is considered as falling under the outsourcing heading, especially with regard to Solvency II obligations;
- Establishing criteria used to classify an outsourced essential service (OES) based on the Solvency II Directive;
- Maintaining arrangements for monitoring of service levels, to exit relationships and to bring back services that had been outsourced.
- Applying the Crédit Agricole Assurances Group's guidelines for its subsidiaries in the formulation and implementation of their own outsourcing policy;
- Identifying the associated responsibilities; and
- Outlining the monitoring and control arrangements for outsourcing.

B.7.2 Intra-group outsourcing arrangements

The outsourcing policy consists of a set of guidelines that apply to the Company in accordance with the Group's policy.

B.7.3 Critical or important activites

The Company outsources critical or important activities (other than Key Functions) in relation to three areas:

(i) IT and systems technology

CAA IT (and the chain outsourcing to CA GIP (Crédit Agricole Group Infrastructure Platform)) handle IT services for the Company. Its primary role is to support Crédit Agricole IT production and development by offering a range of IT solutions and services.

(ii) Asset, Investment management and custodian

Amundi (the Crédit Agricole S.A. Group's asset management company) has been entrusted with a management agreement for the investment portfolio: it is a leading asset manager in France and Europe, providing a full range of products across all asset classes and the principal currencies. An Amundi / CAA Group Risk Committee is held on a monthly basis to monitor the risks arising from outsourced activities. Other committees have also been set up, including one bringing together the investments division with the portfolio managers to track the various asset classes.

(iii) Third party administration

The outsourced activities control (OAC) and operations teams monitors the outsourced distribution and third party administrator networks.

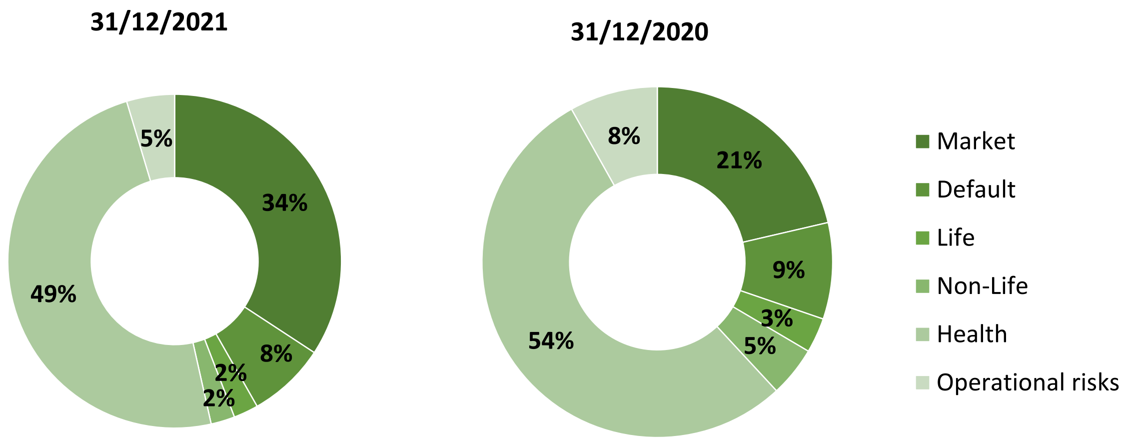
C. RISK PROFILE

C.1 INTRODUCTION

The risk profile of the Company described throughout this section is the result of risk mapping; a tool that can be used to identify and assess the risks to which the Company is exposed to. This risk profile is used as the basis for the calculation of the Company's capital needs.

The main risks are health, life and non-life underwriting arising from the importance of protection products and counterparty default and market risk, are covered by the standard formula. This also covers the other technical risks and operational risks. The risks that have no correspondence in the standard formula (liquidity risk, spread on sovereigns, reputation...) are, like all the risk factors identified, managed and monitored to provide an early warning to management should deviation from the current framework be observed, or are analysed via stress scenarios.

At year end 2021 the Company's solvency capital requirement amounted to €8,583k. The graph below shows the BSCR before diversification plus operational risk of €11,451k. The main component of the risks exposure[1] is the underwriting risks (health, life and non-life) which accounts for 54% of the total SCR before diversification, followed by counterparty default and market risk as illustrated in the graph below:



[1]Basic solvency capital requirement (BSCR) before diversification and after loss-absorbing capacity of technical provisions and integrating operational risk

The increase in market risk in 2021 is mainly explained by a new investment policy, which presents higher exposure to equity and corporate bonds than in 2020.

C.2 UNDERWRITING RISK

The largest risk to which the Company's SCR is exposed is the underwriting risks of health, non-life and life which account for 54% of the risks exposure. The overall exposure has decreased this year due to general run-off of business.

Health underwriting risk

The Company is exposed to the frequency risks and exceptional risks (occurrence of large claims) and biometric risks (disability/invalidity). Health underwriting risk represents the first risk for the Company, accounting for circa 49% of the risk exposure at year-end 2021. The largest risk drivers are disability, lapse and CAT risk, due to health covers provided in its products (mainly temporary disability).

Life underwriting risk

The Company has exposure to mortality risk (mainly increase in frequency of death claims). The "catastrophe" risk linked to a mortality shock (pandemic, for example) would affect the results of the Life business. The Life business in the Company benefits from large mitigation effect of profit share arrangements with cedants against the risk of increase in mortality claims. At year-end 2021, exposure to life underwriting risk accounted for 2% of the risks exposure. The largest risk drivers are CAT, lapse and mortality risk, due to the death covers provided in its products.

Non-Life underwriting risk

The Company is exposed to the frequency risk and exceptional risk, whether due to catastrophe risk or the occurrence of large claims. At year-end 2021, non-life underwriting risk accounted for 2% of the risks exposure. The largest risk driver is the Premium and Reserve Risk linked to the premium levels for the Involuntary Loss of Employment business, which is offered in some products reinsured.

C.2.1 Principal risk management and mitigation techniques

In life protection business, anti-selection and inadequate pricing risks are monitored by:

- Implementation of the underwriting framework defined by the Company when designing products, covers, etc.;
- The underwriting policy implemented by the retail banking networks and financial partners;

The catastrophe or surge in claims risks are monitored through implementation of the reinsurance policy.

The ratio between claims - reported, settled or reserved - and premiums earned represents the key indicator for monitoring risk and is compared against the target ratio built on the basis of a standard claims experience scenario.

C.2.2 Principal types of concentration

The bulk of activity is derived from French Health business. At 31 December 2021, the Health, Life and Non-Life businesses accounted for respectively 91%, 4% and 4% of the underwriting risks. This reflected the relative diversification of the Company's businesses.

C.2.3 Sensitivity factors

The main underwriting risk incurred by the Company is Health Disability risk. The Company performs annual experience analysis for each portfolio. The methodology of this analysis is detailed in the Company's reserving policy documents. In addition, the Company has calibrated an ORSA stress-test: 1/40 years Health and Non-

Life claims deviation, without any reaction, which is deemed to be an illustrative “worst case” scenario as it is set as a reverse stress with very severe impact but has very low probability of occurrence.

C.3 MARKET RISK

At year-end 2021, market risk accounts for 34% of the risks exposure, taking into account the diversification of the investments the main risks can arise from:

- Interest rate and Spread risks;
- Equity Risk;
- Concentration risk;
- Currency risk;
- Counterparty risks, from both the default risk and the trends of the spread reflecting issuer risk.

