



STONEFORT
GROUP

We believe every business is unique and deserves a unique
solution

2022

SOLVENCY AND FINANCIAL CONDITION REPORT

Stonefort Insurance Holdings S.A.
Group Report

Table of Contents

A.	Business and Performance	9
A.1.1	Business	9
A.1.2	General information	9
A.1.3	Supervision	9
A.1.4	External Auditors	10
A.1.5	Group Structure	10
A.1.6	Significant business and geographical coverage	11
A.1.7	Underwriting Performance	12
A.1.8	Investment Performance	17
A.1.9	Performance of other activities	22
A.1.10	Any other information	22
B.	System of Governance	23
B.1.1	General information on the system of governance	23
B.1.2	The Board of Directors	23
B.1.3	The Executive Management of the SG entities	25
B.1.4	Board Special Committees	26
B.1.5	The control functions	29
B.1.6	Fit & Proper	29
B.1.7	Fitness	30
B.1.8	Proper	30
B.1.9	Key features of the remuneration policy	30
B.1.10	Risk Management System including the Own Risk and Solvency Assessment	31
B.1.11	Risk Management System	31
B.1.12	The Own Risk and Solvency Assessment (ORSA)	34
B.1.13	Internal control system	37
B.1.14	General information on the internal control system	37
B.1.15	Compliance function	37
B.1.16	Internal Audit function	41
B.1.17	Positioning and structure of internal audit function	41
B.1.18	Responsibilities and Duties	41
B.1.19	Annual Audit Plan	41
B.1.20	Outsourcing	42
B.1.21	Actuarial function	42
B.1.22	Positioning and structure of actuarial function	42
B.1.23	Responsibilities and duties	43
B.1.24	Reporting	44
B.1.25	Any Other Information	44
C.	Risk Profile	45
C.1.1	Underwriting risk	45
C.1.2	SRe Exposure & Concentration	46
C.1.3	SINS Exposure & Concentration	47

C.1.4	SIH Group Exposure & Concentration	48
C.1.5	Sensitivity analysis	49
C.1.6	Market risk	50
C.1.7	SRe Exposure & Concentration	50
C.1.8	SINS Exposure & Concentration	52
C.1.9	SIH Group Exposure & Concentration	55
C.1.10	Sensitivity analysis	57
C.1.11	Default risk	57
C.1.12	SRe Exposure & Concentration	57
C.1.13	SINS Exposure & Concentration	58
C.1.14	SIH Group Exposure & Concentration	58
C.1.15	Sensitivity analysis	58
C.1.16	Liquidity risk	58
C.1.17	Operational risk	59
C.1.18	Other material risks	59
C.1.19	Inflation risk	60
C.1.20	Reputational risk	60
C.1.21	Strategic risk	60
C.1.22	Any other information	60
D.	Valuation for Solvency purposes	61
D.1.1	Assets – Consolidated BS	61
D.1.2	Investment Portfolio, Cash and Deposits	61
D.1.3	Receivables	63
D.1.4	Other assets	63
D.1.5	Technical provisions – Consolidated BS	63
D.1.6	Other liabilities	64
D.1.7	Alternative methods for valuation	64
D.1.8	Any other information	64
E.	Capital management	65
E.1.1	Own Funds	65
E.1.2	Available capital	65
E.1.3	Eligibility of Own Funds	65
E.1.4	Solvency Capital Requirement and Minimum Capital Requirement	66
E.1.5	Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement	66
E.1.6	Differences between the standard formula and any internal model used	66
E.1.7	Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement	66
E.1.8	Any other information	66

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

SINS – Stonefort Insurance S.A.

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

SIH – Stonefort Insurance Holdings S.A.

SRe – Stonefort Reinsurance S.A.

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

EIOPA – **European Insurance and Occupational Pensions Authority**

IAS/IFRS – International Accounting Standards / International Financial Reporting Standards

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.

Insurance Law: refers to the Luxembourg Law dated 7th December 2015 transposing Solvency II.

SCM – Stonefort Captive Management S.A.

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 of Directors for approval.

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

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.

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 in order 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.

SMAF – Steinfort Multi-Asset Fund SICAV-SIF 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.

EXECUTIVE SUMMARY

Introduction

This report is the Solvency and Financial Condition Report (SFCR) of the Stonefort Insurance Group of companies (hereafter “SG”) for the reporting period ended 31st December 2022.

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) 2015/35 and the EIOPA Guidelines on Reporting and Disclosure.

The Report has been prepared exclusively in accordance with Solvency II Regulations governing insurance group reporting.

• **Business and Performance**

For Solvency II purposes, a Luxembourg insurance group is formed, the Stonefort Group (SG), governed by the Grand-Ducal Regulation dated 7th December 2015. SG is composed of the following entities:

1. a holding company: Stonefort Insurance Holdings S.A.
2. a direct insurance company: Stonefort Insurance S.A. (100% Shareholding)
3. a reinsurance company: Stonefort Reinsurance S.A. (100% Shareholding)

Stonefort Insurance Holdings S.A owns 3 wholly owned companies, all located in the Grand Duchy of Luxembourg.

SG’s core business is non-life reinsurance, but it also undertakes primary insurance and insurance administration services to complement these activities.

• **System of Governance**

The executive management of SG entities places great emphasis on strong corporate governance and has established a ‘three lines of defence’ model being: a governance framework, a system of internal controls, and independent committees to discharge this function across SG. This model aims to ensure that management is effective, decision making is timely, appropriate and open to challenge from the actuarial, risk, compliance, finance and audit corporate departments.

- Risk profile



Risks are measured using the standard formula and are managed through the risk management system.

- Key figures

Key Solvency figures as at 31/12/2022 are reported below.

	SIH Group	STRe	STI
	'000 EUR	'000 USD	'000 EUR
SCR	172,889	178,972	18,064
Available Capital	607,425	617,350	34,887
Solvency Ratio	351%	345%	193%

- **Capital Management**

SG uses the standard model for the calculation of the Solvency Capital Requirement ('SCR').

SG's Own Funds amount to EUR 607,425 thousand and consist fully of unrestricted Tier 1 Basic Own Funds eligible to meet the SCR and Minimum Capital Requirement ('MCR').

As at 31 December 2022, the SCR amounted to EUR 172,889 thousands and the MCR to EUR 48,378 thousands. Therefore, the SG solvency ratio was 351.34%.

SG complied with the MCR and the SCR requirements at all times during the financial year 2022.

A. Business and Performance

A.1.1 Business

A.1.2 General information

Stonefort Insurance Holdings S.A. (hereafter 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 owns three wholly-owned companies. The 100% wholly-owned subsidiaries are Stonefort Reinsurance S.A. (SRe), Stonefort Insurance S.A. (SINS) and Stonefort Captive Management S.A. (SCM).

Moreover, SIH, SRe and SINS form part of a Luxembourg insurance group, the Stonefort Group (SG), governed by the Grand-Ducal Regulation dated 7th December 2015.

SG’s core business is non-life reinsurance but also undertakes primary insurance and insurance administration services to complement such activities.

