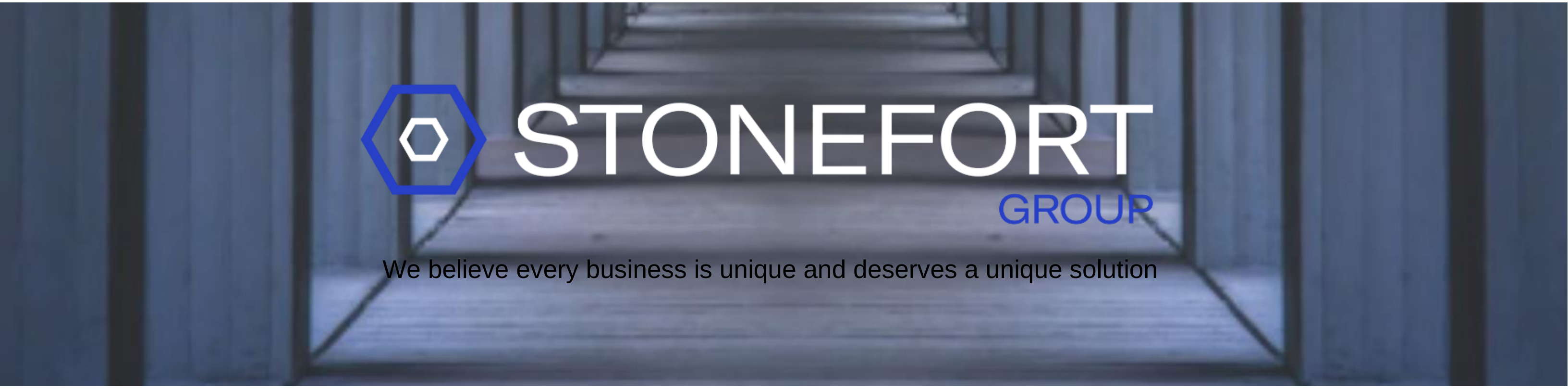


2023

Single Solvency and Financial Condition Report

Stonefort Insurance Holdings S.A.
Stonefort Reinsurance S.A.
Stonefort Insurance S.A.

CONTENTS

EXECUTIVE SUMMARY

Context

This report is the Single Solvency and Financial Condition Report (Single SFCR) of the Stonefort Group ("SG") for the reporting period ended 31 December 2023.

This Single SFCR provides public quantitative and qualitative disclosures for SG on Solvency II as required by the Solvency II regulation.

This report is established pursuant to the requirements of the Insurance Law dated 7th December 2015 (the "Insurance Law"), the Solvency II Directive 2009/138/EC (the "SII Directive"), the Delegated Regulation (EU) 2019/981 and the EIOPA Guidelines on Reporting and Disclosure.

Where appropriate it contains updated information beyond 31 December 2023.

SG is required to submit the Quantitative Reporting Templates (hereafter QRTs) to its regulatory authority The Commissariat aux Assurances ("CAA"). A subset of these QRTs, which are required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2013, are included in the appendix to this Single SFCR.

The section A "Business and Performance" describes the overall business profile and structure of SG. It also provides insight into the underwriting and investment performance of SG. The section B "System of Governance" explains the organisational governance structure and looks into the role and execution of the Solvency II functions. The section C "Risk Profile" analysis SG's exposure to financial and non-financial risks and explains the risk mitigation techniques in place. Section D "Valuation for Solvency purposes" elaborates on the differences in presentation and measurement of balance sheets elements between Solvency II and Lux-GAAP statutory rules. Finally, section E "Capital management" discusses the composition of the Eligible Own Funds (EOF) and the calculation of the Solvency Capital Requirement (SCR).

Material changes and events in 2023

The main change and key event in the year 2023 was the decision of the Board of Directors (hereinafter Board) of Stonefort Insurance S.A. in August 2023, to put Stonefort Insurance into run-off. This decision impacts Stonefort Reinsurance S.A. as well.

Eligible Own Funds

Solvency II requires to hold Eligible Own Funds for covering the SCR. The Eligible Own Funds (EOF) are classified in three tiers depending on whether the own funds items are available to absorb losses on a going concern basis and/or in the case of winding-up as prescribed in the Solvency II Legislation. Tier 1 Own Funds items are the highest-grade capital and Tier 3 Own Funds are the lowest grade capital.

For Stonefort Insurance Holdings S.A. ("SIH"), Stonefort Reinsurance S.A. ("STRe") and Stonefort Insurance S.A. ("STI"), as of 31 December 2023, 100% of the EOF are unrestricted Tier 1 Own Funds.

Solvency Capital Requirement

The SCR is calculated based on the Standard Formula. At the end of 2023, the calculations were made based on the latest published technical specifications in the Delegated Acts (Delegated Regulation (EU) 2019/981 from March 8th 2019).

Solvency II ratio

The following tables present the Solvency II ratio of SG's operating entities at year-end 2023.

Stonefort Insurance Holdings S.A. (in mEUR)	31/12/2022	31/12/2023
Eligible Own Funds	607.42	607.76
Solvency Capital Requirement (SCR)	172.89	180.12
Solvency II ratio	**351%**	**337%**

The Solvency II ratio of SIH decreased between year-end 2022 and year-end 2023, which is due to the SCR increase over that period. This SCR increase is mainly due to the higher exposures coming from STRe (see below). The EOF remained stable during the period as the EOF created from STRe has been compensated by the EOF decrease arising from STI.

Stonefort Reinsurance S.A. (in mUSD)	31/12/2022	31/12/2023
Eligible Own Funds	617.35	659.42
Solvency Capital Requirement (SCR)	178.97	196.25
Solvency II ratio	**345%**	**336%**

The Solvency II ratio of STRe decreased between year-end 2022 and year-end 2023, which is due to the SCR increase over that period. Even though the EOF increased during 2023, it was not sufficient to compensate the SCR increase. The EOF increase is mainly due to the investments' good performance and to the positive overall result. The SCR increase is mostly attributable to higher exposures (business volume increase and higher fair value of the investments).

Stonefort Insurance S.A. (in kEUR)	31/12/2022	31/12/2023
Eligible Own Funds	34,887	25,044
Solvency Capital Requirement (SCR)	18,064	16,639
Solvency II ratio	**193%**	**151%**

The Solvency II ratio of STI decreased between year-end 2022 and year-end 2023, explained by the fact that the EOF decreased more than the SCR over that period. The EOF decrease is due to :

- higher than expected statutory loss realized during the year 2023 partially compensated by a capital injection of 5 mEUR,
- the projection of all foreseeable costs until the estimated termination date of the insurance portfolio (undiscounted amount of 12 mEUR as of 31 December 2023), partially compensated by the lengthening of the payment pattern (resulting in a higher discounting effect).

The decrease of the SCR is mainly driven by the market risk's SCR decrease (lower exposure) and by the counter-party default risk's SCR decrease.

Disclaimer

To the best of the SG's knowledge, the information contained herein is accurate and reliable as of the date of publication. The statutory FY23 figures in this document are completely audited.

Contact

contact@stonefort.com

A. BUSINESS AND PERFORMANCE

A.1. Business

A.1.1 General information

Stonefort Insurance Holdings S.A., hereinafter SIH, is a Luxembourg company registered on 16th September 2013 as a "société anonyme". The Company's registered office is 8c, rue Collart, L-8414 Steinfort, Luxembourg.

SIH wholly owns three regulated insurance companies. The wholly owned subsidiaries are Stonefort Reinsurance S.A. (STRe), Stonefort Insurance S.A. (STI) and Stonefort Captive Management S.A. (SCM), all regulated by the Commissariat aux Assurances (hereafter CAA).

For Solvency II purposes, SIH (the holding company), STRe (a reinsurance undertaking) and STI (an insurance undertaking) form a Luxembourg insurance group, the **Stonefort Group**, governed by the Grand-Ducal Regulation dated 7 December 2015.

SG's core business is non-life reinsurance, but it also has undertaken primary insurance until 2023. Insurance administration services complement these activities.

STI and STRe together with SCM, are regulated by the CAA:

11, rue Robert Stumper

L-2557 Luxembourg

Tel : +352 22 69 111

https://www.caa.lu/

SG's external auditor for the year ending 31 December 2023 is Deloitte Luxembourg,

20, Boulevard de Kockelscheuer

L-1821 Luxembourg

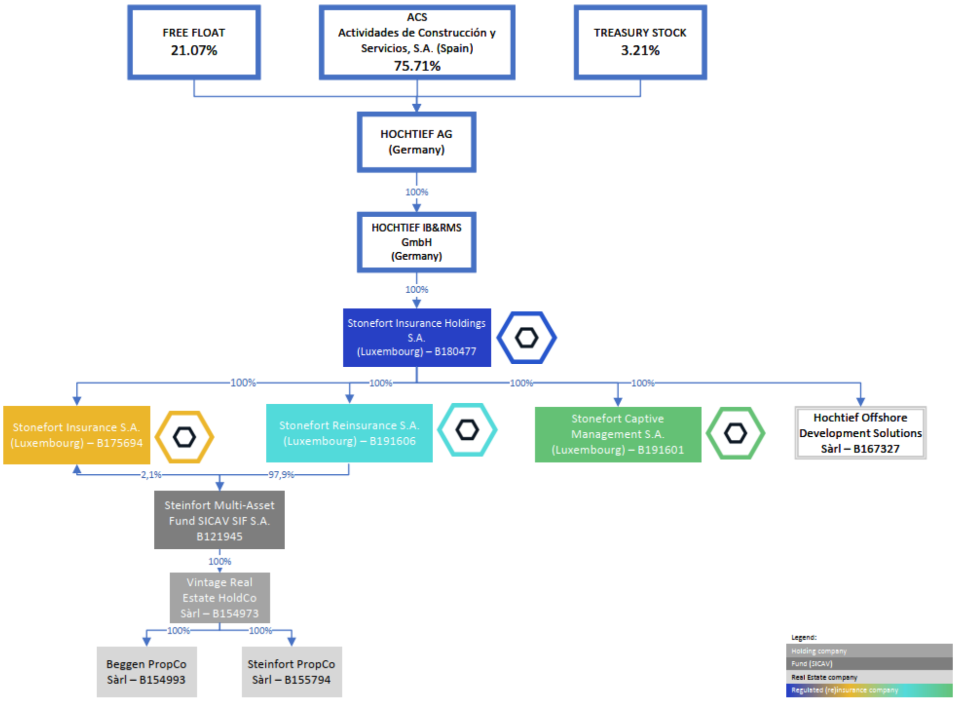
Tel: +352 45 14 51

A.1.2 Structure of ownership

SIH is wholly owned by HOCHTIEF Insurance Broking and Risk Management Solutions GmbH, a subsidiary of the German stock corporation "HOCHTIEF Aktiengesellschaft Germany" listed on the Frankfurt stock exchange, ISIN DE 0006070006 (see shareholder chart below in table 1).

Legal structure of the Group entities as of December 31st, 2023 (no change since then):

Shareholder Chart (as at December 2023)



Note: In November 2023, ACS' participation became higher than 75%.

A.1.3 *The Company Undertakings*

As of 31 December 2023 SIH owns 100% of the following CAA regulated entities and this has not changed as at the date of the report:

<u>Stonefort Reinsurance S.A.</u>:	A reinsurance undertaking created in October 2014 and licensed on 27 January 2015 which underwrites non-life reinsurance business worldwide and is supervised by the Luxembourg Insurance Regulator (CAA). STRe has its registered office at 4 rue de Neuerburg L-2215, Luxembourg, Luxembourg.
<u>Stonefort Insurance S.A.</u>:	A direct insurance undertaking created in March 2013, which underwrites non-life insurance business and supervised by the Luxembourg Insurance Regulator (CAA). The classes of business covered include accident, illness, surety bonds, goods in transit, fire and natural disaster, motor insurance, general and public liability and legal expense for the Luxembourg market and within Europe (primarily Belgium, Norway and Germany) under a freedom of service license and the UK through a branch office under the temporary permission regime until 30. December 2023. Since 31. December 2023, the UK branch is in supervised run-off. The registered office of the company is 8D rue Collart L-8414 Steinfort.

STRe and STI are both rated A- by the rating agency A.M. Best Europe –A.M. Best (EU) Rating Services B.V., 3rd Floor, NoMA House, Gustav Mahlerlaan 1212, 1081 LA Amsterdam, The Netherlands.

Stonefort Captive Management S.A. (SCM): A "Professionnel du Secteur des Assurances" PSA created in October 2014 and authorized on 16th December 2015 as a "*société de gestion d'entreprises de réassurance*" by the CAA. The Company provides (re)insurance-management, administration, and domiciliation services to SG and other companies both in Luxembourg and abroad.

There are no material differences between the scope of the group used for the consolidated financial statements and the scope for the consolidated data in Solvency II.

All Stonefort Group's operating entities are subject to the Solvency II legislation for both solo and Group reporting. The accounting and consolidation-based method, like the Lux-GAAP and IFRS consolidation methods, is used to consolidate these Solvency II entities. Solvency II entities are consolidated line-by-line in the Solvency II balance sheet whereas intra-group transactions between Solvency II entities have been eliminated.

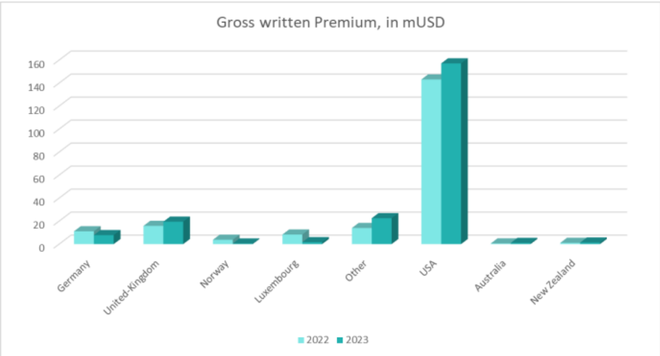
A.2. Underwriting Performance

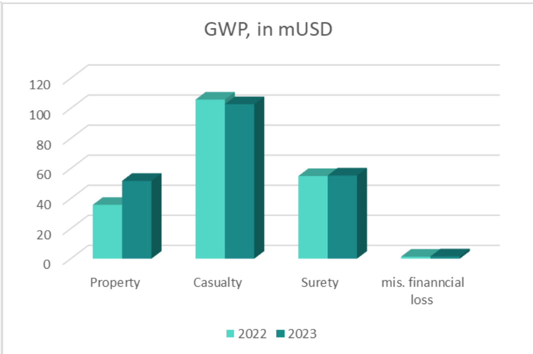
A.2.1 Underwriting income and expenses

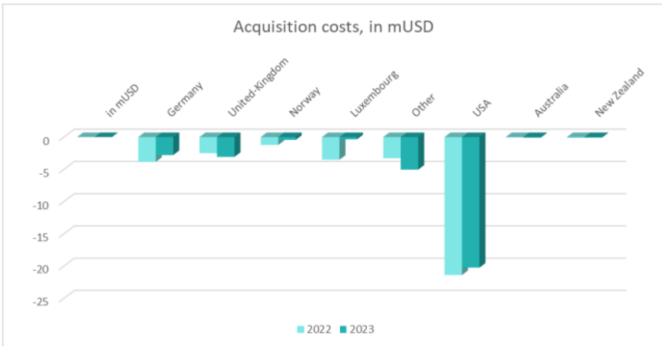
SIH is not directly involved in any underwriting activity. However, it is indirectly involved in underwriting via its ownership of its two subsidiaries engaged in such activity, being: STI and STRe whose figures are shown below.

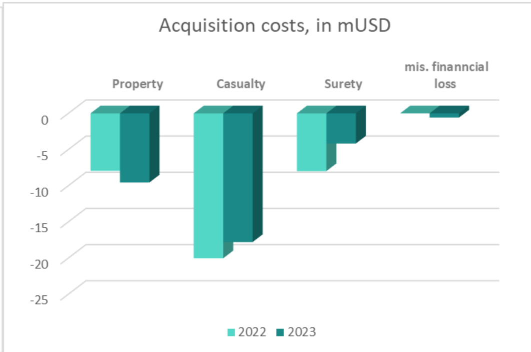
Stonefort Reinsurance S.A.

Below are the income and expenses figures for STRe for the years 2022 and 2023, split by country and by Line of Business, in mUSD.





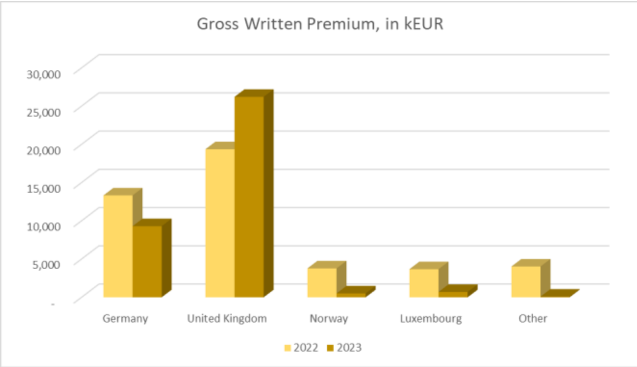


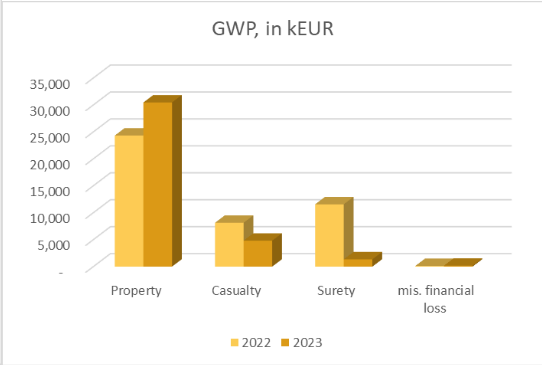


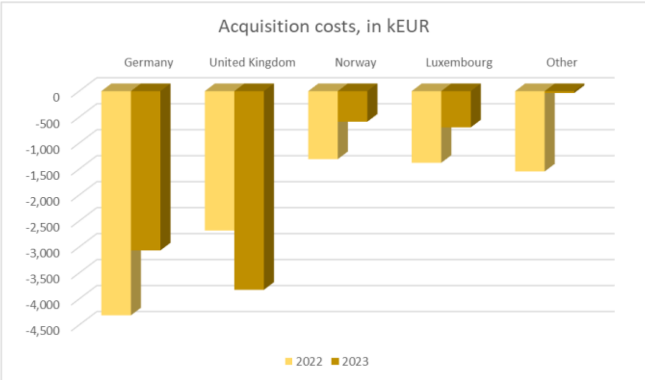
STRe (and thus SIH) has the main part of its activity located in the United-States, where the main part of the business is underwritten.

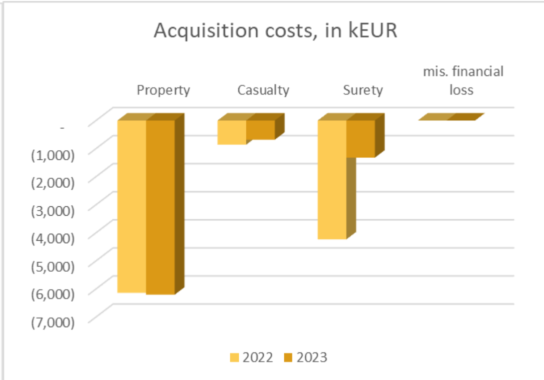
Stonefort Insurance S.A.

Below are the income and expenses figures for STI for the years 2022 and 2023, split by country and by Line of Business, in kEUR.









Before being put into run-of, STI had the main part of its activity located in the United Kingdom, where the main part of the business is underwritten.

A.2.2 Analysis of the underwriting performance

SIH underwriting subsidiaries’ performance can be analysed as follows:

Stonefort Reinsurance S.A.

Stonefort Reinsurance S.A. (in mUSD)	31/12/2022	31/12/2023
INWARDS		
Gross Premiums	197.96	210.74
Reinstatement premium	-	0.72
Change in UPR	6.48	- 6.59
Earned Premiums	**204.44**	**204.87**
Acquisition costs	- 35.96	- 32.08
Change in DAC	- 1.93	- 1.42
Operating expenses	**- 37.89**	**- 33.51**
Losses paid	- 80.09	- 100.49
Change in OCR	- 15.49	- 28.57
Change in IBNR	- 31.60	- 19.04
Change in IBNER	-	- 3.18
Change in ULEA	- 0.26	- 0.82
Losses recoveries	0.86	1.31
Losses OCR recoveries	- 5.37	4.08
Claims incurred	**- 131.94**	**- 146.70**
Profit commissions	**45.81**	**- 0.18**
Change in other technical provisions (URR)	**- 2.23**	**1.03**
Total insurance result, inwards	***78.18***	***25.50***
OUTWARDS		
Gross Premiums	- 52.65	- 24.68
Change in UPR	- 10.19	- 2.06
Earned Premiums	**- 62.84**	**- 26.74**
Acquisition costs	9.77	6.39
Change in DAC	1.74	1.03
Operating expenses	**11.51**	**7.41**
Losses paid	13.31	11.63
Change in OCR	0.12	14.24
Change in IBNR	9.54	4.99
Change in IBNER	-	1.70
Losses recoveries	- 0.50	- 0.71
Losses OCR recoveries	2.72	- 4.36
Claims incurred	**25.18**	**27.49**
Change in other technical provisions (URR)	**0.94**	**0.11**
Total insurance result, outwards	***- 25.20***	***8.27***
Net insurance result (Lux-Gaap)	**52.98**	**33.78**

The premiums earned, net of reinsurance, have increased in 2023 compared to 2022, partly compensated by higher net claims. The net operating expenses have remained at similar levels, about 26 mUSD, in 2023 and 2022. Therefore, the technical result gross of profit commissions is higher in 2023 than in 2022 (respectively 34.0 mUSD vs 7.2 mUSD).