C.3.1 Risk exposure

The market risk mainly comes from the spread risk and, to a lesser extent, the interest rate risk.

The currency exchange rate risk is low, reflecting the Company’s low exposure to the risk of change given the hedging policy. Concentration risk is also low which illustrates the diversification policy implemented by the Company, through compliance with the concentration limits.

Exposure to sovereign bonds (and guarantees of State) is concentrated mainly on French and EU (European Investment Bank).

C.3.2 Principal risk management and mitigation techniques

The Company applies the "prudent person" principle when making investment or divestment decisions, drawing on both the analyses made by its Investment Department and the information provided by external service providers (Financial institutions, asset managers, rating agencies, etc.) and, taking into account the risk appetite framework the Company has set itself. The different management and risk reduction techniques outlined below also apply to the implementation of the principle of the prudent person. In addition, rules have been put in place to prevent conflicts of interest (the role of the Company’s Compliance) and to secure the process in the event of a new type of investment.

Spread risk

Counterparty risk – and trends in the spread reflecting this risk – is controlled through limits set on the allocation of issues within the various rating brackets.

Risk teams at Amundi (to which portfolio management is outsourced) analyse and closely monitor issuer risk. Quarterly portfolio reviews with Amundi (incorporating sector themes arising from the economic environment), backed up by reviews with Crédit Agricole S.A. Group’s Risk Management Division make for a pro-active management approach. Where necessary, issuers may be added to a watch list (valid across the CAA Group, listing issuers in which investments are prohibited) or a disposal program may even be implemented on risk grounds.

Interest-rate risk

The Company can handle sustained upward or downward movements in interest rates in various different ways. These tactics include:

- a prudent profit participation policy and the build-up of reserves (provisions for surpluses and capitalisation reserves for policyholders);

- portfolio duration adjustments to match the expected run-off of liabilities;
- retention of cash or marketable fixed-income assets with a modest impact on capital gains and losses.

A dashboard incorporates indicators tracking these levers: such as average portfolio rate of return, fixed-income portfolio hedging rate, reserves allowance, etc.

Diversification asset risk

Aggregate limits are set on diversification investments (non-fixed income) and individually for each asset class.

Concentration risk

The risk of concentration on a single financial or industrial counterparty is controlled by limits (stated based on total outstandings) on total fixed-income and equity outstandings calibrated according to the issuer's rating.

Concentration on sovereign and related issuers is subject to individual limits reflecting the debt to GDP ratio and country rating, with controls applying on a case-by-case basis to sovereign issuers from peripheral euro-zone countries.

Holdings of securities issued by the Crédit Agricole Group are also tracked in relation to specific limits based on the seniority and maturity of the debt.

In addition to the reporting produced by the asset manager, monthly reporting on financial risks tracks the use of these limits (compliance or not, advance warning where the limit is close by) and the appropriate level of the hierarchy is notified of the corrective measures to be taken if an overrun occurs.

C.3.3 Concentration

Taking these management measures into account, the concentration risk is moderate, representing 14% of the undiversified market risk in 2021. The diversification of the Company's portfolio is also managed by sector, by country and by ratings.

Investments in diversification assets must also comply with unit and category concentration rules (e.g. size of the top 10 for physical property).

C.3.4 Sensitivity

Stress scenarios for financial risks are drawn up as part of the own risk solvency assessment (ORSA) an exercise that assists the Company in its strategic direction. They provide a forward-looking vision over the planning horizon of the solvency requirement, including the dividend pay-out and financing assumptions underpinning the plan.

In the 2021 ORSA, the scenarios incorporating a stress factor from 2021 encompassed:

- Stress budget *(budgétaire)*: lower interest rates, large drop in equity values in 2022 and 2023 and a downgrade in the sovereign ratings of Italy and France by 1 level in 2022 and 2023. These financial assumptions were combined with an increase in claims incidence rates (in particular, unemployment) in order to represent the possible impact of an additional wave of the Covid-19 pandemic;
- Low rates *(taux bas)*: Very low interest rates over a prolonged period without widening spreads, in a highly degraded international environment: slowdown in Chinese growth plus a slow diffusion crisis scenario (growth and inflation revised downwards);
- Rate high *(krach obligitaire)*: Rising interest rates combined with a decline in stock markets and massive redemptions of Bonds.

The most adverse of these scenarios are Stress Budgétaire (which lowered interest rates, increased spreads and reduced equity values in 2022 and 2023, combined with an increase in unemployment claims), and the Taux Bas stress (mainly due to the increase in technical provisions and Health SCR driven by lower discount rates, in part offset by the increase in value of fixed-income assets).

Financial sensitivity analysis was also conducted on the solvency ratio at 31 December 2021. This focused on the principal risk factors taken first in isolation (equities, fixed-income, spreads), then combined. The assumptions adopted are outlined below:

Standalone financial sensitivity factors:

Sensitivity	Tag	Description
0 – Central Scenario	**Baseline**	**YE 31/12/2021**
1 – Increased Rates Scenario (50bps)	**Stress IR Up 50**	+ 50bps
2 – Decreased Rates Scenario (50bps)	**Stress IR Down 50**	- 50bps
3 – Decreased Equity Scenario	**Stress Equity Level**	-25%
4 – Increased Corporate Spreads Scenario	**Stress Spreads Corporate**	+ 75bps
5 – Increased Government Spreads Scenario	**Stress Spreads Govies**	+ 75bps
6 – Combined Scenario	**Stress Combined**	Interest Rates Down/Equity Down/Real Estate Down

Combined financial sensitivity scenario detailed:

Common Sensitivity	Combined Sensitivity	
Equity – Interest Rates – Real Estate	Decrease of Interest Rates	-50 bps
	Decrease of Equities	-25%
	Decrease of Real Estate	-10%

The most significant of the sensitivities for the Company was the *Corporate Spreads* scenario which reduced the solvency ratio by 9%.

C.4 COUNTERPARTY DEFAULT RISK

C.4.1 Risk exposure

Counterparty default risk represents 8% of the risks exposure at year-end 2021.

The exposure of the Company to counterparty default risk is mainly driven by cash at banks as most of exposure on reinsurers is hedged through the implementation of pledges which constitute collaterals.

C.4.2 Principal risk management and mitigation techniques

Financial counterparties:

Cash available to the entity is in part held in bank accounts to support the Company's operations and liquidity needs, and in part invested in money market mutual funds.

Reinsurance counterparties:

Tight control on reinsurers' default risk is founded on the CAA Group's internal standards as follows:

- firstly, the financial strength of the reinsurers selected (with the exception of internal group reinsurers): A- or higher (based on a conservative approach of using the lowest financial strength rating awarded by S&P, Moody's and Fitch). The ratings of the reinsurers with which the CAA Group deals are tracked on a monthly basis;
- rules on the dispersion of reinsurers (by treaty) and concentration limits on the premiums ceded to a single reinsurer defined by each of the insurance companies that monitors them. Exposure reporting in terms of the concentration of overall premiums ceded across the CAA Group to the various reinsurers is carried out on an annual basis;
- measures to secure the provisions ceded thanks to standard collateral clauses (first-ranking pledge of cash or, failing that, financial instruments satisfying quality criteria).
- internal procedure to elect a new reinsurance provider.

C.4.3 Principal concentrations

The Company has no dominant concentration in its investments.