As at end of 2022, SIH employs staff in the fields of human resources, IT, quality & project, accounting, facilities and general administration. It provides support, coordination and control services to its subsidiaries in Luxembourg. Overall SG employs 55 staff in Luxembourg and in the United Kingdom.

Unit	Month	Year	Employees - Headcount -
STONEFORT GROUP	12	2022	55.0
Stonefort Insurance Holdings S.A.	12	2022	22
Stonefort Captive Management S.A.	12	2022	1
Stonefort Reinsurance S.A.	12	2022	15
Stonefort Insurance S.A.	12	2022	17

A.1.3 Supervision

SG is regulated by the *Commissariat aux Assurances* (CAA) based at:

11 Rue Robert Stumper,
L-2557 Gasperich Luxembourg
Tel : +352 22 69 111
www.caa.lu

A.1.4 External Auditors

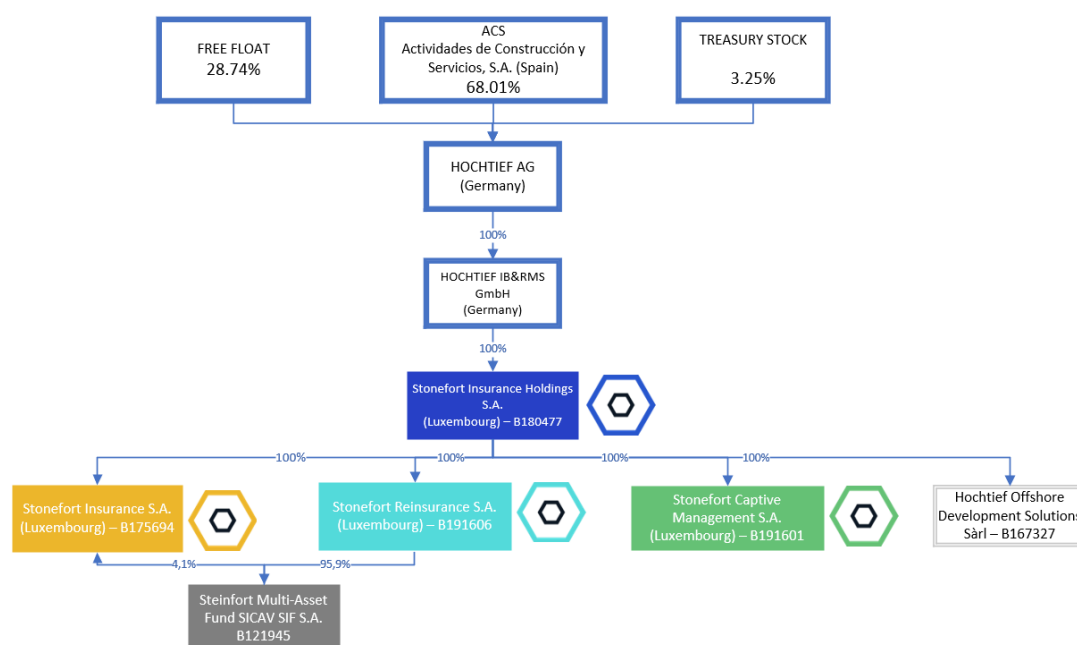
The external auditor of SG's entities is:

KPMG Luxembourg, Société coopérative
39 avenue John F. Kennedy
L-1855 Luxembourg
Tel: +352 22 51 51 1

A.1.5 Group Structure

SIH is wholly owned by HOCHTIEF Insurance Broking and Risk Management Solutions GmbH (HOCHTIEF IB&RMS), a subsidiary of the German company HOCHTIEF Aktiengesellschaft Germany (HOCHTIEF AG) listed on the Frankfurt stock exchange, ISIN DE 0006070006.

Shareholder Chart (as at December 2022)



SIH as at 31st December 2022 owns 100% of the following entities:

Stonefort Reinsurance S.A. (SRe)

A reinsurance company created in October 2014 and licensed on 27th January 2015 which underwrites non-life reinsurance business worldwide and is supervised by the Luxembourg Insurance Regulator (CAA). SRe has its registered office at 4 rue de Neuerburg L-2215, Luxembourg, Luxembourg.

Stonefort Insurance S.A. (SINS)

A regulated direct insurance company created in March 2013, which underwrites non-life insurance business. 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 special license and the UK through a branch office. The registered office of the company is 8D rue Collart L-8414 Steinfort (with effect as of 8th February 2019).

Both companies are 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, Pays-Bas.

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.

A.1.6 Significant business and geographical coverage

SG has been mandated by its sole shareholder to produce a balanced and profitable consolidated portfolio. As regards the split between Group business and third-party business whether related or unrelated this is aiming at approximately 70% for Group business and 30% third-party business. Third-party business is increasingly being sourced from primary insurance via SINS.

SG is also mandated to assist the HOCHTIEF Group by underwriting risks related to its construction activities which, given HOCHTIEF’s position as one of the top 15 construction firms by turnover in the world, offers considerable potential to increase the volume of written premiums.

SINS is active on property, casualty, and surety insurance bonds direct insurance. The establishment of a UK branch (Third Country) replaces to some extent reliance on managing general agents, while retaining close contact with intermediaries. SINS also plans to open a German branch in the near future.

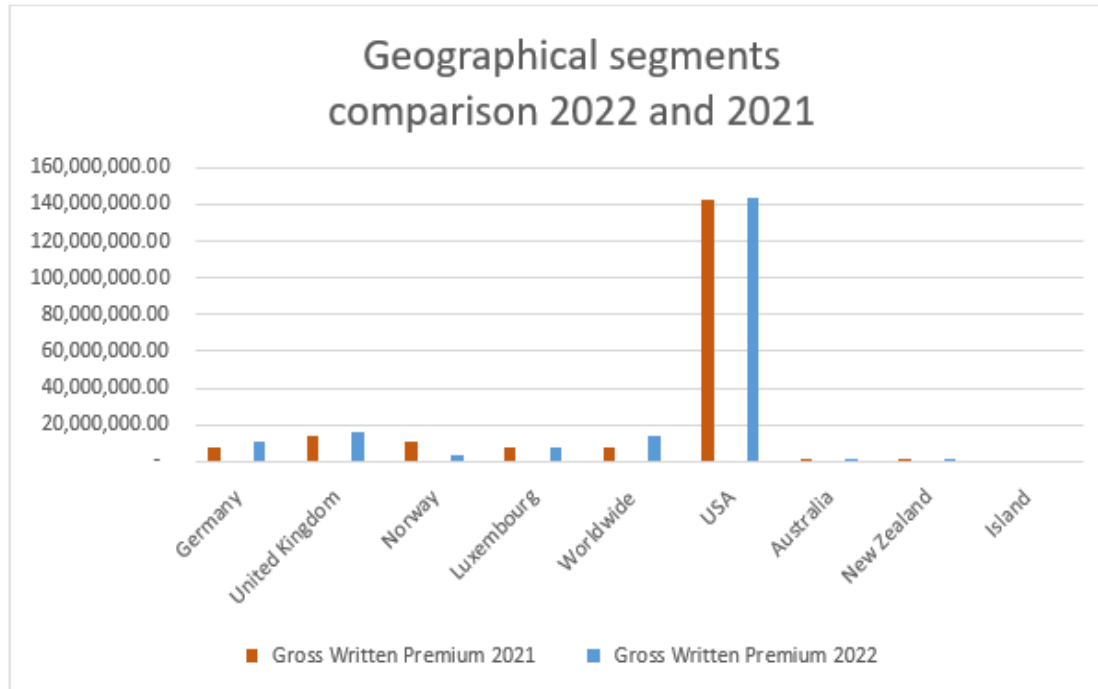
SRe is seeking to expand its business outside of the HOCHTEF group via, for example, agreements with (re)insurers of global repute. All reinsurance business is necessarily reinsured via suitable retrocession cover with global reinsurance companies.

