ECHC Group

ECHC Limited
Eucare Insurance PCC Limited

Group Solvency and Financial Condition Report
31st December 2022

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1.0 Summary

The ECHC Group (hereinafter referred to "the Group' or "ECHC Group") is composed of ECHC Limited ("ECHC") and Eucare Insurance PCC Limited ("the Company" or "Eucare") and was incorporated on 8th October 2018.

The principal activity of ECHC Limited is to act as an insurance holding company, whilst Eucare carries on the business of insurance and is licensed as a protected cell company by Malta Financial Services Authority ("MFSA") in accordance with the Companies Act (Cell Companies carrying on business of insurance) Regulations, 2010 ("the PCC Regulations"). At the time of writing, Eucare only has one operating cell, namely NLCare Cell, along with its Core. This report covers the period from 1st January 2022 to 31st December 2022.

The following table outlines the key aspects and material changes up till 31st December 2022, including the business, performance, system of governance, risk profile, solvency valuations and capital management of the Group during the reporting year:

Business	- Change in one of the Ultimate Beneficial Owners of the Group - NLCare Cell remained the only operating cell of Eucare. No further cells were set up. - The composition of the portfolio of NLCare Cell remained similar to the previous year, with a slight growth in premium.
Performance	- Gross written premiums of €559,272,182 (2021: €540,862,307) - Underwriting Income of €113,415 (2021: €14,637,121) - Result before tax of (€6,596,799) (2021: €8,037,458)
System of Governance	- The role of one of the directors of Eucare changed from a non-executive role to an executive role. A new non-executive director was nominated to the Eucare board. One of the non-executive directors resigned from the Company. As a result, the composition of the Board Committees changed. Furthermore, a new Compliance Officer was appointed for a defined period. - Additional human resources were employed during the reporting period.

Risk Profile	- Analysis of risks, monitoring and controls are documented in the report.

Valuation for Solvency Purposes	- The Group reported the following Solvency II figures for its first year of operation:
	  - Assets: €185,152,127 (2021: €167,945,271)
	  - Technical Provisions: €89,271,655 (2021: €106,061,319)
	  - Other Liabilities: €59,199,295 (2021: €22,184,350)

Capital Management	- Eligible own funds for SCR €46,681,177 (2021: €47,446,731) - SCR (Standard Formula) €23,631,729 (2021: €15,494,257) - Eligible own funds for MCR €37,845,006 (2021: €40,720,108) - MCR (Standard Formula) €6,245,909 2021: €5,102,526)

Table 1: Group Key Aspects & Material Changes during reporting period

2.0 Business and Performance

2.1. Business

2.1.1. Overview

ECHC Limited is a limited liability company which does not trade and was set up solely to hold the non-cellular shares of the Eucare Core, the cell shares of NLCare Cell and the shares of Ouverture Services Limited, an IT services company. Ouverture Services Limited does not form part of the insurance group.

Eucare Insurance PCC Limited is a limited liability protected cell company registered in Malta on 8th October 2018. Eucare is authorised and regulated by the:

Malta Financial Services Authority (MFSA)
Triq l-Imdina, Zone 1
Central Business District, Birkirkara
CBD 1010
Malta

Tel: +356 2144 1155

The MFSA is also the group supervisor.

The Company is authorised to carry on business falling under Class 1 – Accident, Class 2 – Sickness, Class 16 – Miscellaneous financial loss and Class 18 – Assistance.

As at 31st December 2022, Eucare has set up one cell, namely NLCare Cell which was granted MFSA approval on 2nd November 2018. The Cell is ring-fenced from the Eucare "Core" but has the same direct shareholder as the Core. Eucare is licensed to carry on business in the Netherlands, France, Germany, and Belgium under the EU Freedom of Services Provision regime.

The non-cellular (Core) shares of Eucare are 100% subscribed by ECHC Limited (Malta), which is wholly owned by ECSH B.V. (the Netherlands) and Quantum Leben AG (Liechtenstein). The ultimate qualifying shareholders of the Group are H.H. Laeven, Netherlands (53.3% interest), E.F.P. Hollander, Netherlands (19.9% interest), and A.F.J.P. van den Beuken, Netherlands (11.3% interest). During the reporting period, E.F.P. Hollander, became a qualifying ultimate beneficial owner, replacing S.M.M Franco.

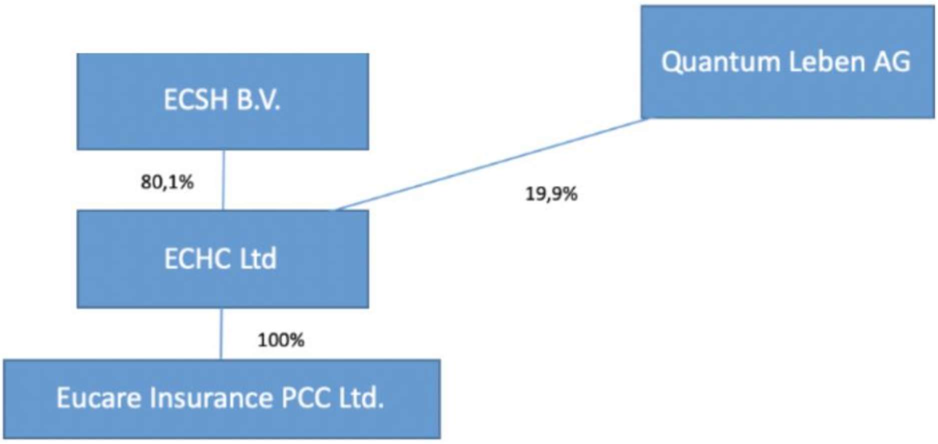

Figure 1: ECHC Group Shareholding Structure

The undertakings falling within the scope of group supervision for which a group solvency has been calculated are ECHC Limited, the Eucare Core and NLCare Cell. For the purpose of calculating group solvency, Method 1 – Accounting Consolidation Based Method – has been used. The Annual Quantitative Reporting Templates ("QRTs") containing information on the undertakings in the scope of the Group is being included in this document (refer to S.32.01.04 in Appendix 2).

The Group's appointed external auditors are:

KPMG Malta
Portico Building,
Marina Street,
Pieta', PTA 9044
Malta

2.1.2. Business Objectives

Eucare has been set up as a Protected Cell Company ("PCC"). A PCC is a corporate structure in which a single legal entity is comprised of the Core and one or more Cells that have separate assets and liabilities. The PCC has a similar design to a hub and spoke, with the central core organization linked to individual Cells. Each Cell is independent of each other and of the company's Core, but the entire unit is still a single legal entity.

ECHC Ltd as shareholder of NLCare Cell has entered into a cell agreement with Eucare which reflects the provision in the PCC Regulations concerning secondary recourse to the assets of the Core to cover the Cell liabilities in the event that the Cell assets were to be exhausted. Eucare receives fees from the Cell for the provision of the cell facility and for exposure to the Core. Eucare carries on insurance business only through NLCare Cell. The NLCare Cell was set up to offer health, sickness, income protection and personal accident insurance business. As at 31st December

2022, Eucare's insurance risks are predominantly located in the Netherlands and France.

2.2. Underwriting performance

The Group is composed of the insurance holding company, ECHC Limited and Eucare Insurance PCC Limited, acting as the insurance underwriting arm of the ECHC Group. After taking into account the underwriting income of €113,415 (2021: €14,637,121) and administrative expenses of €5,665,057 (2021: €5,478,384), other losses of €150,921 (2021: 91,978) and finance costs of €966,966 (2021: €1,029,301), the Group reported a loss before tax of €6,597,275 (2021: profit of €8,037,458).

The main operations of the Group emanate from the insurance undertaking, Eucare. During the financial year ended 31st December 2022, the Group generated gross written premium of €559,272,182 (2021: €540,862,307). Although the majority of policies written commence on 1st January and are valid till 31st December, a small part of the personal accident insurance portfolio incepted during the year with cover extending beyond 31st December 2022. This resulted in an unearned premium of €46,373 (2021: €208,998).

The Premium written relating to the Dutch Basic Health Insurance Business is generally derived from two different sources, as explained in greater detail in section 4.1. The first source relates to premium payable directly from the policyholders and amounting to €200,977,745 (2021: €206,128,630) in 2022, whereas the second source relates to contributions received through the Dutch Health Insurance Risk Equalisation Fund amounting to €275,045,639 (2021: €250,067,793) in the same underwriting year.

Add-on products to the Basic Health Insurance Business were also sold throughout the reporting period, generating a premium of €61,809,162 (2021: €64,129,738).

Eucare also generated premium from Income Protection and Personal Accident insurance business in the Netherlands, amount to €5,595,103 (2021: €2,089,285) and €702,317 (2021: €691,686) respectively.

Eucare also underwrites Statuary insurance in France, covering municipalities against the absenteeism of civil servants from work due to sickness and work accident. Eucare generated €10,343,182 (2021: €6,350,406) worth of premium in the second year of this portfolio.

During the financial year, Eucare, through NLCare Cell incurred €22,105,816 (2021: €22,377,759) worth of operating expenses directly attributable to the acquisition and servicing of insurance contracts.

NLCare also incurred Deferred Acquisition Costs amounting to €19,210 (2021: €88,568) since, by the end of the year, policies were still in force with a termination date in 2023.

Eucare, on behalf of NLCare Cell has in place a combination of proportional and non-proportional reinsurance protection with reputable reinsurance companies. As a result, some of the premiums written are ceded to the reinsurer, whilst a degree of the certain claims incurred are recovered from the reinsurer. An Incurred But Not Reported (IBNR) reserve is maintained based on an estimated and expected ultimate claims cost amount.

The impact of Covid-19 on the Company has been present even throughout the financial year 2022. In 2022, Covid-19 related claims were still being incurred, although these were less than the level of Covid-19 claims incurred in 2020 and 2021, mainly due to the less pathogenic Covid-19 variants and the successful vaccination program. The Company also pursued with the provision of continuity contributions to healthcare providers in order to safeguard the provision of healthcare in the Netherlands. Despite this, in 2022, the contributions from the Dutch Health Insurance Risk Equalisation Fund, in line with the catastrophe scheme (article 33 of the Dutch Healthcare Act), in favour of insurance undertakings, were no longer eligible. This is since such contributions are only eligible for a period of two years since the year of inception of the catastrophe, and thus this scheme legally expired on 31st December 2021.

The Company is now able to incorporate Covid-19 related costs in its premium determination exercise for 2023 and going forward. The Company has also taken into consideration the possible impact of ‘Long Covid’, which relates to treatments as a result of the long-term effects after being infected with the Covid-19 virus. These treatments include, amongst others, mental care treatment.

The shareholders’ funds of the Group as at 31 December 2022 amounted to €31,723,897 (2021: €38,294,409) and comprises of share capital, capital contribution, other reserves and retained earnings. In addition, the Group has a subordinated Tier 2 and a subordinated Tier 3 loan agreement consisting of €7,000,000 and €3,000,000 respectively.

The QRTs containing an analysis of premiums, claims and expenses are being attached to this document (refer to S.05.01.01.01 and S.05.02.01 in Appendix 2 for the Group and in Appendix 3 for Eucare).

2.2.1. Material risk mitigation techniques

As an insurance group, the insurance underwriting risk is considered to be the main risk which Eucare is exposed to and is one of the primary risks acknowledged by the Company. Eucare, in line with the Company’s risk appetite set by the Board, adopts a prudent approach in the way it mitigates its risks. This includes having in place reinsurance agreements with reputable reinsurance companies, thus enabling the transfer of part of the risk to the reinsurers. The contract boundaries relative to the products sold by the Company also serve as a risk mitigation technique to underwriting risk.

In addition to the uncertainty borne by the Company arising from the inherent nature of insurance business, Eucare also faces the uncertainty of variances in expected future income contributions receivable from the Dutch Health Insurance Risk Equalisation Fund which are based on best estimate calculations. The Company has in place a number of measures to mitigate these uncertainties. As the estimated receivables from the Dutch Health Insurance Risk Equalisation Fund are based on Best Estimates of expected amounts, a provision is made for any uncertainties. Estimates of the compensation from the Dutch Health Insurance Risk Equalisation Fund is recalculated throughout the year and adjustments to the provision are made accordingly.

Through a healthcare procurement company in the Netherlands, Eucare also enters into price agreements with a large number of providers. This reduces the potential fluctuation in claims costs by pre-agreeing prices per treatment and therefore removing the uncertainty with regards to price movements during the year. This also protects the Company from inflation risk by eliminating any possible increase in claims costs throughout the year.

The Company also manages these risks through its underwriting strategy, which is intended to ensure that there is sufficient volume of similar risks underwritten to enable it to better predict future claims over a wider risk base, and through its reinsurance arrangements.

The Company is also exposed to an unexpected accumulation of losses in a single year or arising from one event. Taking into consideration the risks underwritten by Eucare, an unexpected accumulation of losses is most likely in the event of an accident where there is a concentration of insured persons, such as the workplace or in a stadium.