C.5 LIQUIDITY RISK

C.5.1 Risk exposure

Insurance and reinsurance companies should be in a position to cover their liabilities falling due. The risk derives from the possibility of having to realise capital losses to deal with adverse situations efficiently (unfavourable market conditions, claims experience).

This risk, which is has no correspondence in the standard formula, is monitored using different approaches which will be described in the next section.

Expected profit included in future premiums:

The expected profit included in net future premiums (EPIFP) at 31 December 2021 amounted to € nil. The EPIFP is the difference between the Best Estimate Liabilities and the Best Estimate Liabilities assuming no future premiums are received relating to existing business.

C.5.2 Principal risk management and mitigation techniques

Liquidity risk is managed through a detailed investment policy which defines a minimum liquidity ratio, which is defined as the total value of cash at bank and money market funds over the total value of assets portfolio.

Liquidity risk is also controlled by comparing the duration of the assets against technical provisions and identifying any significant gap and applying corrective measures if required.

Also, liquidity is assured through investment / risk constraints about quality / rating of assets. The Company has a very limited number of non-rated assets held directly, and a high proportion of good quality liquid assets.

The liquidity risk is tracked during the Asset Liability Management (ALM) committee, on a quarterly basis.

C.6 OPERATIONAL RISK

C.6.1 Risk exposure

Operational risk, calculated according to the methodology of the standard formula of a flat rate in percentage of the activity amounted to € 532k at the end of 2021.

From a process execution perspective, the most sensitive risk areas are linked to intermediation risk upon the distribution of products; the production of financial information with a major emphasis on data quality and, generally speaking, fraudulent claims. It is usually difficult to assess accurately the cost of IT disruption, which may have implications for processing times and, also, data corruption. Cyber risks are included in the Operational risks of the Company.

Attention is also paid to the security of persons and property (criminal risk).

Compliance risks (identified primarily in the customer, product and commercial practices category) also represent a major point of emphasis from a reputational risk perspective, possibly even triggering sanctions, against the backdrop of a growing number of increasingly stringent regulations.

The main themes relate to efforts to combat money laundering and terrorist financing (international sanctions), customer protection (GDPR, complaint handling, handling of unclaimed capital).

C.6.2 Principal risk management and mitigation techniques

The Company is pursuing an operational risk programme. It entails mapping risk events (regular updates to reflect changes in the organisation, new activities or even changes in the cost of risk and findings of audit assignments), the compilation of operating losses and a monitoring and early warning framework. An action plan is drawn up to address residual risks considered as significant (after taking into account control elements).

The Business Continuity Plan (BCP) meets the Crédit Agricole S.A. Group's standards and covers the major risk scenarios (physical destruction of the IT site, the operational offices, and, virus attack and the destruction of data on a massive scale). Information security action plans continue to be implemented in a bid to enhance the monitoring of infrastructure, the time taken to address security flaws, upgrade and review permissions management and tighten up the weak signal detection system.

The New Activities and Products committee assess the compliance before entering into new markets, new partnerships or launching new products.

Business partnerships are subject to regular review by the Outsourced Activities Control to ensure the Company's insurance products are correctly sold to policyholders.

C.6.3 Sensitivity

The company does not apply a sensitivity-based approach for operational risks.

The impact of operational risks is measured in terms of image or financial impacts via operational risk mapping. This helps to identify critical processes carrying substantial risks and the action plans needed to enhance the degree of control they provide.

C.7 OTHER SIGNIFICANT RISK

C.7.1 Risk exposure

Not applicable for the Company.

C.7.2 Principal risk management and mitigation techniques

Not applicable for the Company.

D. VALUATION FOR SOLVENCY PURPOSES

INTRODUCTION

The prudential reporting for the Company is produced as at 31 December 2021.

The general valuation principle for the prudential balance sheet is an economic valuation of assets and liabilities:

- Assets should be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction;
- Liabilities should be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The assets referred to above (i) are valued at their economic value in accordance with the following hierarchy levels:

- **Level 1:** quoted prices in active markets for identical assets that can be accessed at measurement date. A market is considered as active if prices are readily and regularly available from an exchange, a broker, a negotiator, and those prices represent actual transactions occurring regularly on the market in conditions of normal competition.
- **Level 2:** price quoted on an active market for similar assets taking into account specific characterises.
- **Level 3:** If no quoted price in an active market is available, undertakings should make use of valuation techniques based on a model (mark-to-model); alternative values obtained should be compared, extrapolated or otherwise calculated, as far as possible, using market data.

This may be a method based on:

- transactions involving similar assets,
- a method based on discounted future income generated by the asset, or
- a method based on calculation of the asset’s replacement cost.

In most cases, Irish GAAP or IFRS provide a fair value in line with the Solvency II principles.

Foreign currencies

Foreign currency assets and liabilities are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions during the period are translated into euro using an average monthly rate of exchange.

Netting of assets and liabilities

The Company compensates for an asset and a liability and has a net balance if and only if it has a legally enforceable right to offset the recognised amounts and intends to pay the net amount or to realize the assets and the liabilities simultaneously.

Use of estimates and expert judgement

Assessments required in the preparation of financial statements require assumptions and involve risks and uncertainties as to their implementation in the future. They serve as basis for the exercise of the judgment required in the determination of the carrying values of assets and liabilities that cannot be obtained directly from other sources. Future achievements can be influenced by many factors, including:

- the activities of the national and international markets;
- fluctuations in the rate of interest and exchange rate;

- the economic situation economic and political in some sectors of activity or country;
- changes in regulation or legislation;
- the behaviour of the insured and demographic changes

Subsequent events

At the end of February 2022, tensions between Russia and Ukraine led to an armed conflict. The scale and duration of this war, as well as its economic and financial impacts, are obviously difficult to predict. In addition to its immediate financial consequences (risk aversion, falling equity markets, falling rates on the safest bonds including the United States and Germany, rising volatility), the Russian-Ukrainian conflict has resulted in a significant rise in commodity prices for the production of which the belligerents are major players [(2)]. In a context of very high uncertainty and faltering of confidence, the downturn effect on activity and the increase in already significant inflationary pressures will complicate the task of central banks, especially that of the ECB.

The Company does not hold any investments with direct or indirect exposure to these Countries.

[(2)] *Oil, gas, cereals in the first place but also coal, platinum, aluminum, copper, nickel, silver, gold, palladium*.

Dormant Claims (Italy)

In the process of identifying and addressing dormant claims in Italy, the company has been exchanging with the Italian regulator (IVASS) in order to improve the treatment and the finalisation of the identified claims.
A simplified claim process with a reduced number of documents required for the treatment of claims has been proposed by the company to the IVASS.
At the time this report is written, the proposal is still under validation process.

D.1 ASSETS

Details of assets per the prudential balance sheet are shown in the table below:

(€ '000)	31/12/2021
Deferred tax assets	2
Property, plant & equipment held for own use	29
Investments	36,009
- Bonds (government & corporate)	33,191
- Investment funds	2,742
- Others investments	76
Ceded technical provisions	1,164
Deposits to cedants	7,598
Insurance & intermediaries receivables	4,062
Reinsurance receivables	170
Receivables (trade, not insurance)	135
Cash and cash equivalents	517
Total Assets	**49,686**

The transition from Irish GAAP balance sheet to the SII balance sheet comprises mainly:

- Revaluation of ceded technical reserves - € 1,879k
- Elimination of deferred acquisition costs - € 4,327k

D.1.1 Intangible assets and deferred expenses

Intangible assets are identifiable non-monetary assets without physical substance. An asset is regarded as identifiable if it may be sold or transferred separately, or if it originates from contractual rights or other legal rights. Software, goodwill and insurance portfolio values are the main types of intangible assets.