A.1.7 Underwriting Performance

A.2.a – 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: Stonefort Insurance S.A. and Stonefort Reinsurance S.A. whose results are shown below.

Stonefort Reinsurance S.A.



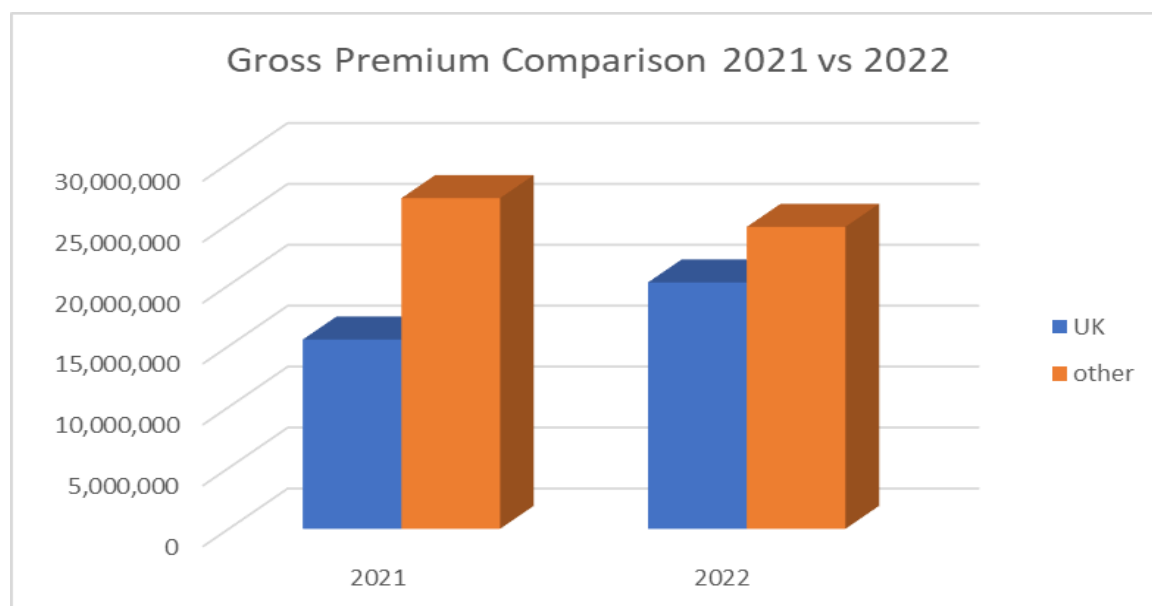
Split by Country 2021	Germany	United Kingdom	Norway	Luxembourg	Worldwide	USA	Australia	New Zealand	Island
Gross Written Premium	7,990,348.47	13,935,919.02	10,735,838.48	7,839,329.36	7,456,871.52	142,572,205.41	379,521.74	1,395,805.30	-
Underwriting expenses	-3,128,264.61	-2,625,046.20	-3,800,315.13	-3,458,546.19	-2,431,163.34	-23,290,815.04	-23,494.20	-173,840.83	-

Split by Country 2022	Germany	United Kingdom	Norway	Luxembourg	Worldwide	USA	Australia	New Zealand	Island
Gross Written Premium	11,147,654.03	15,843,501.29	3,800,428.28	8,096,722.48	14,224,506.93	143,124,540.27	610,791.33	1,097,811.73	-
Underwriting expenses	-3,900,762.90	-2,498,196.83	-1,222,383.79	-3,562,396.56	-4,404,857.98	-21,383,565.29	-61,079.13	-140,519.93	-

%age variation	Germany	United Kingdom	Norway	Luxembourg	Worldwide	USA	Australia	New Zealand	Island
Gross Written Premium	40%	14%	-65%	3%	91%	0.39%	61%	-21%	-100%
Underwriting expenses	25%	-5%	-68%	3%	81%	-8%	160%	-19%	-100%

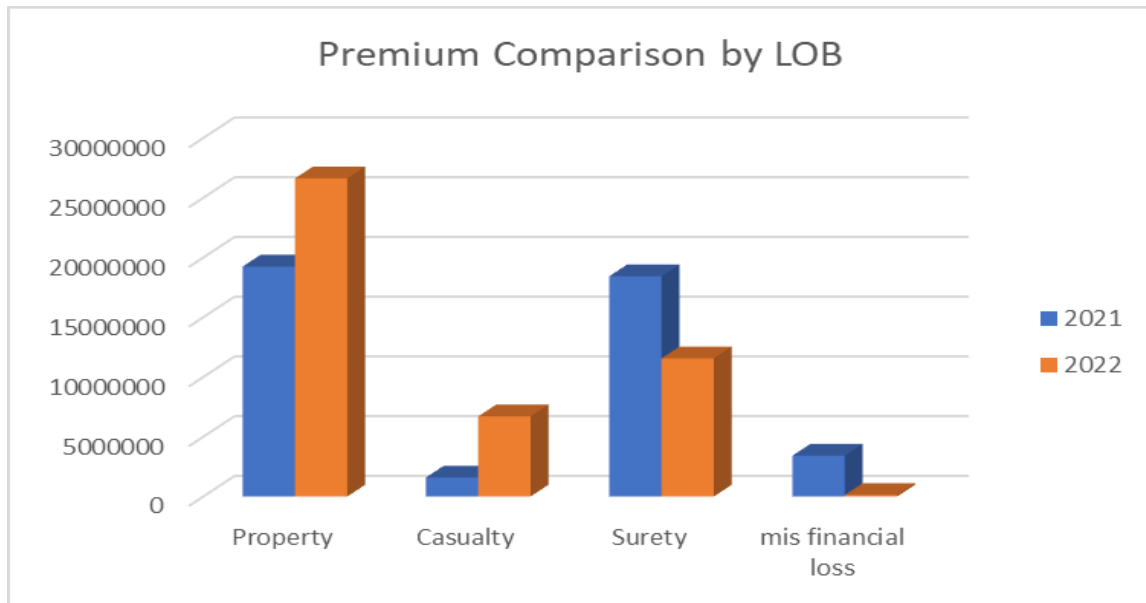
Stonefort Insurance S.A.