However, as opposed to the year 2022 where 46 mUSD of profit commission was commuted, no high positive release of profit commission has occurred in 2023, so the overall net technical result is lower (33.8 mUSD in 2023 compared to 53.0 mUSD in 2022).

Stonefort Insurance S.A.

Stonefort Insurance S.A. (in kEUR)	**31/12/2022**	**31/12/2023**
INWARDS		
Gross Premiums	44,139	36,784
Change in UPR	2,994	3,908
Earned Premiums	**47,133**	**40,692**
Acquisition costs	-11,232	-8,210
Change in DAC	-1,132	-1,823
Operating expenses	**-12,365**	**-10,034**
Losses paid	-20,817	-20,177
Change in OCR	-1,986	-17,281
Change in IBNR	-12,585	-7,169
Change in IBNR Inflation		-360
Change in IBNER	-	-3,263
Change in ULEA	-	-7,458
Losses recoveries	921	1,316
Losses OCR recoveries	-4,664	3,455
Claims incurred	**-39,131**	**-50,937**
Profit commissions	**-2,738**	**-1,428**
Change in other technical provisions	**-2,261**	**-3,456**
Total insurance result, inwards	***-9,362***	***-25,163***
OUTWARDS		
Gross Premiums	-35,479	-28,086
Change in UPR	-3,370	-4,646
Earned Premiums	**-38,849**	**-32,732**
Acquisition costs	9,639	5,954
Change in DAC	1,403	2,090
Operating expenses	**11,042**	**8,044**
Losses paid	17,267	17,392
Change in OCR	3,967	17,176
Change in IBNR	10,447	4,730
Change in IBNR Inflation		356
Change in IBNER	-	2,890
Losses recoveries	-826	-1,200
Losses OCR recoveries	4,455	-3,567
Claims incurred	**35,310**	**37,777**
Change in other technical provisions (URR)	**2,108**	**-1,010**
Total insurance result, outwards	***9,611***	***12,079***
Net insurance result (Lux-Gaap)	***250***	***-13,083***

The premiums earned, net of reinsurance, were of the same order of magnitude in 2023 than in 2022 (about 8 million EUR), slightly lower, despite the run-off that was decided last year. However, the net claims and the net operating expenses were higher in 2023 than in 2022, resulting in a significant lower technical result in 2023 than in 2022 (respectively -13,083 kEUR vs 250 kEUR). In particular, the constitution of a provision for all the future foreseeable costs until the estimated termination date of the insurance portfolio explains the negative result.

A.3. Investment Performance

SIH and wholly owned subsidiaries

The investment performance of SIH is directly attributable to the investment performance of its subsidiaries, namely STRe and STI.

Both STRe and STI use Steinfort Multi-Asset Fund SICAV-SIF (SMAF) as main investment vehicle to achieve their investment objectives. As of 31 December 2023, SMAF is 98% owned by STRe via its dedicated USD share class A and 2% owned by STI via its dedicated EUR share class B.

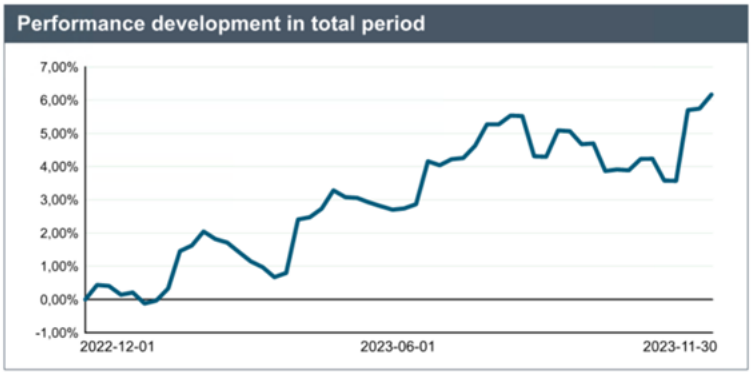
The investment objective is to achieve a reasonable return on investment with an acceptable minimum investment risk. The investment activity is driven by an investment policy and a Strategic Asset Allocation (SAA) recommended by the investment team of Stonefort Group and approved by the Boards of STI and STRe.

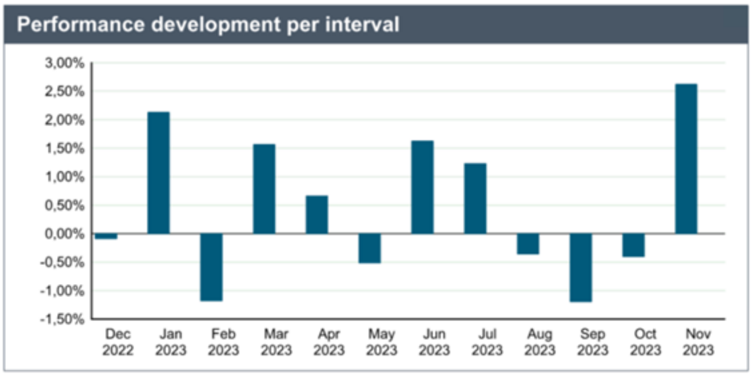
The SAA is defined separately for STRe and STI according to the business activities, capitalization level and risk appetite. The SAA resulted in the maintenance of a diversified portfolio which covers all major asset classes and is regularly monitored against industry benchmarks. To accomplish this goal, Stonefort Group works closely with its investment advisors and external investment managers.

Steinfort Multi-Asset Fund SICAV-SIF

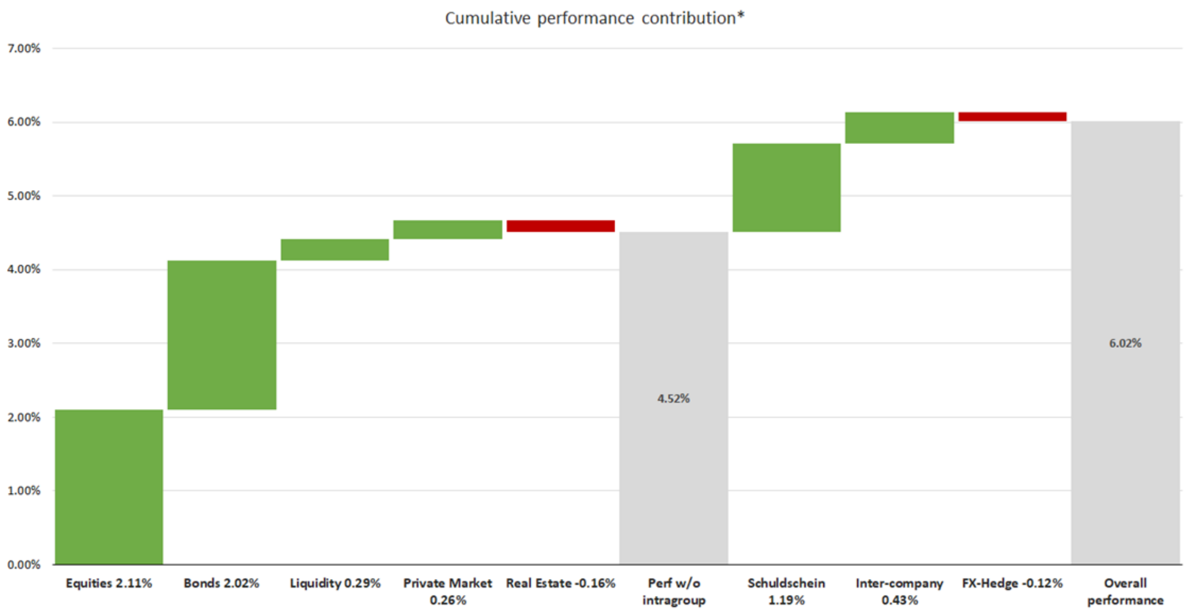
SMAF's 2023 financial year started on 1 December 2022 and ended on 30 November 2023. As of 30 November 2023, SMAF had a total net asset value of 960.1 mUSD.

The time-weighted performance of SMAF was 6.17%. The development was as followed:





The following chart shows the cumulative performance contribution (not time weighted) across asset classes:



Commentaries on investment performance:

- At the beginning of 2023 most global investment strategists were forecasting a "hard landing" and an economic recession in the US. The "overpriced" US equity markets were expected by most strategists to perform very poorly. Instead, as we had forecast, the robust US economy continued to grow strongly and to exceed expectations. This was notwithstanding the Federal Reserve's aggressive actions to tighten monetary policy in the US in its determined effort to reduce high and persistent inflation.

  US equities' substantial outperformance of bonds continued through the year with relatively low volatility, after the expected and inevitable end of a remarkable multi-decade and multigeneration long US bond bull market. The S&P500 saw most of its volatility in the first quarter and after the summer calm and the October bounce back, then reflected the favourable fiscal and political developments.

Notable in 2023 was the significant performance of the top 10 companies in the S&P500 equity index, accounting for over 75% of the total index return (the long-term norm is around 40%). This performance was dominated by the very large, high growth, high quality, technology companies Apple, Amazon, Alphabet, Nvidia, Meta, Microsoft, and Tesla as we enter a new “technology revolution” with advanced AI and software technology that is expected to transform economic growth, productivity, business processes and society generally. We have researched and followed closely these new technology developments for some years and invested in these large high quality growth companies, delivering highly attractive and growing risk adjusted returns and high ROEs.

Most Wall Street strategists at the beginning of 2023 forecast a strong economic recovery in China, predicting a 15-20% rally in the Chinese stock market and helping emerging markets to a banner year. Instead, Chinese stocks fell more than 15% and emerging markets did poorly overall. We have carefully avoided investing in China over the past 5 years.

During 2023 some small, US region banks encountered liquidity and solvency issues that we largely self-inflicted due to poor liability and asset management and matching. They were narrow and specific and did not impact the large, well-capitalised and well managed US banks. Once again, the Fed took decisive and appropriate action to resolve quickly and sensibly.

The biggest risk to asset prices is still US inflation surprises adversely impacting monetary policy and causing a recession by a determined inflation fighting Fed.

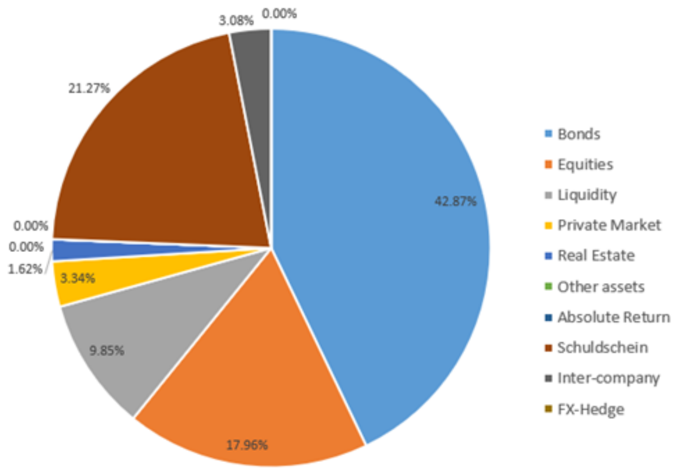
Our investment portfolio is conservatively designed and conservatively managed within a constrained risk budget, given an expected environment of higher return volatility, and higher geopolitical and other risks. This conservative portfolio construction includes material liquidity in short duration US Treasuries, as well as large bond risk hedges in high quality, US investment grade corporate bonds.

- Expectations of the Fed’s early rate cuts in 2024 and a soft-landing likelihood triggered a strong year end market rally. All as set classes (except Real Estate) returned positively during the 2023 totalling 6.02%. Equities were the best contributor 2.11%, followed by Bonds 2.02% and Intra Group Loan 1.50%. Due to rising interest rate, Real Estate posted a small negative return of 0.16%. Currency effect added 0.35% to the total performance, most of which can be attributed to EUR positions (Intercompany, PPAC real estate, EUR Term Deposit) as the EUR appreciated on average 5% against the USD in 2023. Excess liquidity was placed as monthly term deposits to benefit from attractive rates.

The annual accounts as of 30 November 2023 showed a gain of 57.4 mUSD for the accounting year. This result is made up of:

- 34.2 mUSD of income (mainly interests and dividends received)
- -1.9 mUSD of expenses
- -14.6 mUSD of realised gains and losses on investments
- 39.7 mUSD of variation of unrealised gains and losses on investments.

Portfolio allocation in terms of asset class as of 30 November 2023 is as follows:



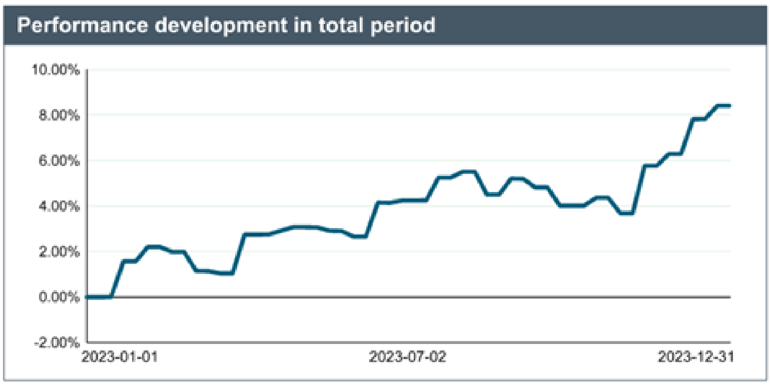
Stonefort Reinsurance S.A.

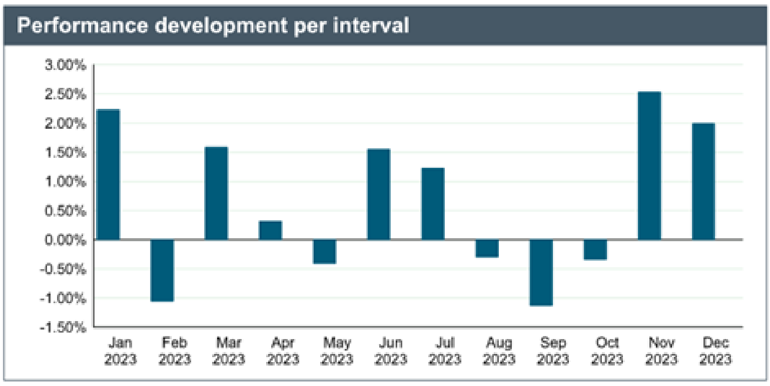
The SAA for STRe approved by the Board in June 2023 targeted a long-term return of 5.4% with a volatility of 8.8%, considering the risk appetite of not more than 13% devaluation in a year at 95% confidence level.

STRe's 2023 financial year started on 1 January 2023 and ended on 31 December 2023. As of 31 December 2023, STRe participation in SMAF amounts to a fair value of 959.4 mUSD.

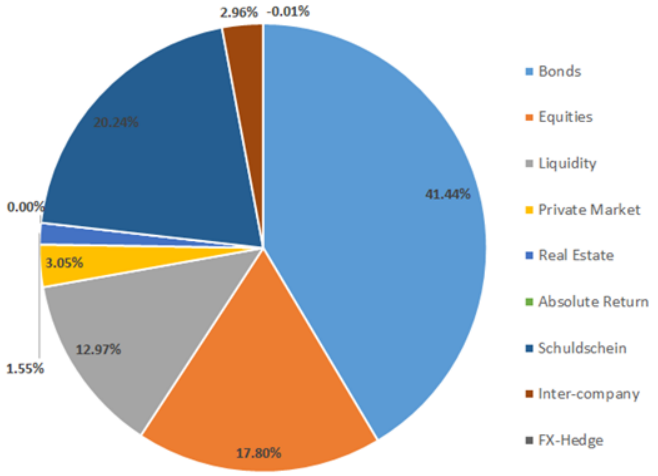
The time-weighted performance of STRe's total investment portfolio was 8.41%, mostly driven by its participation in SMAF (8.36%) and a minor positive currency effect (0.05%) from its own cash accounts.

The development was as followed:

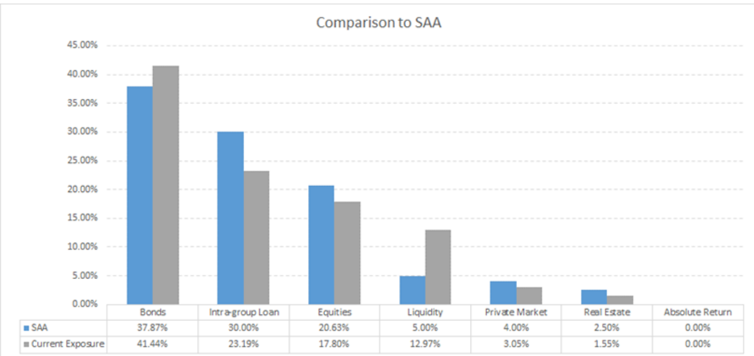




Portfolio allocation in terms of asset class as of 31 December 2023 is as follows:



Comparison of the STRe's holdings as of 31 December 2023 (applying a look-through in SMAF) to its SAA shows a decent alignment for most asset classes with a notable overweight in liquidities. This is mainly due to SMAF tactically holding more cash to benefit from high interest rate from money markets instruments such as term deposits.



Investment income comprises dividends, interests, and other income receivables, realised as well as unrealised gains and losses on investments. The table below is an extract from the annual report:

(in USD)	2023	2022
Investment income		
▪ Income from other investments	370,067.47	-
	370,067.47	-
Investment charges		
▪ Investment management charges, including interest	(13,799.28)	(12,284.81)
	(13,799.28)	(12,284.81)

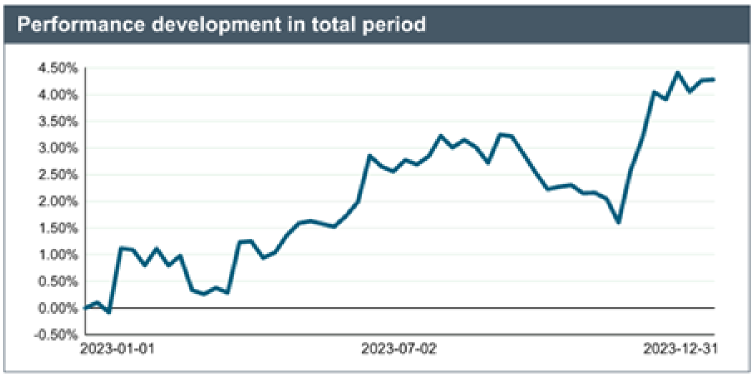
Stonefort Insurance S.A.

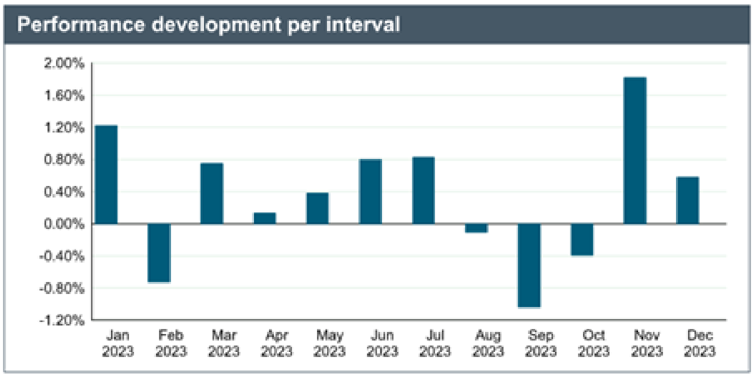
The SAA for STI approved by the Board in February 2024 targeted a long-term return of 3.3% with a volatility of 3.7% and an annual VaR of -3.8% at 95% confidence interval.

STI's 2023 financial year started on 1 January 2023 and ended on 31 December 2023. The investment of STI in SMAF was partially redeemed in mid-November 2023. As of 31 December 2023, STI participation in SMAF amounts to a fair value of 18.6 mEUR.