A number of mitigating factors are in place to reduce this exposure. The application of a deductible which is payable by the insured party on the majority of insurance policies sold by the Company reduces Eucare’s exposure to a high volume of claims for small claim amounts. Moreover, the Company has reinsurance agreements in place to ensure adequate proportionate risk transfer in the case of such eventualities.

Moreover, in view of the uncertainties relating to the Covid-19 effect and any long-term future developments, Eucare remains cautious and mindful to the fact that the Covid-19 global and national scenario still requires constant scrutiny. The Company will monitor the financial impact that the pandemic may have on the Company and shall take any action as deemed necessary.

With respect to the exposure from the Personal Accident insurance portfolio, Eucare is not exposed to any accumulation of losses in a single year or arising from one event since the risks are dispersed on an individual basis.

The location of the risk of Eucare’s insurance portfolio is based in the Netherlands, France, Germany and Belgium. Although a large proportion is located in the Netherlands, the Dutch risks are also evenly spread across the country. This ensures an adequate geographical spread of risks, ensuring that there is no concentration of risks within a small area and provides suitable geographical diversification within the portfolio.

Eucare also maintains a constant oversight over the performance of the portfolio written, with co-ordination of the Underwriting and Claims Function, the Actuarial Function, the Finance Function and the Risk Management Function. This allows the Company to take the adequate steps, if necessary, in a timely manner in order to effectively manage this risk.

Given the Eucare's reinsurance arrangements and its strategy to operate through MGAs, the Group is also exposed to counterparty default risk. The Group ensures that all reinsurance counterparties are reputable with a strong credit rating, as procedures in place ensure that credit ratings are reviewed and reported on a monthly basis. Any unrated counterparties are also monitored on an ongoing basis.

Another significant primary risk considered by the Company, is Operational risk. The Company has a robust organisational structure with various support mechanisms which remove dependency on single individuals. Moreover, Eucare engages third party service providers providing a number of services on behalf of the Company. Each contracted third party is governed by service level agreements ensuring that the services provided meet the expected standards.

The Company has in place a business continuity plan which addresses all steps to be taken following a range of operational risks that may affect the Company. These include local office and/or island wide catastrophes, IT failures, and emergencies at outsourced service providers, amongst others. The plan is tested and updated annually. The Company further ensures that appointed third party service providers also have their own Business Continuity Plan in place, which is tested and reviewed at least on an annual basis.

2.3. Investment performance

In 2022, the Group, through NLCare Cell allocated funds to be invested in investment vehicles which are managed by the Eucare's appointed investment manager.

The Group adopted a prudent person principle and investment in low-risk investment vehicles which are considered to be highly liquid. As at 31st December 2022 the Group held €2,949,137 (2021: €0) in bonds and €490,884 (2021: €0) in term deposits. Moreover, €1,198,691 (2021: €0) were held by the investment manager as bank deposits held on behalf of the Group. The Group also held €45,860,721 (2021: €10,096,195) at banks in its own name.

Throughout the reporting period, the Group earned €72,284 (2019: €0) in interest income from its investment portfolio.

The Group, through the insurance holding company, ECHC, also held €1,200 (2021: €1,200) worth of investments in the subsidiary company, Ouverture.

2.4. Performance of other activities

The administration expenses of the Group amounted to €5,665,057 (2021: €5,478,384). These relate solely to administrative costs, such as staff costs, directors' fees, actuarial fees and legal and professional fees paid by NLCare Cell.

2.5. Any Other Information

There is no further information regarding business and performance other than the disclosed above.

3.0 System of Governance

3.1. General Information on the Systems of Governance

3.1.1. Structure of the Board, Committees & Key Functions

The governance structure of ECHC is set at Board of Directors level and composed of three directors.

Eucare is set up as a Protected Cell Company (PCC). A PCC consists of a core and an unlimited number of cells. The PCC is governed by a single Board of directors which is responsible for the governance of the PCC as a whole. If considered necessary, new cells may be managed by a Cell Committee, with authority to the committee being granted by the PCC Board of directors. As of yet, no cell committees have been set up.

The Board of Eucare at the end of the reporting period is composed of five directors, along with a proposed additional director, with collective experience and knowledge that is considered adequate.

The Company has also set up an Audit Committee, a Risk Management and Compliance Committee and an Investment Committee each reporting directly to the Board.

The following is an overview of the responsibilities assigned to each committee:

<u>Audit Committee</u>

The purpose of the Audit committee is to assist the Board in fulfilling adequate monitoring of the financial reporting process and the statutory audit of the annual and consolidated financial statements, whilst guaranteeing an effective internal quality control and risk management system. The Audit Committee is further assigned with the oversight responsibility relating to the integrity of any financial reporting, as well as ensuring the independence of the internal and external audit function.

<u>Investment Committee</u>

The purpose of the Investment Committee is to assist the Board in selecting an investment portfolio in line with the investment strategy of the Company. The Committee monitors the investment performance and reports directly to the Board. Activity reporting includes projections of cash flows, valuation of assets and liabilities, and the Company exposure to credit, market and liquidity risk.

<u>Risk Management and Compliance Committee</u>

The Risk Management and Compliance Committee is assigned with the role of assisting the Board in the identification and mitigation of risks within the Company. The main focus is to oversee the implementation of the risk management system of the Company, including the execution of the risk management strategy as established by the Board. Moreover, the Committee also assists the Board in implementing the regulatory compliance policy and effectively overseeing non-financial and financial compliance matters.

<u>Key and Important Functions</u>

The Board of Eucare has identified the following as Key Functions to the operations of the Company:

- Compliance function;
- Actuarial function;
- Risk Management function;
- Internal Audit function;

The following are also identified as important functions

- Finance & Regulatory Reporting function;
- Underwriting function;
- Claims Handling function;
- Investment Management function; and
- IT function.

All Key Functions are granted the necessary authority and independence by the Board of Directors through the respective Board policies. Each function is allocated with the necessary resources to adequately perform the various duties and responsibilities. Support mechanisms are also put in place as necessary, with a Key Function Holder being appointed for each Key Function.

Each Key Function reports to the Board and the respective Board Committees regularly at least on a quarterly basis.

3.1.2. Remuneration Policy

The Remuneration Policy of the Group provides for a remuneration structure that allows the Group to attract, reward and retain qualified executives and to provide and motivate existing and new personnel with a balanced and competitive remuneration structure that is focused on transparency, sustainable results and is aligned with the long-term strategy of the Group.

The Remuneration Policy aims to promote the Group’s long-term success and to motivate management to deliver strong and sustainable business performance aligned with the Group’s purpose of helping people live longer, healthier, happier lives.

The policy seeks to establish adequate remuneration in accordance with the role or position of work and its performance and to act as a motivating and satisfying element to achieve the objectives set and to comply with the Group's strategy, while promoting adequate and effective risk management, discouraging taking risks that exceed tolerance limits, as well as conflicts of interest.

Remuneration within the Group is based on the job position, taking into consideration experience, knowledge, merit, professional skills and performance, and includes measures to avoid any conflicts of interest that may arise. The policy guarantees equality, irrespective of gender, race or ideology, and is competitive with respect to the market.

Remuneration is aligned with the Group's strategy as well as its risk profiles, objectives, risk-management practices, and long-term interests and is reviewed on an annual basis by the shareholders during the Annual General Meeting.

3.1.3. Material transactions with Shareholders & Board Members

The Group does not have any material transactions, other than a payable of €429 (2021: €3,626) to the sister company Ouverture Services Limited.

In 2019, two sub-ordinated loan agreements of €7,000,000 and €3,000,000 in favour of NLCare Cell, classifying as Tier 2 and Tier 3 capital respectively, were entered into with one of Eucare’s shareholders.

Moreover, a capital contribution in cash of €12,000,000 was also made by ECHC in 2019, the Company’s immediate parent company, to NLCare Cell within Eucare.

Transactions carried out by the Board members relate to the directors’ fees payable to each board member. In line with the Remuneration Policy, the fee payable to each director is commensurate to the roles and responsibilities assigned to each director.

3.2. Fit and Proper Policy

The Fit and Proper Policy of the Group establishes the fit and proper requirements which are applicable to the relevant personnel, namely directors, officers, controllers, senior executives, key function holders or individuals responsible for the oversight of key functions, the compliance officer, and where required any external personnel hired by service providers for the performance of certain functions within the company.

The fitness requirements ensure that any appointed individual possesses the appropriates qualifications and an adequate level of knowledge and experience relevant to the function being performed.

The directors of Eucare, as the licenced insurance entity, collectively also possess the appropriate qualifications, experience and knowledge about, but not limited to, the following:

- Insurance and Financial markets
- Business strategy and Business Model
- Systems of Governance
- Financial and Actuarial Analysis
- Risk Management processes
- Regulatory Framework.

Moreover, the Company ensures that all relevant personnel shall retain renowned personal, professional and business repute & integrity based on reliable information about their personal behaviour, professional conduct and reputation, including in relation to any criminal, financial and supervisory issue which is relevant for this purpose.

3.3. Risk Management System including Own Risk & Solvency Assessment

3.3.1. Risk Management System

The Risk Management System of the Group is governed by the Group Risk Management Policy and a number of sub-policies which were approved by the Board of ECHC. The Board reviews its Risk Management policies and strategies and oversees their implementation to ensure that identified key risks are properly assessed and managed.

The Risk Management System enables the Group to identify its risks and considers the impact and probability of each risk occurring. The mitigating actions required are then determined to align the risk exposure to the risk appetite established by the Board of Directors. These mitigating actions may take the form of management actions, internal controls and/or risk transfer mechanisms.

The establishment of an adequate Risk Management System which is proportionate to the nature, scale and complexity inherent to the business, supports the Group in ensuring it maintains sufficient capital to meet all existing and imminent business risks. The Risk Management System therefore aims to ensure the efficient management of capital resources, and the achievement of strategic goals in the interests of the Group's policyholders, shareholders, and other stakeholders and in full compliance with all applicable legislation and regulatory requirements.

The Risk Management System is integrated into the management, performance monitoring and assurance systems of the Group to ensure that all regulatory requirements and technical and prudential monitoring are embedded in all elements of its work, partnerships and collaborations and existing service agreements.

The Risk Management System encompasses various aspects of the Risk Management Function such as the Risk Management Process, the Group's Risk Appetite, and the Risk Register Assessment. The Risk Management Policy also sets out the various responsibilities of the different parties within the Group to ensure fulfilment of the Risk Management strategy established by the Board of Directors.

The Risk Management Function is responsible to ensure that the Group achieves its strategic objectives in a secure manner. The Group has in place processes and procedures to enable the Group to identify, measure, mitigate, monitor, and report material risks it is exposed to. This enables early identification of factors whether internally or externally driven, which may prevent the Group from achieving its strategic objectives.

Regular risk identification and assessment exercises are carried out with the senior management and the various risk owners. All risks which are identified are documented within the risk register which is maintained by the Risk Management

Function. Each separate risk is measured by assessing the inherent and residual impact and likelihood of a risk occurring, which provides a resultant inherent and residual risk score for each risk. This allows the Group to prioritise its risk and allow for effective monitoring in terms of focus and attention to be given to each individual risk.

The inherent risk score is determined through discussions with the risk owners, senior management, and ultimately the Board, and is based on various factors such as personal judgment stemming from experience and knowledge, past internal and external events, educational literature, articles and data and statistics available from the market, amongst others. The residual risk score also takes into consideration the mitigating actions and controls in place to address the risk.

3.3.2. Own Risk and Solvency Assessment (ORSA)

An important aspect of the Risk Management System of the Group is the Own Risk and Solvency Assessment, which is articulated in a stand-alone Board approved Policy. An ORSA is carried out once annually and when there is a material change to the risk profile or upon the occurrence of an event which may trigger a fresh ORSA.

The risk management function is responsible to implement the ORSA and works closely with the actuarial function of the Company to perform stress testing under various scenarios pre-agreed by the Group. An ORSA report is presented to the respective Boards for final review and approval.

The solvency capital needs of the Group are determined by using the Standard Formula method of calculation without the use of any Undertaking Specific Parameters or Partial Internal Model. The ORSA assessment includes the consideration of changes to the own funds position that may occur in stressed situations. As a result, the Group performs stress tests and scenario analysis to assess the resilience of the various entities. Solvency projections are prepared by the actuarial function and reviewed by the Board of the Company.

A breakdown of the solvency capital and eligible own funds is provided in Section 6.

3.3.3. Use of Internal Model

The Group carries out an appropriateness assessment of the Standard Formula on an annual basis prior to the commencement of the ORSA. The standard formula was deemed to be appropriate to calculate the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) throughout the reporting period. Hence, no internal models were used for the reporting period.

3.4. Internal Control System

In line with the corporate governance Company Guidelines adopted by the Group, an internal control system has been set up to safeguard assets, to ensure the Group enters into transactions only where appropriate authority exists, and to ensure effective risk assessment and management. The purpose of the internal control system is also to ensure completeness, accuracy and timeliness of record keeping.