PREMIUM AND UW EXPENSES BREAK DOWN BY GEOGRAPHY



2021	UK	rest	total
Gross Premiums	15,534,051	27,139,974	42,674,025
Underwriting expenses	(2,859,879)	(9,613,844)	(12,473,723)
2022	UK	rest	total
Gross Premiums	20,228,979	24,782,950	45,011,929
Underwriting expenses	(2,659,406)	(8,570,498)	(11,229,904)
Gross Premium by Country	UK	rest	
2022	20,228,979	24,782,950	
2021	15,534,051	27,139,974	

PREMIUM AND UW EXPENSES BREAK DOWN BY LINES OF BUSINESS



2021	Property	Casualty	Surety	mis financial loss
Gross Written Premium	19,242,710	1,589,822	18,425,808	3,415,685
Underwriting expenses	(3,750,181)	(937,545)	(6,578,515)	(1,207,482)
2022	Property	Casualty	Surety	mis financial loss
Gross Written Premium	26,622,201	6,707,226	11,558,770	123,731
Underwriting expenses	(4,228,818)	(50,413)	(4,212,581)	(2,738,092)
Gross Written Premium	Property	Casualty	Surety	mis financial loss
2021	19,242,710	1,589,822	18,425,808	3,415,685
2022	26,622,201	6,707,226	11,558,770	123,731

A.2.b – Analysis of the underwriting performance

SIH underwriting subsidiaries' performance can be analysed as follows:

Stonefort Reinsurance S.A.

BRe	2022	2021
Premiums Gross	197,955,274	194,745,178
UPR In	59,715,367	63,402,984
UPR Out	-55,459,482	-59,715,367
Premium Earned	202,211,159	198,432,795
Reinsurance Gross Premiums Outwards	-52,646,395	-66,873,575
Retroceded Commission	3,065,673	-6,233,962
UPR Outwards In	-27,487,503	-22,076,096
UPR Outwards Out	18,236,692	27,487,503
Reinsurance Earned Premium	-58,831,533	-67,696,130
Premium Earned, Net Of Reinsurance	143,379,625	130,736,665
Acquisition Costs	-35,957,814	-39,207,635
Letters of credit	-3,743,630	-3,910,093
DAC In	-11,538,877	-10,967,017
DAC Out	9,605,550	11,538,877
Total Operating Exp Inwards	-41,634,771	-42,545,868
Profit Commission Outwards	45,806,291	21,627,576
Acquisition Costs Outwards	9,771,934	12,208,524
DAC In	6,482,603	4,834,591
DAC Out	-4,744,051	-6,482,603
Total Operating Exp Outwards	57,316,776	32,188,089
Net Premium Earned, Net of Commissions	159,061,631	120,378,886
Paid Losses	-79,230,327	-101,822,690
O/S Loss Reserves IN	111,328,927	133,643,303
O/S Loss Reserves OUT	-132,183,037	-111,328,927
IBNR IN	172,347,701	144,136,590
IBNR OUT	-189,689,066	-172,347,701
IBNER IN		
IBNER OUT	-14,515,831	
Total Losses Inwards	-131,941,632	-107,719,426
Paid Losses	12,803,981	14,603,256
O/S Loss Reserves IN	-18,951,154	-17,318,428
O/S Loss Reserves OUT	21,785,488	18,951,154
IBNR IN	-16,529,618	-6,237,591
IBNR OUT	25,131,834	16,529,618
IBNER IN		
IBNER OUT	941,400	
Total Losses Outwards	25,181,931	26,528,009
Claims Incurred Net of Reins	-106,759,701	-81,191,417
INSURANCE RESULT	52,301,930	39,187,469

The premiums earned amount to USD 202.211 thousands in 2022 compared to USD 198.432 thousands in 2021.

In 2021, we could see that the premiums had increased compared to 2020, showing a clear recovery from the covid period. This recovery is further confirmed in 2022 with a premium level slightly higher than in 2021 showing a return of insurance activity at a pre-covid level.

The claims figures have increased in 2022. This is mainly due to 1) inflation which has been booked as IBNER for USD 14.515.831, 2) claims on the CCIP NY 1 on the excess layers, and 3) claims on EEcruz.

On the other hand, a release of profit commission on the SDI program has been possible following the good results on this program over the last years.

The results of 2022 amounts to 52.301.930 USD in 2022 compared to 39.187.469 USD in 2021.

Stonefort Insurance S.A.

in €	01/12/2021	31/12/2022
Premium Gross	45,565,157.68	45,011,928.96
Premium Earned	44,829,445.28	48,005,962.37
Reinsurance Gross Premiums Outwards	(36,469,942.47)	(35,463,588.54)
Reinsurance Earned Premium Outwards	34,336,442.24	38,833,943.31
Premium Earned, Net of Reinsurance	10,493,003.04	9,172,019.06
Commission	(11,654,698.86)	(12,364,807.83)
Brokerage	(819,023.99)	(184,232.49)
Total Operating Expenses Inwards	(14,040,571.64)	(12,364,807.83)
Commission	9,847,003.33	8,118,277.00
Brokerage	653,992.56	184,232.00
Override / Profit Com net	806,078.39	2,738,092.00
Total Operating Expenses Outwards	11,761,935.80	11,089,162.45
Premium Earned, Net of Commissions	8,214,367.20	7,896,373.68
Total Losses Inwards	(39,096,660.81)	(35,055,977.42)
Total Losses Outwards	34,900,499.72	31,075,232.78
Claims Incurred	(4,196,161.09)	(3,980,744.64)
Insurance result	4,074,650.22	864,639.93

The runoff of some existing business results in 2022 to a higher earned than written premium. The Insurance results reflects additionally the impact of the movements in the technical provisions which are not detailed in the table above.

The premiums earned in 2022 increased from EUR 44,829 thousands in 2021 to EUR 48,005 thousands in 2022, a 7% increase.

Continued Management, Underwriting and Risk management efforts throughout the year 2022 (incl. non-renewal of the loss-making accounts) will lead to improved financial and underwriting results in the near and mid-term future. Run-off accounts continue to produce losses, which will flatten out over time.

The decrease in result reflects the transformation and change in Underwriting and Risk management approach. Stronger emphasis is now being put in own risk selection and less business is expected to come via Managing agents. That said, the transformation requires ongoing investment whilst at the same time continued portfolio pruning will have negative impacts in the short run. Top management is highly confident, that the chosen path will bring Stonefort Insurance back on track to produce profitable income for the Group.

A.1.8 Investment Performance

SIH and wholly owned subsidiaries

The investment performance of Stonefort Insurance Holdings (SIH) is directly attributable to the investment performance of its subsidiaries, namely Stonefort Reinsurance S.A. (SRe) and Stonefort Insurance S.A. (SINS).

Both SRe and SINS uses Steinfort Multi-Asset Fund SICAV-SIF (SMAF) as main investment vehicle to achieve their investment objectives. As of 31 December 2022, SMAF is 96% owned by SRe via its dedicated USD share class A and 4% owned by SINS via its dedicated EUR share class B.