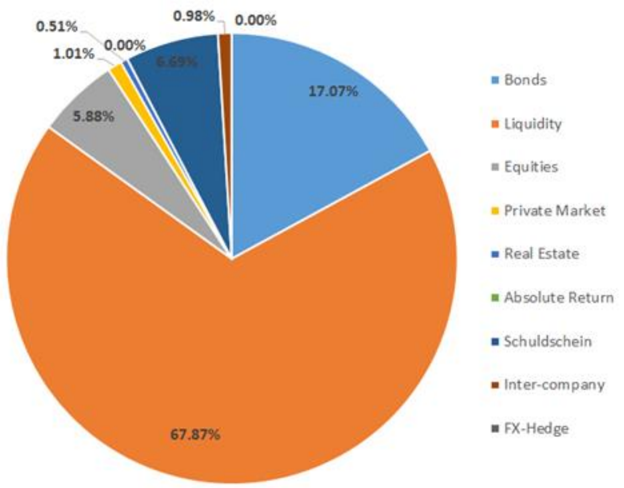
The time-weighted performance of STI's total investment portfolio was 4.28%, mainly driven by its participation in SMAF (2.72%) and efficient cash management (1.57%) thanks to significant interest income and small currency effects (FX gains from GBP assets slightly offset by FX losses from NOK assets).

The development was as followed:

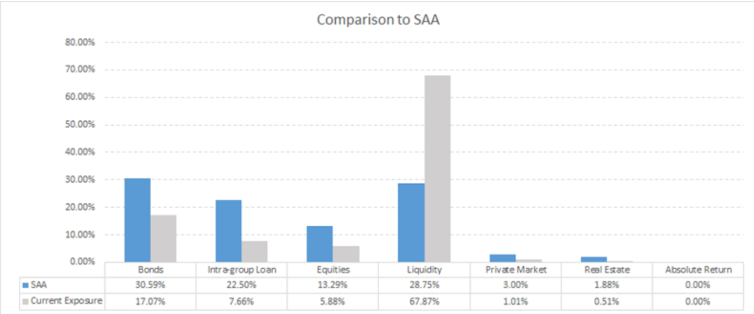




Portfolio allocation in terms of asset class as of 31 December 2023 is as follows:



Comparison of the STI's holdings as of 31 December 2023 (applying a look-through in SMAF) to current SAA shows a significant overweight in liquidities. The fact that STI has been put into run-off has significant implications for STI’s investment plan over the next 3 to 5 years. As a result, the investment of STI in SMAF had been partially redeemed in mid-November 2023 and was fully redeemed in mid-January 2024. Additionally, STI’s Board also approved a) the temporary overweight in liquidities without upper limit and b) the postponement of the annual SAA review 2023 to the first quarter of 2024 given the run-off uncertainties.



Investment income comprises dividends, interests, and other income receivable, realised gains and losses on investments and unrealised gains and losses. The accounts for 2023 show the following details:

	2023 EUR	2022 EUR
Investment income		
▪ Income from other investments	536,369	70,143
▪ Value re-adjustment on investments	2,398,546	-
	2,934,915	70,143
Investment charges		
▪ Investment management charges, including interest	(33,989)	(67,645)
▪ Value adjustments on investments	(95,287)	(4,120,334)
▪ Losses on the realization of investments	(866,682)	(8,889)
	(995,957)	(4,196,867)

A.4. Performance of other activities

The revenues of SIH are derived from the services rendered to its subsidiaries Stonefort Insurance S.A., Stonefort Reinsurance S.A. and Steinfort Multi-Asset Fund SICAV-SIF S.A.

Stonefort Group does not perform any other activity than those mentioned above.

A.5. Any other information

There is no additional information to add at this juncture.

B. SYSTEM OF GOVERNANCE

B.1. General information on the system of governance

SG is committed to the highest standards of corporate governance commensurate with the business risks, size, nature of clients and complexity of SG's operations.

The system of governance section of this report sets out information regarding the system of governance in place within SG. This includes a description of SG's Boards for each of its respective operational entities, executive committees, and a description of the roles, responsibilities, and governance of SGs key functions of Risk Management, Actuarial, Compliance, and Internal Audit.

SG has established a robust governance and control framework that includes levels of authority, accountability, responsibility, oversight, and challenge and is supported by a 'three lines of defence' model.

B.1.1 The Boards of Directors

SG's entities are governed by Boards which are responsible for leadership and control, setting the strategic direction, promoting the success of the Company and exercising oversight. The Boards operate within their respective Terms of Reference and according to established principles and requirements of good governance. They meet each at least three times a year and receive sufficient and timely information to ensure that the individual Boards and Directors can fulfil their corporate and individual responsibilities. Their mandates are, subject to resolution, renewed each year, at the Annual General Meeting of the respective SG entities.

Stonefort Insurance Holdings S.A.: The Board consists of SIH of a three members: two Executive Directors, one of whom is the Chief Executive Officer of SG and the Board's Chairman, and one Independent Director.

Stonefort Insurance S.A.: The Board consists of four members: one Executive Director, who is the Dirigeant Agréé and Chief Executive Officer of STI, two Non-Executive Directors, one of whom is the Board's Chairman, and one Independent Director.

Stonefort Reinsurance S.A.: The Board consists of five members: one Executive Director, who is the Dirigeant Agréé Délégué and Chief Executive Officer of STRe, two Non-Executive Directors, and two Independent Directors, one of whom is the Board's Chairman.

Functioning of the Boards

Board Responsibilities

The role of the Boards of the respective SG entities is to be collectively responsible for promoting the long-term sustainability of the Company, generating value for shareholders in a manner which also allows it to discharge its responsibilities to its stakeholders whilst maintaining compliance with legal and regulatory requirements.

The Boards sets the purpose, strategy and values of the respective company and seeks to ensure that the culture within the company is aligned with these. The Boards are also responsible for setting each SG entity's risk appetite and satisfy themselves that financial controls and risk management systems are robust, while ensuring the entities are adequately resourced.

They also ensure that there is appropriate dialogue with shareholders on strategy and remuneration.

Each Board's responsibilities include taking account of other stakeholders including employees, intermediaries, third party partners, policyholders, and customers. This includes ensuring that an appropriate system of risk governance is in place throughout each SG entity and SG as a whole. To discharge this responsibility, the Boards have established frameworks for risk management and internal control using a ‘three lines of defence model’ to ensure that each SG entity is managed in accordance with the risk appetite established by the respective Board.

Control Framework

The Boards retain ultimate responsibility for the internal control system and the risk management framework of each SG entity. They review the effectiveness through the establishment of an effective governance and monitoring process. This includes regular reporting and in-depth monitoring of the establishment and operation of prudent and effective controls. SG operates a ‘three lines of defence’ controls framework whereby the business implements first line controls so as to ensure that the front-line business units comply with the requirements set by the Board regarding risk appetite and control. The Compliance and Risk Management functions undertake monitoring to provide second line assurance that these controls are effective, meet the expectations of our regulators and are in accordance with each entity’s risk appetite.

The Internal Audit function provides independent oversight across SG and reports to the Internal Audit Committee of the respective Boards.

The respective responsibilities of each line are shown below:

***First line*: Management Monitoring**

Management is responsible for implementing and monitoring the system of internal controls to ensure key business objectives are achieved and for complying with the risk appetite and controls set by the respective Board. Collectively the first line of defence is responsible for the day-to-day management of risk, including the identification and assessment of risks and controls.

***Second line*: Risk and Compliance functions**

The Risk function is accountable for developing the Risk Management Framework (“RMF”) and for the quantitative and qualitative oversight and challenge of the process to identify, measure, manage, monitor and report (“IMMMR”) risk. As the business responds to changing market conditions, customer needs and regulatory requirements, the Risk function regularly monitors the appropriateness of the company’s risk policies and the RMF to ensure they remain up to date.

The Compliance function supports and advises the business on the identification, measurement and management of its regulatory, financial crime and conduct risks; in this regard the Compliance function acts as part of the first line of defence. Compliance also monitors, evaluates, and provides assurance on the effectiveness of the first line controls and therefore, also acts as part of the second line of defence. In addition, Compliance is also accountable for monitoring and reporting on the performance of the individual SG entities against the conduct risk metrics agreed by the respective Boards.

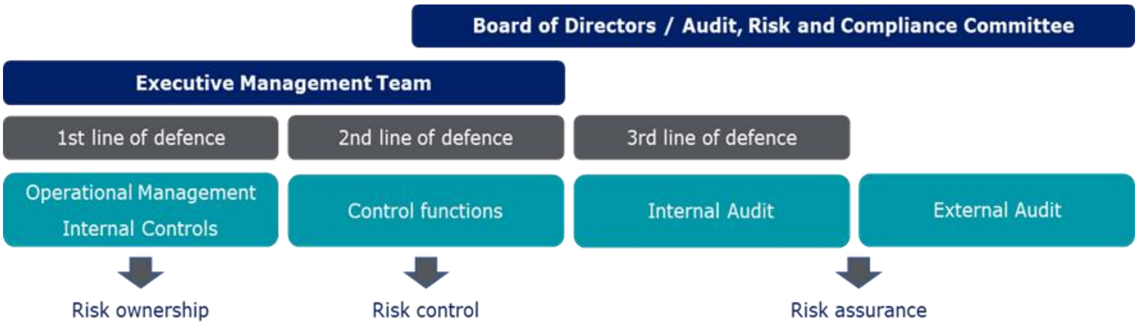
These second line’s functions are the *Control Functions*.

***Third line*: Internal Audit**

This function provides independent and objective assurance on the robustness of the RMF and the appropriateness and effectiveness of internal controls to the respective Internal Audit Committees and the respective Boards.

Stonefort Group Three Lines of Defence Model

The diagram below sets out the structure of SG’s three lines of defence model.



Remuneration

The remuneration system reflects the vision and values of SG's compensation approach, defines the pillars of compensation and corporate as well as organizational governance structures and processes, details total compensation elements and provides details on the incentive systems and benefits.

All staff members are in principle eligible to all or part of the following elements of the remuneration package, depending on their responsibilities, grade, and specific work location:

- Basic annual fixed salary, which is determined based on the staff member's role, experience, and skills.
- A range of ancillary benefits as per local practices (such as luncheon vouchers, standard pension schemes aligned with local laws and market practices, which do not create any incentive for risk taking, death insurance, mobile phone, company car, etc.).
- An individual variable component linked to performance, in the form of cash or financial instrument.

The payout is determined based on a combination of business performance and the achievement of the personal objectives, with discretion on SG for downward adjustments of awards to account for exposure to current and future risks, considering the overall SG risk profile and the cost of capital.

A balanced ratio between fixed and variable remuneration is ensured so as to prevent any excessive risk taking through increasing and incentivizing the variable component. The fixed component of remuneration shall represent a sufficiently high proportion of the total remuneration to avoid an overly dependence on the variable components.

Directors receive a basic annual fee in respect of their Board duties. Further fees are paid for membership and, where appropriate, chairing Board committees. Fees will be reviewed annually considering market data and trends and the scope of specific Board duties.

Material transactions with shareholder controllers, persons who exercise significant influence, the board or senior executives

persons who exercise a significant influence on SG or members of the respective Boards did not have any material transactions with any SG entity.

STRe and STI entered into transactions with group entities of SG's sole ultimate shareholder HOCHTIEF AG of it in the normal course of business. The most material transactions are the reinsurance treaty between STI and STRe and the reinsurance programmes relating to HOCHTIEF AG's business interests in the US construction sector.

B.1.2 The Stonefort Group Executive Committees

Each entity of SG has as its executive function a Managing Director (CEO) that is supported by a Chief Operating Officer, a Chief Financial Officer, a Chief Legal Officer and where appropriate a Chief Commercial Officer with responsibility for the respective entity. These executive functions are represented/bundled in the group's Executive Committee(s) that steer(s) the overall activities of SG's operations. The respective Executive Committee(s) are also responsible for implementing the strategy defined by the respective Boards and ensuring that the organizational structure put in place supports objectives while ensuring that risks are identified and controlled. The distribution of responsibilities amongst the Executive functions according to their competencies enables SG to coordinate and manage the different group entities with the appropriate knowledge to conduct business in the best possible manner.

B.1.3 Board Specialized Committees

Board special committees are established within the wholly owned subsidiaries. These committees perform an advisory role, issuing opinions and making recommendations to the Board of the Holding and its wholly owned subsidiaries and support the internal control system of SG. These Committees meet as often as circumstances require.

At the end of 2023 SG had in place three (3) board appointed special committees set up each at STRe and STI level:

Risk and Compliance Committees (RCC):

These committees are responsible for the second level of controls functions and coordinate the engagement of the internal audit function (outsourced).

The Committees are responsible for the following aspects:

- Review the company's compliance to applicable legislation/directives
- Review the company risk strategy and mitigating actions. Monitor risk appetite and tolerance and review risk results

Internal Audit Committees (IAC):

These committees are responsible for the second level of controls functions and coordinate the engagement of the internal audit function (outsourced).

The Committees are responsible for the following aspects:

- Review the adequacy of internal control systems
- Approve the triennial internal audit plan and monitor the performance
- Review the outsourcing of material activities monitoring

Claims and Reserving Committees (CRC):

These Committees are responsible for the following aspects:

- Review and monitor reserving policy
- Review claims policy
- Establish reinsurance policy and limits
- Review actuarial performance
- IBNR reserves review reserving

Each Committee operates under defined terms of reference and reports to the Board. Each committee appoints a chairman and follows specific procedures. Decision-making remains the exclusive responsibility of the Boards.

B.1.4 The Solvency II functions

Within risk governance, the key functions are organised in accordance with Solvency II regulation and play an important role in terms of checks and balances in relation to the decision-making process of the Executive Management.

The Solvency II key functions are:

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

The internal audit functions for the SG entities are exercised by a non-executive member of the respective Board which control the internal audit services outsourced to the Corporate Audit department of SG's ultimate 100% shareholder, HOCHTIEF AG, in partnership with Ernst & Young, Luxembourg.

The four S II key functions are independently positioned within the respective SG entities. In respect of the SG entities the Internal Audit key function holders oversee the mainly outsourced internal audit activities (HOCHTIEF Corporate audit & E & Y) are HOCHTIEF group executives. The S II key functions participate in the Board specialised committees. All S II key functions have direct communication lines with the respective Boards or via the specialised committees. Executive Management ensures that all monitoring policies issued by control functions are consistent with each other.

B.2. Fit & Proper

Fit and proper requirements are set for persons who effectively run SG and its regulated subsidiaries, and other key functions that contribute to a sound business operation and promote the stability and integrity of SG and its stakeholders as well as market confidence. These requirements are further detailed in SG's Fit and Proper Policy.

B.2.1 Specific Requirements Concerning Fit and Proper

In accordance with Section 2 – System of governance (Article 72 and 73) of the Law of 7 December 2015 on the insurance sector, individuals who are performing roles where they are considered to effectively run the undertaking or have other key functions (as defined under Solvency II) are required to be assessed for their fitness and propriety at appointment and on an on-going basis by the respective SG entities.

The individuals who are performing a role that is considered to effectively run the undertaking or is any other key function are required to be assessed for their fitness and propriety at appointment and on an on-going basis by SG.

Assessing a person's fitness and propriety includes an assessment of:

- Their honesty, integrity, and reputation.
- Their professional qualifications, knowledge and experience are adequate to enable sound and prudent management; and
- Their financial soundness.

The respective Boards identify the skills and experience that are required at Board level, including the appointments of executive directors or independent non-executive directors, so as to ensure the relevant diversity, experience, skills, and knowledge required for effective oversight and challenge.

B.2.2 Polices and Process for assessing fitness and propriety

To ensure that SG identifies and recruits appropriate people to perform the roles which are key and/or are considered to effectively run the undertaking, the individual is assessed for:

- Fitness: skills and experience must be adequately matched to the role they are being employed to undertake.
- Propriety: checks are in place to ensure that an individual is honest, of good reputation, has integrity and is financially sound.

A basic level of screening is applied to all employees. Where an individual performs a role that is required to be approved by the CAA, a criminal record extract is required by the authorities of the country of predominant residence over the last 5 years if different to the individual’s current place of residence. Additionally, for individuals performing an executive function subject to a licence or a Solvency II key function role, a declaration of honour confirming the individual has not previously been declared bankrupt is required to be made before a notary.

Fit and Proper assessments are carried out on an annual basis, although it is made clear to individuals that should they consider that they may have incurred a breach of the requirements, it is their responsibility to report this to HR immediately.

B.2.3 Culture and on-going monitoring

Within SG the importance of fitness and propriety is reinforced by the culture set by the Board and this is expressed

through:

- Mandatory training that all staff need to complete on an annual basis,
- Assessment of fitness to perform the role through the on-going performance management discussions,
- Ability for individuals to report where they consider there are barriers to them being able to perform their role such as not being provided with sufficient time or staff or where they have identified a training need.

B.3. Internal control system (ICS)

B.3.1 General information on the internal control system

The internal control system (ICS) of Stonefort Insurance Group has undergone significant enhancements since the previous reporting period. Comprehensive critical business processes and procedures have been drafted for both STRe and STI, enabling the initiation of 1st line of defence controls.

The Solvency II required independent control functions (Actuarial Function, Risk Management Function, Compliance Function and Internal Audit Function) are established.

In further reinforcement, a new layer of 2nd line of defence will be introduced, notably an Internal Control Function. This function will monitor Key Risk Indicators (KRI) and Key Performance Indicators (KPI) deemed crucial by the Board and Executive Committee. Any deviations from set targets will prompt investigations into root causes, with subsequent measures aligned with business owners and the Executive Committee.

B.3.2 Review of ICS framework and controls on business processes

To bolster the accuracy and reliability of internal processes, a project titled "Review of ICS Framework and Controls on Business Processes" commenced in June 2022. As mentioned in section B.4.1, this initiative aims to enhance the Internal Control Systems (ICS) framework and processes, primarily focusing on the review and optimization of 1st line controls framework. For the 1st line of defence, the approach encompassed:

- Assessment of the current state through interviews with key process owners.
- Conducting gap analysis to identify key risks and controls for each process.
- Designing the target scenario by updating and refining processes and controls.

Key processes that were reviewed include Payments, Reinsurance Treaty & Facultative Underwriting, Claims, and Retrocession.

B.4. Actuarial function

B.4.1 Positioning and structure of actuarial function

The actuarial function is a centralized function established at the level of SIH and the operational activities are provided by SCM.

B.4.2 Responsibilities and duties

The Actuarial Function is a Key Function under Solvency II. This function is responsible for:

- Guaranteeing the appropriate nature of methodologies, the underlying models and cases used to calculate technical provisions.
- Assessing the sufficiency and quality of data used to calculate technical provisions
- Expressing their opinion on the underwriting policy
- Preparing opinion on adequacy of the reinsurance arrangements
- Contribute to the effective implementation of the risk-management system, including risk modelling.

B.4.3 Reporting

The Actuarial Function produces an annual report for the company that highlights the adequacy of technical provisions and underwriting and reinsurance arrangements.

B.5. Risk Management System including the own risk and solvency assessment

B.5.1 Risk Management System

Positioning and structure of the Risk Management function

The Board designated a Head of Risk, leading the risk function of the Company and being the key function holder for risk matters. The risk function reports to the Board on a regular basis, to the Executive Management and to the Risk and Compliance (RC) Committee where the head of risk is also a member. The RC is established to perform an advisory role, to issue opinions and make recommendations to the Board regarding the risk management framework. The committee supports the Company's risk strategy and mitigating actions, monitors the operational risks, the risk appetite and review the key risk indicators.

Responsibilities and duties of the Risk Management function

The Risk Management Function ensures the effectiveness of the Risk Management System. The Risk Management System includes the policies, processes, and reporting requirements to continuously identify, assess, control, monitor and report on new and evolving risks, on an individual and aggregated basis, and their interdependencies.

The responsibilities of the Risk function include:

- Managing the operational risk framework: operational risks and incidents monitoring and reporting.
- Supporting the management with appropriate risk reports.
- Designing, monitoring, and facilitating the implementation the Risk Management System.
- Aggregation of individual risks to the Group-wide risk profile.
- Detailed analyses and reports concerning risk exposure.
- Advising management on risk aspects in strategic decisions, as well as larger projects or investments.
- Conduct the Company's Own Risk and Solvency Assessment (ORSA).
- Review and report the Solvency Capital of the Company.

Risk management process

The risk management process must be updated regularly to reflect the latest legal and regulatory updates. Any change shall be approved by the Board before entering into force.

The risk management process performed by the whole SG is depicted below:

The four steps of the risk management process i.e. risk identification, risk assessment, risk control and risk monitoring & reporting are carried out for each individual risk. For this risk management process to be effective, a continuous exchange of information between the risk owners, the Risk Management Function and the BoD should be ensured.

Each step of the risk management process is described hereafter.

Risk Identification

The aim of the risk identification is to obtain a complete overview of all the material risks that the Company is or could potentially be exposed to and which could jeopardize the Company's objectives and financial position. Department managers record and assess the risks they face in order to ensure a complete and comprehensive view of SG's risk profile.