The ECHC Group has a number of board policies and procedures to which all board policies of the subsidiary companies align to, and, from which various procedures and guidelines emanate. These include details of the structure and allocation of responsibilities, attendance at and timing of regular meetings, senior personnel designated to review incoming correspondence and, where appropriate, outgoing correspondence, and personnel authorised to carry out underwriting, accounting, and company secretarial procedures, amongst others.

Eucare also maintains a Compliance Function which oversees all the activities of the Group and gives company management guidance in relation to regulatory compliance matters. The Compliance Function reports to the Company's Board of Directors at least on a quarterly basis.

3.5. Internal Audit Function

The Internal Auditor is provided with unrestricted access to the Company's records, physical properties, and personnel pertinent to carrying out any engagement.

The internal audit activity remains free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

The internal auditors have no direct operational responsibility or authority over any of the activities audited. Accordingly, they do not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditors' judgment.

The internal auditor performs internal audit procedures addressing a number of risk areas, on an annual basis. This includes the review and testing of the processes and controls relevant to the Company's operations. In this respect, internal audits, to date, have covered the most significant areas, including, amongst others, finance, risk management, underwriting and claims, reinsurance, due diligence and oversight of appointed intermediaries, governance and IT. A three-year internal audit plan up to 2025 was approved by the Board of Eucare.

3.6. Actuarial Function

The Actuarial Function is responsible for setting up and maintaining actuarial and risk models, calculate technical provisions (best estimate and risk margin), including pro forma Solvency II balance sheet and the production of the solvency and minimum capital requirement on a quarterly basis for Eucare and perform other work on a monthly basis in line with the services agreement.

The actuarial function produces three-year SCR, MCR and Solvency II balance sheet projections as part of the ORSA process and produces a written report which includes an opinion on underwriting and the adequacy of the reinsurance arrangement.

3.7. Outsourcing

The Outsourcing Policy of the Group ensures that there are systems and procedures in place for the acceptance of any outsourced service providers together with the ongoing monitoring of any function entrusted to an external entity. It also guarantees that the outsourced activity does not pose any undue risks by impairing the reputation and the financial stability of the Group and that all applicable legislation is duly complied with.

3.8. Any Other Information

There is no further information regarding business and performance other than the disclosed above.

4.0 Risk Profile

The Group maintains a single risk register containing all the risks that the insurance group is exposed to. In view that Eucare is the main operational company within the Group, the material risks that the Group is exposed to are considered to be the risks which Eucare identifies.

4.1. Underwriting Risk

The main risk of Eucare is underwriting risk. The insurance risk that Eucare is exposed to relates predominantly to health insurance, but also other smaller portfolio consisting of personal accident and income protection insurance. The portfolio of Eucare, through NLCare Cell, during the reporting year consisted of insurance business predominantly in the Netherlands and France.

The health insurance system in the Netherlands provides for anyone who lives or works in the Netherlands to have mandatory private health insurance cover.

With respect to health insurance in the Netherlands, insurers have a duty to accept each insurance proposal without any selection. The basic health insurance covers the mandatory health care requirements and is provided by Eucare through four different products.

Premiums for the basic health insurance are determined by the insurance market players. Nonetheless, the Dutch government determines the extent of coverage under the basic insurance package and the conditions applicable to the basic insurance package, including enrolment and the maximum discount for group contracts (5% of the gross premium).

In addition, the Government determines the contributions from the Dutch Health Insurance Risk Equalisation Fund to insurers. The compensation paid through the risk equalisation fund is financed by employers, employees, and the Dutch Government. Payments by this fund depend on the risk profile and the portfolio of the health insurance company. In combination with the nominal premium, payments from this fund are expected to equalise the claims level for all insurers.

Therefore, in such a system with risk-compensation measures, the risk of a non-average portfolio of insured customers is limited. These risks cover, amongst others, age, gender, medical status, type of employment, socio-economic status, and geographic location, as well as an increase in the overall cost of health care.

Eucare also offers add-on health insurance products which provides policyholders with the opportunity to expand the cover provided by the basic health insurance, mainly through supplementary insurance and dental cover. Additionally, Eucare also offers income protection and personal accident products in the Dutch market, as well as income protection insurance in France. Premiums for these insurance products are tailored to the cover offered. These insurance products are optional and are comparable, in nature and method, to non-Life insurance. The cover provided by these insurances is not tied to government stipulations and there is no obligation of acceptance and no risk equalisation system.

4.2. Market Risk

As outlined in section 2.3, NLCare Cell holds an investment portfolio which is managed by the Company's investment manager. This exposes the Company to market risk, which is the risk of loss or of adverse changes in the value of an investment due to changes in financial market factors.

The investments of NLCare Cell are currently limited to bonds and bank deposits. This automatically eliminates any equity and property risk since the Company does not invest in such assets and, in line with its investment strategy, invests only in low risk and highly liquid assets.

The Company's investment portfolio however still exposes the Company to market risk. The majority of the Company's assets and liabilities are denominated in Eucare, thereby significantly reducing any currency risk. Moreover, the Company has in place a number of investment parameters to limit the exposure to any one asset class and issuer and, in line with the recommendations of the appointed investment manager, the Company ensure that the portfolio is adequately diversified thus adequately mitigating concentration risk.

The discounted value of future cash-flows of the Company's investment returns, but also the valuation of any balance sheet items with future cashflows, in particular the value of technical provisions of the Company is sensitive to a change in the rate at which those cash-flows are discounted. However, the majority of the Company's business is short tailed in nature therefore the exposure to interest rate risk is deemed minimal.

The selection of the investments of the Company is in line with the prudent person principle in that the counterparty default risk is monitored and controlled and reported to the Investment Committee of Eucare and the Board on a regular basis. Investment parameters are also in place to limit and/or prohibit any investment in low grade investment vehicles. Nonetheless, external credit ratings are obtained where possible and if necessary, copies of financial statements are obtained from counterparties.

In line with its Asset-Liability Management Policy, the Group identifies and assesses any mismatches between assets and liabilities, in particular with regards to terms and currency. Decisions on assets and liabilities are coordinated in order to manage the exposure to the risk associated with the variation of their economic growth.

The Group only invests in assets whose risks it can properly identify, measure, monitor, control and report, in accordance with the prudent person principle and which meet its specific risk profile and approved risk appetite. All assets, in particular those required to cover the minimum capital requirements and the solvency capital requirement shall be invested in a manner as to ensure the security, quality, liquidity and reasonable profitability of the portfolio as a whole.

In achieving a balanced asset and liability matching profile, the Group ensures to:

(i) take into account the type of business carried out, predominantly through Eucare, in particular the nature, the amount and the duration of the expected claims payments, in such a way as to secure sufficiency, liquidity, security, quality, profitability and matching of Eucare's investments;

(ii) diversify and spread the assets so as to enable the Group to respond adequately to changing economic circumstances, in particular developments in the financial markets and real estate markets or large impact catastrophic events;

(iii) maintain a prudent level of investments in assets that are not traded on a regulated financial market;

(iv) properly diversify the assets so as to avoid excessive reliance on any particular asset or issuer and accumulations of risk in the portfolio as a whole;

(v) eliminate investments in assets with the same issuer, or by issuers within the same group, thus avoiding excessive risk concentration; and

(vi) assess the impact of irregular market circumstances on its assets and diversify those assets to ensure that the impact is minimized.

Specific controls are in place to verify a sound asset liability management position of the Group on a regular basis. Assets of the Group are valued and verified by the Investment Management Function and reporting to the Board is carried out on a quarterly basis. Moreover, monthly management accounting and quarterly solvency capital requirement calculation are conducted to assess the Group position and to identify any potential asset liability mismatch immediately.

4.3. Credit Risk

The Group is exposed to credit risks. Eucare holds cash amounts with banks and as part of its day-to-day insurance operations, receivables from debtors such as amounts due by appointed intermediaries and government agencies are due to the Company. Moreover, the reinsurer's share of technical provisions and accrued profit commission due to the company further exposes the company to counterparty default risk. Albeit, the Company has in place specific risk appetites and tolerance limits that ensure that all counterparties are reputable with a strong credit rating. The Company also monitors, on a monthly basis, the credit rating of its counterparties and thus, any exposure to credit risk is not considered material.

The credit risk of the Group is categorised between Type 1 and Type 2. The class of type 1 exposures tries to cover the exposures which may not be diversified and where the counterparty is likely to be rated. The class of type 2 exposures attempts to cover the exposures which are usually diversified and where the counterparty is likely to be unrated. The class of type 2 exposure should consist of all exposures which are in the scope of the module and are not of type 1.

4.4. Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally insurance liabilities, creditors, and the subordinated loans. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

The Group monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve-month period and ensures that no additional financing facilities are expected to be required over the coming year.

The liquidity position of the Group is continuously monitored by means of cash flow forecasts on the basis of expected cash flows over rest of the current year and ensures that no additional financing facilities are expected to be required over the current year. The outcome is reported to the Management, the Investment Committee and the Board every quarter.

In line with the Liquidity Risk Management Policy, the Company has in place a number of contingency measures should the Group be faced by an illiquid position. The measures taken depend on the nature and size of the illiquid position.

The Company's considers the liquidity risk to be limited in view of the matching of cash inflows and outflows from insurance and reinsurance transactions.

4.4.1. EPIFP

The Expected Profit Included in Future Premiums ('EPIFP') is defined as the expected present value of future cash flows which result from the inclusion in technical provisions of premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, regardless of the legal or contractual rights of the policyholder to discontinue the policy.

The Group is subject to a positive EPIFP for its homogeneous health risk groups, and also for the accident, sickness and disability insurance portfolios. The EPIFP for the reporting period of Eucare amounts to €19,651,056 (2021: €12,287,775).

4.5. Operational Risk

In line with the identified primary risks as explained in section 2.2.2, the Group is also exposed to Operational Risk. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The Company's Operational Risk emanates from a number of elements, mainly related to People, IT, and Processes.

The Group relies on internal resources for certain operational activities, whilst outsourcing certain functions. All outsourced activities are subject to service level agreements in accordance with regulatory requirements and are subject to ongoing monitoring of performance levels. Prior to their appointment, all service providers are assessed for their competence to perform the respective services in accordance with the Outsourcing policy.

All operational areas are subject to the four eyes principle whereby a process is never executed solely by one person but subject to review by senior management.

The processes and controls over operational risk, together with the measures defining risk appetite are reviewed regularly as part of the monitoring undertaken by the Risk Management & Compliance Committee and on a day-to-day basis by senior management.

4.6. Other Material Risk

4.6.1. Intra-Group Transactions

As indicated in under section 2.2, a capital contribution of €12,000,000 was made by ECHC to NLCare Cell within Eucare, in order to guarantee the capacity for growth in line with the Group's strategy. This intra-group transaction does not constitute a loan, but rather an irrevocable and gratuitous assignment with no obligation to repay the amount. Moreover, ECHC may not offer any incentive for repayment. The capital contribution is unfettered, such that it does not give rise to a credit in favour of the contributor and is free from any servicing costs or charges. The transaction does not grant ECHC any rights or entitlements, such as any voting rights, profit participation or rights to participate in the distribution of the surplus assets of Eucare. Moreover, the capital Contribution is free from encumbrances and is not connected with any other transaction. This intra-group transaction does not give rise to any conflict of interest, neither in the negotiation stage, nor in the foreseeable future.

4.6.2. Reinsurance Risk

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within debtors), as well as longer term receivables (classified within reinsurers' share of technical provisions) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as a liability when due and expensed over the period of cover.

The Group assesses its reinsurance assets for impairment on a regular basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

The reinsurance protection controls the Group's exposures to losses, reduce volatility and to protect capital. The Company has in place a mix of proportional and non-proportional cover which are in line with the reinsurance strategy and programme as agreed to by the Board.

The Group is thus exposed to reinsurance risk emanating from reinsurance counterparties being unable to meet their contractual obligations with the Group. The Group also faces challenges in obtaining adequate reinsurance cover at an appropriate cost. Moreover, due to its non-proportional reinsurance, the Group also faces the risk that losses exceed the upper reinsured limits which would fall back on the Group.

4.6.3. Solvency Risk

Eucare also has an obligation to maintain an adequate solvency position at all times; primarily in order to meet any regulatory capital requirement and to ensure the Company's ability to continue operating as a going concern. A Capital Management Policy is in place and sets out target solvency ratios as set by the Board. The policy provides the direction to continuously oversee the solvency position of the Company, and to take the necessary steps in case any breach of the target solvency ratios, the SCR or the MCR is identified.

4.7. Any Other Information

4.7.1. Description of Material Risk Concentrations

The Group, through Eucare, has established an insurance portfolio consisting mainly of health insurance business, as well as other small portfolios of personal accident and income protection. As explained under section 2.2.2, the location of the risk of Eucare's insurance portfolio is spread across the Netherlands, Germany, Belgium, and France. Although the location of risks is largely located within the Netherlands this is evenly spread across the country, ensuring an adequate geographical spread of risks within the country. This ensures that there is no concentration of risks within a small area and provides suitable geographical diversification within the portfolio.