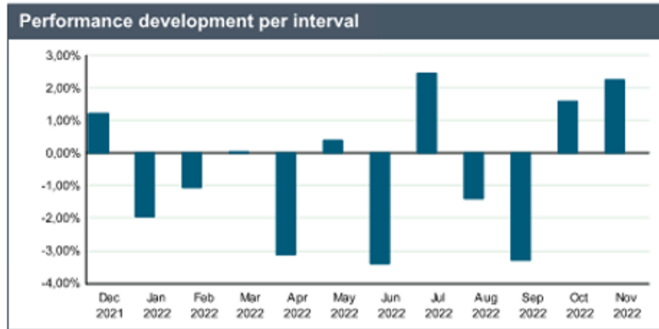
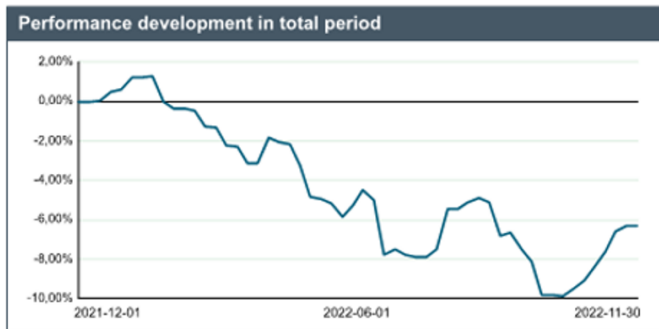
The investment objective is to achieve a reasonable return on investment with an acceptable minimum investment risk. The investment activity is driven by an investment policy and a Strategic Asset Allocation (SAA) recommended by an Investment Committee.

The SAA is defined separately for SRe and SINS 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, the Company works closely with its investment advisors and external investment managers.

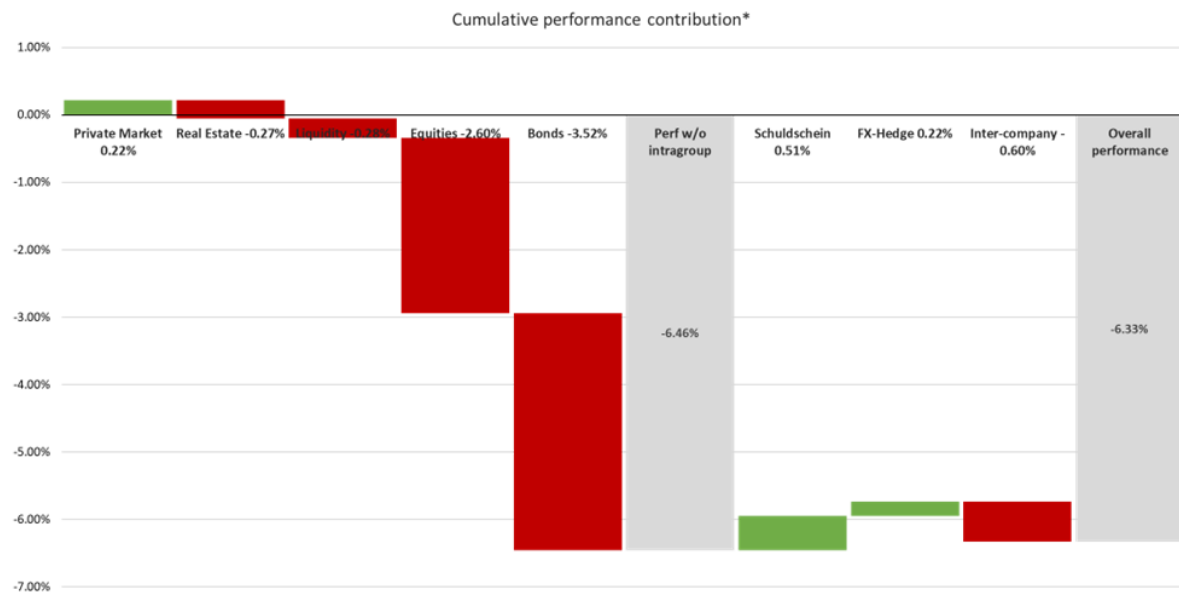
Steinfort Multi-Asset Fund SICAV-SIF

SMAF's 2022 financial year started on 1 December 2021 and ended on 30 November 2022. As of 30 November 2022, SMAF had a total net asset value of USD 904,889 thousands.

The time-weighted performance of SMAF was -6.32%. The development was as follows:



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

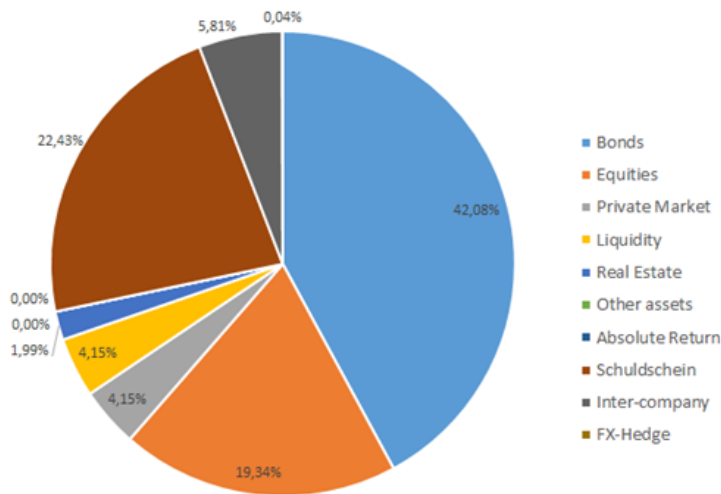


Investment result comprises income (dividends, interest and other income), expenses, realised gains and losses on investments and changes in unrealised gains and losses on investments.

The annual accounts as of 30 November 2022 showed a loss of USD -60,864 thousands for the accounting year. This result is made up of:

- USD 22,253 thousands of income (mainly interests and dividends received)
- USD -2,333 thousands of expenses
- USD 7,233 thousands of realised gains and losses on investments
- USD -88,017 thousands of variation of unrealised gains and losses on investments.

Portfolio allocation in terms of asset class as of 30 November 2022 is as follows:

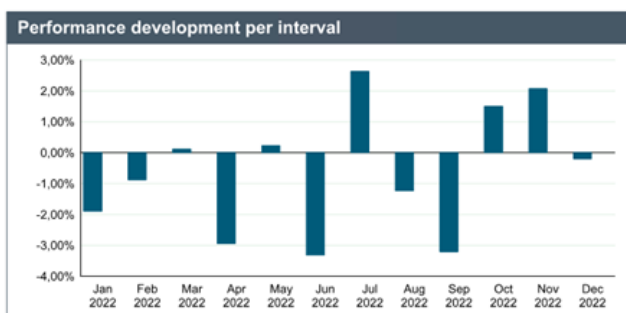
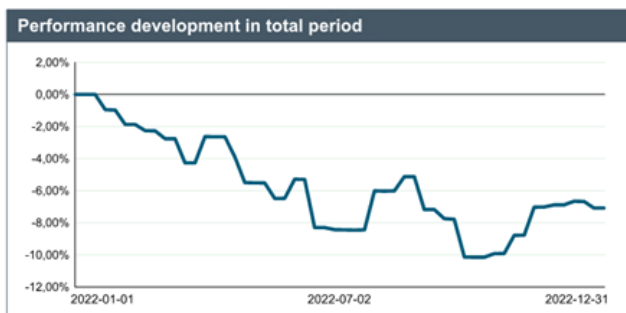


Stonefort Reinsurance S.A.