The Company does not hold any intangible asset on its Irish GAAP financial statements.

Deferred acquisition costs

Deferred acquisition costs consist of the portion attributable to future years of the fees paid to intermediaries and internal acquisition costs, as arising from the allocation of expenses by intended purpose and expensed in the current year.

Expenses and deferred acquisition cost loadings under Irish GAAP are eliminated from the prudential balance sheet.

D.1.2 Tangible fixed assets

Tangible fixed assets comprise of computer equipment, office furniture and fit-out. The valuation of these assets is the same under Solvency II principles as it is under Irish GAAP principles.

D.1.3 Financial investments

The Company investments are classified as fair value through profit or loss (monetary and equity funds); fair value through other comprehensive income (mainly fixed income securities) and at amortised cost. Bonds at amortised cost reported under Irish GAAP principles are subsequently revalued under Solvency II principles amounting to € 79k.

D.1.4 Technical provisions ceded

Ceded technical provisions (reinsurer share) are revalued under Solvency II principles as described within Section D.2 below.

D.1.5 Other receivables

Insurance receivables represent amounts due from intermediaries/policyholders in respect of insurance premiums. Reinsurance receivables represent the current account due from reinsurers. There is no difference in valuation rules under Solvency II compared to Irish GAAP.

D.1.6 Deferred tax assets

A deferred tax asset is recognised insofar as it is probable that the entity will have taxable profits (other than those already taken into account on the prudential balance sheet) available against which these temporary differences, tax losses and unused tax credits can be used.

The valuation of the deferred taxes in the economic balance sheet is calculated by comparing the value of the assets and liabilities in the prudential assessment with their tax value. Deferred taxes recognised in the prudential balance sheet are the product of:

- temporary differences (arising in particular from the application of fair value) between the prudential value and the tax value of assets and liabilities,
- unused tax credits and tax loss carried forward.

A recoverability test was conducted during the fiscal year. There is no difference in valuation rules under Solvency II compared to Irish GAAP. Irish GAAP deferred tax asset of € 40k is offset against deferred tax liabilities in Solvency II reporting.

D.1.7 Cash and cash equivalents

The Company holds a number of current accounts with financial institutions to cover operational aspects of its business.

There is no difference in valuation rules under Solvency II compared to Irish GAAP.

D.2 TECHNICAL PROVISIONS

D.2.1 Summary of technical provisions

The following tables present a breakdown of technical provisions stated under the prudential approach:

(€ '000)	31/12/2021
Technical provisions – non-life (excluding health)	564
Technical provisions – life (excl. health and index-linked and unit-linked)	9,850
Technical provisions - health (similar to life)	12,364
Total technical provisions	**22,778**

(€ '000)	Non-Life	Life	Health	Total
Gross Best Estimate Liabilities (BEL)	486	9,769	10,718	**20,973**
Risk margin (RM)	78	81	1,646	**1,805**
Technical provisions	**564**	**9,850**	**12,364**	**22,778**

The variation in valuation per Irish GAAP and Solvency II of gross technical provisions are as follows:

- Technical provisions - € 4,198k in respect of revaluation to Solvency II principles

D.2.2 Valuation principles

The value of technical provisions under Solvency II is the sum of the Best Estimate (BE) of the provisions plus a risk margin (RM).

The BE represents the most accurate estimate of commitments towards policyholders.

The BE is calculated:

- consistently with the market information available at the valuation date;
- based on an objective and reliable approach; and
- in line with the regulatory framework in force locally.

The BE is calculated gross of reinsurance, without deduction of amounts ceded to reinsurers. Uncertainty is inevitable in the calculation of the BE and is compensated by the consistent application and monitoring of assumptions.

The RM is the provision amount in addition to the Best Estimate, calculated in such a way that the total amount of provisions shown on the balance sheet matches that which a benchmark entity would require to honour the insurer's obligations. The RM is calculated directly net of reinsurance.

Accordingly, Solvency II provisions differ from Irish GAAP provisions in that they are valued prospectively, cash flows are discounted systematically and explicit levels of prudence are removed in order to reflect a best estimate value.

Simplifications used:

The proportion of un-modelled business is aimed at less than 5% of premium and 5% of statutory reserves at each projection period. For the un-modelled, the Company assume that the BEL is equal to the current net of reinsurance statutory technical provisions net of deferred acquisition costs. Furthermore, a number of products are modelled using a single model point (average representation of in force business with homogeneous risks).

D.2.3 Segmentation

The assignment of an insurance obligation to a line of business reflects the nature of the risks arising from the obligation. The legal form of the obligation is not necessarily determinative of the nature of the risk.

Where a policy covers insurance obligations in several lines of business, the assignment to each line of business is not required if only one of the lines of business is material.

D.2.4 Initial recognition

Obligations are recognised based on the insurer's obligation, either because a contract has been signed or because the contract cannot be repudiated by the insurer.

D.2.5 General valuation principles

D.2.5.1 Valuation - Cash flows

The BE gross of reinsurance is calculated as the present value of probable future cash flows arising from pay-outs to policyholders and management costs incurred in administration of these commitments through to their maturity, less any premiums receivable under portfolio contracts (subject to contract boundaries).

The cash flow projections are predicated on assumptions concerning policyholders' behaviour. These assumptions cover, in particular, surrenders and lapses.

Other key assumptions used in the calculation of cash flow for the BE include mortality tables, mortality factors incidence rates for Health and Non-Life claims events, and tables which express the probability of the insured in temporary disability or in unemployment to remain in the status eligible for payment of such types of claims.

By definition, these rules are specific to each portfolio of the company. All these assumptions are documented and approved by the entity's management.

D.2.5.2 Valuation - Granularity of projections

Contracts are analysed on a unit-by-unit basis, then pooled into homogeneous risk groups for modelling purposes.

The risk groups defined to value technical provisions are homogeneous based on the following criteria:

- Nature of the guarantee,
- Time point of the guarantee (e.g. when they occur/are reported),
- Type of business (entity's direct business, acceptances, etc.),
- Currencies in which claims are settled,
- Type of outflow of claims.

D.2.5.3 Valuation - Contract boundaries

The boundary date of the contract is defined as the first date on which:

- The insurer has the unilateral right for the first time to terminate the contract,
- The insurer has the unilateral right for the first time to reject premiums, or

- The insurer has the unilateral right for the first time to amend premiums or guarantees in such a way that the premiums fully reflect the risks.

The premiums paid after the boundary date of an insurance/reinsurance contract and the associated obligations are not taken into account when calculating the Best Estimate.

Irrespectively of the previous provisions, no future premium is taken into account in the calculation of the Best Estimate where a contract:

- Does not provide for indemnification of an event adversely affecting the policyholder to a material extent,
- Does not provide for a material financial guarantee

In particular, future premiums for products sold by the company are recognised for:

- Multi-year contracts under which the insurer does not have the right to amend the premium, refuse it or terminate the contract prior to expiry of the contract,
- For annually renewable risk contracts, periodic premiums will be projected through to the policy's first anniversary following the valuation date of the BE.