The strategy of the Group is to diversify its portfolio both in terms of geographical spread and also across different lines of insurance business.

For the reporting year, the Group's bank deposits were made with two banks.

Moreover, although the Group, through Eucare, on behalf of NLCare Cell, had more than one reinsurance counterparty for its portfolio, the Group is still exposed to concentration risk due to a single reinsurance counterparty covering the majority of its portfolio. Subsequently, the material risk concentrations arose from the exposure to the default of the reinsurer and banks engaged throughout the reporting year.

Nonetheless, the concentration risk faced by the Group is considered to be low. The insurance business concentration risk is mitigated through reinsurance protection. The Group has in place established credit rating procedures to ensure that any counterparty selected is in line with the Board's risk appetite.

4.7.2. Description of Risk Mitigating Techniques

The main risk mitigating technique used by Eucare to manage its insurance risk is risk transfer through reinsurance.

The appropriate reinsurance structure is identified following a risk assessment to determine an appropriate level of risk transfer in terms of the volume of business, the product line of insurance portfolio, the assessment of probable exposures, and the reinsurance market conditions in accordance with the Risk Appetite of the Board. The reinsurance counterparties are also monitored to ensure they meet a minimum credit rating as set by the Board.

In assessing the suitability and appropriateness of the risk mitigating techniques adopted, the Company categorises its risks and assess the inherent exposure of each. The appropriate risk mitigating factors are applied in order to manage and reduce the relevant exposure. The residual exposure of each risk is then assessed against the relevant risk mitigating factors applied, ensuring that all risks fall within the risk appetite of the Board.

An assessment of the various risks and the risk mitigating factors is carried out and reported to the Board on a quarterly basis.

4.7.3. Risk Sensitivity

As part of its Risk Management System, one of the main objectives of the Risk Management Functions of Eucare is to ensure that the Company is able the withstand any foreseeable and unforeseeable circumstances, whilst maintaining the SCR cover within a board established target range. Consequently, as part of its Own Risk and Solvency Assessment, the Board established a number of different stress scenarios on the material risks of Eucare, including risks associated with both the core and its cells.

The various stress testing scenarios established by the Board delivered satisfactory results to conclude that the Company is in a steady solvency position in its first year of operation. In each stress test scenario, the Group is able to maintain adequate eligible capital to cover the SCR at all times.

5.0 Valuation for Solvency Purposes

The financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter referred as 'IFRS') as adopted by the EU and as modified by Article 174 of the Maltese Companies Act, (Cap 386) and in accordance with the requirements of the said Act and the requirements of the Maltese Insurance Business Act, 1998.

Article 75 of Directive 2009/138/EC of the European Parliament Council (hereinafter referred to as 'Solvency II Directive') and Articles 7 to 16 of Commission Delegated Regulation (EU) 2015/35 (hereinafter referred to as the 'Delegated Regulation') generally provide for undertakings to recognise and value assets and liabilities other than technical provisions in accordance with IFRS except where not consistent with the Solvency Directive. Where not consistent, other valuation principles or adjustments shall be applied.

5.1. Valuation of Assets for solvency calculation

The following table shows a list of the assets on the Group's balance sheet as at 31st December 2022 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Assets						
Intangible assets	172,851	337,492	(172,851)	(337,492)	-	-
Deferred Tax Asset	-	346,262	-	(260,909)	-	85,353
Deferred Acquisition Costs	88,568	19,210	(88,568)	(19,210)	-	-
Property, Plant & Equipment	295,613	196,536	-	-	295,613	196,536
Investments (other than assets held for index-linked and unit-linked contracts)	1,189	3,441,221	-	28,443	1,189	3,469,664
Reinsurance recoverables	118,730,223	102,866,806	(30,150,322)	(32,765,362)	88,579,901	70,101,444
Insurance and intermediaries receivables	10,307,940	14,730,366	(81,142)	1,237,747	10,226,798	15,968,113
Receivables (trade, not insurance)	93,108,281	88,636,708	(34,362,706)	(39,183,616)	58,745,575	49,453,092
Cash and cash equivalents	10,096,195	45,860,721	-	17,204	10,096,195	45,877,925
Total assets	**232,800,860**	**256.435,322**	**(64,855,589)**	**(71,283,195)**	**167,945,271**	**185,152, 127**

Table 2: Group Valuation of Assets

Kindly refer to Table 12 in Appendix 1 for the Solo valuation of assets of Eucare.

The Annual QRTs containing the Solvency II Balance Sheet is being attached to this document (refer to S.02.01.01 in Appendix 2 for the Group and SR.02.01.01 in Appendix 3 for Eucare).

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgements are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group does not have any other material off-balance assets not reported in the above templates.

The value of assets in the consolidated group accounts and Eucare accounts have been adjusted to conform to Solvency II Directives and Delegated Regulations, as outlined below.

Non-Financial Assets

Intangible Assets

The value of intangible assets comprises of computer software and development costs relating to online projects. The value assigned to these assets under IFRS has been removed for the Solvency II Balance Sheet as the assets cannot be sold separately and the Group could not assign a market price as quoted in an active market for same or similar assets.

Deferred Tax Asset

The movement from the IFRS balance sheet to the Solvency II balance sheet resulted in an increase in net assets which created a deferred tax asset. The deferred taxes have been classified as an asset in the Solvency II balance sheet.

Deferred taxes	(€)
Decrease in assets	(71,022,286)
Decrease in liabilities	76,240,476
Movement from IFRS to Solvency II	**5,218,190**
Movement in Deferred Tax	**260,909**

Table 3: Solvency II Deferred Tax Asset

The movement of €5,218,190 (2021: €1,479,152) between IFRS equity and Solvency II own funds has resulted in a decrease in the deferred tax asset of €260,909 (2021: Deferred Tax liability of €73,958) from the IFRS balance sheet to the Solvency II balance Sheet, resulting in a deferred tax asset of €85,353 (2021: €73,958 DTL)

Refer to Table 15 in Appendix 1 for Eucare's Solvency II Deferred Tax Liability.

Deferred Acquisition Costs

By the end of the year, the Group still has policies in force with a termination date in 2023, which resulted in deferred acquisition costs of €19,210 (2021: €88,568) relating to acquisition costs attributable to unearned premium. This cost is nullified for Solvency II purposes.

Property, Plant and Equipment

Property, plant and equipment comprising of right-to-use assets, computer equipment and office furniture, fixtures and fittings are initially recorded at cost. These fixed assets are stated at historical cost less depreciation, which is calculated on the straight-line basis. The carrying amounts at historical cost are deemed not to differ materially from the assets' fair value" at the balance sheet date in light of the nature of assets owned.

Financial Assets

The Group recognises a financial instrument in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Group commits to purchase or sell the assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the entity transfers the financial asset, and the transfer qualifies for derecognition. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Investments (other than assets held for index-linked and unit-linked contracts)

The Investment of the Group relate mainly to the investment portfolio retained within NLCare Cell, which at the end of the reporting period, consisted of investment in corporate bonds, government bonds, and terms deposits. The Group also held shares in one of the subsidiary companies, Ouverture Services Limited.

The difference in value from IFRS to Solvency II of €28,443 (2021: Nil) relates to the application of a loss allowance on the IFRS Balance Sheet amount.

Reinsurance recoverables

These relate to amounts recoverable from reinsurers net of premiums paid that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Amounts recoverable from reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of the reinsurance contract.

The Group assesses its reinsurance assets for impairment on a regular basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

The difference in value from IFRS to Solvency II relates to a reclassification related to the estimated payable to the reinsurer in relation of the Best Estimate of the Risk Equalisation Fund of €(21,801,985) (2021: €(23,353,566)) which are included in payable under IFRS; an adjustment to account for future premiums payable to the reinsurers amounting to €(3,279) (2021: €21,270); an amount relating to business that is written but not yet incepted by the valuation date amounting to (€8,079,476) (2021: €(7,043,033)), along with the relative discounting and the relative counterparty adjustment amounting to €(2,886,782) (2021: €413,517).

Insurance and intermediaries receivables

Insurance and intermediaries receivables of the Group consist of amounts prepaid by NLCare Cell to appointed insurance intermediaries in order to provide them with sufficient liquidity, and related party receivables which are valued approximately to the fair value of the asset. At Group level, due to consolidation, any intra-group balances are eliminated.

As evidenced in Table 12 under Appendix 1, the insurance and intermediaries receivables of Eucare also includes receivables of the Core from intra-group related parties, which is not applicable at group level due to consolidation.

The difference in value from IFRS to Solvency II mainly relates to the Unearned Premium Reserve. Under IFRS, the complete written premium and corresponding commissions are included in the receivables, whereas the future premium cashflows and commissions are incorporated in the premium provision under Solvency II. This leads to a reclassification of €(178,562) (2021: €114,832). Furthermore, the receivable from CAK and other debtors amounting to €1,282,701 (2021: €33,690) is reclassified from Receivables (trade, not insurance) towards Insurance and intermediaries receivables. The remaining movement relates to loss adjustment which is applied at IFRS and removed for the SII balance, amounting to €133,608 (2021: Nil).

Receivables (trade, not insurance)

Receivables (trade, not insurance) consist of risk equalization fund receivable, accrued income, as well as a balance which was held with the investment portfolio manager. Moreover, the Group also had prepaid expenses amounting to €89,059 (2021: €84,056), which are nullified for Solvency II purposes.

The difference in the amount of receivable between the Group and Eucare relates to receivables from related parties, whereby any intra-group transactions are not considered (eliminated) at group level.

The difference between IFRS and Solvency II values relates to treatment of risk equalisation fund receivable for the Solvency II Balance sheet, which as explained below are reclassified for Solvency II purposes.

The adjustment related to the Best Estimate of the Risk Equalization Fund of €25,649,394 (2021: €27,474,784) is reclassified from Receivables to the claims reserve within technical provisions and restated to present value by considering the relative discounting of €108,176. As stated above, the receivables from CAK and related party debtors of €(1,282,701) (2021: €33,690) are reclassified from Receivables (trade, not insurance) towards Insurance and intermediaries receivables. Moreover, a movement of €(12,138,472) (2021: €(6,857,692)) relates to the refund of expensive medicine which is considered inadmissible under Solvency II.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at face value. These related to bank balance held by the Group. The difference between the value of cash at bank as recognised under IFRS and Solvency II Directive of €17,204 (2021: Nil) relates to the expected credit loss allowance application under IFRS which is recognized under Solvency II under separate matter.

5.2. Valuation of Technical Provisions

The quality of the data used to determine the input for the calculation of the different components of the technical provision are assessed by the Actuarial Function. Checks are carried out in order to ensure that the relevant data is of sufficient quality.

The following table shows the change in technical provisions from the Group balance sheet as at 31st December 2022 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation. Given that Eucare is the only insurance undertaking within the Group, the Technical Provisions of the Group and of Eucare are the same.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Technical provisions						
Health (not similar to life techniques):						
Best estimate: premium provision	208,999	46,373	(11,141,288)	(19,115,418)	(10,932,289)	(19,069,045)
Best estimate: claim provision	147,929,876	140,748,012	(33,659,650)	(37,900,721)	114,270,226	102,847,291
Risk margin	-	-	1,949,461	3,152,781	1,949,461	3,152,781

Health (similar to life techniques)						
Best estimate: premium provision	-	-	(46,830)	(560,249)	(46,830)	(560,249)
Best estimate: claim provision	801,175	2,825,791	143	26,582	801,318	2,852,373
Risk margin	-	-	19,433	48,503	19,433	48,503
Total Technical Provisions	**148,940,050**	**143,620,176**	**(42,878,731)**	**(54,348,522)**	**106,061,319**	**89,271,655**

Table 4: Group Valuation of Technical Provisions

Kindly refer to Table 13 in Appendix 1 for the valuation of the Technical Provision of Eucare.

The Solo Annual QRTs containing information on the Non-Life Technical Provisions is being included in this document (refer to S.12.01.01 and S.17.01.01 in Appendix 3).

Below is a description of the bases and methods used for the valuation of the best estimate of liabilities (BEL) and the risk margin. There was no application of matching adjustment, volatility adjustment, transitional risk-free interest rate and transitional deductions. There were no material changes in the assumptions made in the calculations of the technical provisions over the valuation period.

Technical provisions

The technical provisions regarding health insurance, accident insurance and absenteeism have been determined in accordance with the Solvency II guidelines (Articles 75 to 86 of The Directive and Articles 17 to 61 of The Delegated Acts (Chapter III, Rules relating to technical provisions).

The significant difference between the IFRS and Solvency II valuation of the Technical Provision for health (not similar to life) insurance is mainly due to a reclassification of the ex-post part of the Risk Equalization Fund contribution, amounting to €25,649,394 (2021: €27,474,784). Under Solvency II, this is part of the claims provision, whilst under IFRS forms part of receivable from the responsible government agency.