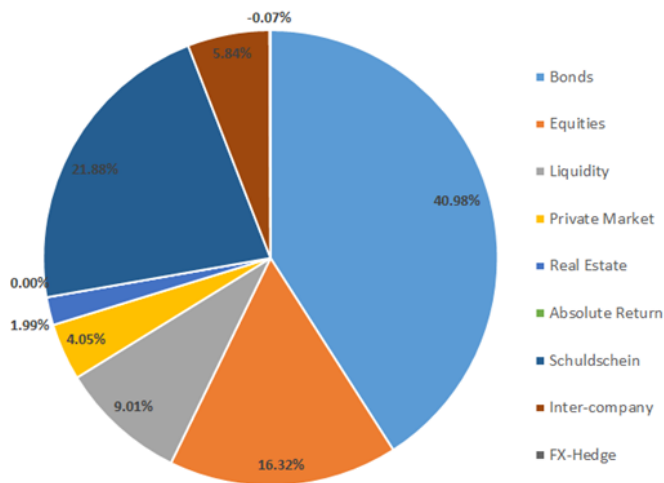
In 2022, the SAA for SRe targets a long-term return of 3.74% with a volatility of 7.7%, which considers the risk appetite of not more than 11% devaluation in a year with a 95% confidence level.

SRe’s 2022 financial year started on 1 January 2022 and ended on 31 December 2022. As of 31 December 2022, SRe has a total net asset value of USD 895,632 thousands, which is made up of investment in SMAF (97%) and cash in bank accounts held outside SMAF (3%).

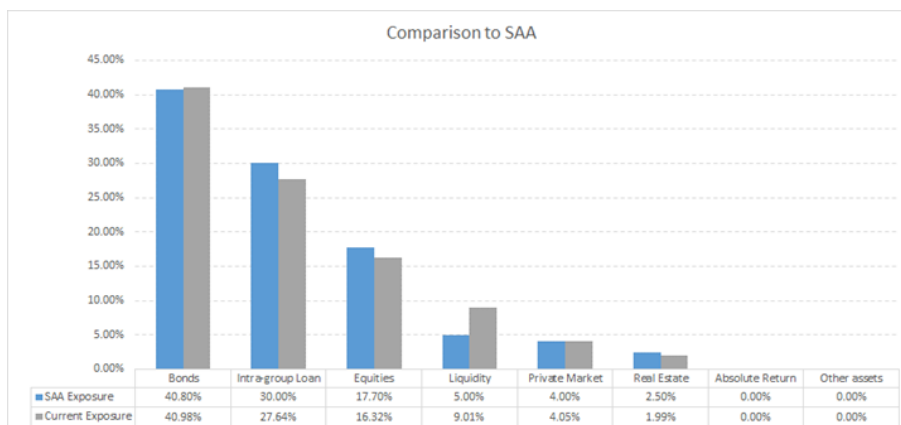
The time-weighted performance of SRE’s total investment portfolio was -7.08%, mostly driven by its participation in SMAF (-6.98%) and a minor negative currency effect from its own cash accounts. The development was as followed:



Portfolio allocation in terms of asset class as of 31 December 2022 is as follows:



Comparison of the SRE's holdings as of 31 December 2022 (applying a look-through in SMAF) to its SAA shows 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.

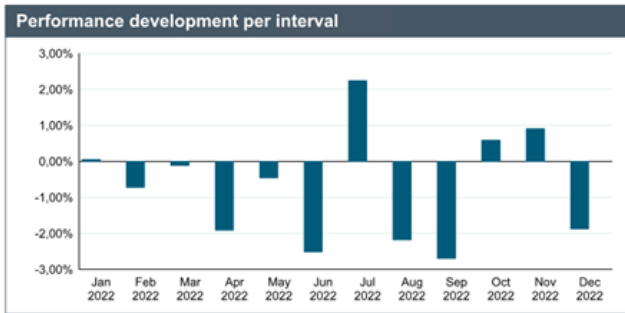
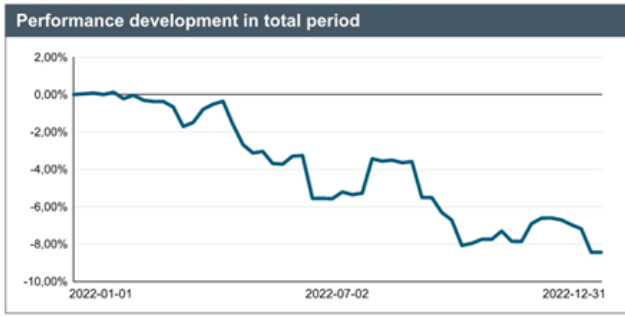


Stonefort Insurance S.A.

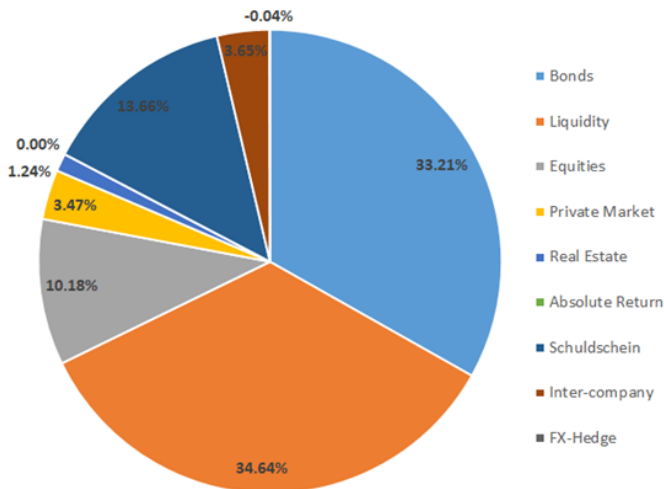
In 2022, the SAA for SINS targets a long-term return of 2.1% with a volatility of 5.8%, which considers the risk appetite of not more than 9.5% devaluation in a year with a 95% confidence level.

SINS's 2022 financial year started on 1 January 2022 and ended on 31 December 2022. At the end of January 2022, SINS started to invest in SMAF via the EUR share class B. As of 31 December 2022, SINS has a total net asset value of EUR 52,817 thousands, which is made up of investment in SMAF (60.6%) and some assets held on its own accounts: cash (30.9%), sovereign bonds (7.6%) and convertible loans (0.9%).