To facilitate an effective analysis and control of the risks, the risk identification must be complemented by basic information collection that will allow the proper management of the risk identified. The basic information should include the following:

- the risk category;
- the person responsible for this risk (risk owner);
- the label, and if necessary, description of the risk;
- the mitigating actions;
- the estimations to quantify or qualify the risk.

Risk Assessment

Once the risk has been identified and properly described, a qualitative and/or a quantitative assessment is carried out for each individual risk. This risk assessment serves as a basis for creating the overall risk profile of SG.
Information on forward-looking / prospective assessment of main risks is gathered and is performed by the risk owners.
The risk assessment activity is based on the adoption of both Top-Down and Bottom-Up approaches:

- the *Top-Down Approach* consists of the assessment of the main risks for SG.
- the *Bottom-Up Approach* is aimed at obtaining an in-depth evaluation of operational risks considering their localization in the Value Chain.

Risk Control

If, for a risk, action is required, suitable measures to avoid, reduce or relocated the risk shall be initiated. The risk owners are responsible for suggesting and implementing the necessary mitigating measures required to mitigate each individual identified risk (e.g., through risk aversion, by reduction, by a risk transfer or by controlling the risk).

Once individual risks have been assessed and prioritised, the risks to which SG is exposed and that exceed the tolerance limits are analysed and treated. The treatment will depend on two factors:

- Nature of the risk;
- The assessed cost and/or loss of earnings, the cost/benefit ratio.

To treat the risk, the Directors should choose between five options:

- *Accept the risk:* The risk is accepted without additional actions. This is the appropriate choice if the risk corresponds to the company strategy and the defined tolerance limits. Reserves might be adjusted to cover the possibility of the risk occurring.
- *Share the risk:* Sharing the risk means reducing the risk through reinsurance, coinsurance or joining a joint venture with third parties. The scale of this treatment also depends on the tolerance limits defined.
- *Reduce the risk:* SG takes measures to reduce the likelihood and/or the impact, for example by controlling the risk stronger or more frequent.
- *Avoid the risk:* SG ceases the activity that causes the risk.
- *Increase the risk:* SG onboards more risk. This choice is appropriate if the risk/return is positive.

When a risk is subject to treatment, an action plan is defined by the RC Committee together with the department(s) exposed to that risk to put in place the required measures.
The Risk Management Function coordinates the implementation of action plans based on the results of the risk assessment. Once the risk cartography / register for this risk has been developed, the Risk Management Function determines with the stakeholders the action plan and the person in charge of its execution. An action plan may be developed for each risk for which exposure exceeds the tolerance limits. The risk owners are responsible for implementing the action plans associated with their area of activity.
The purpose of the action plans is to prioritise risks to improve the risk profile of SG or at least its sensitivity in the event of risk occurrence.
The Risk Management Function should set up a general action plan monitoring dashboard that should be updated by the relevant stakeholders frequently.

Risk Monitoring and Reporting

Monitoring

Risk monitoring is the ongoing monitoring of the evolution of the identified risk. This includes the evaluation of the risk indicators and the monitoring of the implemented mitigating measures.

The observation of the risk indicators is an essential part of risk monitoring as it provides information on the evolution of the risk. Indicators are usually key figures that indicate when predefined risk tolerance limits (for example, target / actual deviation > 10%) are reached. However, indicators can also be unquantifiable factors such as endogenous and exogenous events.

For the individual indicators used to monitor a risk, critical limits (such as thresholds, limits, etc.) must be defined, which, if exceeded or fallen short of, trigger a reporting obligation and, if necessary, initiate countermeasures. The indicators should be included in the risk analysis.

The monitoring of the action plans is a key activity of the Risk Management Function and facilitates the annual re-assessment of the risks. Progress on the actions plan is reviewed with each risk owners before presenting to the RC Committee. The risk owners are responsible to communicate any significant issue with implementation of the action plans.

As part of the risk monitoring, stress tests are conducted. They take place during the annual ORSA process. In these stress tests, modifications are made to key risk drivers to determine the sensitivity of capital requirements to adverse scenarios. If the overall risk situation changes significantly, it is necessary to check whether an ad-hoc ORSA is required. Changes in the risk landscape must be considered when selecting the stress scenario.
The stress scenarios are selected together with the RC Committee and validated by the BoD.

Reporting

To ensure the permanent, independent functioning of the Risk Management System, the monitoring of the achievement of objectives and the effectiveness of the measures taken, adequate documentation is required. At the same time, adequate documentation has an evidential, security and auditability function and, moreover, serves to communicate risks and to create or strengthen employees' risk awareness.
Risk management should ensure that the documentation of risks and control measures as well as the Risk Management System are up to date.

At least yearly or at major changes, the risk situation shall be reported by the Risk Management Function during the RC Committee for review. Should it be necessary and recommended, the directors attending the committee could decide to present the result to the Board of the Company.
This report includes all risks identified and assessed. All material risks, which could impact the business continuity, the reputation and strategy of the Company, must be reported to the BoD.

The risk cartography / register provides a snapshot of the Company's risk profile at a given moment and must be updated regularly given the rapid evolution of the environment in which SG is active. The risk management process must be reviewed at least once per year and the review must take the following elements into account:

- Internal and external audit findings containing recommendations on governance, internal control and Risk Management System;
- Internal control findings;
- Issues arisen during the previous year by applying the Risk Management process;
- If applicable, the results from back testing;
- Incidents notifications;
- Evolution of KRIs, especially breaches;
- New or updated group directives impacting the Risk Management activity;
- Completion/non-completion of the actions plan.

A brainstorming session should take place in the RC to discuss the above concerns / improvements and to identify the best actions plan.

Priority must be determined according to the Company needs and by using the cost / opportunity analysis of the actions to be implemented.

Any change shall be approved by the Board before entering into force.

The action management of Stonefort includes:

- Design, pricing, marketing and underwriting of insurance policies;
- Claims management;
- Selection of assets backing the liabilities;
- Securitization of a portion of the asset or liability portfolio;
- Hedging of financial guarantees with derivates instruments;

- Purchase of reinsurance;
- Alternative risk transfer;
- Active risk management.

In addition to the above, a crisis management system is in place to guarantee the continuity of the Company activities following a critical event (natural disaster, IT disaster, property damage, or pandemic). The crisis management system comprises various recovery plans, as for example business contingency plan in case of Data loss an external data backup is available or a cash contingency plan. However, the need for additional disaster recovery plans is under consideration.

The risks are identified through the Risk assessment performed by the Risk Function which should cover all risks of the company. To concentrate on significant risk the Risk Function had agreed with the management a scoring system to carve out the significant risks. For financial and underwriting risks, the significant risks are identified by quantitative factors. Other areas as strategic, compliance and operational categories qualitative assessments are used.

B.5.2 The Own Risk and Solvency Assessment (ORSA) process

The ORSA Process & Objectives

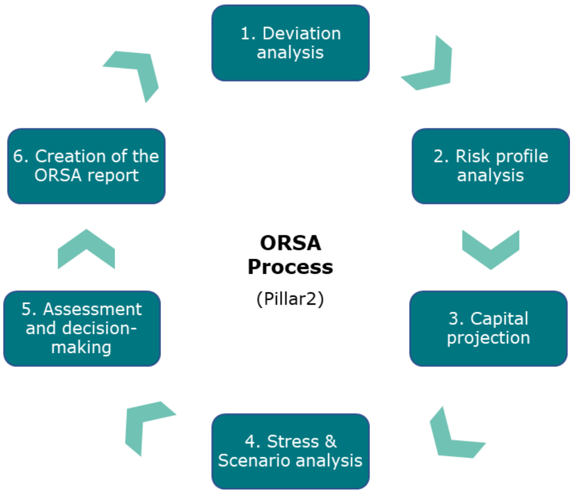
The ORSA process is established in accordance with the ORSA policy and must be performed at least once a year considering the latest Business forecast.
The risk profile must be up to date at the time the ORSA is carried out.
If the risk profile or in the business strategy changes significantly, an ad-hoc ORSA must carried out. The ad-hoc ORSA does not have to contain all the elements of the regular ORSA. The ad-hoc ORSA must reflect the significant changes in the risk profile and in the business forecast. The exact scope of an ad-hoc ORSA is determined by the Board. To assess whether a change in the risk profile is significant, the BoD or the Risk Management Function can initiate an assessment, where the final decision is with the BoD.
The ORSA is carried out at group level (SIH) to best reflect the nature of the Group structure and its risk profile. The Group ORSA is performed on a 3-year horizon timeframe to be aligned with the HOCHTIEF group forecasting and budgeting process. The Group ORSA report describes:

- each subsidiary of SG and alignment of individual strategies with the one established at group level.
- the ORSA results of each subsidiary and risks interdependencies within the Group.
- the sources and availability of own funds per entity and within the Group.

The underlying objectives of the ORSA are the following ones:

- to identify and assess the risks that SG may face over its 3-years business plan horizon following its business strategy.
- to determine the adequacy of its own funds.
- to ensure that overall solvency requirements are met.
- to ensure the technical provisions can be covered at any time.

The annual ORSA process performed by SG is depicted below:



1. Deviation Analysis

This first step consists in challenging the underlying assumptions of the Standard formula.

The starting point of the deviation analysis is the EIOPA-14-322 document enabling the application of Solvency II Pillar I. This document summarizes the underlying assumptions of the standard formula. These underlying assumptions are compared individually with the risk profile of Stonefort and checked for deviations from one another. In addition, it is necessary to examine whether there are further differences between the risk profile of Stonefort and the assumptions of the standard formula that are not listed in this document.

If the cumulative effect of the identified deviations leads to a significant underestimation of the risk assessed by the Standard formula, the standard formula is considered not suitable for quantifying the risk of the Company in the context of the ORSA process. In this case, measures must be taken to sufficiently cover that deviation and an adjusted ORSA model is applied. The results of the deviation analysis are discussed with the RC Committee and the BoD to decide on any potential measures.

2. Risk profile analysis

The current risk profile and overall Solvency need are determined based on the 1st Pillar results supplemented by the quantitative and/or qualitative assessment of the risks not or insufficiently considered in the standard formula.

The overall solvency needs correspond to the assessment of the capital needs and a description of other means needed to address all material risks irrespective of whether the risks are quantifiable or not.

3. Capital projection

The future capital needs, the Solvency ratio, and the minimum capital requirements are assessed as part of the ORSA process and aligned to the business forecast. Assumptions of the future development of important risks and the risk profile are documented in the ORSA report and reflected in the estimation of future capital needs. The projected solvency ratio and overall solvency needs is assessed against the risk appetite established by the BoD.

4. Stress and Scenario analysis

Sensitivity and stress test to analyses future risks should be performed. In these stress scenarios, modifications are made to key risk drivers to determine the sensitivity of capital requirements to adverse scenarios. Should the ORSA model differ from the standard formula, the scenario analysis should be performed under the standard formula and the adjusted ORSA model.

5. Assessment and decision-making

The results of the different stress scenarios are compared with the risk appetite and risk limits (Key risk indicators) to evaluate if any scenario would lead to a non-compliance with the risk appetite. In this case the management implements countermeasures to bring the risk back within appetite.
The actuarial function assesses the continuous compliance with technical provisions.

If the overall risk situation changes significantly, it is necessary to check whether an ad hoc ORSA is required. This changed risk situation should be considered when selecting the stress scenario for an ad hoc ORSA.

6. Creation of the ORSA report

Once the process and results have been approved by the BoD, the Risk Management Function consolidates the ORSA results of each Stonefort entity in a single ORSA report, the SG ORSA.
The ORSA report is established according to the structure above and shall include at least:

- ORSA qualitative and quantitative results and related conclusions.
- The methods and main assumptions used.
- A comparison between the overall solvency needs, the regulatory capital requirements, and the company’s own funds.
- Assessment on the adequacy and potential difference to the calculation assumption used to calculate the regulatory capital requirements.

No later than two weeks after the completion of the ORSA and its approval by the BoD, the ORSA report must be submitted to the CAA.

B.6. Compliance function

B.6.1 Positioning and structure of compliance function

The Compliance function operates at SIH level, with operational activities facilitated by SCM. The Chief Legal Officer (CLO) serves as the Key Function Holder and board member of SIH, contributing to Committees such as Audit, Risk & Compliance, and the Executive Committee.

B.6.2 Responsibilities and duties

The Compliance Function main role is to identify, prioritize, and define accountability to advise the management body regarding:

- the compliance with the regulatory framework,
- assess the regulatory framework and its changes to adapt the internal processes accordingly.
- Identify and assess the risks related to the regulatory framework.

The compliance function, as part of the second line of defence, is responsible for:

- Establishing and maintaining effective compliance risk management and control systems including an appropriate and up to date Governance related to its perimeter of action.
- Design and apply a second line of defence program to monitor and verify the appropriateness of the processes performed by the 1st line of defence.
- Providing support to the organization, advising the Executive Management on relevant laws, regulations, rules, standards, recommendations and practices in the marketplace with special focus on compliance activities,
- Collaborating with the internal and external auditors.
- Promoting high standard of business integrity and regulatory compliance of the Company, businesses and directors/employee and delivering appropriate training.

(*) The Compliance Risk is the risk of impairment of the Company's integrity. It is a failure (or perceived failure) to comply with the Company Code of Conduct and the applicable laws and regulations and standards which could damage the Company's reputation, lead to legal or regulatory sanctions and/or financial loss.
The scope is represented by laws and regulations the organization is required to comply with in all jurisdictions where business is conducted, directly or by means of intermediaries, as well as critical organizational and governance policies. It covers 4 main areas:

1) Financial services conduct related integrity risks
2) Personal conduct related integrity risks
3) Organizational conduct related integrity risks
4) Client and third-party related risks

The following regulations/risks are **not** part of the scope of the compliance:

Out of Scope risks	Responsible Function
Accounting practices and reporting	Accounting & Reporting
Social & Labour law	Human Resources
Actuarial compliance	Risk Management
Information Technology	IT
Credit and market risks	Risk Management
Tax compliance	Accounting & Reporting

The Compliance function gathers all information on compliance-related issues and liaises with internal stakeholders and external bodies in matters of compliance.

B.6.3 Compliance Policy

The compliance policy includes all measures, actions and options decided to limit risks to an acceptable level in pursue of SG business.

The document defines the fundamental principles, roles and responsibilities of the Compliance function within SG and subsidiaries as well as relationship with Executive Management, the Board, the business and operational functions.

- The Compliance Department may support, when needed, on non-compliance tasks, as long as a clear difference is made between the various roles as these do not create any conflicts of interest with compliance responsibilities.
- The compliance function has the right to start investigations at its own initiative, when deemed necessary. Incidents management is part of the compliance role.
- The compliance function can only issue advice and does not take any decision. Decision makers however should act in due consideration of the compliance advice.
- The compliance function shall have full and unrestricted access to any information at any time. All staff members of the compliance function must comply with confidentiality requirements.
- The compliance function is subject to review by Internal Audit.
- The Chief Compliance Officer has the authority to contact the external bodies or regulators directly.
- The Compliance Function has a direct access to the CEO and the Board of the company.

B.6.4 Compliance Monitoring Plan

The Compliance function is in charge to develop and update Compliance monitoring program. The plan takes into consideration the developments in the regulatory framework as well as the risk assessment provide the basis for the annual compliance plan and compliance's monitoring activities. The program includes:

- The identification of compliance risks;
- The risk assessment at inherent level and residual level including a quantitative and qualitative methodology;
- The Compliance Universe;
- The Compliance monitoring schedule.

The Compliance program is reviewed by the Board and reviewed on a yearly basis.

B.6.5 Anti-Money Laundering, Countering Financial Crime and International Sanctions

The compliance function is in charge to prevent money laundering, terrorism financing and international sanctions and restrictions or violations.

During the year 2023, no communications have been sent to the ministry of finance in relation to restrictive measures in financial matters, as no hit has been identified (i.e. no policyholder, director, beneficial owner, service provider, intermediary is targeted by restrictive measures adopted by Luxembourg and/or the EU and/or the UN).

B.6.6 Reporting

The compliance function reports on compliance matters, results and progress made on the relevant actions to the CEO, Board and the Audit, Risk and Compliance Committee (ARC). An annual reporting is provided to the Board.
The Compliance Function has a reporting line to HOCHTIEF AG Corporate Compliance.

B.6.7 Whistleblowing

The whistle-blowing system of HOCHTIEF (hotline and mail) is available and can be used by employees or third parties to draw attention to possible crimes or non-observance of the regulations, or code of conduct.
Due to the small size of the company in terms of headcount and for independence and impartiality matters, the case management is attributed to the Compliance department in Germany. The platform set up is designed to guarantee the employees' anonymity.

B.7. Internal Audit function

B.7.1 Positioning and structure of internal audit function

Internal Audit at Stonefort operates in alignment with recent strategic decisions. EY has been engaged to conduct Solvency II related internal audits, ensuring compliance with regulatory standards. This collaboration is overseen by the Internal Audit Coordinator to guarantee proper execution and implementation of resulting action plans.

Additionally, operational internal audits, encompassing areas such as HR and IT, remain under the purview of HOCHTIEF, SG's parent company. While these examples are illustrative, HOCHTIEF's expertise ensures comprehensive coverage across various operational facets.

The Board appointed non-executive directors as key function holders internal audit. This ensures the independence of the key function from persons exercising managerial functions that could affect the impartiality of the key function.

The outsourcing of the key function to Stonefort's shareholder removes a potential conflict of interest that may arise in situations in which an employee of the company itself carries out the internal audit function as it removes the internal audit function completely from any operational activity.

B.7.2 Responsibilities and duties

The Internal Audit function at Stonefort upholds its responsibility to provide independent and objective reviews of internal controls and risk management processes. With EY's specialized focus on Solvency II related audits, Stonefort ensures adherence to regulatory requirements, while HOCHTIEF's oversight extends to operational audits, reinforcing our commitment to robust governance practices.

The internal audit function monitors outsourced activities according to Circular Letter 22/16 on outsourcing.

B.7.3 Annual Audit plan

The Internal Audit function collaborates with EY to develop a comprehensive audit plan tailored to Solvency II requirements. Concurrently, HOCHTIEF oversees the planning and execution of internal audits to address critical operational areas. This coordinated approach ensures alignment with business priorities and regulatory obligations.

The 2023 3-year internal audit plans have been approved by the respective Board of STI and STRe.

B.7.4 Reporting

Following each audit cycle, Stonefort receives detailed reports highlighting key findings and recommendations from both EY-led Solvency II audits and HOCHTIEF's operational audits. These reports facilitate informed decision-making by providing insights into control weaknesses and areas for improvement across the organization.

B.8. Outsourcing

An Outsourcing Policy has been adopted by SG, defining the minimum requirements for outsourcing (re)insurance activities and functions to service providers. The Outsourcing Policy describes the principles, responsibilities, processes and reporting requirements to be adhered to during all stages of the outsourcing process, i.e. planning, implementation and termination (including contingency planning) of the relevant organisational measures. The Outsourcing Policy also regulates the contractual relationships between SG entities and its contractual partners (third parties).

On the basis of SG‘s Outsourcing Policy, each proposal must go through the subsequent processes or phases and comply with the respective principles:

- *Decision phase*: each outsourcing proposal requires a business plan from the business owner, a risk assessment as well as a due diligence of the service provider;
- *Implementation phase*: the outsourcing agreement must provide for sufficient access to data, disclosure of relevant issues, protection of confidential information and the provider’s cooperation with the CAA;
- *Operational phase*: the business owner must monitor the performance of the outsourced services or functions according to the agreed KPIs and take appropriate actions if needed;
- *Exit phase*: the business owner must ensure the proper in-sourcing of the services or functions before effective termination.

SG outsources critical (re)insurance activities and functions both within HOCHTIEF, and to external service providers. An indicator for important outsourcing is when a Group member outsources an essential part of its (re)insurance activities and functions to a service provider, and the respective Group member is no longer fully capable of delivering its services to stakeholders without the outsourced activity or function.

SG has high expectations and standards regarding service provision, irrespective of whether the services are provided by internal service providers (intra-Group outsourcing) or by external service providers outside HOCHTIEF.

The table below lists the most important outsourcing activities from the perspective of SG:

Activity	Critical	Intra-Group	Jurisdiction
Actuarial Services	Yes	No	Luxembourg
Internal Audit Key Function	Yes	Yes	Germany
Internal Audit Key Services	Yes	No	Luxembourg
Claims Handling Services	Yes	No	Norway
Claims Handling Services	Yes	No	Germany
Claims Handling Services	Yes	No	United Kingdom

Portfolio Management Services (Run-off)	Yes	No	Norway
Portfolio Management Services (Run-off)	Yes	No	Germany
Portfolio Management Services (Run-off)	Yes	No	United Kingdom

B.9. Any other information

SG has assessed its corporate governance system at the date of this report and concluded that it effectively provides a sound and prudent management of the business, and is proportionate to the nature, scale and complexity of the operations of the Company.