Other noteworthy movements relate to the refund of expensive medicines amounting to €(12,138,472) (2021: €(6,857,692)), which as explained under section 5.1 are inadmissible under Solvency II, as well as an adjustment to account for future premiums brings about a movement of €(206,294) (2021: €(115,400)) in the Solvency II balance sheet. Other minor movements include the inclusion of risk margin and the reduction of reserves to account for operational costs and other aspects relating to future business for Solvency II purposes.

The premium Provision relates mainly to the future business, which takes into consideration future premium, claims, and other attributable costs.

Given the long-term nature of the disability insurance portfolio, the Technical Provision applicable under this health insurance cover is pursued on a similar technical basis to that of life insurance ('health SLT'), as illustrated in Table 4 above.

The technical provisions calculations do not apply any matching adjustment or volatility adjustments.

Best estimate of liabilities

The Best Estimate liabilities comprise of the Claims Provision, Premium Provision and Risk Margin. The technical provisions analysis is performed on health and income protection lines insurance. The business written in 2022 relates predominantly to the exposures in the Netherlands and France. All insurance contracts are denominated in Euro.

The portfolio of Eucare is made up of the following lines:

Segmentation	
Line of Business	**Homogeneous Risk Group**
Health	Basic Insurance
Health	Supplementary Insurance
Health	Dental Insurance
Health	Main Insurance
Income Protection	Accident Insurance
Income Protection	Sickness Insurance
Income Protection	Disability Insurance
Income Protection	Work Accident
Income Protection	Ordinary Illness
Income Protection	Long Illness
Income Protection	Maternity/Paternity Leave

Table 5: Segmentation of Lines of Business

(i) Premium provisions

The premium provision consists of a number of components. The main components relate to the present value of the claims and premiums from future business, both in terms of premium paid by policyholders, and contributions receivable from the Dutch Health Insurance Risk Equalisation Fund. The premium provision includes also other components such as the operational costs, and the interest on loans.

Health Non-Similar to Life Techniques has a total provision of €(19,069,045) (2021: €(10,932,289)). This amount also includes €21,762 (2021: €248) which relate to the business which remained in force by the end of 2022. Health Similar to Life Techniques has a premium provision of €(560,249) (2021: (€46,830)).

All contract boundaries are annual and the premium provisions take into consideration those which are still in force by the end of the year, and those that are expected to be renewed or incepted in the next underwriting year.

No lapse rates were assumed in the calculation of the premium provisions. Moreover, no simplifications were used.

(ii) Claims provision

On the IFRS accounting basis, the claims provisions include claim reserves (IBNR), per financial statements.

The Group is able to estimate this provision by due observance of claims patterns in previous months and years and by considering different actuarial methodologies. Further to estimating the total net claims amount via the most appropriate extrapolation method, the ultimate cost also includes other additional reserves for medical expenses and other costs including ambulance transportation, acute mental healthcare and treatment received abroad. Historical data, information obtained from government agencies and assumptions are applied in the derivation of these reserves.

Claims provision is related to health and income protection products written in 2019, 2020, 2021, 2022 and 2023. Health Non-Similar to Life Techniques has a total provision of €101,523,122 (2021: €114,270,226), which includes an adjustment related of the Best Estimate of the Risk Equalization Fund €(25,649,394) (2021: €(27,474,784)). The remaining difference is mainly due to the discounting effect which differs between Solvency II and IFRS.

Health Similar to Life Techniques has a total provision of €2,852,373 (2021: €801,318). The difference in the claims provision for Health Similar to Life Techniques is due to the discounting effect.

No simplifications were used in the calculation of the technical provisions.

(iii) Uncertainty associated with the amount of technical provisions

The claims provision as described under (ii) above are based on statistical estimates to cater for IBNR, which relies on data provided by a partnering intermediary, duly supplemented with management's knowledge of the market and independent actuarial advice. Given that the Group is in initial years of operation, the estimation process is inherently more uncertain until experience develops. The calculation of the technical provisions thus takes into consideration alternative methodologies and a range of outcomes. Notwithstanding the uncertainties, the directors believe that the estimated provision for IBNR as at 31 December 2022 is reasonable, having also considered actuarial advice.

As described in section 4.1, a risk mitigating mechanism, namely the Health Insurance Risk Equalisation fund, is in force in the Netherlands to reduce the uncertain exposure resulting from its system. The measurement of contributions due from the Dutch Health Insurance Equalisation Fund involves the assessment of future settlements, and is therefore dependent on key assumptions around, inter alia, the development of national healthcare costs, and the allocation of healthcare costs to Equalisation Fund budget parameters. This inherently introduces a degree of uncertainty, given that the process for final determination of the contributions from the fund is typically finalized over a period of four years. The outcome of the best estimate assessments have been included in the claims provision for underwriting year 2019, 2020, 2021, and 2022 and the premium provision for the underwriting year 2023. Management considers the basis for the estimate to be reasonable, when also considering the involvement of actuarial expertise in the process.

Risk Margin

The Risk Margin has been calculated in line with articles 37 and 56 of The Delegated Acts. Eucare determines the Risk Margin on the Cost of Capital basis method per Homogeneous Risk Group.

The Risk Margin is conceptually equivalent to the costs of supplying eligible own funds and the SCR necessary to support insurance commitments during their entire period of validity and until they are definitively settled. The interest rate used in determining cost of supplying the amount of eligible own funds is known as the cost-of-capital rate. The Group uses the 6% rate set by Commission Delegated Regulation (EU) 2015/25.

The method for calculating risk margin is expressed as follows:

$$\text{RM} = CoC * \sum \frac{SCR_t}{(1 + r_{t+1})^{t+1}}$$

where:

- *CoC*: the cost of capital rate which is taken as 6%
- SCR_t: the solvency capital requirement after *t* years
- r_{t+1}: basic risk-free interest rate for maturity of t+1 years

There are a number of simplified methods to calculate risk margin:

- Level 1: explains how to approximate underwriting, counterparty default, and market risks.
- Level 2: this is based on the assumption that the future solvency capital requirement will be proportional to the "best estimate" of technical provisions during the year in question.
- Level 3: this consists of using the modified duration of liabilities to calculate the current and future solvency capital requirement in a single step.
- Level 4: calculates the risk margin as a percentage of the best estimate of technical provisions net of reinsurance.

The Group calculates the risk margin using the Level 1 simplification method.

The total Risk Margin comprises of Health Non-Similar to Life Techniques of €3,152,781 (2021: €1,949,461) and Health Similar to Life Techniques of €48,503 (2021: €19,433).

Net technical provisions

The reinsurer's share of Solvency II technical provisions was calculated based on the characteristics of the reinsurance program. Given that Eucare has in place a quota share reinsurance arrangement, the difference between the valuation of Reinsurance receivables amounts as per IFRS and Solvency II purposes, as illustrated in Table 2 under section 5.1 and Table 12 in Appendix 1, is driven by the same differences for gross technical provisions explained above.

5.3. Valuation of Other Liabilities

The following table shows the difference in other liabilities from the Group balance sheet as at 31st December 2022 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Other Liabilities						
Deferred tax liabilities	-	-	73,958	-	73,958	-
Financial Liabilities other than debts owed to credit institutions	133,161	72,982	-		133,161	72,982
Reinsurance payables	33,515,146	68,976,269	(23,456,008)	(21,891,954)	10,059,138	47,084,315
Insurance & Intermediaries Payables	566,864	958,124	-	-	566,864	958,124
Payables (trade, not insurance)	1,351,230	1,083,874	-	-	1,351,230	1,083,874
Subordinated liabilities	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total Other Liabilities	**45,566,401**	**81,091,249**	**(23,382,051)**	**(21,891,954)**	**22,184,350**	**59,199,295**

Table 6: Group Valuation of Other Liabilities

Kindly refer to Table 14 in Appendix 1 for Eucare's valuation of other liabilities.

The Annual QRTs containing the Solvency II Balance Sheet is being attached to this document (refer to S.02.01.01 in Appendix 2 for the Group and SR.02.01.01 in Appendix 3 for Eucare).

The Group does not have any other material off-balance liabilities not reported in the above templates.

The consolidated IFRS value of other liabilities have been used with some adjustments, in accordance with EIOPA Technical Specifications, as outlined below.

Financial Liabilities other than debts owed to credit institutions

The financial liabilities other than debts owed to credit institutions related to leased liabilities incurred by the Group. There is no difference in this value as recognised under IFRS and Solvency II Directives.

Reinsurance payables

The reinsurance payables represent the outstanding balance payable to the reinsurer as at period end, arising on business written during 2022. The difference between IFRS and Solvency II of €21,891,954 (2021: €23,456,008) primarily result from reclassification of €21,801,985 (2021: €23,353,566) explained in the 'reinsurance recoverables' section above, after applying the relative discounting of €91,950.

Insurance & Intermediaries Payables

Insurance and intermediaries payable of the Group relate to amounts owed by NLCare Cell to appointed insurance intermediaries in order to settle any claims due. This amount is the same for the Group and Eucare.

There were no differences between the valuation of these insurance and intermediaries payables in the IFRS financial statements and the Solvency II balance sheet.

Payables (trade, not insurance)

Payables (trade, not insurance) consists of accruals and other payables which are stated at their nominal value, and are consisting in the IFRS financial statements and the Solvency II balance sheet.

Subordinated liabilities

The Group has subordinated liabilities amounting to €10,000,000. There were no differences between the valuation of these liabilities in the IFRS financial statements and the Solvency II balance sheet.

5.4. Alternative Methods for Valuation

The Group does not use any alternative methods for the calculation of its assets, technical provisions or the arising liabilities.

5.5. Any Other Information

There is no further information regarding business and performance other than the disclosed above.

6.0 Capital Management

The capital management policy of the Group aims to establish standards for the efficient management and effective deployment of capital so as to ensure that the needs of the business, the regulatory requirements and the return on capital expectations of the shareholders are balanced.

Under the Solvency II framework, the Group is required to clearly identify its Own Funds which are composed of Basic Own Funds and Ancillary Own Funds as referred to in Article 88 and 89 of the Solvency II Directive respectively and the Insurance Business Act. The Own Funds must be classified into three tiers according to their characteristics with Tier 1 capital being the highest quality form of capital.

The eligibility of the basic own fund items in relation to compliance with the Minimum Capital Requirement ("MCR") and the Solvency Capital Requirement ("SCR") is subject to quantitative limits for restricted Tier 1 items and Tier 2 and Tier 3 basic own fund items. The Group must ensure it holds sufficient Eligible Basic Own Funds to cover the absolute floor of the MCR and the required SCR on an on-going basis.

6.1. Own Funds

6.1.1. Capital Structure

The following table shows the amount and quality of own funds in each tier at the end of this reporting year at the group level:

Own Funds as at	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	17,502,400	17,502,400	17,502,400	17,502,400
Capital Contribution	3,000,000	3,000,000	3,000,000	3,000,000
Reconciliation reserve	19,197,202	19,197,202	16,093,425	16,093,425
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	747,129	3,000,000	3,000,000
Deferred Tax Asset	-	-	85,353	85,353
Ancillary Own Funds	-	-	-	-
Total Own Funds	**49,699,602**	**47,446,730**	**46,681,178**	**46,681,178**

Table 7: Group Available & Eligible Own Funds

As illustrated above, as at 31st December 2022, the eligible and available own funds of the Group is made up of issued and ordinary share capital, subordinated liabilities, capital contribution, and a reconciliation reserve.

The Group's shareholders' funds for the financial year ended 31st December 2022, amounted to €31,723,897 (2021: €38,294,409).

The main difference between the equity as shown under IFRS and own funds of the Group under Solvency II mainly relates to the value of the subordinated loans of €10,000,000 which are classified as long-term liabilities under IFRS. Moreover, differences also arise in the valuation of technical provisions under Solvency II, impacting the valuation of insurance and intermediaries receivables, reinsurance receivables, and insurance payables, as explained in Section 5 above.

Capital contributions may, from time to time, be provided by shareholders to the Group. This is not a loan, but an unconditional transfer of funds, classified as an un-distributable reserve. In 2019, a capital contribution in cash of €3,000,000 was made to the Group by one of its immediate parent company.

The potential distribution of the capital contribution to the Contributor is subject to prior consent of the Regulator and provided it is no longer used to cover the required own funds or margin of solvency.

The reconciliation reserve of the Group represents the consolidated IFRS retained earnings together with the Other Basic Own Fund items (Share Capital, Share Premium, and Capital Contribution) and the resultant variance in Own Funds emanating from valuation differences between the Solvency II and the IFRS Balance Sheet. This gives rise to an element of volatility, which is however mitigated through the Group's asset-liability management. Such valuation differences are considered to be an unrealized gain/loss in valuation and on that basis the Group recognises this movement net of deferred taxation.