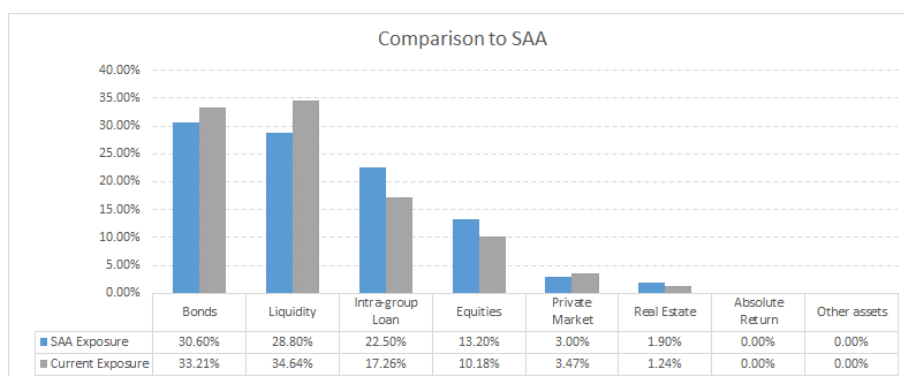
The time-weighted performance of SINS's total investment portfolio was -8.44%, mostly driven by its participation in SMAF (-5.56%) and substantial currency effects largely attributable to cash and bond positions denominated in GBP and NOK which depreciated against the EUR during 2022. The development was as followed:



Portfolio allocation in terms of asset class as of 31 December 2022 is as follows:



Comparison of the SINS's holdings as of 31 December 2022 (applying a look-through in SMAF) to current SAA shows an adequate allocation to bonds thanks to the government bond portfolio owned directly by the company. For the time being, this portfolio is used for ALM purpose and there is no intention to sell it in the short term. A slight overweight in liquidities is noted and will require further analysis on receivables/payables before proceeding to additional investments.



Investment income comprises dividends, interests and other income receivable, realised gains and losses on investments and unrealised gains and losses. The accounts for 2022 show the following details:

	2022	2021
	EUR	EUR
Investment income		
▪ Income from other investments	70,143	54,299
▪ Value re-adjustment on investments	-	152,074
	70,143	206,373
Investment charges		
▪ Investment management charges, including interest	(67,645)	(99,344)
▪ Value adjustments on investments	(4,120,334)	(55,881)
▪ Losses on the realization of investments	(8,889)	-
	(4,196,867)	(155,225)

A.1.9 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.

A.1.10 Any other information

There is no additional information to add at this juncture.

B. System of Governance

B.1.1 General information on the system of governance

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

The SIH Board retains ultimate responsibility for the governance of itself and for its wholly owned subsidiaries. However, it is not prescriptive in how any subsidiary should meet its obligations.

To ensure effective oversight and steering of SIH, at least one SIH director, one independent director, and shareholder representatives, sit on all subsidiary Boards.

The governance system for SIH and its subsidiaries ("SG") consists of:

1. Boards of Directors which are responsible for defining the entities' strategy and overseeing the activities of their executive management .
2. Special committees which are responsible for analysing important topics and making proposals thereon to the Board.
3. The executive management of the respective SG entities is responsible for the implementation of the SG entities strategy.
4. The key functions of risk management, compliance, actuarial and internal audit carry out oversight and control activities.

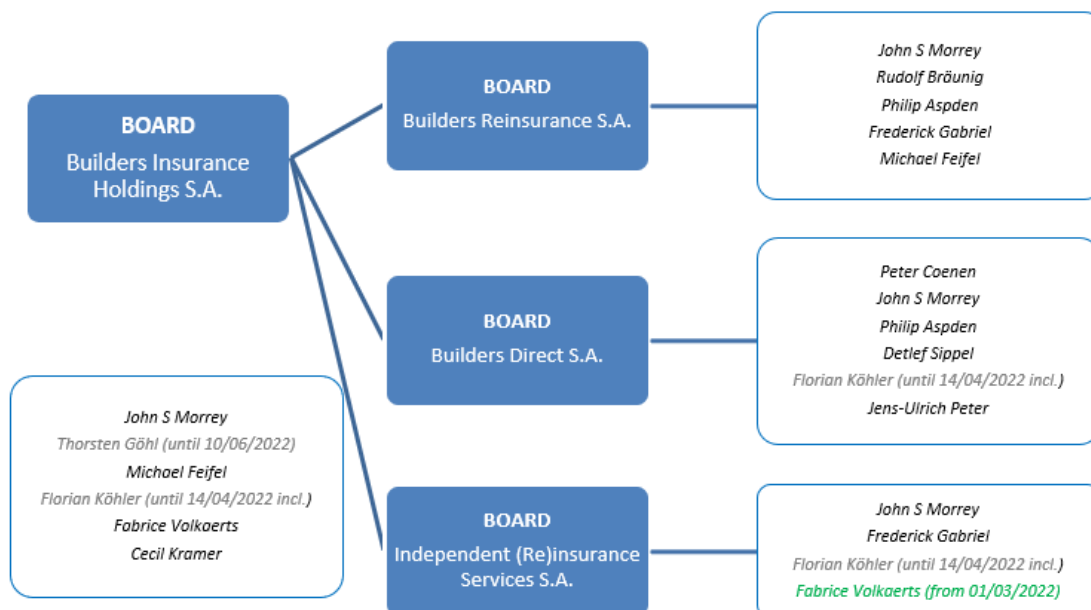
B.1.2 The Board of Directors

Composition of the Board of Directors

SIH's Board of Directors is responsible for the conduct and oversight of the business, develops the strategy and assesses risk appetite accordingly. It ensures the existence of strong governance within the subsidiaries.

The Boards of Directors of SIH subsidiaries comprise a minimum of three directors. Their mandates are, subject to resolution, to be renewed each year, at the Annual General Meeting of the SG entities.

On 31st December 2022 the Boards of Directors of the SG entities were composed as follows:



Functioning of the Boards

The SG Boards of Directors meet as often as the respective SG company interests require, and for the regulated companies, at least four times a year.

The Boards may duly resolve and take decisions if at least two directors are present. Resolutions are passed with a majority of votes expressed by directors (present or by proxy). The Chairman has the casting vote in the event of a tie.

In exceptional circumstances, the Board may also resolve by way of an unanimous written circular resolution by all its directors.

In order to support the Board of Directors, dedicated committees have been created whose role consists of advising the Board of SIH or its subsidiaries. The Board retains full responsibility for decisions and oversight of any matters delegated to any committee.

All SG directors abide by a code of conduct for directors which sets out their duties, ethical conduct and responsibilities.

If a conflict of interests should arise on any vote then the director must comply with the policy in force and declare the conflict and exclude himself from taking part in the vote.

In addition, each director has to make a declaration to the Board of any link he has with any company, whether listed or not and detail any personal transactions that have the potential to generate a potential conflict of interests. Such a disclosure obligation must be declared annually in the "Annual Disclosure Form" completed by the directors.

Evaluation

The Boards assess their own effectiveness as a management body and the effectiveness of their governance role, on a regular basis; in particular the size, composition and operations of the Board as well as that of the special committees.

Related party transactions

There were no material transactions between SG companies and directors or related parties in 2022.

B.1.3 The Executive Management of the SG entities

In accordance with their respective Articles of Association, a Board of a SG entity may delegate its day-to-day management to one or more directors or to third persons who do not have to be a shareholder of the entity. At 31st December 2022, the Boards of SIH, SRe and SINS have delegated the day to day management to Mr John Morrey by appointing him as Managing Director for each entity. The executive management role of the SG entities consists of, but is not limited to, the managing and developing of SG strategies, policies, plans and budgets passed by the respective Boards. The Board of SINS has also appointed Mr John Morrey as Dirigeant Agréé of SINS, and the Board of SRe has appointed its associate company Stonefort Captive Management S.A. (represented by its Managing Director Mr John Morrey) as Dirigeant Agréé Délégué of SRe.