C. RISK PROFILE

This part presents the qualitative and quantitative information about the risk profile of SG. The risk profile and figures of SIH are derived from the ones from STI and STRe, but mainly driven by the ones from STRe. Since STI has ceded most of its risks to STRe, the risks underwritten by STI influence the risk profile of STRe.

The Solvency II ratio evolution between the year-end figures 2022 and 2023, for SIH, STRe and STI are presented in the Executive Summary. The breakdown of the Solvency Capital Requirement at year-end 2023 for SIH, STRe and STI respectively are given below:

Stonefort Insurance Holdings S.A. (in mEUR)		Stonefort Reinsurance S.A. (in mUSD)		Stonefort Insurance S.A. (in kEUR)	
SCR	180.12	SCR	196.25	SCR	16,639
Adj Differed taxes	-67.26	Adj Differed taxes	-65.21	Adj Differed taxes	
SCR Operational	9.93	SCR Operational	9.86	SCR Operational	2,628
Basic SCR	237.45	Basic SCR	251.59	Basic SCR	14,011
Market Risks	138.21	Market Risks	146.77	Market Risks	4,953
Interest Rate Risk	24.36	Interest Rate Risk	24.98	Interest Rate Risk	140
Equity Risk	72.27	Equity Risk	77.43	Equity Risk	1,495
Property Risk	0.00	Property Risk	0.00	Property Risk	1
Spread Risk	53.78	Spread Risk	58.74	Spread Risk	1,142
Concentration Risk	54.21	Concentration Risk	59.11	Concentration Risk	1,133
Currency Risk	17.54	Currency Risk	12.42	Currency Risk	3,457
Diversification Effect	-83.94	Diversification Effect	-85.91	Diversification Effect	-2,416
Default Risks	18.40	Default Risks	16.66	Default Risks	7,827
Type 1	11.71	Type 1	12.52	Type 1	4,253
Type 2	7.90	Type 2	5.07	Type 2	4,114
Underwriting Health	21.55	Underwriting Health	22.14	Underwriting Health	
Premium & Reserve	21.32	Premium & Reserve	21.88	Premium & Reserve	
Cat	0.88	Cat	0.98	Cat	
Slt	0.00	Slt	0.00	Slt	
Underwriting Non-Life	144.48	Underwriting Non-Life	154.94	Underwriting Non-Life	5,696
Premium & Reserve	107.02	Premium & Reserve	113.24	Premium & Reserve	5,491
Laspse	0.00	Laspse	0.00	Laspse	
Cat	73.93	Cat	81.16	Cat	671

The following sections go further in details for the different risk types.

C.1. Underwriting risk

SG takes a conservative approach to underwriting risk, prioritizing the financial security of the Company, adherence to regulatory requirements, and protection of its fronting companies as well as seeking appropriate retrocession with quality providers.

C.1.1 Overview of the exposure to underwriting risk

Underwriting Non-Life risks

Premium Risk is related to future claims, i.e. the risk that the gross premiums received are not sufficient to cover the expenses and losses (incurred and not yet incurred) for claims, or that the profitability will be less than expected.

Reserve Risk is the risk that the final value of claims paid is higher than the technical provisions.

Natural catastrophe risk arises from aggregation or accumulation of risks which may result in increased exposure to natural catastrophe losses (hurricanes, earthquakes or floods). Man-made catastrophe risk arises from the aggregation or accumulation of risks which may result in increased exposure to man-made catastrophe losses (terrorism, explosion, systemic financial losses, latent disease, or pandemic).

There is no lapse risk SCR calculated for SG (nor for its operating companies) as there is no tacit renewal of cover. There may be occurrences of insurance contracts being cancelled mid-term but the impact would be immaterial

For the premium and reserve risks SCR, a different shock is applied by segment-type defined under the Solvency II framework). For the natural catastrophe risks SCR, capital requirements are generally determined based on weighted sum insured and probable events risk factors established by the Standard Formula. For the man-made catastrophe risks SCR, capital requirements are calculated differently based on the mature of the underlying risk (liability, fire, credit and suretyship…).

For SIH and STRe, at FY23, the UW non-life risks SCR is the most important contributor to the BSCR. Although driven by the premium and reserve risks SCR, the catastrophe risk SCR is also quite significant (and mainly driven by the man-made catastrophe risks, but the natural catastrophe risks are not far behind). The premium and reserve risks SCR is principally due to the following lines of business: Casualty, General Liability, Fire and other damage to property.

For STI, at FY23, the UW non-life risks SCR is the second most important contributor to the BSCR and is mainly driven by the premium and reserve risks SCR (main LoB involved: Fire and other damage to property), the catastrophic risk SCR being lower. The strong reinsurance program with STRe limits the underwriting risks to which STI is exposed to, limiting the SCR corresponding to these UW risks accordingly. However, compared to FY22, this SCR has become more important than the markets risks SCR as the *net* technical provisions have increased due to the projection of all the future foreseeable costs until the estimated termination date (and this part of the technical provisions is not ceded at all).

Underwriting Health risks

For the UW health risks, the components that are calculated **for SIH and STRe** are the ones that are like the ones calculated for the non-life UW risks SCR module: the premium and reserve risks SCR and the catastrophic risks SCR. The health premium and reserve risks SCR is mainly driven by the line of business "*Workers' compensation insurance and proportional reinsurance"*. The health catastrophic risk SCR is quite limited.

For STI, there is no UW health risk SCR as the insurance company does not sell any health cover.

C.1.2 Risk concentration

Stonefort Insurance Holdings S.A.

For SIH, the total Non-Life premium volume is 178.2 mEUR and the total reserve volume is 228.3 mEUR. The table below shows the breakdown by segment at year-end 2023.

Stonefort Insurance Holdings S.A. (in mEUR)	Volume measure Premium Risk	Volume measure Reserve Risk
Insurance and proportional reinsurance		
Motor vehicle liability - S1 :	0.76	1.19
Other motor - S2 :		
Marine, aviation and transport - S3 :	5.33	5.21
Fire and other damage to property - S4 :	31.74	30.08
General liability - S5 :	52.85	102.64
Credit and suretyship - S6 :	7.48	12.23
Legal expenses - S7 :		
Assistance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :	2.88	2.17
Non-proportional casualty reinsurance		
Casualty - S10 :	72.81	69.36
Marine, aviation and transport - S11 :		
Property S12 :	4.32	5.45

For SIH, the total Health premium volume is 33.5 mEUR and the total reserve volume is 53.9 mEUR. The table below shows the breakdown by segment at year-end 2023.

Stonefort Insurance Holdings S.A. (in mEUR)	Volume measure Premium Risk	Volume measure Reserve Risk
Medical expense insurance and proportional reinsurance - S1 :		
Income protection insurance and proportional reinsurance - S2 :		
Workers' compensation insurance and proportional reinsurance - S3 :	30.99	50.01
Non-proportional health reinsurance - S4 :	2.49	3.84

The premium and reserve risk is sufficiently diversified. The premium and reserve risk SCR is:

- 144.5 mEUR for the non-life business, which represents 36% of the non-life exposure (premium and reserve), and
- 21.6 mEUR for the health business, which represents 25% of the health exposure (premium and reserve).

Stonefort Reinsurance S.A.

For STRe, the total Non-Life premium volume is 186.0 mUSD and the total reserve volume is 234.3 mUSD. The table below shows the breakdown by segment at year-end 2023.

Stonefort Reinsurance S.A. (in mUSD)	Volume measure Premium Risk	Volume measure Reserve Risk
Insurance and proportional reinsurance		
Motor vehicle liability - S1 :	0.84	1.32
Other motor - S2 :		
Marine, aviation and transport - S3 :	5.89	5.81
Fire and other damage to property - S4 :	33.84	30.36
General liability - S5 :	49.49	101.48
Credit and suretyship - S6 :	7.71	10.95
Legal expenses - S7 :		
Assistance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :	3.18	0.81
Non-proportional casualty reinsurance		
Casualty - S10 :	80.33	77.44
Marine, aviation and transport - S11 :		
Property S12 :	4.76	6.12

For STRe, the total Health premium volume is 36.9 mUSD and the total reserve volume is 53.4 mUSD. The table below shows the breakdown by segment at year-end 2023.

Stonefort Reinsurance S.A. (in mUSD)	Volume measure Premium Risk	Volume measure Reserve Risk
Medical expense insurance and proportional reinsurance - S1 :		
Income protection insurance and proportional reinsurance - S2 :		
Workers' compensation insurance and proportional reinsurance - S3 :	34.19	49.12
Non-proportional health reinsurance - S4 :	2.74	4.28

The premium and reserve risk is sufficiently diversified. The premium and reserve risk SCR is:

- 154.9 mUSD for the non-life business, which represents 37% of the non-life exposure (premium and reserve), and
- 22.1 mUSD for the health business, which represents 25% of the health exposure (premium and reserve).

Stonefort Insurance S.A.

For STI, the total Non-Life premium volume is 8,299 kEUR and the total reserve volume is 20,455 kEUR. The table below shows the breakdown by segment at year-end 2023.

Stonefort Insurance S.A. (in kEUR)	Volume measure Premium Risk	Volume measure Reserve Risk
Insurance and proportional reinsurance		
Motor vehicle liability - S1 :		
Other motor - S2 :		
Marine, aviation and transport - S3 :		
Fire and other damage to property - S4 :	6,263	12,246
General liability - S5 :	1,546	3,940
Credit and suretyship - S6 :	490	2,815
Legal expenses - S7 :		1,455
Assistance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :		

STI has not underwritten any Health risk (assimilated to non-life) in 2023.

The premium and reserve risk is sufficiently diversified. The premium and reserve risk SCR is 5,696 kEUR for the non-life business, which represents 20% of the non-life exposure (premium and reserve).

C.1.3 Risk mitigation

To ensure an optimal management of the underwriting risks, the following measures are taken:

- In the event of fundamental changes to its underwriting guidelines or, indeed, a desire to accept a new type of business, proposals are presented to the Board for discussion and approval.
- Management works closely with the actuarial department to ensure that technical reserves are maintained at a prudent level. North American casualty business is a challenging class of business where claims have a very long development period before they are fully incurred. It is therefore crucial that reserves are maintained at an appropriate level to be able to cover all potential deterioration over time.
- The adequacy of the technical reserves is reviewed regularly by external and/or internal actuaries.
- Mitigation of underwriting risk is also achieved by mean of a geographical diversification (see section A.2.1 above).
- SG also manages the underwriting risk arising from its operating entities by sharing some risks with the market: retrocession to reinsurers by mean of various reinsurance treaties (Nat Cat, Stop Loss…).

C.2. Market risk

The market risks are the possibility for the companies to be adversely affected by movements in the market value of its financial assets (and/or in the fair value of its liabilities), arising from financial market changes driven by credit spreads, interest rates, foreign exchange rates or other price risks.

C.2.1 Overview of the exposure to market risk

According to the standard formula, the components of market risks are:

- *Spread risk*: the potential loss of the assets' market value due to the spreads increase.

- *Currency risk*: the potential loss of the assets' market value arising from the change in the value of currency exchange rates.
- *Interest rate risk*: the potential loss arising from a drop of the assets' market value and/or from a raise of the technical provisions' fair value, due to a change in the interest rates levels (for SG: the risk is a raise of the interest rates);
- *Equity risk*: the potential loss of the assets' market value arising from lower equities and/or mutual funds prices.
- *Property risk*: the potential loss of the assets' market value due to changes in real estate prices.

For SIH and STRe, at FY23, the market risks SCR is the second most contributing component to the BSCR to the BSCR, mostly arising from SMAF exposures.

- The most important factor explaining the market risks SCR is the equity risk SCR.
- The second most important factor contributing to the market risks SCR is the concentration risk SCR, arising from excessive exposures to single name issuers.
- Other components are the spreads risks SCR, the currency risk SCR and the interest rates risk SCR. Both spreads and interest rates risks SCRs are due to the bonds exposures. The currency risk SCR arises from all investments that are emitted in foreign currency (*for example*: in the case of STRe others that domestic US dollars, the USD being the reporting currency as well).

For STI, at FY23, the market risks SCR is the third most important contributor to the BSCR, driven by the currency, the equity and concentration risks components.

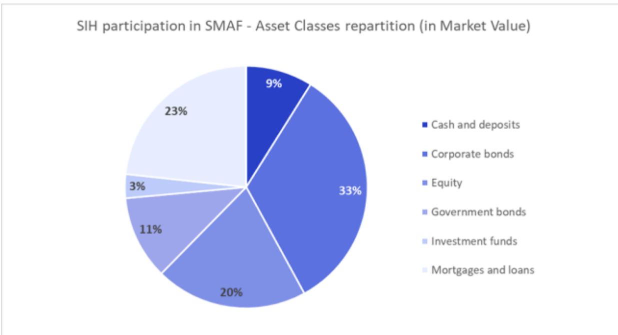
C.2.2 Risk concentration

In relation to the market risk concentration, SG holds and maintains a diversified investment portfolio in corporate bonds, governments bonds, securitized loans and mortgages, un-listed equities, mutual funds and short-term deposits. The assets diversification is illustrated below for SIH, STRe and STI.

Stonefort Insurance Holdings S.A.

The tables below give the proportions of the different categories of investments, in terms of economic value, for SIH's assets portfolio. The cheese graphic illustrates the lookthrough of the SMAF participation of SIH. This is where the market risks mostly arise.

Assets portfolio, in mEUR	Economic
Cash	**19.77**
Government Bonds	1.96
Corporate Bonds	0.00
Structured notes	0.00
Equities	0.00
Collective Investments	0.00
Holdings, including participations	**881.59**
Property	0.01
Loans and mortgages	0.00
Derivatives	0.00
Deposits	**79.16**
Total	***982.49***



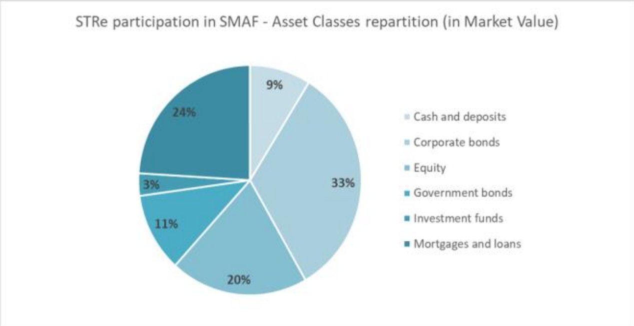
Considering the entire investments portfolio of SIH (direct lines and SMAF participation lookthrough), the company is exposed to the following market risks:

Stonefort Insurance Holdings S.A. (in mEUR)	
Market Risks	
Interest Rate Risk	24.36
Equity Risk	72.27
Property Risk	0.00
Spread Risk	53.78
Concentration Risk	54.21
Currency Risk	17.54
Diversification Effect	-83.94
Market risks SCR	138.21
Average Shock :	14.07%

Stonefort Reinsurance S.A.

The tables below give the proportions of the different categories of investments, in terms of economic value, for STRe's assets portfolio. The cheese graph illustrates the lookthrough of the SMAF participation of STRe. This is where the market risks mostly arise.

Assets portfolio, in mUSD	Economic
Cash	**8.72**
Government Bonds	0.00
Corporate Bonds	0.00
Structured notes	0.00
Equities	0.00
Collective Investments	0.00
Holdings, including participations	**959.41**
Property	0.00
Loans and mortgages	0.00
Derivatives	0.00
Deposits	**53.62**
Total	***1,021.75***



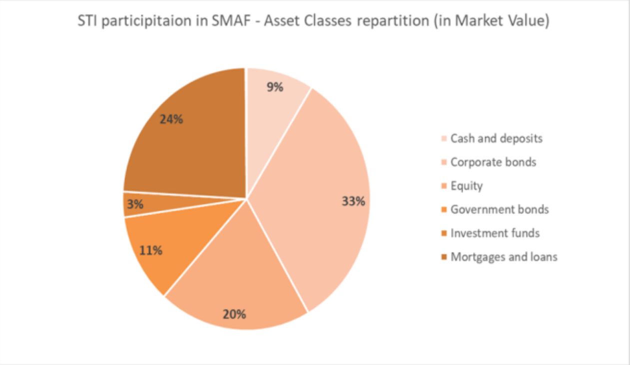
Considering the entire investments portfolio of STRe (direct lines and SMAF participation lookthrough), the company is exposed to the following market risks:

Stonefort Reinsurance S.A. (in mUSD)	
Market Risks	
Interest Rate Risk	24.98
Equity Risk	77.43
Property Risk	0.00
Spread Risk	58.74
Concentration Risk	59.11
Currency Risk	12.42
Diversification Effect	-85.91
Market risks SCR	146.77
Average Shock :	14.36%

Stonefort Insurance S.A.

The tables below give the proportions of the different categories of investments, in terms of economic value, for STI's assets portfolio. The cheese graph illustrates the lookthrough of the SMAF participation of STI. This is where the market risks mostly arise.

Assets portfolio, in kEUR	Economic
Cash	11,057
Government Bonds	1,962
Corporate Bonds	0
Structured notes	0
Equities	0
Collective Investments	0
Holdings, including participations	18,553
Property	4
Loans and mortgages	0
Derivatives	0
Deposits	26,555
Total	*58,131*



Considering the entire investments portfolio of STI (direct lines and SMAF participation lookthrough), the company is exposed to the following market risks:

Stonefort Insurance S.A. (in kEUR)	
Market Risks	
Interest Rate Risk	140
Equity Risk	1,495
Property Risk	1
Spread Risk	1,142
Concentration Risk	1,133
Currency Risk	3,457
Diversification Effect	-2,416
Market risks SCR	4,953
Average Shock :	8.53%

As year-end 2023, the net (assets-liabilities) position in GBP was quite high due to an important mismatch between the assets and the liabilities. Based on this, and as mentioned in the next paragraph, STI will put countermeasures in place. The situation has already improved again in Q1 2024.

C.2.3 Risk mitigation

All SG's assets, either through its participation in SMAF or through its direct investments, are held in accordance with the SG investment policy and comply with the 'prudent person' principle as defined in article 132 of the Directive 2009/138/EC.

The distribution of the credit ratings of investment portfolio (cf. QRT S.06.02 (list of assets)) shows that the portfolio is invested with issuers with credit quality step 1 or 2. This assessment is based on the second highest credit rating and a harmonized rating agencies scale.

For STI, as the major part of the business was underwritten in the United Kingdom, in GBP, and STI accounts being reported in EUR, STI is exposed to a currency risk. However, Stonefort Insurance S.A. manages its currency risk through asset liability management and in case the currency risk deteriorates, the company will implement countermeasures such as hedging to reduce the currency risk.

Regarding the investment portfolio, the market risks SCR could become even more important in case the equity value would increase or in case of interest rates decrease (higher market values of bonds).

Additionally, the sensitivity of the value of assets and financial instruments to changes in the term structure of inflation rates, or in the volatility of inflation rates, is not explicitly considered in a separate risk sub-module. The inflation risk is assumed implicitly in the calibration of the upward/downward interest rate shocks. The investment strategy requires mitigation of inflation risk via investments in index-linked bonds.

C.3. Counterparty-default risk

Counterparty default risk is the risk of losses arising from a debtor's failure to pay or a downgrade of their credit rating.

SG is exposed to default risk on both the asset and liability side of its balance sheet and its default risk is split into the two components below:

- Type 1 exposures include risk mitigating contracts like reinsurance arrangements, securitisations, derivatives, deposits with ceding institutions, cash at bank.
- Type 2 exposures include diversifiable and unrated exposures such as receivables from intermediaries, policyholder debtors etc. Type 2 exposures are classified under sub-categories "due for less than 3 months" and "due for more than 3 months", the second category being much more charged in capital.

The Counterparty default risk SCR is calculated based on the exposure types and on the rating of the counterparties (the higher rating, the lower default probability).

For STIH and STRe, at FY23, the most significant exposures are the cash at the bank (BNP Paribas) and the retrocession contract with Hannover Re where a deferred profit commission has been defined in the agreement.

For STI, at FY23, the counterparty default risk SCR is the most important contributor to the BSCR, due to the exposures:

- to the receivables from UK brokers and from the MGA DIAS (classified as Type 2 and overdue),
- to mostly one reinsurer : Stonefort Reinsurance (classified Type 1),
- to the main bank used by SG (BNP Paribas).

C.4. Liquidity risk

The liquidity risk is the risk that SG would not be able to meet its financial obligations to policyholders and other creditors when they become due and payable, at a reasonable cost and in a timely manner.

C.4.1 Overview of the risk exposure to liquidity risk

For SIH, STRe and STI, the liquidity risk is the risk of not being able to realize its investments and other assets to meet its financial commitments when they become due and payable.

Since the liquidity risk is not explicitly covered by the Standard Formula, this risk is continuously assessed as part of the company's Risk Management system and is integrated in the Risk Appetite Framework. Should a liquidity risk be detected, mitigation actions would be taken.

C.4.2 Risk concentration

No concentration of liquidity risks has been identified.