D.2.5.4 Valuation - Expenses

The cash flow projection used to calculate the BE takes into account all the following expenses:

- Administrative expenses,
- Investment management expenses,
- Claims management expenses,
- Acquisition expenses (limited to those still not incurred at valuation date for in force business)

General expenses incurred in servicing insurance and reinsurance obligations are taken into account. Expenses are projected on the assumption that the undertaking will write new business in the future.

Expenses are allocated at the level of homogeneous risk groups segmented using at the very least the lines of business (LoB) adopted in the segmentation of insurance obligations.

Administrative expenses are adjusted by the inflation rate in the projection. Inflation assumptions take into account the expected evolution of the Consumer Price Indices in France and other key markets for the Company, as well as the expected inflation of personnel costs.

The level of commission payments used in the calculations reflects all the commission agreements in force at the valuation date.

D.2.5.5 Valuation - Discounting

The reference yield curve used to project and discount cash flows is based on the swap rates adjusted by credit risk plus a risk premium, where appropriate.

Market swap rates are used for the first 20 years of the curve. For maturities beyond 20 years, forward rates converge over 40 years towards an Ultimate Forward Rate (UFR) for the euro. This convergence is carried out using the Smith-Wilson method. The rates calculated by the Crédit Agricole Assurances group and used by the Company are consistent with the official curves from EIOPA.

The matching adjustment and other transitional measures proposed for Solvency II purposes on the yield curve are not used by CACI Reinsurance . The volatility adjuster is not included in the reference yield curve.

The transitional risk-free interest rate-term structure and the transitional deduction are not applied by CACI Reinsurance , as such the Company does not undertake a quantification impact of this non-application on its technical provisions, solvency capital requirement, minimum capital requirement and own funds.

D.2.6 Risk Margin

The Risk Margin is the cost of capital that would be tied up by a third party assuming the company's obligations.

The Risk Margin is calculated by discounting the annual cost (risk premium) of tying up capital equivalent to the reference SCR as defined in the regulations over the residual term to maturity of the obligations used to calculate the BE. The cost of cost of capital is set at 6% p.a.

The Risk Margin is calculated as an overall figure for each entity, and then broken down by Solvency II Line of Business. This analysis is carried out in proportion to the contribution made by the segment to the reference SCR.

Simplification used:

For its calculation of the risk margin the Company uses a simplification of running off the SCR based on the run-off of the EPV of future net claims.

This is similar to the approximation referred to in Article 58 (a) of the Delegated acts of using the run-off of the BEL. In 2021, the Company underwent an exercise to prove the suitability of using the expected present value of future claims as single driver for RM calculation, and was able to confirm that the simplification has a small impact.

D.2.7 Valuation of ceded liabilities

Best estimate liabilities must be calculated gross of reinsurance, without deducting amounts transferred to reinsurers.

Transferred best estimates must be valued separately. The valuation of transferred best estimate should follow the same principles as those set out for gross best estimate.

Ceded future cash flows are calculated within the limits of the insurance policies to which they relate.

Cash flows are subject to an adjustment to allow for the probability of default of the reinsurers, as prescribed by the Solvency II Delegated Acts.

If a deposit has been made for cash flows, the ceded amounts are adjusted accordingly to avoid counting the assets and liabilities relating to the deposit twice.

Ceded future cash flows are calculated separately for provisions for premiums and provisions for claims payable. In Solvency II reporting these amounts are disclosed as an asset within the balance sheet.

D.3 OTHER LIABILITIES EXCEPT TECHNICAL PROVISIONS

Details of other liabilities are shown in the table below:

(€ '000)	31/12/2021
Deposits from reinsurers	-
Deferred tax liabilities	-
Insurance & intermediaries payables	1,567
Reinsurance payables	-
Payables (trade, not insurance)	1,283
Subordinated liabilities	6,564
Total liabilities (excluding technical provisions)	**9,414**

The valuation per Irish GAAP and Solvency II are the same except for the following items:

- Deferred tax liabilities - € 91k in respect of reassessments to Solvency II principles
- Reinsurance payables - € 1,755k due to elimination of deferred acquisition costs ceded
- Subordinated liabilities - € 9k fair valuation

D.3.1 Other liabilities

Reinsurance payable comprises of the current account balance in respect of premiums ceded to various reinsurers.

Insurance payables comprise of additional commissions and profit sharing commission to intermediaries.

Payables comprises of accrued expenses; corporation tax payable and other expenses.

D.3.2 Deferred tax liabilities

The principles for the recognition and valuation of deferred taxes in the solvency balance sheet are explained in Section D.1.6 above.

D.4 ALTERNATIVE METHODS FOR VALUATION

The valuation principle and methodology for valuing assets and other liabilities, including where alternative methods are used in accordance with Article 10(5), is described in section D introduction.

D.5 ANY OTHER INFORMATION

The Company's Irish GAAP financial statements and Solvency II statements have been prepared on the going concern basis, there being no doubt about the ability of the Company to continue its operations in the future. The Company has considered the following on its business:

- capital position and the surplus over its required solvency capital ratio and minimum capital ratio;
- the potential range of impact that Covid-19 may have on this surplus taking account of the company's ORSA stress testing where appropriate;
- the level of reinsurance;
- the credit rating of company's reinsurance counterparties; and
- the company's liquidity position.

E. MANAGEMENT OF OWN FUNDS

E.1 OWN FUNDS

E.1.1 Capital management policy

The Company has implemented a policy for its own funds which are managed to respect the regulatory requirements over the long term and to ensure sufficient capital to cover future development needs and own risks. It establishes the management, monitoring and control arrangements for own funds plus the financing process if required. The policy is approved by the Board and reviewed on an annual basis.

The policy was derived in accordance with CAA group policy whereby consideration of the regulations applicable to the insurance group; the banking regulations; the regulations of financial conglomerates, the Credit Agricole Group's specific objectives and financial communication and market-related constraints. The Company's own funds accommodates the following objectives:

- Complying with the solvency-related regulatory requirements;
- Contributing to the capital optimisation policy being pursued by the Group;
- Meeting the expectations of shareholders.

The level of own funds relative to the capital required is geared to its risk profile, its insurance activity, the degree of maturity of its business, its geographical position and its size.

Every year, the Capital management plan is approved by the Board as part of the process of steering own funds. This plan states the timetable for and nature of the financial transactions anticipated in the current year and over the horizon of the medium-term plan (3 years).

It draws on the capital management plans and establishes any potential capital issues and projects the impact of the maturity of own-fund items, the dividend policy, the end of the transitional measures and any other changes affecting own-fund items.