The subordinated liabilities comprise two loan agreements entered into by NLCare Cell of Eucare. Both subordinated loans are owed to an intermediate parent company. The €7,000,000 loan is repayable after 10 years, with an option to repay after a minimum of five years. The €3,000,000 loan is repayable after five years.

The changes in the Group's own funds during the reporting period is mainly attributable to a decrease in the reconciliation reserve, driven by variances in the IFRS and Solvency II valuations of the Group's assets and liabilities.

None of the Group's basic own funds are subject transitional arrangements. Moreover, no deductions are applied to the Group's own funds.

Refer to Tables 16-21 in Appendix 1 for the own funds composition of ECHC and Eucare (in a combined format), Eucare Core and NLCare Cell.

The Group and Solo Annual QRTs containing the own funds are appended to this document (refer to S.23.01.04 in Appendix 2 and S.23.01.01 in Appendix 3).

The Capital Management Policy of the Group aims to maintain sufficient eligible own funds to cover the expected net retained risk exposure and the minimum capital levels in accordance with insurance regulations at all times and that it maintains an appropriate level of capital under all market conditions.

To ensure that the Group maintains an appropriate level of capital above the regulatory capital requirements, in line with the board approved risk appetite, the Group has established solvency targets within Eucare as the insurance undertaking of the Group.

The Board of Eucare has set minimum target SCR Ratio for the core and a target SCR Ratio range for the cell. No additional controls are considered necessary to be applied for the PCC as a whole, as adherence to the targets imposed on the cells and core would automatically align the PCC solvency cover to the Risk Appetite of the Board.

The Company monitors the Core and Cell capital requirements on a regular basis. Any potential shortfall in the capital requirements would trigger the recovery actions as indicated within the Capital Management Policy of the Company. These include a number of possible actions, depending on the type and extent of variance, such as changes in the risk profile, additional capital injections, or a reduction or cancellation of any planned dividends.

No changes to the capital structure may be effected without the prior approval of the Board and the Shareholders. Payment of dividends will be at the Directors' discretion depending upon the financial performance of the Company and distributable profits available. No dividends have been distributed as of yet.

6.1.2. Eligible Own Funds to Cover SCR and Minimum Consolidated Group SCR

The SCR and Minimum Consolidated Group SCR cover of the Group is illustrated below:

Group SCR and MCR cover as at	31 Dec 21 (€)	31 Dec 22 (€)
Total Available Own Funds	49,699,602	46,681,178
Total Eligible own funds to meet SCR	**47,446,730**	**46,681,178**
Tier 1 Eligible Own Funds	39,699,602	36,595,825
Tier 2 Eligible Own Funds	7,000,000	7,000,000
Tier 3 Eligible Own Funds	747,129	3,085,353
SCR	**15,494,257**	**23,631,729**
SCR cover:	**306%**	**198%**
Total Eligible own funds to meet Minimum Consolidated Group SCR	**40,720,108**	**37,845,007**
Tier 1 Eligible Own Funds	39,699,602	36,595,825
Tier 2 Eligible Own Funds	1,020,505	1,249,182
Minimum Consolidated Group SCR	**5,102,526**	**6,245,909**
Minimum Consolidated Group SCR cover:	**798%**	**606%**

Table 8: Group SCR and Minimum Consolidated Group SCR Cover

As shown above, as at 31st December 2022, the Group's available own funds amounted to €46,681,178 (2021: €49,699,602), all of which (2021: €47,446,730) are eligible to cover the Group SCR of €23,631,729 (2021: €15,494,257). The Group's eligible own funds covers both the minimum consolidated Group SCR by 606% (2021: 798%) and the SCR by 198% (2021: 306%) calculated using the standard formula.

Refer to Table 22 and 23 in Appendix 1 for the Eligible Own Funds to cover the SCR and MCR of Eucare (in a combined format), of Eucare Core and of NLCare Cell. Appendix 1 also includes Table 24 which illustrates the adjustment relating to the Ring-Fenced Funds of the PCC structure and Table 25 which explains the difference in shareholders' funds of Eucare.

In accordance with Article 82 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/13/EC, as far as compliance with the Solvency Capital Requirement (SCR) is concerned, the eligible amounts of Tier 2 and Tier 3 within the Core and respective cells shall be subject to all of the following quantitative limits:

- the eligible amount of Tier 1 items shall be at least one half of the Solvency Capital Requirement;
- the eligible amount of Tier 3 shall not exceed 15% of the Solvency Capital Requirement;
- the sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the Solvency Capital Requirement.

Moreover, in accordance with Article 98 of the Solvency II Directive, the eligible amount of Tier 2 and Tier 3 items shall be subject to the following quantitative limits:

- the proportion of Tier 1 items in the eligible own funds shall be higher than one third of the total amount of eligible own funds; and
- the eligible amount of Tier 3 items shall be less than one third of the total amount of eligible own funds.

Based on these criteria, the tier 2 and tier 3 eligible own funds to meet SCR amount to €7,000,000 (2021: €7,000,000) and €3,085,353 (2021: €747,129) respectively, as evidenced in Table 8.

In addition to the above, as far as compliance with the Minimum Consolidated Group SCR is concerned, Tier 3 is not considered as an eligible own fund item, whilst Tier 2 shall be subject to all of the following quantitative limits:

- the eligible amount of Tier 1 items shall be at least 80% of the Minimum Capital Requirement;
- the eligible amounts of Tier 2 items shall not exceed 20% of the Minimum Capital Requirements.

Moreover, in line with Article 98 of the Solvency II Directive, quantitative limits are also applied to the Tier 2 eligible own funds to cover the Minimum Consolidated Group SCR, such that the proportion of Tier 1 eligible own funds shall be higher than one half of the total amount of eligible basic own funds.

The Group's tier 2 eligible own funds to meet the Minimum Consolidated Group SCR amounts to €1,249,182 (2021: €1,020,505).

No additional solvency ratios other than the ones included in the Annual QRT template S.23.01.22 in Appendix 2 were disclosed by the Group.

6.1.3. Differences in Shareholders' Funds

The Group's shareholders' funds for the financial year ended 31st December 2022, amounted to €31,723,897 (2021: €38,294,409). The reconciliation reserve represents the differences between IFRS and Solvency II valuation of assets and liabilities that amounts to €4,957,281 (2021: €1,405,193). The movement in capital is being reconciled below:

Own funds reconciliation	(€)	(€)
Shareholders' funds		31,723,897
Difference in valuation:		
Assets	(71,283,195)	
Gross technical provisions	54,348,522	
Other liabilities	21,891,954	
Solvency II Reconciliation Reserve		4,957,281
Subordinated loans		10,000,000
Total basic Own Funds		**46,681,178**

Table 9: Group Own Funds Reconciliation

6.2. Solvency Capital Requirement (SCR) and Minimum Consolidated Group SCR

As mentioned in section 3.3.3, the Group opted for the standard formula to calculate the SCR as the assumptions underlying the standard formula are considered to be a good fit for the Group's risk profile. The Group does not make use of any undertaking-specific parameters and capital add-ons in the calculation of the Group's SCR and Minimum Consolidated Group SCR.

To calculate its SCR, the Group uses only the following simplifications:

- For Health similar to life techniques (SLT) Risk, the Group makes use of the simplified calculation based on expert judgement for the calculation of the solvency capital requirement for part of its health insurance business for health mortality risk, health longevity risk, health disability-morbidity health expense risk, health expense risk, health revision risk, and similar to life health lapse risk.

The SCR and Minimum Consolidated Group SCR as at 31 December 2021 calculated using the Standard Formula are being shown in the following tables:

SCR	31 Dec 21 (€)	31 Dec 22 (€)
Market risk	262	1,025,738
Counterparty Default risk	3,149,520	5,116,437
Health underwriting risk	11,382,239	15,869,991
Non-life underwriting risk	-	-
Diversification	(1,986,064)	(3,833,913)
Basic Solvency Capital Requirement	**12,545,957**	**18,178,253**
Adjustment due to RFF	-	-
Operational risk	3,763,787	5,453,476
Loss Absorbing Capacity of Deferred Taxes	(815,487)	(-)
Total SCR	**15,494,257**	**23,631,729**

Table 10: Group SCR Components

MCR	31 Dec 21 (€)	31 Dec 22 (€)
MCR at ECHC, net of consolidation adjustments	-	-
MCR at Eucare	5,102,526	6,245,909
Minimum Consolidated Group SCR	**5,102,526**	**6,245,909**

Table 11: Group Minimum Consolidated Group SCR Components

The increase in the level of SCR during the reporting period, when compared to 2021, is mainly due to an increase in health underwriting risk, as a result of the Group's growth in insurance portfolio and a corresponding increase in premium levels. The increase in the level of receivables stemming from insurance operations also brought about an increase in the counterparty default risk. The Group was also subject to an increase in the market risk charge as a result of the investment portfolio developed during the reporting period. These changes brought about an increase in the basic SCR, despite the higher diversification benefit during the reporting period, which consequently also led to an increase the level of operational risk charge for the Group. Moreover, the Group did not benefit from a Loss Absorbing Capacity of Deferred Tax in 2022 which did not alleviate the level of SCR of the Group.

The MCR also increased during the reporting period, mainly due to the increase in income protection business of the Group.

Refer to Tables 26-32 in Appendix 1 for the SCR and MCR of Eucare (in a combined format), Eucare Core and NLCare Cell.

The Group and Solo Annual QRTs containing information on the SCR and Minimum Consolidated SCR/MCR is being attached to this document (refer to S.25.01.04 in Appendix 2 for the Group and S.25.01.01 and S.28.01.01 in Appendix 3 for Eucare).

6.3. Use of the duration-based equity risk sub-module in the calculation of the SCR

The Group did not use the duration-based equity risk sub module set out in Article 304 of the Directive for the calculation of its Solvency Capital Requirement.

6.4. Differences between the standard formula and any internal model used

The Group does not make use of the possibility allowed under the Solvency II Directive to apply internal or partial internal models and on this basis has nothing to report.

6.5. Non-compliance with the Minimum Consolidated Group SCR and SCR

The Group reviews the Own Funds Position on a quarterly basis to ensure compliance with its SCR and Minimum Consolidated SCR respectively. The Group has in place a Capital Management Policy which identifies the various action points to be taken in case of a SCR or Minimum Consolidated SCR breach. At all times during the reporting year, the Group was in compliance with its SCR and Minimum Consolidated SCR respectively.

As at 31st December 2022 the Group reports an SCR Cover of 198% (2021: 306%). and a Minimum Consolidated Group SCR cover of 606% (2021: 798%).

Accordingly, there are no compliance issues to report.

6.6. Any other information

There is no further information regarding business and performance other than the disclosed above.

Appendix 1: Eucare (Solo) Valuations and Capital Management

1.1 Valuation for Solvency Purposes

1.1.1 Valuation of Assets

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Assets						
Intangible assets	172,851	337,491	(172,851)	(337,491)	-	-
Deferred Tax Asset	-	-	-	-	-	-
Deferred Acquisition Costs	88,568	106,996	(88,568)	(106,996)	-	-
Property, Plant & Equipment	295,613	196,536	-	-	295,614	196,536
Investments (other than assets held for index-linked unit-linked contracts)	-	3,440,023	-	28,441	-	3,468,464
Reinsurance recoverables	118,730,223	102,866,806	(30,150,322)	(32,765,363)	88,579,901	70,101,443
Insurance and intermediaries receivables	11,048,953	16,076,325	(81,410)	1,240,142	10,967,543	17,316,467
Receivables (trade, not insurance)	93,104,722	88,545,549	(34,359,147)	(39,092,457)	58,745,575	49,453,092
Cash and cash equivalents	10,091,071	45,508,822	-	(17,087)	10,091,071	45,525,909
Total assets	**233,532,001**	**257,078,548**	**(64,852,297)**	**(71,016,637)**	**168,679,704**	**186,061,911**

Table 12: Eucare Valuation of Assets

1.1.2 Valuation of Technical Provisions

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Technical provisions						
Health (not similar to life techniques):						
Best estimate: premium provision	208,999	46,373	(11,141,288)	(19,115,418)	(10,932,289)	(19,069,045)
Best estimate: claim provision	147,929,876	140,748,012	(33,659,650)	(39,224,890)	114,270,226	102,847,291
Risk margin	-	-	1,949,461	3,155,885	1,949,461	3,155,253

Health (similar to life techniques)						
Best estimate: premium provision	-	-	(46,830)	(560,249)	(46,830)	(560,249)
Best estimate: claim provision	801,175	2,825,791	143	26,582	801,318	2,852,373
Risk margin	-	-	19,433	48,497	19,433	48,496
Total Technical Provisions	**148,940,050**	**143,620,176**	**(42,878,731)**	**(54,346,057)**	**106,061,319**	**89,274,119**

Table 13: Eucare Valuation of Technical Provisions

1.1.3 Valuation of Liabilities

	IFRS (€)		Movement (€)		Solvency II (€)	
	2021	2022	2021	2022	2021	2022
Other Liabilities						
Deferred tax liabilities	-	-	74,292	261,069	74,292	261,069
Reinsurance payables	33,515,146	68,976,269	(23,456,008)	(21,891,954)	10,059,138	47,084,315
Insurance & Intermediaries Payables	566,864	958,123	-	-	566,864	958,123
Payables (trade, not insurance)	2,403,519	1,987,591	-	-	2,403,519	1,987,591
Subordinated liabilities	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total assets	**46,485,529**	**81,921,983**	**(23,381,716)**	**(21,630,885)**	**23,103,813**	**60,291,098**

Table 14: Eucare Valuation of Other Liabilities

Deferred Tax Liabilities

The movement from the IFRS balance sheet to the Solvency II balance sheet resulted in a decrease in net assets which created a deferred tax liability, as evidenced below:

Deferred tax liabilities	(€)
Decrease in assets	(71,016,636)
Decrease in liabilities	76,238,011
Movement from IFRS to Solvency II	**5,221,375**
Deferred tax liabilities	**261,069**

Table 15: Deferred Tax Liability

The difference of €6,682,250 (2021: €1,485,834) between IFRS equity and Solvency II own funds has resulted in a deferred tax liability of €267,760 (2021: €74,292) in the Solvency II balance sheet. This is since there was no deferred tax liability under the IFRS statements as the ECHC Group applied for fiscal unity under the Consolidated Group (Income Tax) Rules, which was approved and applicable as from the year of assessment 2021.