C.4.3 Risk mitigation

Mitigation measures are put in place across the company if a breach is identified. STRe and STI continually monitor their ability to meet cash outflows in all the scenarios. The excess liquidity must be positive in all analysed stress scenarios (including very extreme scenarios with panic effect or catastrophe). SMAF holds a portion of its investments in cash so that the cash available in SMAF constitutes a cash buffer for the Group.

C.5. Operational risk

The operational risk SCR is determined based on the Standard formula, so based on the level of premiums earned (gross of reinsurance) and on the Best Estimate of s technical provisions (gross of reinsurance).

This approach is not risk-based and has, therefore, its limitations. Operational risks not covered by a capital requirement (pillar 1), are covered in the pillar 2: the Risk Management System requires SG to appropriately assess and monitor these risks.

No concentration of operational risks has been identified.

Mitigation measures are put in place across SG to mitigate the operational risks and incidents.

C.6. Other material risks

Not all quantifiable risks have been explicitly included in the standard formula; furthermore, for some risks, it is generally assumed that the exposure is not sufficiently material and that, therefore, holding capital for them is not necessary.

Risks not covered in the pillar 1 capital requirement, are covered in the pillar 2. The Risk Management System requires SG to appropriately monitor and disclose these risks.

Reputational risk

Reputational risk is the risk that the trust placed on SG by stakeholders is compromised thus damaging the Stonefort brand. SG seeks to mitigate the potential for the occurrence of a reputational damaging event through its internal controls and Risk Management System. Additionally, SG has developed a Code of Conduct to which should bind all employees and business partners.

Strategic risk

Strategic risk is the risk that SG fails to achieve its corporate objectives. This may arise out of a change in prevailing market conditions, deficient or inappropriate resources, poor decision-making, or poor systems execution. SG manages such risks in the following way:

- Regular management meetings;
- Regular board meetings in which financial reports are presented and variances to plans and forecasts explained;

Risks not covered in the pillar 1 capital requirement, are covered in the pillar 2. The Risk Management System requires SG to appropriately monitor and disclose these risks in the risk profile.

Outsourcing risk

Outsourcing risk is the risk of not being fully capable of delivering the services to stakeholders without the outsourced activity or function.

Main outsourced activities are claims handling (mainly STI, although it changes with the run-off), actuarial calculations (IBNR review, SCR…) and IT activities (public clouds for data storage…).

SG is aware that the responsibility for the outsourced tasks remains with the Group and seeks to permanently control all outsourced processes.

SG has action plans in place to mitigate the major risks. The Risk Function ensures the active follow-up of these action plans.

C.7. Any other information relevant to the risk profile of Stonefort Group

There is no other information to be reported.

D. VALUATION FOR SOLVENCY PURPOSES

The Management of SG does not envisage any substantial change in its evaluation policy in the short to medium term. The only change expected to be done in the economic projections of technical provisions is to introduce an additional driver linked to the level of claims reserves / paid claims to allocate recurrent portfolio management expenses. This is primarily due a strive to align IFRS 17 and Solvency II valuation processes and due to the run-off of STI, for which the premium related driver will soon not be appropriate anymore.

For significant losses, the operating entities of SG work with accredited claims professionals to ensure that the quantum relating to loss advice is not subject to any non-rational assumptions on the part of an original insurer or claims handler. That is to say, the claims or technical reserves reflect a fair view of the ultimate anticipated claim payment. To date, the Management of SG has not noticed any problem or worrying trend in the evolution of its claim reserving within its operating entities.

In summary, the tables below compare the statutory consolidated balance sheet with the economic one evaluated according to the Solvency 2 technical specifications, as at 31 December 2023, for SIH, STRe and STI respectively.

In general, Solvency II valuation requires a market consistent approach to the valuation of assets and liabilities.

Stonefort Insurance Holdings S.A. (in mEUR)

Assets	Statutory	Economic	Liabilities	Statutory	Economic
Investments	807.04	962.63	Eligible Own Funds	280.56	607.76
Reinsurance Recoverables	82.84	47.41	Technical Provisions	648.71	349.30
Receivables	42.30	75.92	Debt (payables)	20.19	20.19
Cash & Equivalent	19.78	19.78	Provision for taxation	6.37	126.86
Prepaid and Accrued Income	8.41	0.38	Regularisation Account	3.89	0.53
Other assets	8.12	0.00	Other liabilities	8.77	1.46
Total	*968.50*	*1,106.11*	*Total*	*968.50*	*1,106.11*

Stonefort Reinsurance S.A. (in mUSD)

Assets	Statutory	Economic	Liabilities	Statutory	Economic
Investments	841.94	1,013.00	Eligible Own Funds	287.00	659.42
Reinsurance Recoverables	88.78	53.81	Technical Provisions	675.86	347.60
Receivables	39.51	76.59	Debt (payables)	13.05	13.05
Cash & Equivalent	8.72	8.72	Provision for taxation	6.76	130.50
Prepaid and Accrued Income	8.35	0.17	Regularisation Account	3.83	0.12
Other assets	8.87	0.00	Other liabilities	9.68	1.61
Total	*996.17*	*1,152.29*	*Total*	*996.17*	*1,152.29*

Stonefort Insurance S.A. (in kEUR)

Assets	Statutory	Economic	Liabilities	Statutory	Economic
Investments	47,020	47,020	Eligible Own Funds	20,629	25,044
Reinsurance Recoverables	94,654	60,103	Technical Provisions	128,368	88,696
Receivables	8,999	8,999	Debt (payables)	12,962	12,962
Cash & Equivalent	11,060	11,060	Provision for taxation	244	244
Prepaid and Accrued Income	5,027	297	Regularisation Account	4,642	533
Other assets	8,124	0	Other liabilities	8,039	0
Total	*174,884*	*127,478*	*Total*	*174,884*	*127,478*

The following chapters will describe the different components in more details.

D.1. Assets

D.1.1 Investments and cash & equivalent

The market valuation of the assets (equities, government bonds and corporate bonds) is done by the financial department. The assets are split by type (Fixed Income, Equities, Participations, Real Estate and cash).

The tables below give the comparison between the statutory value and the economic value for SIH, STRe and STI respectively. The column "Economic" gives the value considered to calculate the market risks SCR.

Assets portfolio, in mEUR	Statutory	Economic
Cash and deposits	98.87	98.87
Bonds	2.03	2.03
Equities	0.00	0.00
Participation	726.00	881.59
Properties	0.01	0.01
Total	*826.91*	*982.49*

Assets portfolio, in mUSD	Statutory	Economic
Cash and deposits	62.31	62.31
Bonds	0.03	0.03
Equities	0.00	0.00
Participation	788.35	959.41
Properties	0.00	0.00
Total	*850.70*	*1,021.75*

Assets portfolio, in kEUR	Statutory	Economic
Cash and deposits	37,579	37,579
Bonds	1,996	1,996
Equities	0	0
Participation	18,553	18,553
Properties	4	4
Total	*58,131*	*58,131*

The total figures correspond to the sum of the balance sheet's items "Investments" and "Cash & Equivalent" shown in the tables of the introductory section D above.

For SIH and STRe, the differences between the statutory and the economic values of the assets portfolio are at the level of the SMAF participation. Statutory values are the book value according to Lux-GAAP valuation standard, while Solvency II values are at Market Value. As the Market Value of the participation is higher than the Book Value, unrealized profits are recognized under Solvency II.

For STI, the assets portfolio is evaluated the same way under Lux-GAAP and Solvency II accounting rules as the STI participation in SMAF has a market value lower than its book value.

D.1.2 Reinsurance recoverables and receivables

The reinsurance recoverables are the second largest asset class in the balance sheets of SIH and STRe after the investments. It is even the largest one for STI. In addition to the reinsurance programs and to the retrocession agreements impacting the reinsurance recoverables, some other receivables are recognized (in statutory and economic accounts), including some profit-sharing arrangements on reinsurance under Solvency II, while off balance sheet under Lux-GAAP accounts. For SIH and STRe, the impact on the Solvency II counterparty default risk is limited as the counterparties are well rated. On STI, the impact on these receivables is predominant, as explained in section C.

The reinsurance recoverables are the part of the reinsurers in the technical provisions. Under Solvency II, they are evaluated based on the fair value of the corresponding Technical Provisions.

The receivables for STI are equivalent under Lux-GAAP (statutory figures) and Solvency II (economic figures). For SIH and STRe, the difference is the recognition of an off-balance sheet profit commission under Solvency II.

D.1.3 Others

The ”Prepaid and Accrued Income” item contains the Deferred Acquisition Costs (DAC) under Lux-GAAP, but these DAC are removed (valued at 0) under Solvency II, as they are part of the projected BE of Premium technical provisions.

The “other assets” item contains the subrogations and salvages under Lux-GAAP, whereas these are netted from the economic value of the Claims technical provisions (liabilities) under Solvency II.

D.2. Liabilities

D.2.1 Best Estimate of Technical Provisions

The valuation of premium and claims provisions referred below are valued as at 31 December 2023. These estimates use amongst other the IBN(Y/E)R assessment carried out in the context of regulatory reserving. The Head of Actuary considers these estimates as being necessary and at a sufficient level.

To be compliant with Solvency II, we have discounted the cash-flows projected for the outstanding claims and IBNR reserves (excluding regulatory required additional reserving prudency) on one hand, and those projected in relation to future premiums.

For STI, these projected cash-flows do contain all the future costs expected to be supported by the company over the remaining lifetime of the (current and future) claims portfolio, i.e. over the expected claims payment period, ending in 2030. Indeed, in the course of 2023, the Board of Directors decided to stop renewing delegated underwriting authority agreements with third party business partners and to stop the underwriting directly (through the UK Branch). Most of the accounts had already been put in run-off in 2022 and before. Following this decision, the Best Estimate of Technical Provisions does contain, since year-end 2023, all the expected future costs (administrative expenses, investment management expenses and claims management expenses) that STI will have to support over the period 2024-2030, with 2030 corresponding to the last claims cash-flow projected with the updated claims payment pattern.

Since some STRe and STI accounts do not have payment triangles to determine the payment pattern, certain expert judgment assumptions had to be made when those statistics were too restricted.

The valuation of provisions for the reinsurer under Solvency II is the result on one hand of the review of the best estimate level and on the other hand of discounting of the cash flows.

The tables below give a comparison between the Best Estimate undiscounted and the economic value with the discounting effect for SIH, STRe and STI respectively.

Stonefort Insurance Holdings S.A. (in mEUR)

Technical Provision Gross	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	370.49	2.62	58.18	*431.28*
Best Estimate - Economic Undisc	351.61	2.00	24.30	*377.91*
Best Estimate - Economic Disc	319.52	1.95	9.40	*330.87*

Technical Provision, Reinsured part	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	-59.90	0.00	-12.27	*-72.17*
Best Estimate - Economic Undisc	-42.64	0.00	-10.12	*-52.76*
Best Estimate - Economic Disc	-39.37	0.00	-8.16	*-47.53*
Best Estimate - Economic Disc Adj	-39.29	0.00	-8.11	*-47.41*

Technical Provision Net	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	310.59	2.62	45.91	*359.11*
Best Estimate - Economic Undisc	308.96	2.00	14.19	*325.15*
Best Estimate - Economic Disc	280.14	1.95	1.24	*283.34*
Best Estimate - Economic Disc Adj	280.22	1.95	1.29	*283.46*

Stonefort Reinsurance S.A. (in mUSD)

Technical Provision Gross	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	383.92	0.00	52.84	*436.76*
Best Estimate - Economic Undisc	362.00	0.00	8.55	*370.55*
Best Estimate - Economic Disc	332.91	0.00	-4.26	*328.65*

Technical Provision, Reinsured part	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	-64.43	0.00	-12.57	*-77.00*
Best Estimate - Economic Undisc	-49.48	0.00	-10.50	*-59.98*
Best Estimate - Economic Disc	-46.37	0.00	-9.07	*-55.44*
Best Estimate - Economic Disc Adj	-45.21	0.00	-8.61	*-53.81*

Technical Provision Net	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	319.49	0.00	40.27	*359.76*
Best Estimate - Economic Undisc	312.52	0.00	-1.95	*310.57*
Best Estimate - Economic Disc	286.54	0.00	-13.33	*273.20*
Best Estimate - Economic Disc Adj	287.70	0.00	-12.87	*274.83*

Stonefort Insurance S.A. (in kEUR)

Technical Provision Gross	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	89,411	2,620	23,483	115,514
Best Estimate - Economic Undisc	70,473	1,999	19,570	92,042
Best Estimate - Economic Disc	68,002	1,953	17,648	87,603

Technical Provision, Reinsured part	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	-68,426	0	-14,080	-82,506
Best Estimate - Economic Undisc	-51,171	0	-11,746	-62,918
Best Estimate - Economic Disc	-49,523	0	-10,615	-60,138
Best Estimate - Economic Disc Adj	-49,500	0	-10,602	-60,103

Technical Provision Net	Claim Prov	Bonus Prov	Prem Prov	*Tot*
Technical Provision - Statutory	20,985	2,620	9,403	33,008
Best Estimate - Economic Undisc	19,301	1,999	7,824	29,124
Best Estimate - Economic Disc	18,479	1,953	7,033	27,466
Best Estimate - Economic Disc Adj	18,502	1,953	7,046	27,501

D.2.2 Risk Margin

The risk margin is a part of technical provisions to ensure that the value of technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require to take over and meet the insurance and reinsurance obligations.

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof.

It is evaluated as follows:

$$RM = CoC * \sum_{t \geq 0} \frac{SCR(t)}{(1 + r(t+1))^{t+1}}$$

With CoC the rate of Cost-of-Capital, $SCR(t)$ the SCR after t years and $r(t+1)$ the interest rate with maturity $(t+1)$.

We have calculated the marginal risk assuming that:

- For the underwriting SCR, the Premium and Cat risks are considered only for the next 12 months; we approximate the underwriting reserve SCR for future years by using a proportional approach based on the development of the net best estimate.
- For the Default risk, we only consider the reinsurance default risk and we approximate the Default SCR for future years by using a proportional approach based on the development of the ceded best estimate.
- We approximate the Operational SCR for future years by using a proportional approach based on the development of the gross best estimate.

D.2.3 Total Technical Provisions

For SIH, STRe and STI respectively, the tables below give a comparison between the statutory claims and premium provisions and the economic values including the discounting effect. The difference is due to four effects:

- cash-flows discounting.
- use of future loss or benefits on the future premium, included in the contract boundaries;
- factor adjustment for the default risk of counterparties;
- risk margin.

Stonefort Insurance Holdings S.A. (in mEUR)				
	Economic	Statutory	%	Delta
BE Claims Net	282.17	313.21	-9.9%	-31.04
BE Premium Net	1.29	45.91	-97.2%	-44.62
BE Net	283.46	359.11	-21.1%	-75.66
BE Claims Ceded	39.29	59.90	-34.4%	-20.60
BE Premium Ceded	8.11	12.27	-33.9%	-4.16
BE Ceded	47.41	72.17	-34.3%	-24.76
BE Claims Gross	321.47	373.11	-13.8%	-51.64
BE Premium Gross	9.40	58.18	-83.8%	-48.78
BE Gross	330.87	431.28	-23.3%	-100.42
Risk Margin	18.43	0.00	0.00	18.43
Equalization Reserve	0.00	201.27	0.00	-201.27
Technical Provision Gross	349.30	632.56	-44.8%	-283.26

Stonefort Reinsurance S.A. (in mUSD)				
	Economic	Statutory	%	Delta
BE Claims Net	287.70	319.49	-10.0%	-31.79
BE Premium Net	-12.87	40.27	-131.9%	-53.14
BE Net	274.83	359.76	-23.6%	-84.93
BE Claims Ceded	45.21	64.43	-29.8%	-19.22
BE Premium Ceded	8.61	12.57	-31.5%	-3.96
BE Ceded	53.81	77.00	-30.1%	-23.19
BE Claims Gross	332.91	383.92	-13.3%	-51.02
BE Premium Gross	-4.26	52.84	-108.1%	-57.10
BE Gross	328.65	436.76	-24.8%	-108.12
Risk Margin	18.95	0.00	0.00	18.95
Equalization Reserve	0.00	222.04	0.00	-222.04
Technical Provision Gross	347.60	658.81	-47.2%	-311.21

Stonefort Insurance S.A. (in kEUR)				
	Economic	Statutory	%	Delta
BE Claims Net	20,455	23,605	-13.3%	-3,150
BE Premium Net	7,046	9,403	-25.1%	-2,357
BE Net	27,501	33,008	-16.7%	-5,507
BE Claims Ceded	49,500	68,426	-27.7%	-18,926
BE Premium Ceded	10,602	14,080	-24.7%	-3,477
BE Ceded	60,103	82,506	-27.2%	-22,404
BE Claims Gross	69,955	92,031	-24.0%	-22,076
BE Premium Gross	17,648	23,483	0.0%	-5,835
BE Gross	87,603	115,514	-24.2%	-27,911
Risk Margin	1,093	0	0.0%	1,093
Equalization Reserve	0	0	0.0%	0
Technical Provision Gross	88,696	115,514	-23.2%	-26,818

The Solvency II technical provisions are the sum of:

- The discounted Best Estimate Liabilities that correspond to the probability-weighted average of future cash-flows, taking account the time value of money (expected present value).
- A Risk Margin that is the present value of the cost of holding capital for non-wedgeable risk.

Details on the methodologies and assumptions, including on the contract boundaries, used to compute the technical provisions and the reinsurance recoverable are presented in the Actuarial Function Holder reports of STRe and STI.

A 10% increase of the technical provisions has occurred between year-end 2022 and year-end 2023, while maintaining closely the ratio of Lux-GAAP reserves over technical provisions overall. This demonstrate stability in the technical provisions under Solvency II as compared to statutory reserves, with a relative growth being only a third of the net premium one in 2023.

Matching adjustment

SG does not use the matching adjustment referred to the article 77 of the Directive 2009/138/EC.

Volatility adjustment

SG does not use the volatility adjustment referred to the article 77 of the Directive 2009/138/EC.

Transitional risk-free interest rates

SG does not use the transitional risk-free interest rate-term structure as referred in the article 308 c of the Directive 2009/138/EC.

Transitional deduction

SG does not use the transitional deduction referred to the article 308 d of Directive 2009/138/EC.

D.2.4 Others

The ”Debt (Payables)” item is valuated the same way under Lux-GAAP and Solvency II accounting rules.

The “Provision for taxation” item is the provision for deferred taxes, wealth taxation and other local tax-related provisions. Regarding the deferred taxes liabilities (DTL), the Solvency II value is evaluated by applying the tax rate of 24.94% to the delta (*economic versus statutory* values) in investments, in other assets, in net technical provisions and in the equalization provision (where relevant), i.e. to the Solvency II created value (future profits) or the *reconciliation reserve*. For SIH and STRe, this DTL represents the biggest part of the provision for taxation under Solvency II. For STI, there is no such DTL as at FY23 as the company does not foresee to make future profits from a Solvency II’s balance sheet point of view.

The “Regularisation Account” item is mainly about the DAC outwards, which are zeroed under Solvency II, given they are integrated in the projected BE Premium technical provisions.

The “other liabilities” item contains the subrogations and salvages under Lux-GAAP, whereas these are netted from the economic value of the technical provisions (assets, *part of the reinsurers in the TP*) under Solvency II.

D.3. Alternative methods for valuation

SG does not use alternative valuation methods as described in article 263 of delegated acts regulation.

In addition, SG does not value its assets nor its liabilities based on the valuation methods that it uses to prepare its financial statements in accordance with article 9, paragraph 4.

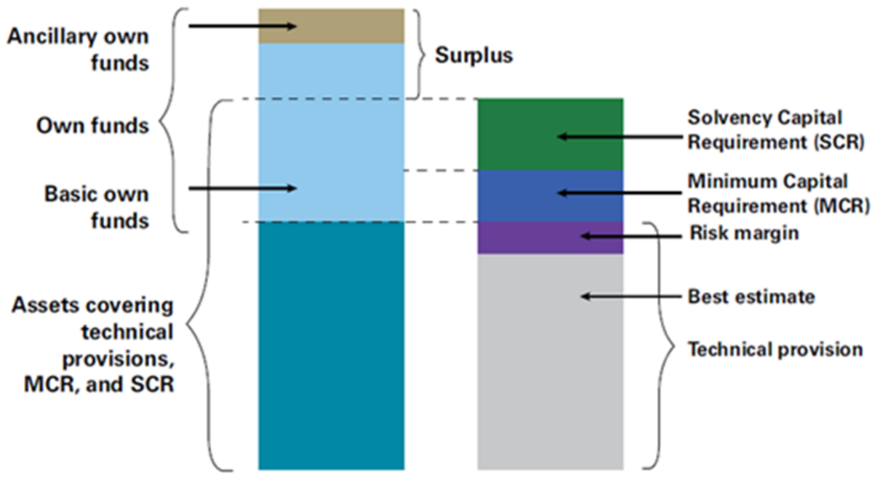
D.4. Any other information

No other information needs to be added to the information described in this section D.