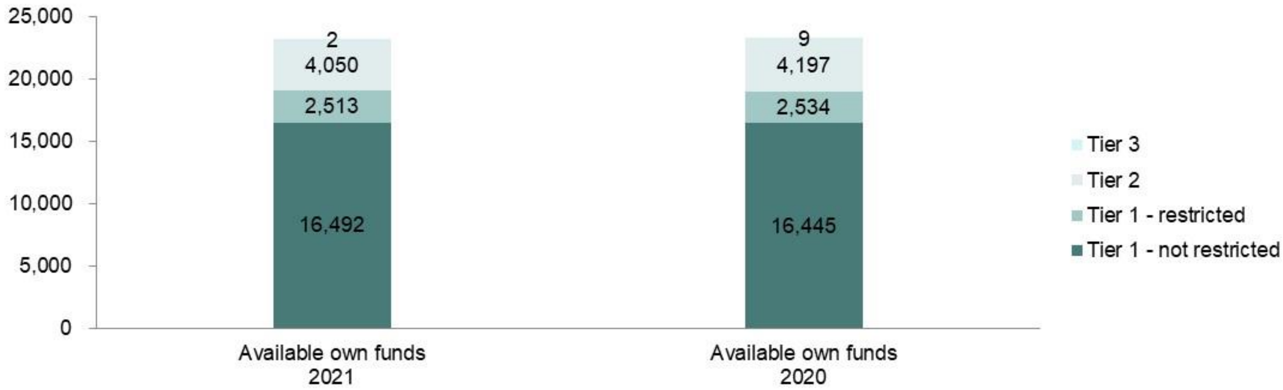
The Company follows the capital management plan and monitors any significant deviation. The Company's solvency coverage of the SCR and the MCR will be reported to the Regulator and to the Group on a quarterly basis.

E.1.2 Available own funds

E.1.2.1 Composition of available capital

The Company covers its regulatory capital charge by own funds Tier 1, Tier 2 and Tier 3. All own fund items are denominated in euros and reported in thousands below.

The amount of own funds in 2021 amounted to € 23,058k (2020 € 23,185k) consisting of share capital € 15,723k, subordinated liabilities € 6,564k, deferred tax assets € 2k (Tier 3) and the reconciliation reserve € 769k. The chart below shows the available own funds by tier € '000:



E.1.2.2 Subordinated liabilities

At 31 December 2021, the Company's subordinated debt was valued at € 6,564k. Details of subordinated loans and valuation amounts are shown below:

€' 000	Issuer 1: CACI Re 2: Other	Transitional measure	Legal maturity	Next call date	Amount
Tier 1	1	None	Perpetual	27/09/2024	2,513
Tier 2	1	None	28/06/2029		4,051
Total					**6,564**

The subordinated debt documentation contains standard contractual clauses.

E.1.2.3 Reconciliation reserve

The reconciliation reserve is an important component of equity and consists of:

Components of the reconciliation reserve € '000

(€ '000)	31/12/2021
Excess of assets over liabilities	17,494
Foreseeable dividends	1,000
Other basic own fund items	15,725
Other elements	-
Total reconciliation reserve	**769**

E.1.2.4 Reconciliation with Irish accounting standards

The Company's own funds reported in its statutory financial Statements as prepared under Irish GAAP (generally accepted accounting principles) amounted to € 24,180k (including subordinated liabilities of € 6,573k). The main differences between own funds Irish GAAP and Solvency II of € 23,058k are as follows:

(€ '000)	31/12/2021
Elimination of deferred acquisition costs (gross & ceded)	(2,572)
Revaluation of technical reserves ceded	(1,879)
Revaluation of technical reserves gross (BEL & RM)	4,198
Revaluation of other assets and liabilities	40
Recognition of deferred taxes relating reassessments	91
Foreseeable dividends	(1,000)

E.1.3 Eligible own funds

There is no difference between own funds described above and eligible own funds to meet the SCR at 31 December 2021 of € 23,058k *(2020 € 23,185k)*. Eligible own funds to meet the MCR of € 19,726k exclude € 3,331k of Tier 2 Own Funds due to the Tier 2 eligibility restriction to 20% of the MCR. Tier 3 funds of € 2k are also excluded as tier 3 funds are not eligible to meet the MCR.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E.2.1 Solvency capital requirement

The regulatory solvency capital requirement (SCR) is assessed by applying the standard formula as laid down in the Solvency II Directive. The principles governing implementation of the calculations using the standard formula, drawing on the Solvency II and Omnibus II European Directives as enacted into Irish law.

The Company's SCR amounted to € 8,583k at 31 December 2021. Health underwriting risk and market risk are the main risks contributing 87% of the basic SCR before diversification. Analysis of the risk modules as contained within the SCR quantitative reporting template:

(€ '000)	31/12/2021
Market risk	3,919
Counterparty default risk	865
Life underwriting risk	274
Health underwriting risk	5,595
Non-Life underwriting risk	265
Diversification	(2,868)
Basic Solvency Capital Requirement	**8,050**
Operational risk	532
Loss-absorbing capacity of technical provisions	-
Loss-absorbing capacity of deferred taxes	-
Solvency capital requirement	**8,583**

Additional information in respect of the SCR:

- The Company does not use simplified calculations for the risk modules illustrated above.
- The Company does not use undertaking-specific parameters.
- Market risk increased over 2021, mainly due to changes to the investment policy (riskier mix of investments in search for higher yield).
- All other risks in the SCR decreased in 2021, mainly due to the impact of run off for most of the business in force. Overall, the total SCR at year end 2021 was lower than at year end 2020.

Loss-absorbing capacity of deferred taxes (LACDT) is calculated in accordance with Solvency II rules as follows:

- not applicable as the Company holds a small amount of DTA € 2k only.

E.2.2 Minimum capital requirement

The minimum capital requirement (MCR) calculation is based on the net value of technical provisions and the capital at risk. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively, subject to an absolute floor amount. The Company's MCR amounted to € 3,600k at 31 December 2021.

E.3 USE OF THE EQUITY RISK SUB-MODULE IN THE SCR CALCULATION

Not applicable.

E.4 DIFFERENCE BETWEEN THE STANDARD FORMULA AND INTERNAL MODEL

Not applicable.

E.5 NON-COMPLIANCE WITH THE MCR SCR

Not applicable.

F. QUANTITATIVE REPORTING TEMPLATES – QRTS

The following QRT’s are required for this report:

S.02.01.02	Balance sheet
S.05.01.02	Premium, claims and expenses by Business Lines
S.05.02.01	Premium, claims and expenses by country
S.12.01.01	Life and health technical provisions
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non-Life claims information
S.23.01.01	Own funds
S.25.01.21	Solvency capital requirement
S.28.01.01	Minimum capital requirement

S.02.01.02 **Balance sheet**

1/2

€ '000		Solvency II value
Assets		**C0010**
Intangible assets	R0030	**-**
Deferred tax assets	R0040	**2**
Pension benefit surplus	R0050	**-**
Property, plant & equipment held for own use	R0060	**29**
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	**36,009**
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	**33,267**
Government Bonds	R0140	6,462
Corporate Bonds	R0150	26,729
Structured notes	R0160	-
Collateralised securities	R0170	76
Collective Investments Undertakings	R0180	**2,742**
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	**1,164**
Non-life and health similar to non-life	R0280	**218**
Non-life excluding health	R0290	218
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	**946**
Health similar to life	R0320	946
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	**7,598**
Insurance and intermediaries receivables	R0360	**4,062**
Reinsurance receivables	R0370	**170**
Receivables (trade, not insurance)	R0380	**135**
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	**517**
Any other assets, not elsewhere shown	R0420	-
Total assets	**R0500**	**49,686**