1.2 Capital Management

1.2.1 Own Funds

The capital management policy of the Company aims to establish standards for the efficient management and effective deployment of capital to ensure that the needs of the business, the regulatory requirements, and the return on capital expectations of the shareholders are balanced.

Under the Solvency II framework, the Company is required to clearly identify its Own Funds which are composed of Basic Own Funds and Ancillary Own Funds as referred to in Article 88 and 89 of the Solvency II Directive respectively and the Insurance Business Act. The Own Funds must be classified into three tiers according to their characteristics with Tier 1 capital being the highest quality form of capital.

The eligibility of the basic own fund items in relation to compliance with the Minimum Capital Requirement ("MCR") and the Solvency Capital Requirement ("SCR") is subject to quantitative limits for restricted Tier 1 items and Tier 2 and Tier 3 basic own fund items. The Company must ensure it holds sufficient Eligible Basic Own Funds to cover the absolute floor of the MCR and the required SCR on an on-going basis.

The following paragraphs disclose the various aspects regarding the own funds and solvency position for the group, the PCC as a whole (combined), the core separately and the cell.

ECHC

	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	17,502,400	17,502,400	17,502,400	17,502,400
Capital contribution	3,000,000	3,000,000	3,000,000	3,000,000
Reconciliation reserve	18,447,432	18,447,432	15,080,310	15,080,310
Tier 2 Basic Own Funds	-	-	-	-
Tier 3 Basic Own Funds				
Deferred Tax Assets	-	-	-	-
Total Own Funds	**38,949,832**	**38,949,832**	**35,929,141**	**35,929,141**

Table 16: ECHC Available & Eligible Own Funds

Eucare Combined

Own Funds as at	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	8,501,200	8,501,200	8,501,200	8,501,200
Capital Contribution	12,752,664	12, 752,664	12,752,664	12,752,664
Reconciliation reserve	(10,495,408)	(10,495,408)	(5,444,196)	(5,444,196)
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	1,090,897	3,000,000	3,000,000
Deferred Tax Assets	10,681	-	18,955	18,955
Ancillary Own Funds	-	-	-	-
Total Own Funds	**20,769,137**	**18,849,353**	**25,828,623**	**25,828,623**

Table 17: Eucare Combined Available & Eligible Own Funds

Eucare Combined Retained Earnings

Entity	31 Dec 2021 (€)	31 Dec 2022 (€)
Eucare Core	390,663	391,456
Eucare NLCare Cell	16,461,896	10,194,146
Retained earnings	**16,852,559**	**10,585,602**

Table 18: Eucare Retained Earnings

Movement in Eucare Combined Own Funds

Own Funds as at	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Eucare Core	2,688,921	2,688,921	2,532,502	2,532,502
Eucare NLCare Cell	46,829,044	44,909,260	43,964,193	43,964,193
Adjustments due to PCC Ring Fencing Regulation	(28,748,828)	(28,748,828)	(20,668,072)	(20,668,072)
Net movement in own funds	**20,769,137**	**18,849,353**	**25,828,623**	**25,828,623**

Table 19: Movement in Eucare Combined Available & Eligible Own Funds due to RFF

Refer to section 1.2.2 within this Appendix 1 for further information with respect to adjustment for restricted own fund items in respect of ring-fenced funds (RFF).

Eucare Core

Own Funds as at	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	2,501,200	2,501,200	2,501,200	2,501,200
Reconciliation reserve	177,040	177,040	12,347	12,347
Tier 2 Basic Own Funds	-	-	-	-
Tier 3 Basic Own Funds				
Deferred Tax Asset	10,681	10,681	18,955	18,955
Ancillary Own Funds	-	-	-	-
Total Own Funds	**2,688,921**	**2,688,921**	**2,532,502**	**2,532,502**

Table 20: Eucare Core Composition of Available & Eligible Own Funds

NLCare Cell

Own Funds as at	31 Dec 21		31 Dec 22	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	6,000,000	6,000,000	6,000,000	6,000,000
Capital Contribution	12,752,664	12,752,664	12,752,664	12,752,664
Reconciliation reserve	18,076,380	18,076,380	15,211,529	15,211,529
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	1,080,897	3,000,000	3,000,000
Deferred Tax Asset	-	-	-	-
Ancillary Own Funds	-	-	-	-
Total Own Funds	**46,829,044**	**44,909,260**	**43,964,193**	**43,964,193**

Table 21: NLCare Cell Composition of Available & Eligible Own Funds

1.2.2 *Eligible Own Funds to cover SCR and MCR*

SCR and MCR cover as at 31 Dec 22	Core (€)	NLCare Cell (€)	Combined (€)
Total Available Own Funds	2,532,502	43,964,193	25,828,623
Total Eligible own funds to meet SCR	2,532,502	43,964,193	25,828,623
SCR	255,384	23,296,121	23,551,505
SCR cover:	**992%**	**189%**	**110%**
Total Eligible own funds to meet MCR	2,513,547	35,213,375	17,058,850
MCR	63,846	6,245,909	6,245,909
MCR cover:	**3,937%**	**564%**	**273%**

Table 22: Solo SCR and MCR Cover

SCR and MCR cover	SCR		MCR cover	
	2021	2022	2021	2022
Core	1039%	992%	4141%	3,937%
NLCare Cell	278%	189%	742%	564%
Combined	115%	110%	231%	273%

Table 23: Solo SCR and MCR Comparison

For PCCs, the SCR has to be calculated for each cell as well as the core, in the same manner as if they were all separate undertakings. In the case where the capital requirement is calculated using the standard formula, the notional SCR of a cell is derived by applying the standard formula to those assets and liabilities within the cell as if it were a separate undertaking. The SCR for the PCC as a whole is the sum of the notional SCR for each cell and the SCR of the core.

Moreover, when it comes to computing the own funds for the PCC as a whole, the own funds at the level of each Cell can be restricted. The assets over liabilities and subordinated liabilities within each cell cannot be transferred to cover all types of losses within the core and any other cells (the combined calculation). Where the own funds of a cell are greater than the SCR of that cell, then the 'excess own funds' are treated as restricted own funds. In the calculation of the total own funds of the PCC only an amount equal to each cell's SCR will be taken into account. Hence, the eligible own funds used to cover the combined SCR of the PCC as a whole are limited, and may be less than the summation of the own funds of each individual cell and core.

In line with the capital management policy of Eucare, to ensure that the Company maintains an appropriate level of capital above the regulatory capital requirements, it is ensured that each operating cell of the PCC is solvent in its own right and adequately meets target SCR ratio imposed by the Board.

In light of the above, Eucare's available own funds as at 31st December 2022 amounted to €25,828,623 (2021: €20,769,137), comprising of paid-up share capital subordinated liabilities, capital contribution, retained earnings, and a reconciliation reserve (net of adjustment for ring fenced funds).

The tier 2 own funds to meet SCR are fully eligible and amount to €7,000,000. Moreover, the eligible Tier 3 own funds to cover SCR amounts to €3,018,955 (2021: €1,090,897).

Moreover, the tier 2 eligible own funds to meet MCR amount to €1,249,182 (2021: €1,020,505).

Total Available Own funds - adjustment for restricted own fund items in respect of ring-fenced funds (RFF)

The following is the total adjustment to the reconciliation reserve due to the existence of restricted own fund items in respect of ring-fenced funds at combined level. Reconciliation of Available Own funds at Core and Cell level to Available Own funds at Combined level is illustrated below:

	Core (€)		NLCare Cell (€)		Combined (€)	
	2021	**2022**	**2021**	**2022**	**2021**	**2022**
Available Own Funds (unadjusted)	2,688,921	2,532,502	46,829,044	43,964,193	49,517,968	46,496,695
Adjustment for RFF	0	0	0	0	(28,748,828)	(20,668,072)
Total Available Own funds	**2,688,921**	**2,523,502**	**46,829,044**	**43,964,193**	**20,769,137**	**25,828,623**

Table 24: Eucare Available Own Funds adjusted for RFF

Differences in Shareholders' Funds

Eucare's shareholders' funds, reported in the financial statements for financial period ended 31st December 2022, amounted to €31,536,389 (2021: €20,769,137). The reconciliation reserve represents the differences between IFRS and Solvency II valuation of assets and liabilities that amounts to €4,960,306 (2021: €1,411,542). The movement in capital is being reconciled below:

Own funds reconciliation	(€)	(€)
Shareholders' funds		31,536,389
Difference in valuation:		
Assets	(71,016,636)	
Gross technical provisions	54,346,057	
Other liabilities	21,630,885	
Solvency II Reconciliation Reserve		4,960,306
Less adjustment for RFF		(20,668,072)
Subordinated liabilities		10,000,000
Total basic Own Funds		**25,828,623**

Table 25: Eucare Own Funds Reconciliation

1.2.3 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

Eucare Combined

SCR	31 Dec 21 (€)	31 Dec 22 (€)
Market risk	-	1,025,568
Counterparty Default risk	3,304,117	5,288,447
Health underwriting risk	11,382,239	15,869,991
Non-life underwriting risk	-	-
Diversification	(2,065,869)	(3,916,834)
Basic Solvency Capital Requirement	**12,620,486**	**18,267,173**
Adjustment due to RFF	134,688	123,708
Operational risk	3,748,940	5,440,649
Loss Absorbing Capacity of Deferred Taxes	(84,973)	(280,024)
Total SCR	**16,419,141**	**23,551,505**

Table 26: Eucare Combined SCR Components

MCR	31 Dec 21 (€)	31 Dec 22 (€)
Floor	4,104,785	5,887,876
Cap	7,388,614	10,598,177
MCR (linear)	5,102,526	6,245,909
Absolute Floor	2,500,000	2,500,000
MCR	**5,102,526**	**6,245,909**

Table 27: Eucare Combined MCR Components

Eucare Core

SCR	31 Dec 21 (€)	31 Dec 22 (€)
Counterparty Default risk	258,709	255,384
Basic Solvency Capital Requirement	**258,709**	**255,384**
Loss Absorbing Capacity of Deferred Taxes	(0)	(0)
Total SCR	**258,709**	**255,384**

Table 28: Eucare Core SCR Components

MCR	31 Dec 21 (€)	31 Dec 22 (€)
Floor	64,677	63,846
Cap	116,419	114,923
MCR (linear)	-	-
MCR	**64,677**	**63,846**

Table 29: Eucare Core MCR Components

NLCare Cell

SCR	31 Dec 21 (€)	31 Dec 22 (€)
Health risk	11,382,239	15,869,991
Market Risk	-	1,025,568
Counterparty Default risk	3,045,408	5,033,063
Diversification	(1,931,181)	(3,793,126)
Basic Solvency Capital Requirement	**12,496,466**	**18,135,496**
Operational risk	3,748,940	5,440,649
Loss Absorbing Capacity of Deferred Taxes	(84,973)	(280,024)
Total SCR	**16,160,433**	**23,296,121**

Table 30: NLCare Cell SCR Components

MCR	31 Dec 21 (€)	31 Dec 22 (€)
Floor	4,040,108	5,824,030
Cap	7,272,195	10,483,254
MCR (linear)	5,102,526	6,245,909
MCR	**5,102,526**	**6,245,909**

Table 31: NLCare Cell Components

Reconciliation of SCR

The reconciliation of the SCR individually at Core and Cell level to SCR at Combined level is illustrated below:

	Core and Cell (€)	Combined (€)	Allocation from adjustments due to RFF (€)
Market risk	1,025,568	-	6,945
Counterparty Default risk	5,288,447	5,288,447	35,814
Health underwriting risk	15,869,991	15,869,991	107,474
Non-life underwriting risk	-	-	-
Diversification	(3,793,126)	(3,916,834)	-
Basic Solvency Capital Requirement	**18,390,880**	**18,267,173**	**-**
Adjustment due to RFF	-	123,708	-
Operational risk	5,440,649	5,440,649	-
Loss Absorbing Capacity of Deferred	(280,024)	(280,024)	-
Total SCR	**23,551,505**	**23,551,505**	**-**

Table 32: Reconciliation of SCR at Combined Level

The adjustment due to ring fenced funds arises as a result of the difference in diversification applicable at the core and cell level -€3,793,126 (2021: -€1,931,181) and at the combined level -€3,916,834 (2021: -€2,065,869).