E. CAPITAL MANAGEMENT

E.1. Own Funds

The Solvency II balance sheet of SG's operational entities can be represented as follows:



The Basic Own Funds are the excess of assets over liabilities (including subordinated liabilities).

The Ancillary Own Funds are off-balance sheet items such as unpaid share capital, letters of credit and guarantees.

The Own Funds consist of both the Basic own funds and the ancillary own funds and are classified according to their capacity to absorb losses:

- Tier 1 funds are permanently available to fully absorb losses in case of winding up and on a going concern basis.
- Tier 2 funds absorb losses in the case of a winding-up of the undertaking.
- Tier 3 funds are own funds which do not have the characteristics of the first two tiers.

At 31 December 2023, 100% of the Own funds are classified as unrestricted Tier 1 for SIH, STRe and STI. Additionally, there is no foreseeable dividends, distributions or charges known and therefore considered in the Eligble Own Funds (EOF figures).

The statutory capital of SIH, STRe and STI amounts respectively to 280.6 mEUR, 287.0 mUSD and 20,629 kEUR and the EOF to 607.8 mEUR, 659.4 mUSD and 25,044 kEUR, meaning that, for STH, STRe and STI respectively, the Solvency II added value, coming from discounted future profits, is equal to 327.2 mEUR, 372.4 mUSD and 4,415 kEUR.

No significant change in Own Funds must be mentioned between year-end 2022 and year-end 2023.

At SIH level, the Own Funds have been calculated net of any intra-group transactions.

E.2. Solvency Capital Requirement

The tables presenting the breakdown of the Solvency Capital Requirement by risk module at year-end 2023 are given at the section C.

E.3. Minimum Capital Requirement

The tables below give the MCR at year-end 2023 for SIH, STRe and STI respectively.

Stonefort Insurance Holdings S.A. (in mEUR)	
MCR	57.85
Cap of 45% SCR	81.05
Floor of 25% SCR	45.03
MCR linear	57.85
MCR Min Absolute	3.90

Stonefort Reinsurance S.A. (in mUSD)	
MCR	58.91
Cap of 45% SCR	88.31
Floor of 25% SCR	49.06
MCR linear	58.91
MCR Min Absolute	4.24

Stonefort Insurance S.A. (in kEUR)	
MCR	4,000
Cap of 45% SCR	7,488
Floor of 25% SCR	4,160
MCR linear	3,801
MCR Min Absolute	4,000

E.4. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

SG has not opted to use the duration-based equity risk sub-module of the Solvency II regulations.

E.5. Differences between the standard formula and any internal model used

SG's solvency is governed by the standard formula, rather than an internal model. The Board believes that this enhances transparency and consistent interpretation.

E.6. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

SG has not reported any breach in the Minimum Capital Requirement or any non-compliance issues with the Solvency Capital Requirement during the reporting period.

E.7. Any other information

There is no additional information to mention.

F. APPENDIX

F.1. Glossary of Terms

BE - Best Estimate: corresponds to the best estimate of insurance liabilities as calculated in accordance with Solvency II principles.

Board – means Board of Directors

CAA – **Commissariat aux Assurances**: the Luxembourg Insurance Supervisor

EIOPA – European Insurance and Occupational Pensions Authority

IBNR – Incurred But Not yet Reported: an estimate of the liability for claim-generating events that have taken place but have not yet been reported to the insurer. The sum of IBNR losses plus incurred losses provides an estimate of the total eventual liabilities for losses during a given period.

MCR – **Minimum Capital Requirement**: the Minimum Capital Requirement should ensure a minimum level below which the amount of financial resources should not fall. It is calculated in accordance with a simple formula which is subject to a defined floor and cap and is based on the risk-based Solvency Capital Requirement.

ORSA – Own Risk and Solvency Assessment: refers to the processes and procedures for identifying, measuring, monitoring, managing and reporting all of an insurance undertaking's short and long term risks and determining the overall solvency requirements to cover them over the company's Business Plan period. ORSA is a risk assessment tool used for strategic planning purposes. A key deliverable from the process is a comprehensive quantitative and qualitative assessment of the (re)insurance undertaking's own risks. The ORSA report is submitted to the Board for approval.

SCM – Stonefort Captive Management S.A.

SCR – **Solvency Capital Requirement**: level of eligible own funds that enables a (re)insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and counterparties that payments will be made if liabilities arise. The Solvency Capital Requirement is the economic capital to be held by insurance and reinsurance undertakings to ensure that financial ruin occurs no more often than once every 200 years. The SCR is calculated using either the standard formula or an approved internal model.

SG – Stonefort Group, being Stonefort Insurance Holdings S.A. and its insurance and reinsurance subsidiaries.

SII - Solvency II: a set of European rules applicable to European insurance undertakings whose objective is to ensure that (re)insurance undertakings have sufficient capital to cover the risks to which they are exposed.

SMAF – Steinfort Multi-Asset Fund SICAV-SIF S.A.

SIH – Stonefort Insurance Holdings S.A.

Standard formula: a risk-based mathematical formula used by (re)insurers to calculate their Solvency Capital Requirement under Solvency II. The standard formula is intended for use by most European (re)insurers, although some choose to develop an internal model.

STI – Stonefort Insurance S.A.

STRe – Stonefort Reinsurance S.A.

QRT - Quantitative reporting templates: quarterly and annual templates required to be submitted under Solvency II regulatory reporting.

F.2. Quantitative Reporting Templates

F.2.1 Stonefort Insurance Holdings S.A.

The figures in the QRTs below are in EUR.

S.02.01.02.01

Balance sheet

		Solvency II
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	5,079
Investments (other than assets held for index-linked and unit-linked	R0070	936,799,550
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	881,585,810
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	1,962,230
Government Bonds	R0140	1,962,230
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	53,251,510
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	47,407,712
Non-life and health similar to non-life	R0280	47,407,712
Non-life excluding health	R0290	50,733,401
Health similar to non-life	R0300	- 3,325,689
Life and health similar to life, excluding health and index-linked and unit-	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	25,911,341
Insurance and intermediaries receivables	R0360	26,350,628
Reinsurance receivables	R0370	39,968,283
Receivables (trade, not insurance)	R0380	9,596,417
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not	R0400	-
Cash and cash equivalents	R0410	19,774,135
Any other assets, not elsewhere shown	R0420	294,474
Total assets	**R0500**	1,106,107,619
Liabilities		
Technical provisions – non-life	R0510	349,299,460
Technical provisions – non-life (excluding health)	R0520	303,000,409
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	286,537,638
Risk margin	R0550	16,462,771
Technical provisions - health (similar to non-life)	R0560	46,299,050
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	44,328,923
Risk margin	R0590	1,970,127
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	6,370,133
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	1,462,759
Deferred tax liabilities	R0780	120,488,992
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	5,371,978
Reinsurance payables	R0830	6,803,298
Payables (trade, not insurance)	R0840	8,013,699
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	532,859
Total liabilities	**R0900**	498,343,178
Excess of assets over liabilities	**R1000**	607,764,441

S.05.01.02.01

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	-	-	-	-	-	-	21,694,867	13,742,337	1,347,032	-	-	-	-	-	-	-	36,784,235
Gross - Proportional reinsurance accepted	R0120	-	-	33,469,584	783,634	-	4,597,149	21,404,251	46,263,355	46,226	-	-	1,387,424	-	-	-	-	107,951,622
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-	-	-	-	-	-	-	1,377,791	53,342,273	-	3,585,761	58,305,826
Reinsurers' share	R0140	-	-	2,277,147	23,720	-	456	14,118,917	7,208,594	700,504	-	-	464,712	-	-	-	-	24,794,051
Net	R0200	-	-	31,192,436	759,914	-	4,596,693	28,980,200	52,797,098	692,753	-	-	922,712	1,377,791	53,342,273	-	3,585,761	178,247,632
Premiums earned																		
Gross - Direct Business	R0210	-	-	-	-	-	-	18,848,876	13,327,812	8,515,750	-	-	15	-	-	-	-	40,692,453
Gross - Proportional reinsurance accepted	R0220	-	-	33,469,584	783,634	-	4,323,984	16,928,688	46,127,646	1,314,589	-	-	1,182,948	-	-	-	-	104,131,073
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-	-	-	-	-	-	-	1,297,541	47,052,385	-	3,557,598	51,907,524
Reinsurers' share	R0240	-	-	2,475,287	25,853	-	2,723	13,183,561	7,008,743	3,883,246	-	-	394,764	-	123,613	-	- 0	27,097,789
Net	R0300	-	-	30,994,297	757,781	-	4,321,261	22,594,003	52,446,715	5,947,093	-	-	788,200	1,297,541	46,928,772	-	3,557,598	169,633,261
Claims incurred																		
Gross - Direct Business	R0310	-	-	-	-	-	-	4,086,186	18,367,291	21,130,634	-	-	157,798	-	-	-	-	43,741,908
Gross - Proportional reinsurance accepted	R0320	-	-	12,446,601	744,705	-	3,476,699	13,876,698	28,771,207	298,114	-	-	224,228	-	-	-	-	59,838,251
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-	-	-	-	-	-	-	1,315,018	28,993,244	-	3,953,960	34,262,222
Reinsurers' share	R0340	-	-	-	-	-	2,521	2,515,173	3,938,873	17,638,550	-	-	216,667	-	- 53,088	-	- 318,699	23,939,997
Net	R0400	-	-	12,446,601	744,705	-	3,474,178	15,447,710	43,199,625	3,790,198	-	-	165,359	1,315,018	29,046,332	-	4,272,659	113,902,385
Expenses incurred	R0550	-	-	11,002,128	165,475	-	1,077,169	5,615,829	13,841,011	4,227,912	-	-	403,889	232,464	7,381,517	-	716,567	44,663,960
Balance - other technical expenses/income	R1200																	
Total technical expenses	R1300																	44,663,960

S.05.02.01.01

Home Country - non-life obligations

		Home country
		C0080
Premiums written		
Gross - Direct Business	R0110	33,567,007
Gross - Proportional reinsurance accepted	R0120	46,226
Gross - Non-proportional reinsurance accepted	R0130	1,466,342
Reinsurers' share	R0140	17,077,398
Net	R0200	18,002,177
Premiums earned		-
Gross - Direct Business	R0210	37,947,805
Gross - Proportional reinsurance accepted	R0220	1,314,589
Gross - Non-proportional reinsurance accepted	R0230	1,466,342
Reinsurers' share	R0240	19,689,353
Net	R0300	21,039,383
Claims incurred		-
Gross - Direct Business	R0310	43,100,939
Gross - Proportional reinsurance accepted	R0320	298,114
Gross - Non-proportional reinsurance accepted	R0330	988,556
Reinsurers' share	R0340	23,786,973
Net	R0400	20,600,636
Changes in other technical provisions		-
Gross - Direct Business	R0410	105,060
Gross - Proportional reinsurance accepted	R0420	-
Gross - Non-proportional reinsurance accepted	R0430	-
Reinsurers' share	R0440	1,032,984
Net	R0500	- 927,924
Expenses incurred	R0550	44,663,960
Other expenses	R1200	
Total expenses	R1300	

S.05.02.01.02

Top 5 countries (by amount of gross premiums written) - non-life obligations

Country	R0010	UNITED STATES	GERMANY	UNITED KINGDOM (GIBR	UNITED KINGDOM	IRELAND
		Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums
		C0090	C0090	C0090	C0090	C0090
			232,209.67		2,985,018.31	
		87,687,202.40	13,134,710.67	1,387,424.43		5,678,085.03
		54,718,446				
		4,744,057	74,339	464,711	2,433,546	
		137,661,591	13,292,582	922,713	551,473	5,678,085
			232,210		2,512,439	
		84,742,337	12,390,931	1,182,948		4,482,978
		48,325,463				
		4,871,583	80,817	394,764	2,061,726	
		128,196,217	12,542,324	788,185	450,712	4,482,978
			191,313		449,657	
		46,543,261	9,941,570	224,228		2,828,686
		29,925,174				
		14,842	161,128	59,182	304,502	
		76,453,593	9,971,755	165,046	145,155	2,828,686
		744,866				
		744,866				

S.05.02.01.03

Total Top 5 and home country - non-life obligations

Total Top 5 and home country
C0140
36,784,235
107,933,648
56,184,788
24,794,051
176,108,620
-
40,692,453
104,113,784
49,791,805
27,098,243
167,499,799
-
43,741,908
59,835,859
30,913,731
24,326,626
110,164,871
-
105,060
744,866
-
1,032,984
- 183,058
44,663,960
-
44,663,960

S.23.01.22.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	R0010	100,000,000	100,000,000			
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020					
Share premium account related to ordinary share capital	R0030	156,611,000	156,611,000			
Initial 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 to be deducted at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds to be deducted at group level	R0080					
Preference shares	R0090					
Non-available preference shares to be dedcuted 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	351,153,441	351,153,441			
Subordinated liabilities	R0140					
Non-available subordinated liabilities to be deducted at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests	R0200					
Non-available minority interests to be deducted 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 via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260					
Total of non-available own fund items to be deducted	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	607,764,441	607,764,441			
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					
Non available ancillary own funds to be dedcuted at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated undertakings carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	607,764,441	607,764,441			
Total available own funds to meet the minimum consolidated group SCR	R0530	607,764,441	607,764,441			
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	607,764,441	607,764,441			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	607,764,441	607,764,441			
Minimum consolidated Group SCR	R0610	57,848,246				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	11				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings	R0660	607,764,441	607,764,441			
Total Group SCR	R0680	180,115,405				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	R0690	337%				

S.23.01.22.02

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	607,764,441
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	256,611,000
Adjustment for restricted own fund items in respect of matching a	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve	R0760	351,153,441
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life bu	R0780	30,276,791
Total Expected profits included in future premiums (EPIFP)	R0790	30,276,791

S.25.01.22.01

Basic Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital	Simplifications
		C0110	C0120
Market risk	R0010	138,213,935	
Counterparty default risk	R0020	18,401,836	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	21,554,909	
Non-life underwriting risk	R0050	144,478,476	
Diversification	R0060	- 85,197,863	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	237,451,293	

S.25.01.22.02

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	9,925,997
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	- 67,261,885
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	180,115,405
Capital add-ons already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Consolidated Group SCR	R0220	180,115,405
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	180,115,405
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	57,848,246
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 undertakings carrying out financial activities	R0530	
Capital requirement for non-controlled participation	R0540	
Capital requirement for residual undertakings	R0550	
Capital requirement for collective investment undertakings or investments packaged as funds	R0555	
Overall SCR		
SCR for undertakings included via D&A method	R0560	
Total group solvency capital requirement	R0570	180,115,405

S.32.01.22.01

Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
							% 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
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
EI/222100Q6OS7UBQBGM42	LUXEMBOURG	Stonefort Reinsurance SA	3 - Reinsurance undertaking	société anonyme	2 - Non-mutual	Commissariat aux assurances	01/01/1900	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation
LEI/529900TBK6ZKHE80GB69	LUXEMBOURG	Stonefort Insurance S.A.	2 - Non life insurance undertaking	société anonyme	2 - Non-mutual	Commissariat aux assurances	01/01/1900	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation
LEI/529900VKR47CSZOR0H22	LUXEMBOURG	Stonefort Insurance Holdings	any as defined in Article 212(1) (	société anonyme	2 - Non-mutual	Commissariat aux assurances	01/01/1900	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation

F.2.2 Stonefort Reinsurance S.A.

The figures in the QRTs below are in USD.

S.02.01.02.01

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	1,700
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	984,445,082
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	959,411,193
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	-
Government Bonds	R0140	-
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	25,033,889
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	53,814,311
Non-life and health similar to non-life	R0280	53,814,311
Non-life excluding health	R0290	53,845,492
Health similar to non-life	R0300	(31,181)
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	28,585,391
Insurance and intermediaries receivables	R0360	29,625,614
Reinsurance receivables	R0370	40,482,721
Receivables (trade, not insurance)	R0380	6,478,988
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	8,721,934
Any other assets, not elsewhere shown	R0420	137,218
Total assets	**R0500**	1,152,292,960
Liabilities		
Technical provisions – non-life	R0510	347,595,911
Technical provisions – non-life (excluding health)	R0520	300,734,354
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	283,715,947
Risk margin	R0550	17,018,407
Technical provisions - health (similar to non-life)	R0560	46,861,557
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	44,930,160
Risk margin	R0590	1,931,398
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	6,757,966
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	1,613,715
Deferred tax liabilities	R0780	123,742,748
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	4,107,002
Reinsurance payables	R0830	6,228,635
Payables (trade, not insurance)	R0840	2,711,783
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	116,167
Total liabilities	**R0900**	492,873,926
Excess of assets over liabilities	**R1000**	659,419,034

S.05.01.02.01

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110			-	-		-	-	-	-			-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120			36,923,645	864,505		5,071,574	47,453,558	53,661,390	1,632,726			1,530,607	-	-	-	-	147,138,005
Gross - Non-proportional reinsurance accepted	R0130	0	0	-	-	-	-	-	-	-	-	-	-	1,519,979	58,847,196		3,955,812	64,322,987
Reinsurers' share	R0140			2,512,149	26,168		503	15,768,364	5,040,474	821,970			512,670	-	-		-	24,682,299
Net	R0200			34,411,496	838,337		5,071,072	31,685,194	48,620,916	810,756			1,017,937	1,519,979	58,847,196		3,955,812	186,778,693
Premiums earned																		
Gross - Direct Business	R0210			-	-		-	-	-	-			-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220			36,923,645	864,505		4,770,219	39,610,690	53,997,047	10,131,517			1,305,029	-	-	-	-	147,602,651
Gross - Non-proportional reinsurance accepted	R0230	0	0	-	-	-	-	-	-	-	-	-	-	1,431,447	51,908,191		3,924,743	57,264,381
Reinsurers' share	R0240			2,730,736	28,521		3,004	14,065,548	4,841,165	4,501,534			435,503	-	136,370		- 0	26,742,382
Net	R0300			34,192,909	835,984		4,767,215	25,545,142	49,155,882	5,629,982			869,525	1,431,447	51,771,821		3,924,743	178,124,651
Claims incurred																		
Gross - Direct Business	R0310	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	0	0	13,731,090	821,559	-	3,835,494	34,296,470	32,230,339	23,949,841	-	-	247,368	-	-	-	-	109,112,161
Gross - Non-proportional reinsurance accepted	R0330	0	0	-	-	-	-	-	-	-	-	-	-	1,450,728	31,985,347	-	4,362,009	37,798,083
Reinsurers' share	R0340	0	0	-	-	-	2,782	6,437,263	1,229,185	20,164,215	-	-	65,289	-	- 58,567	-	- 351,589	27,488,578
Net	R0400			13,731,090	821,559		3,832,713	27,859,207	31,001,154	3,785,625			182,079	1,450,728	32,043,914		4,713,597	119,421,666
Expenses incurred	R0550			12,137,547	182,552		1,188,333	6,440,371	11,998,426	2,910,655			411,460	256,455	8,143,289		790,516	44,459,605
Balance - other technical expenses/income	R1210																	
Total technical expenses	R1300	0	0	-	-	-	-	-	3,741,595	-	-	-	-	-	-	-	-	44,459,605

S.04.05.21.01

Home country: Non-life insurance and reinsurance obligations

S.04.05.21.02

Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations

Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations

			Country	R0010	UNITED STATES	GERMANY	UNITED KINGDOM	NEW ZEALAND	AUSTRALIA
		Home country			Top 5 countries:	Top 5 countries:	Top 5 countries:	Top 5 countries:	Top 5 countries:
		C0010			C0020	C0020	C0020	C0020	C0020
Premiums written (gross)									
Gross Written Premium (direct)	R0020	0	-	-	0	0	0	0	0
Gross Written Premium (proportional reinsurance)	R0021	34,318,240	-	-	96,736,522	14,490,213	50,996	-	-
Gross Written Premium (non-proportional reinsurance)	R0022	1,617,669	-	-	60,365,390	-	-	1,331,768	1,008,161
Premiums earned (gross)									
Gross Earned Premium (direct)	R0030	-	-	-	-	-	-	-	-
Gross Earned Premium (proportional reinsurance)	R0031	37,323,384	-	-	93,487,746	13,669,675	1,450,254	-	-
Gross Earned Premium (non-proportional reinsurance)	R0032	1,617,669	-	-	53,312,651	-	-	1,423,008	911,054
Claims incurred (gross)									
Claims incurred (direct)	R0040	-	-	-	-	-	-	-	-
Claims incurred (proportional reinsurance)	R0041	46,209,871	-	-	51,346,526	10,967,540	328,879	-	-
Claims incurred (non-proportional reinsurance)	R0042	1,090,575	-	-	33,013,452	-	-	2,442,844	1,251,212
Expenses incurred (gross)									
Gross Expenses Incurred (direct)	R0050				0	0	0	0	0
Gross Expenses Incurred (proportional reinsurance)	R0051	44,459,605			0	0	0	0	0
Gross Expenses Incurred (non-proportional reinsurance)	R0052				0	0	0	0	0