S.02.01.02 **Balance sheet**

2/2

€ '000		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	**564**
Technical provisions – non-life (excluding health)	R0520	**564**
TP calculated as a whole	R0530	-
Best Estimate	R0540	486
Risk margin	R0550	78
Technical provisions - health (similar to non-life)	R0560	**-**
TP calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	**22,214**
Technical provisions - health (similar to life)	R0610	**12,364**
TP calculated as a whole	R0620	-
Best Estimate	R0630	10,718
Risk margin	R0640	1,646
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	**9,850**
TP calculated as a whole	R0660	-
Best Estimate	R0670	9,769
Risk margin	R0680	81
Technical provisions – index-linked and unit-linked	R0690	**-**
TP calculated as a whole	R0700	**-**
Best Estimate	R0710	**-**
Risk margin	R0720	**-**
Contingent liabilities	R0740	**-**
Provisions other than technical provisions	R0750	**-**
Pension benefit obligations	R0760	**-**
Deposits from reinsurers	R0770	**-**
Deferred tax liabilities	R0780	**-**
Derivatives	R0790	**-**
Debts owed to credit institutions	R0800	**-**
Financial liabilities other than debts owed to credit institutions	R0810	**-**
Insurance & intermediaries payables	R0820	**1,567**
Reinsurance payables	R0830	**-**
Payables (trade, not insurance)	R0840	**1,283**
Subordinated liabilities	R0850	**6,564**
Subordinated liabilities not in BOF	R0860	**-**
Subordinated liabilities in BOF	R0870	**6,564**
Any other liabilities, not elsewhere shown	R0880	**-**
Total liabilities	**R0900**	**32,192**
Excess of assets over liabilities	**R1000**	**17,494**

S.05.01.02 Premium, claims and expenses by Business Lines

1/3

€ '000		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
		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130									
Gross - Direct Business	R0140	-	-	-	-	-	-	-	-	-
Net	**R0200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Premiums earned										
Gross - Direct Business	R0210	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	-	-	-	-	-	-	-	-	-
Net	**R0300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Claims incurred										
Gross - Direct Business	R0310	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	-	-	-	-	-	-	-	-	-
Net	**R0400**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in other technical provisions										
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-
Net	**R0500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses incurred	R0550	-	-	-	-	-	-	-	-	-
Other expenses	R1200	-	-	-	-	-	-	-	-	-
Total expenses	**R1300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

S.05.01.02 **Premium, claims and expenses by Business Lines**

2/3

€ '000		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	355	-	-	-	-	355
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-	-	-
Reinsurers' share	R0140	-	-	87	-	-	-	-	87
Net	**R0200**	**-**	**-**	**268**	**-**	**-**	**-**	**-**	**268**
Reinsurers' share									
Gross - Direct Business	R0210	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	361	-	-	-	-	361
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-	-	-
Reinsurers' share	R0240	-	-	88	-	-	-	-	88
Net	**R0300**	**-**	**-**	**273**	**-**	**-**	**-**	**-**	**273**
Claims incurred									
Gross - Direct Business	R0310	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	6	-	-	-	-	6
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-	-	-
Reinsurers' share	R0340	-	-	6	-	-	-	-	6
Net	**R0400**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in other technical provisions									
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430	-	-	-	-	-	-	-	-
Reinsurers'share	R0440	-	-	-	-	-	-	-	-
Net	**R0500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses incurred	R0550	-	-	234	-	-	-	-	234
Other expenses	R1200								7
Total expenses	**R1300**								**241**

€ '000		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	-	-	-	-	-	9,293	3,744	13,037
Reinsurers' share	R1420	-	-	-	-	-	-	419	-	419
Net	**R1500**	**-**	**-**	**-**	**-**	**-**	**-**	**8,874**	**3,744**	**12,618**
Premiums earned										
Gross	R1510	-	-	-	-	-	-	9,058	3,976	13,034
Reinsurers' share	R1520	-	-	-	-	-	-	418	-	418
Net	**R1600**	**-**	**-**	**-**	**-**	**-**	**-**	**8,640**	**3,976**	**12,616**
Claims incurred										
Gross	R1610	-	-	-	-	-	-	2,136	2,039	4,175
Reinsurers' share	R1620	-	-	-	-	-	-	10	-	10
Net	**R1700**	**-**	**-**	**-**	**-**	**-**	**-**	**2,126**	**2,039**	**4,165**
Changes in other technical provisions										
Gross	R1710	-	-	-	-	-	-	-	347	347
Reinsurers' share	R1720	-	-	-	-	-	-	-	-	-
Net	**R1800**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**347**	**347**
Expenses incurred	R1900	-	-	-	-	-	-	6,252	1,586	7,838
Other expenses	R2500	-	-	-	-	-	-	-	-	239
Total expenses	**R2600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,077**

S.05.02.01 Premium, claims and expenses by country

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€ '000		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
			PT	DE	IT	-	-	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	351	4	-	-	-	355
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-	-
Reinsurers' share	R0140	-	87	-	-	-	-	87
Net	**R0200**	**-**	**264**	**4**	**-**	**-**	**-**	**268**
Premiums earned								
Gross - Direct Business	R0210	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	351	7	1	-	-	359
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-	-
Reinsurers' share	R0240	-	88	-	-	-	-	88
Net	**R0300**	**-**	**263**	**7**	**1**	**-**	**-**	**271**
Claims incurred								
Gross - Direct Business	R0310	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	5	3	2	-	-	10
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-	-
Reinsurers' share	R0340	-	6	-	-	-	-	6
Net	**R0400**	**-**	**(1)**	**3**	**2**	**-**	**-**	**4**
Changes in other technical provisions								
Gross - Direct Business	R0410	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430	-	-	-	-	-	-	-
Reinsurers'share	R0440	-	-	-	-	-	-	-
Net	**R0500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses incurred	R0550	-	232	2	-	-	-	234
Other expenses	R1200							7

Total expenses	**R1300**	**241**

S.05.02.01 Premium, claims and expenses by country

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€ '000		Home Country	Top 5 countries (by amount of gross premiums written) - Life					Total Top 5 and home country
			FR	IT	PT	DE	ES	
		C0220	C0230	C0240	C0250	C0260	C0270	C0140
Premiums written								
Gross	R1410	-	8,051	2,987	541	512	946	13,037
Reinsurers' share	R1420	-	-	-	-	-	419	419
Net	**R1500**	**-**	**8,051**	**2,987**	**541**	**512**	**527**	**12,618**
Premiums earned								
Gross	R1510	-	8,064	2,218	1,095	714	943	13,034
Reinsurers' share	R1520	-	-	-	-	-	418	418
Net	**R1600**	**-**	**8,064**	**2,218**	**1,095**	**714**	**525**	**12,616**
Claims incurred								
Gross	R1610	-	3,970	(631)	406	441	(11)	4,175
Reinsurers' share	R1620	-	-	-	-	-	10	10
Net	**R1700**	**-**	**3,970**	**(631)**	**406**	**441**	**(21)**	**4,165**
Changes in other technical provisions								
Gross	R1710	-	347	-	-	-	-	347
Reinsurers' share	R1720	-	-	-	-	-	-	-
Net	**R1800**	**-**	**347**	**-**	**-**	**-**	**-**	**347**
Expenses incurred	R1900	-	4,729	2,114	297	200	498	7,838
Other expenses	R2500	-	-	-	-	-	-	239
Total expenses	**R2600**	**-**	**-**	**-**	**-**	**-**	**-**	**15,676**