The allocation from adjustments due to the ring-fenced funds, applicable to the different risk modules, correspond to the respective proportion of capital charge of each risk module against the Basic Solvency Capital Requirement.

Appendix 2: Group Annual Quantitative Reporting Templates

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S.02.01.01
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	85
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	197
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	3,470
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	1
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	2,966
Government Bonds	**R0140**	279
Corporate Bonds	**R0150**	2,687
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	503
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**	70,101
Non-life and health similar to non-life	**R0280**	67,805
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	67,805
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	2,297
Health similar to life	**R0320**	2,297
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	15,968
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	49,453
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**	45,878
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	185,152
		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	86,931
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	

Technical provisions - health (similar to non-life)	**R0560**	86,931
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	83,778
Risk margin	**R0590**	3,153
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	2,341
Technical provisions - health (similar to life)	**R0610**	2,341
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	2,292
Risk margin	**R0640**	49
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
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**	73
Insurance & intermediaries payables	**R0820**	958
Reinsurance payables	**R0830**	47,084
Payables (trade, not insurance)	**R0840**	1,084
Subordinated liabilities	**R0850**	10,000
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	10,000
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	148,471
Excess of assets over liabilities	**R1000**	36,681

Annex I
S.05.01.01.01
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Total
		Medical expense insurance	Income protection insurance	
		C0010	**C0020**	**C0200**
Premiums written				
Gross - Direct Business	**R0110**	542,447	16,826	559,272
Gross - Proportional reinsurance accepted	**R0120**			
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	
Reinsurers' share	**R0140**	461,151	5,044	466,194
Net	**R0200**	81,296	11,782	93,078
Premiums earned				
Gross - Direct Business	**R0210**	542,447	16,988	559,435
Gross - Proportional reinsurance accepted	**R0220**			
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	461,151	5,044	466,194
Net	**R0300**	81,296	11,945	93,240
Claims incurred				
Gross - Direct Business	**R0310**	509,273	20,907	530,179
Gross - Proportional reinsurance accepted	**R0320**			
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	
Reinsurers' share	**R0340**	432,886	3,819	436,705
Net	**R0400**	76,387	17,087	93,474
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**	-1,375	1,028	-347
Other expenses	**R1200**			
Total expenses	**R1300**			-347

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Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		FR	NL				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		10,743	548,529				559,272
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140			466,194				466,194
Net	R0200		10,743	82,335				93,078
Premiums earned								
Gross - Direct Business	R0210		10,743	548,692				559,435
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240			466,194				466,194
Net	R0300		10,743	82,498				93,240
Claims incurred								
Gross - Direct Business	R0310		16,577	513,602				530,179
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340			436,705				436,705
Net	R0400		16,577	76,897				93,474
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		1,001	-1,348				-347
Other expenses	R1200							
Total expenses	R1300							-347

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	10,615	10,615			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	6,888	6,888			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	16,093	16,093			
Subordinated liabilities	R0140	10,000			7,000	3,000
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	85				85
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180	3,000	3,000			
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
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 other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**					
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**					
Deductions for participations where there is non-availability of information (Article 229)	**R0250**					
Deduction for participations included by using D&A when a combination of methods is used	**R0260**					
Total of non-available own fund items	**R0270**					
Total deductions	**R0280**					
Total basic own funds after deductions	**R0290**	46,681	36,596		7,000	3,085
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**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
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**					
Non available ancillary own funds at group level	**R0380**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Reconciliation reserve	**R0410**					
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**					
Total own funds of other financial sectors	**R0440**					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**					
Own funds aggregated when using the D&A and a combination of method net of IGT	**R0460**					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	46,681	36,596		7,000	3,085
Total available own funds to meet the minimum consolidated group SCR	**R0530**	43,596	36,596		7,000	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	46,681	36,596		7,000	3,085
Total-eligible own funds to meet the minimum consolidated group SCR	**R0570**	37,845	36,596		1,249	

Minimum consolidated Group SCR	**R0610**	6,246				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	605.92%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	46,681	36,596		7,000	3,085
Group SCR	**R0680**	23,632				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	197.54%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	36,681	
Own shares (included as assets on the balance sheet)	**R0710**		
Forseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	20,588	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Other non available own funds	**R0750**		
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	16,093	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	560	-
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	19,091	-
Total EPIFP	**R0790**	19,651	-

Annex I
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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement
		C0110
Market risk	**R0010**	1,026
Counterparty default risk	**R0020**	5,116
Life underwriting risk	**R0030**	
Health underwriting risk	**R0040**	15,870
Non-life underwriting risk	**R0050**	
Diversification	**R0060**	-3,834
Intangible asset risk	**R0070**	
Basic Solvency Capital Requirement	**R0100**	18,178

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	5,453
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**	23,632
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	23,632
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	
Minimum consolidated group solvency capital requirement	**R0470**	6,246
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	

Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non--regulated entities carrying out financial activities	**R0530**	
Capital requirement for non-controlled participation requirements	**R0540**	
Capital requirement for residual undertakings	**R0550**	
Overall SCR		-
SCR for undertakings included via D and A	**R0560**	
Solvency capital requirement	**R0570**	23,632

Annex I

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Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/ NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
MT	3912008S3SGTJVOP5C36	LEI	ECHC Limited	5	Limited Liability Company	2								1		1
MT	391200A0CLYPI0GKDC78	LEI	EUCare Insurance PCC Limited	2	Limited Liability Company	2	Malta Financial Services Authority	100.00%	100	100.00%		1		1		1

Appendix 3: Solo Annual Quantitative Reporting Templates

Annex I
SR.02.01.01
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	19
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	197
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	3,468
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	2,966
Government Bonds	**R0140**	279
Corporate Bonds	**R0150**	2,687
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	503
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**	70,101
Non-life and health similar to non-life	**R0280**	67,805
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	67,805
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	2,297
Health similar to life	**R0320**	2,297
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	17,316
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	49,453
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**	45,526
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	186,081

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	86,933
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	

Technical provisions - health (similar to non-life)	**R0560**	86,933
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	83,778
Risk margin	**R0590**	3,155
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	2,341
Technical provisions - health (similar to life)	**R0610**	2,341
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	2,292
Risk margin	**R0640**	48
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
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**	280
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	958
Reinsurance payables	**R0830**	47,084
Payables (trade, not insurance)	**R0840**	1,988
Subordinated liabilities	**R0850**	10,000
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	10,000
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	149,584
Excess of assets over liabilities	**R1000**	36,497

Annex I
S.05.01.01.01
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Total
		Medical expense insurance	Income protection insurance	
		C0010	**C0020**	**C0200**
Premiums written				
Gross - Direct Business	**R0110**	542,447	16,826	559,272
Gross - Proportional reinsurance accepted	**R0120**			
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	
Reinsurers' share	**R0140**	461,151	5,044	466,194
Net	**R0200**	81,296	11,782	93,078
Premiums earned				
Gross - Direct Business	**R0210**	542,447	16,988	559,435
Gross - Proportional reinsurance accepted	**R0220**			
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	461,151	5,044	466,194
Net	**R0300**	81,296	11,945	93,240
Claims incurred				
Gross - Direct Business	**R0310**	509,273	20,907	530,179
Gross - Proportional reinsurance accepted	**R0320**			
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	
Reinsurers' share	**R0340**	432,886	3,819	436,705
Net	**R0400**	76,387	17,087	93,474
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**	-1,375	1,028	-347
Other expenses	**R1200**			
Total expenses	**R1300**			-347

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		NL	FR				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		548,529	10,743				559,272
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		466,194					466,194
Net	R0200		82,335	10,743				93,078
Premiums earned								
Gross - Direct Business	R0210		548,692	10,743				559,435
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240		466,194					466,194
Net	R0300		82,498	10,743				93,240
Claims incurred								
Gross - Direct Business	R0310		513,602	16,577				530,179
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		436,705					436,705
Net	R0400		76,897	16,577				93,474
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		-1,348	1,001				-347
Other expenses	R1200							
Total expenses	R1300							-347

Annex I

S.12.01.01

Life and Health SLT Technical Provisions

		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			
		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**		2,292				2,292
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		2,297				2,297
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		-5				-5
Risk Margin	**R0100**	48					48
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**						
Best estimate	**R0120**						
Risk margin	**R0130**						
Technical provisions - total	**R0200**	2,341					2,341

Annex I
S.17.01.01
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
		Medical expense insurance	Income protection insurance	
		C0020	**C0030**	**C0180**
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**	-16,787	-2,282	-19,069
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-10,201	-278	-10,479
Net Best Estimate of Premium Provisions	**R0150**	-6,586	-2,004	-8,590
Claims provisions				
Gross	**R0160**	91,867	10,980	102,847
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	77,565	719	78,284
Net Best Estimate of Claims Provisions	**R0250**	14,302	10,262	24,564
Total Best estimate - gross	**R0260**	75,080	8,698	83,778
Total Best estimate - net	**R0270**	7,716	8,258	15,973
Risk margin	**R0280**	1,485	1,670	3,155
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**	76,566	10,368	86,933
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	67,364	440	67,805
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	9,201	9,927	19,129

Annex I

S.19.01.01

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	Development year	1	2	3	4	5			In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060			C0170	C0180
Prior	R0100								R0100		
2017	R0200								R0200		
2018	R0210								R0210		
2019	R0220	84,758	28,939	-236	-22				R0220	-22	113,439
2020	R0230	347,084	131,723	2,818					R0230	2,818	481,625
2021	R0240	359,194	144,088						R0240	144,088	503,282
2022	R0250	393,736							R0250	393,736	393,736
								Total	R0260	540,620	1,492,082

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	Development year	1	2	3	4	5			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250			C0360
Prior	R0100								R0100	
2017	R0200								R0200	
2018	R0210								R0210	
2019	R0220	23,427	838	103	80				R0220	78
2020	R0230	116,002	-10,728	-26					R0230	-24
2021	R0240	124,856	-946						R0240	-941
2022	R0250	104,305							R0250	103,734
								Total	R0260	102,847

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	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**	8,501	8,501			
Share premium account related to ordinary share capital	**R0030**					
~~I~~initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	-5,444	-5,444			
Subordinated liabilities	**R0140**	10,000			7,000	3,000
An amount equal to the value of net deferred tax assets	**R0160**	19				19
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	12,753	12,753			
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**	25,829	15,810		7,000	3,019
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	25,829	15,810		7,000	3,019
Total available own funds to meet the MCR	**R0510**	22,810	15,810		7,000	
Total eligible own funds to meet the SCR	**R0540**	25,829	15,810		7,000	3,019
Total eligible own funds to meet the MCR	**R0550**	17,059	15,810		1,249	

SCR	**R0580**	23,552				
MCR	**R0600**	6,246				
Ratio of Eligible own funds to SCR	**R0620**	109.67%				
Ratio of Eligible own funds to MCR	**R0640**	273.12%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	36,497	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	21,273	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	20,668	
Reconciliation reserve	**R0760**	-5,444	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	560	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	19,091	
Total Expected profits included in future premiums (EPIFP)	**R0790**	19,651	

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

-	-	Gross solvency capital requirement
		C0110
Market risk	**R0010**	1,033
Counterparty default risk	**R0020**	5,324
Life underwriting risk	**R0030**	
Health underwriting risk	**R0040**	15,977
Non-life underwriting risk	**R0050**	
Diversification	**R0060**	-3,943
Intangible asset risk	**R0070**	
Basic Solvency Capital Requirement	**R0100**	18,391

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	5,441
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	-280
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	23,552
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	23,552
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**	255
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	23,296
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	1 - Yes

Calculation of loss absorbing capacity of deferred taxes		LAC DT C0130
LAC DT	R0640	-280
LAC DT justified by reversion of deferred tax liabilities	R0650	-280
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	6,194

		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**	7,716	80,672
Income protection insurance and proportional reinsurance	**R0030**	8,258	11,270
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**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	**R0200**	52

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		
Total capital at risk for all life (re)insurance obligations	R0250		74,324

Overall MCR calculation

		C0070		
Linear MCR	R0300	6,246		
SCR	R0310	23,552	-	-
MCR cap	R0320	10,598		
MCR floor	R0330	5,888		
Combined MCR	R0340	6,246		
Absolute floor of the MCR	R0350	2,700		
-	-	**C0070**		
Minimum Capital Requirement	R0400	6,246		