S.17.01.02.01

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite	R0050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060			- 8,689,108	224,875		1,062,901	11,003,854	- 13,850,059	6,823,373			1,015,457	217,186	- 2,345,147		276,903	- 4,259,765
Total recoverable from reinsurance/SPV and Fin	R0140			- 31,181	- 325		29,171	2,974,597	922,196	4,362,046			349,871	-	-		-	8,606,374
Net Best Estimate of Premium Provisions	R0150			- 8,657,927	225,200		1,033,730	8,029,258	- 14,772,255	2,461,327			665,586	217,186	- 2,345,147		276,903	- 12,866,140
Claims provisions																		
Gross	R0160			49,118,586	1,318,878		6,286,265	45,949,239	104,907,799	32,121,279			1,288,352	4,283,496	78,479,387		9,152,591	332,905,872
Total recoverable from reinsurance/SPV and Fin	R0240			-	-		472,049	15,594,208	3,428,751	21,171,591			477,466	-	1,034,660		3,029,212	45,207,937
Net Best Estimate of Claims Provisions	R0250			49,118,586	1,318,878		5,814,216	30,355,032	101,479,048	10,949,687			810,886	4,283,496	77,444,727		6,123,379	287,697,934
Total Best estimate - gross	R0260			40,429,478	1,543,753		7,349,166	56,953,093	91,057,740	38,944,652			2,303,809	4,500,682	76,134,240		9,429,494	328,646,106
Total Best estimate - net	R0270			40,460,659	1,544,078		6,847,946	38,384,289	86,706,793	13,411,015			1,476,472	4,500,682	75,099,580		6,400,282	274,831,795
Risk margin	R0280			1,666,238	41,651		404,247	4,765,606	4,089,572	1,075,865			117,508	265,159	6,061,849		462,109	18,949,805
Technical provisions - total																		
Technical provisions - total	R0320			42,095,716	1,585,404		7,753,413	61,718,699	95,147,312	40,020,517			2,421,317	4,765,841	82,196,089		9,891,603	347,595,911
Recoverable from reinsurance contract/SPV and Fir	R0330			- 31,181	- 325		501,220	18,568,804	4,350,947	25,533,637			827,337	-	1,034,660		3,029,212	53,814,311
Technical provisions minus recoverables from reins	R0340			42,126,897	1,585,729		7,252,193	43,149,895	90,796,365	14,486,880			1,593,981	4,765,841	81,161,429		6,862,391	293,781,600

S.19.01.21.01

Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											9,137,969
N-9	R0160	2,473,179	11,137,642	11,237,278	13,566,443	12,154,485	13,111,796	5,351,896	5,968,840	4,701,792	2,139,600	
N-8	R0170	1,154,144	5,459,631	10,929,737	10,259,124	16,225,126	12,857,896	9,655,672	2,097,805	1,658,432	-	
N-7	R0180	1,310,934	12,787,572	9,433,976	10,286,897	9,546,361	7,034,402	6,455,129	9,732,213	-	-	
N-6	R0190	2,828,079	11,216,699	15,357,360	13,526,982	6,520,426	9,706,309	3,306,689	-	-	-	
N-5	R0200	8,031,749	25,870,318	16,620,557	15,305,007	10,697,106	11,309,515	-	-	-	-	
N-4	R0210	4,136,004	16,739,660	25,171,144	15,766,737	13,294,796	-	-	-	-	-	
N-3	R0220	2,168,950	5,018,537	7,079,535	11,249,967	-	-	-	-	-	-	
N-2	R0230	11,825,871	16,201,209	20,687,950	-	-	-	-	-	-	-	
N-1	R0240	3,291,118	13,852,812	-	-	-	-	-	-	-	-	
N	R0250	2,800,468	-	-	-	-	-	-	-	-	-	

S.19.01.21.02

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life Business

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	9,137,969.14	866,743,746.37
N-9	R0160	2,139,600.46	81,842,951.65
N-8	R0170	1,658,432.02	70,297,567.41
N-7	R0180	9,732,212.69	66,587,484.71
N-6	R0190	3,306,689.29	62,462,544.70
N-5	R0200	11,309,514.80	87,834,251.29
N-4	R0210	13,294,796.26	75,108,341.69
N-3	R0220	11,249,966.50	25,516,988.34
N-2	R0230	20,687,950.02	48,715,029.91
N-1	R0240	13,852,812.16	17,143,929.95
N	R0250	2,800,467.75	2,800,467.75
Total	R0260	99,170,411.09	1,405,053,303.77

S.19.01.21.03

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											16,924,245
N-9	R0160	-	-	-	-	38,294,331	24,858,892	25,147,253	14,556,604	13,427,517	9,979,363	
N-8	R0170	-	-	-	38,447,614	35,060,941	24,615,794	15,008,813	11,804,287	8,214,692	-	
N-7	R0180	-	-	29,153,172	34,323,345	26,295,506	20,081,312	16,538,752	10,452,384	-	-	
N-6	R0190	-	32,399,518	36,183,902	26,809,293	21,587,120	21,543,154	19,954,540	-	-	-	
N-5	R0200	45,956,329	61,765,369	57,411,224	53,305,719	52,936,714	49,055,065	-	-	-	-	
N-4	R0210	28,933,604	50,352,814	57,133,441	51,040,044	49,957,289	-	-	-	-	-	
N-3	R0220	21,069,469	40,286,313	43,125,910	51,191,248	-	-	-	-	-	-	
N-2	R0230	36,677,822	72,633,513	63,287,935	-	-	-	-	-	-	-	
N-1	R0240	30,042,519	54,852,581	-	-	-	-	-	-	-	-	
N	R0250	28,130,870	-	-	-	-	-	-	-	-	-	

S.19.01.21.04

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative). Total Non-Life Business

		Year end (discounted data)
		C0360
Prior	R0100	16,495,372
N-9	R0160	9,444,855
N-8	R0170	7,699,234
N-7	R0180	9,765,629
N-6	R0190	18,600,118
N-5	R0200	45,357,700
N-4	R0210	46,221,947
N-3	R0220	46,623,699
N-2	R0230	58,007,477
N-1	R0240	49,823,309
N	R0250	24,866,531
Total	R0260	332,905,872

S.23.01.01.01

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 2015/35						
Ordinary share capital (gross of own shares)	R0010	46,300,000	46,300,000		-	
Share premium account related to ordinary share capital	R0030	240,700,000	240,700,000		-	
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	372,419,034	372,419,034	-		-
Subordinated liabilities	R0140	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-			-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	659,419,034	659,419,034	-	-	-
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	659,419,034	659,419,034	-	-	-
Total available own funds to meet the MCR	R0510	659,419,034	659,419,034	-	-	-
Total eligible own funds to meet the SCR	R0540	659,419,034	659,419,034	-	-	-
Total eligible own funds to meet the MCR	R0550	659,419,034	659,419,034	-	-	
SCR	R0580	196,245,040	-			
MCR	R0600	58,907,777	-			
Ratio of Eligible own funds to SCR	R0620	336%	-			
Ratio of Eligible own funds to MCR	R0640	1119%	-			

S.23.01.01.02

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	659,419,034
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	287,000,000
Adjustment for restricted own fund items in respect of matching a	R0740	-
Reconciliation reserve	R0760	372,419,034
Expected profits		
Expected profits included in future premiums (EPIFP) - Life busine	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life bu	R0780	39,667,757
Total Expected profits included in future premiums (EPIFP)	R0790	39,667,757

S.25.01.21.01

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	146,766,444	
Counterparty default risk	R0020	16,662,759	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	22,139,942	
Non-life underwriting risk	R0050	154,940,056	
Diversification	R0060	(88,917,692)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	251,591,509	

S.25.01.21.02

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	9,859,383
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(65,205,853)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	196,245,040
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	196,245,040
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	196,245,040
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	58,907,777

S.28.01.01.02

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsuranc	R0020	-	-
Income protection insurance and proportional reinsurar	R0030	-	-
Workers' compensation insurance and proportional reir	R0040	40,460,659	34,411,496
Motor vehicle liability insurance and proportional reinsu	R0050	1,544,078	838,337
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportior	R0070	6,847,946	5,071,072
Fire and other damage to property insurance and propo	R0080	38,384,289	31,685,194
General liability insurance and proportional reinsurance	R0090	86,706,793	48,620,916
Credit and suretyship insurance and proportional reinsu	R0100	13,411,015	810,756
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional	R0130	1,476,472	1,017,937
Non-proportional health reinsurance	R0140	4,500,682	1,519,979
Non-proportional casualty reinsurance	R0150	75,099,580	58,847,196
Non-proportional marine, aviation and transport reinsu	R0160	-	-
Non-proportional property reinsurance	R0170	6,400,282	3,955,812

S.28.01.01.05

Overall MCR calculation

		C0070
Linear MCR	R0300	58,907,777
SCR	R0310	196,245,040
MCR cap	R0320	88,310,268
MCR floor	R0330	49,061,260
Combined MCR	R0340	58,907,777
Absolute floor of the MCR	R0350	4,241,250
Minimum Capital Requirement	R0400	58,907,777

F.2.3 Stonefort Insurance S.A.

The figures in the QRTs below are in EUR.

S.02.01.02.01

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	3,538.08
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	47,070,577.12
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	18,552,759.70
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	1,962,351.16
Government Bonds	R0140	1,962,351.16
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	26,555,466.26
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	60,102,722.97
Non-life and health similar to non-life	R0280	60,102,722.97
Non-life excluding health	R0290	60,102,722.97
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
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	8,203,151.24
Reinsurance receivables	R0370	80,347.90
Receivables (trade, not insurance)	R0380	715,116.61
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	11,056,894.92
Any other assets, not elsewhere shown	R0420	246,032.57
Total assets	**R0500**	127,478,381.41
Liabilities		
Technical provisions – non-life	R0510	88,695,860.18
Technical provisions – non-life (excluding health)	R0520	88,695,860.18
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	87,603,313.73
Risk margin	R0550	1,092,546.45
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	244,348.80
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	-
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	1,649,170.65
Reinsurance payables	R0830	6,672,064.36
Payables (trade, not insurance)	R0840	4,640,381.98
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	532,859.33
Total liabilities	**R0900**	102,434,685.30
Excess of assets over liabilities	**R1000**	25,043,696.11

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Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110							30,628,728	4,808,475	1,347,032	-	-	-	-	-	-	-	36,784,235
Gross - Proportional reinsurance accepted	R0120							-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0140							23,052,415	3,646,446	1,387,625	-	-	-	-	-	-	-	28,086,487
Net	R0200							7,576,313	1,162,029	- 40,594	-	-	-	-	-	-	-	8,697,748
Premiums earned																		
Gross - Direct Business	R0210							26,715,075	5,461,629	8,515,750	-	-	-	-	-	-	-	40,692,453
Gross - Proportional reinsurance accepted	R0220							-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0240							20,506,791	3,954,886	8,270,412	-	-	-	-	-	-	-	32,732,089
Net	R0300							6,208,284	1,506,743	245,337	-	-	-	-	-	-	-	7,960,364
Claims incurred																		
Gross - Direct Business	R0310	0	0	0	0	0	0	20,765,817	1,843,002	21,130,634	2,456	-	-	-	-	-	-	43,741,908
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0340	0	0	0	0	0	0	17,001,472	294,481	20,771,931	1,720	-	-	-	-	-	-	38,069,604
Net	R0400							3,764,345	1,548,520	358,703	737	-	-	-	-	-	-	5,672,305
Expenses incurred	R0550							13,541,283	2,029,608	- 2,174,216	-	-	-	-	-	-	-	13,396,674
Balance - other technical expenses/income	R1210																	
Total technical expenses	R1300	0	0	0	0	0	0	-	3,741,595	-	-	-	-	-	-	-	-	13,396,674

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Home country: Non-life insurance and reinsurance obligations

		Home
		C0010
Premiums written (gross)		
Gross Written Premium (direct)	R0020	779,134
Gross Written Premium (proportional reinsurance)	R0021	
Gross Written Premium (non-proportional reinsurance)	R0022	
Premiums earned (gross)		
Gross Earned Premium (direct)	R0030	3,185,149
Gross Earned Premium (proportional reinsurance)	R0031	-
Gross Earned Premium (non-proportional reinsurance)	R0032	
Claims incurred (gross)		
Claims incurred (direct)	R0040	17,626,769
Claims incurred (proportional reinsurance)	R0041	-
Claims incurred (non-proportional reinsurance)	R0042	
Expenses incurred (gross)		
Gross Expenses Incurred (direct)	R0050	13,396,674
Gross Expenses Incurred (proportional reinsurance)	R0051	
Gross Expenses Incurred (non-proportional reinsurance)	R0052	

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Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations

Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations

Country	R0010	UNITED KINGDOM	GERMANY	NORWAY
		Top 5 countries: non-	Top 5 countries: non-	Top 5 countries: non-
		C0020	C0020	C0020
	R0020	26,209,644	9,293,936	501,521
	R0021	-	-	-
	R0022	-	-	-
	R0030	23,810,406	8,432,674	5,264,224
	R0031	-	-	-
	R0032	-	-	-
	R0040	8,550,999	13,671,756	3,892,384
	R0041	0	0	0
	R0042	0	0	0
	R0050	0	0	0
	R0051	0	0	0
	R0052	0	0	0

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Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustme	R0050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060							7,042,375	2,944,182	7,661,407	-	-	-	-	-	-	-	17,647,964
Total recoverable from reinsurance/SPV and Finite Re after the adjust	R0140							3,764,123	1,376,275	5,462,021	-	-	-	-	-	-	-	10,602,419
Net Best Estimate of Premium Provisions	R0150							3,278,253	1,567,907	2,199,385	-	-	-	-	-	-	-	7,045,545
Claims provisions																		
Gross	R0160							37,768,271	8,959,004	21,773,374	1,454,701	-	-	-	-	-	-	69,955,350
Total recoverable from reinsurance/SPV and Finite Re after the adjust	R0240							25,522,471	5,019,364	18,958,469	-	-	-	-	-	-	-	49,500,304
Net Best Estimate of Claims Provisions	R0250							12,245,799	3,939,640	2,814,905	1,454,701	-	-	-	-	-	-	20,455,046
Total Best estimate - gross	R0260							44,810,646	11,903,186	29,434,780	1,454,701	-	-	-	-	-	-	87,603,314
Total Best estimate - net	R0270							15,524,052	5,507,547	5,014,290	1,454,701	-	-	-	-	-	-	27,500,591
Risk margin	R0280							555,901	178,266	337,221	21,160	-	-	-	-	-	-	1,092,546
Technical provisions - total																		
Technical provisions - total	R0320							45,366,547	12,081,452	29,772,001	1,475,861	-	-	-	-	-	-	88,695,860
Recoverable from reinsurance contract/SPV and Finite Re after the adjus	R0330							29,286,594	6,395,639	24,420,490	-	-	-	-	-	-	-	60,102,723
Technical provisions minus recoverables from reinsurance/SPV and Finit	R0340							16,079,953	5,685,813	5,351,511	1,475,861	-	-	-	-	-	-	28,593,137

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Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											-
N-9	R0160	-	-	932	-	-	-	-	-	-	-	-
N-8	R0170	-	29,237	-	837	1	35,472	-	-	- 36,964	-	-
N-7	R0180	49,253	-	75,584	53,111	- 242,284	- 120	- 183	110,521	-	-	-
N-6	R0190	-	807,053	3,301,571	3,802,123	548,563	338,211	164,309	-	-	-	-
N-5	R0200	3,032,397	12,677,940	5,746,911	3,858,781	851,237	1,396,140	-	-	-	-	-
N-4	R0210	615,632	6,197,334	12,736,494	3,525,921	825,877	-	-	-	-	-	-
N-3	R0220	368,359	2,178,410	1,528,063	183,873	-	-	-	-	-	-	-
N-2	R0230	6,411,684	12,188,045	12,282,596	-	-	-	-	-	-	-	-
N-1	R0240	26,212	2,726,578	-	-	-	-	-	-	-	-	-
N	R0250	30,442	-	-	-	-	-	-	-	-	-	-

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Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life Business

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	-	- 957
N-9	R0160	-	932
N-8	R0170	- 36,964	28,584
N-7	R0180	110,521	45,881
N-6	R0190	164,309	8,961,830
N-5	R0200	1,396,140	27,563,407
N-4	R0210	825,877	23,901,258
N-3	R0220	183,873	4,258,705
N-2	R0230	12,282,596	30,882,325
N-1	R0240	2,726,578	2,752,790
N	R0250	30,442	30,442
Total	R0260	17,683,372	98,425,197

S.19.01.21.03

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											-
N-9	R0160	-	-	222,606	216,956	86,369	80,211	7,200	7,200	7,200	6,840	-
N-8	R0170	-	547,466	525,589	346,825	-	-	0	15,430	-	-	-
N-7	R0180	21,172	23,642	161,976	181,337	181,241	49,109	102,772	178,803	-	-	-
N-6	R0190	-	3,989,781	2,446,104	- 1,222,189	- 1,847,489	3,891,246	3,856,762	-	-	-	-
N-5	R0200	10,209,100	17,879,280	10,140,071	4,756,159	4,540,306	2,622,296	-	-	-	-	-
N-4	R0210	3,830,383	10,595,552	8,702,659	5,643,928	8,588,589	-	-	-	-	-	-
N-3	R0220	5,517,949	10,534,031	4,554,633	3,258,147	-	-	-	-	-	-	-
N-2	R0230	15,883,698	30,677,229	15,318,353	-	-	-	-	-	-	-	-
N-1	R0240	5,533,634	22,278,006	-	-	-	-	-	-	-	-	-
N	R0250	6,966,939	-	-	-	-	-	-	-	-	-	-

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Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative). Total Non-Life Business

		Year end (discounted data)
		C0360
Prior	R0100	-
N-9	R0160	6,728
N-8	R0170	-
N-7	R0180	175,876
N-6	R0190	3,781,550
N-5	R0200	2,568,002
N-4	R0210	8,372,159
N-3	R0220	3,074,127
N-2	R0230	14,875,614
N-1	R0240	21,489,609
N	R0250	15,611,686
Total	R0260	69,955,350

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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 as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	53,010,000	53,010,000		-	
Share premium account related to ordinary share capital	R0030	11,990,000	11,990,000		-	
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	(39,956,304)	(39,956,304)			
Subordinated liabilities	R0140	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-			-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	25,043,696	25,043,696	-	-	-
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	25,043,696	25,043,696	-	-	-
Total available own funds to meet the MCR	R0510	25,043,696	25,043,696	-	-	
Total eligible own funds to meet the SCR	R0540	25,043,696	25,043,696	-	-	-
Total eligible own funds to meet the MCR	R0550	25,043,696	25,043,696	-	-	
SCR	R0580	16,639,178	-			
MCR	R0600	4,159,794	-			
Ratio of Eligible own funds to SCR	R0620	151%	-			
Ratio of Eligible own funds to MCR	R0640	602%	-			

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Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	25,043,696
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	65,000,000
Adjustment for restricted own fund items in respect of matching a	R0740	-
Reconciliation reserve	R0760	(39,956,304)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life busine	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life bu	R0780	96,743
Total Expected profits included in future premiums (EPIFP)	R0790	96,743

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Basic Solvency Capital Requirement

		Gross solvency capital	Simplifications
		C0110	C0120
Market risk	R0010	4,952,740	
Counterparty default risk	R0020	7,827,234	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	-	
Non-life underwriting risk	R0050	5,695,918	
Diversification	R0060	(4,464,814)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	14,011,078	

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Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	2,628,099
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	16,639,178
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	16,639,178
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	16,639,178
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	-

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	3,801,195

S.28.01.01.02

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional rein	R0020	-	-
Income protection insurance and proportional rei	R0030	-	-
Workers' compensation insurance and proportior	R0040	-	-
Motor vehicle liability insurance and proportiona	R0050	-	-
Other motor insurance and proportional reinsura	R0060	-	-
Marine, aviation and transport insurance and pro	R0070	-	-
Fire and other damage to property insurance and	R0080	13,712,414	7,538,968
General liability insurance and proportional reins	R0090	4,349,040	1,200,940
Credit and suretyship insurance and proportional	R0100	3,210,230	-
Legal expenses insurance and proportional reinsu	R0110	1,454,701	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and propo	R0130	44	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

S.28.01.01.05

Overall MCR calculation

		C0070
Linear MCR	R0300	3,801,195
SCR	R0310	16,639,178
MCR cap	R0320	7,487,630
MCR floor	R0330	4,159,794
Combined MCR	R0340	4,159,794
Absolute floor of the MCR	R0350	4,000,000
Minimum Capital Requirement	R0400	4,159,794