S.12.01.02 Life and health SLT technical provisions

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€ '000		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Technical provisions calculated as a whole	R0010	-	-			-			-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-	-			-			-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	-		-	-		-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-		-	-		-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	-		-	-		-	-	-
Risk Margin	R0100	-	-			-			-
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110	-	-			-	-	-	-
Best estimate	R0120	-		-	-		-	-	-
Risk margin	R0130	-	-			-			-
Technical provisions - total	R0200	-	-			-			-

S.12.01.02 Life and health SLT technical provisions

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€ '000		Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
					Contracts without options and guarantees	Contracts with options or guarantees			
		C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	-	-	-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	-	-	-			-	-	-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	9,769	9,769		-	-	-	10,718	10,718
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-	-		-	-	-	946	946
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	9,769	9,769		-	-	-	9,772	9,772
Risk Margin	R0100	81	81	-			-	1,646	1,646
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110	-	-	-			-	-	-
Best estimate	R0120	-	-		-	-	-	-	-
Risk margin	R0130	-	-	-			-	-	-
Technical provisions - total	R0200	9,850	9,850	-			-	12,364	12,364

S.17.01.02 Non-Life technical provisions

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€ '000		Direct business and accepted proportional reinsurance								
		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	-	-	-	-	-	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**	-	-	-	-	-	-	-	-	-
Claims provisions										
Gross	R0160	-	-	-	-	-	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	-	-	-	-
Total Best estimate - gross	**R0260**	-	-	-	-	-	-	-	-	-
Total Best estimate - net	**R0270**	-	-	-	-	-	-	-	-	-
Risk margin	**R0280**	-	-	-	-	-	-	-	-	-

S.17.01.02 Non-Life technical provisions

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€ '000		Direct business and accepted proportional reinsurance								
		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-
Amount of the transitional on Technical Provisions										
Technical provisions - total	R0320	-	-	-	-	-	-	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	-	-	-	-	-	-	-

S.17.01.02 Non-Life technical provisions

€ '000		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	**-**	**-**	**43**	**-**	**-**	**-**	**-**	**43**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**	**-**	**-**	**43**	**-**	**-**	**-**	**-**	**43**
Claims provisions									
Gross	R0160	-	-	444	-	-	-	-	444
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	218	-	-	-	-	218
Net Best Estimate of Claims Provisions	**R0250**	**-**	**-**	**225**	**-**	**-**	**-**	**-**	**225**
Total Best estimate - gross	**R0260**	**-**	**-**	**486**	**-**	**-**	**-**	**-**	**486**
Total Best estimate - net	**R0270**	**-**	**-**	**268**	**-**	**-**	**-**	**-**	**268**
Risk margin	**R0280**	**-**	**-**	**78**	**-**	**-**	**-**	**-**	**78**

S.17.01.02 Non-Life technical provisions

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€ '000		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-
Technical provisions - total									
Technical provisions - total	R0320	-	-	564	-	-	-	-	564
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	218	-	-	-	-	218
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	346	-	-	-	-	346

S.19.01.21 Non-Life claims information

Accident year / Underwriting year Z0020 **1**

Gross Claims Paid (non-cumulative)
(absolute amount)

€ '000	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-	-
N-7	R0180	-	-	-	-	-	-	-	-				R0180	-	-
N-6	R0190	-	-	-	5	-	-	-					R0190	-	5
N-5	R0200	-	-	20	3	-	-						R0200	-	23
N-4	R0210	-	55	17	-	-							R0210	-	72
N-3	R0220	88	46	-	-								R0220	-	134
N-2	R0230	69	-	-									R0230	-	69
N-1	R0240	-	-										R0240	-	-
N	R0250	-											R0250	-	-
												Total	**R0260**	**-**	**302**

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

€ '000	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											-	R0100	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-
N-7	R0180	-	-	-	6	-	-	-	-				R0180	-
N-6	R0190	-	-	29	11	-	-	-					R0190	-
N-5	R0200	-	106	46	10	-	-						R0200	-
N-4	R0210	313	129	59	10	-							R0210	-
N-3	R0220	207	159	59	12								R0220	12
N-2	R0230	239	168	46									R0230	46
N-1	R0240	248	142										R0240	142

N	R0250	244

	R0250	244
Total	**R0260**	**444**

S.23.01.01 Own funds

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€ '000		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	**15,723**	15,723		-	
Share premium account related to ordinary share capital	R0030	**-**	-		-	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	**-**	-		-	
Subordinated mutual member accounts	R0050	**-**		-	-	-
Surplus funds	R0070	**-**	-			
Preference shares	R0090	**-**		-	-	-
Share premium account related to preference shares	R0110	**-**		-	-	-
Reconciliation reserve	R0130	**769**	769			
Subordinated liabilities	R0140	**6,564**		2,513	4,050	-
An amount equal to the value of net deferred tax assets	R0160	**2**				2
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	**-**	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**23,058**	**16,492**	**2,513**	**4,050**	**2**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	**-**			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	**-**			-	
Unpaid and uncalled preference shares callable on demand	R0320	**-**			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	**-**			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	**-**			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	**-**			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	**-**			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	**-**			-	-
Other ancillary own funds	R0390	**-**			-	-
Total ancillary own funds	**R0400**	**-**			**-**	**-**

S.23.01.01 Own funds

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€ '000		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	**23,058**	16,492	2,513	4,050	2
Total available own funds to meet the MCR	R0510	**23,056**	16,492	2,513	4,050	
Total eligible own funds to meet the SCR	R0540	**23,058**	16,492	2,513	4,050	2
Total eligible own funds to meet the MCR	R0550	**19,726**	16,492	2,513	720	
SCR	**R0580**	**8,583**				
MCR	**R0600**	**3,600**				
Ratio of Eligible own funds to SCR	**R0620**	**268.66%**				
Ratio of Eligible own funds to MCR	**R0640**	**547.93%**				

€ '000		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	**17,494**
Own shares (held directly and indirectly)	R0710	**-**
Foreseeable dividends, distributions and charges	R0720	**1,000**
Other basic own fund items	R0730	**15,725**
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	**-**
Reconciliation reserve	R0760	**769**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	**-**
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	**-**
Total Expected profits included in future premiums (EPIFP)	**R0790**	**-**

S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

€ '000		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	3,919	-
Counterparty default risk	R0020	865	
Life underwriting risk	R0030	274	-
Health underwriting risk	R0040	5,595	-
Non-life underwriting risk	R0050	265	-
Diversification	R0060	(2,868)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	**R0100**	**8,050**	

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	532
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	8,583
Capital add-on already set	R0210	-
Solvency capital requirement	**R0220**	**8,583**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

Calculation of Solvency Capital Requirement		C0109
Approach based on average tax rate	R0590	-

Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	-
LAC DT justified by reversion of deferred tax liabilities	R0650	-
LAC DT justified by reference to probable future taxable economic	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	-

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	83

€ '000		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	268	268
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	**R0200**	**2469**

€ '000		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	
Obligations with profit participation - future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	-	
Other life (re)insurance and health (re)insurance obligations	R0240	19,541	
Total capital at risk for all life (re)insurance obligations	**R0250**		**2,941,467**

Overall MCR calculation

€ '000		C0070
Linear MCR	R0300	2,552
SCR	R0310	8,583
MCR cap	R0320	3,862
MCR floor	R0330	2,146
Combined MCR	R0340	2,552
Absolute floor of the MCR	R0350	3,600
Minimum Capital Requirement	**R0400**	**3,600**