Each entity of the SG has as its executive function a Managing Director that is supported by a Chief Operating Officer, a Chief Financial Officer, a Chief Legal Officer and a Chief Underwriting Officer with responsibility. These executive functions are represented/bundled in the group's Executive Committee that steers the overall activities of SG. The distribution of responsibilities amongst the Executive functions according to their competencies enables the SG to coordinate and manage the different group entities with the appropriate knowledge to conduct business in the best possible manner.

Executive Committee for each SG entity presently consist of the following members:

1. Mr John Morrey, Chief Executive Officer, in charge of the general management of the SG entities.
2. Mr Fabrice Volkaerts, Chief Operating Officer
3. Mr Sven Kehrbein, Chief Financial Officer
4. Mr Cecil Kramer, Chief Legal Officer
5. The position of the Chief Underwriting Officer is currently vacant.

The Executive Committees meet frequently but, at least once every two weeks.

B.1.4 Board Special Committees

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

In 2022, five (5) Special Committees were in place:

1. 2 at SIH level :

1. **Investment Committee (IC)**

The Investment Committee (IC) is responsible for:

- issuing opinions on policies and formulating investment strategy recommendations to the Board of Directors of the respective subsidiaries,
- coordinating and supervising the activities of the external investment advisors.

All investment decisions are ultimately taken by the respective Boards of Directors.

As at 31st of December 2022, the Investment Committee is composed of the following members:

- Mr John S. Morrey, Chief Executive Officer (CEO)
- Dr Michael Feifel, Director (HOCHTIEF IB&RMS GmbH)
- Mr Rudolf Bräunig, Head of HOCHTIEF Corporate Finance
- Mr Thomas Vandalle, Head of Investment

2. **Audit and Finance Committee (AFC)**

The Audit & Finance Committee (AFC) was set up in 2017 following SRe and SINS being classified as 'Public Interest Entities' (PIE).

The Committee is responsible for the following aspects:

- Review management accounts
- Review company forecast
- Evaluate and monitor external auditors and independence
- Review of audit reports and management letter

As at 31st of December 2022 this committee is composed of the following members:

- Dr Michael Feifel, Director (HOCHTIEF IB&RMS GmbH)
- Mr John Morrey, CEO of SIH
- Mr Peter Coenen, Head of Internal Audit (HOCHTIEF PPP Solutions GmbH)
- Mr Mischa Horstmann, Senior Vice President Corporate Accounting (HOCHTIEF AG)

2. 3 Special Committees set up each at SINS and SRe level:

1. **Underwriting Committees (UWC)**

These Committees are responsible for the following aspects:

- Review the underwriting policy and update as needed
- Analysis of significant risks
- Monitoring of reported claims or claims arising but not reported

- Definition of the actuarial models and processes to manage the exposure of the company and the clarification of any actuarial strategies
- Review of the reinsurance portfolio per line of business and presentation of results to the Board.

The SINS **Underwriting Committee** as at 31st December 2022 is composed of:

- Mr John Morrey, Managing Director and CEO of SINS (by delegation)
- Mr Detlef Sippel, Director (HOCHTIEF IB& RMS GmbH)

The SRE **Underwriting Committee** as at 31st December 2022 is composed of:

- Dr Michael Feifel, Director (HOCHTIEF IB&RMS GmbH)
- Mr John Morrey, Managing Director and CEO of SRe (by delegation)

2. **Audit, Risk and Compliance Committees (ARC)**

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

The SINS **Audit, Risk & Compliance Committee** as at 31st December 2022 is composed of:
Mr Peter Coenen, Director, HOCHTIEF PPP Solutions GmbH

- Mr Jörg Mathew, Head of Corporate Auditing, HOCHTIEF AG
- Mr Philip Aspden, Independent Director
- Mrs Kerstin Schmelcher, Head of Risk

The SRE **Audit, Risk & Compliance Committee** as at 31st December 2022 is composed of:

- Mr Frederick Gabriel, Independent Director
- Mr Philip Aspden, Independent Director
- Mrs Kerstin Schmelcher, Head of Risk
- Mr Jörg Mathew, Head of Corporate Auditing, HOCHTIEF AG
- Dr. Michael Feifel, (HOCHTIEF IB&RMS GmbH)

3. **Claims and Reserving Committees (CRC) for SINS and SRe**

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 of Directors.

B.1.5 The control 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 2 key functions are: :

- Actuarial function.
- Risk management function.
- Compliance function.
- Internal audit function

The internal audit functions for SINS and SRe are exercised by non-executive members of the respective Boards of Directors who 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 responsible persons for the key functions are (31st December 2022):

Responsible for the S2 actuarial key function	Eric Petitjean	SG – entity: SINS, SRe, and SIH
Responsible for the S2 risk management key function	Kerstin Schmelcher	SG-entity: SINS, SRe, and SIH
Responsible for the S2 compliance key function	Cecil Kramer	SG – entity: SINS, SRe, and SIH
Responsible for internal audit function	Peter Coenen	SG entity: SINS
Responsible for the S2 internal audit key function	Dr Michael Feifel	SG entity: SRe & SIH

The four S2 key functions are independently positioned within SINS as shown under table 2. The Internal Audit key function holders are non-executive directors overseeing the mainly outsourced internal audit activities (HOCHTIEF Corporate audit & E & Y). The S2 key functions participate in the Board specialised committees. All S2 key functions have direct communication lines with the Board or via the specialised committees. Executive Management ensures that all monitoring policies issued by control functions are consistent with each other.

B.1.6 Fit & Proper

Fit and proper requirements are set for persons who run the undertaking and other key functions to contribute to a sound business operation and to promote the stability and integrity of SIH Group as well as market confidence.

B.1.7 Fitness

Generally, Managers are recruited on the basis of their experience, performance in a similar role, professional qualifications, attitude and deemed alignment with SG corporate culture. All managers are subject to performance monitoring via a formal annual appraisal. A professional training programme is kept in place to ensure that managers are kept up to date with technical developments and in order to train them in emerging competency requirements.

B.1.8 Proper

A potential director will usually be sponsored by at least two SIH board members. To demonstrate an external candidate's integrity, he/she:

- must have been known for a considerable time to at least one board member and/or
- have been recommended:
 1. by a professional in the Luxembourg financial sector or;
 2. a recognised expert on the insurance/reinsurance market or;
 3. a major accounting firm or;
 4. a reputed law firm.

An up-to-date recent copy of their police record evidencing no convictions is also required together with a sworn statement of integrity affirming that he/she has not been convicted of a criminal offence, fraud, bankruptcy or other named offences.

In order to ensure that other key functions holders are proper persons, the following checks are made:

- Identity check.
- Criminal record check.
- Reference checks with former employers.

B.1.9 Key features of the remuneration policy

The remuneration principles in Stonefort Group are designed to attract and retain to the Company's management persons that possess relevant skills, industry knowledge and experience to oversee the Company's achievement of its performance and strategy goals with emphasis on long-term shareholder value creation. Its purpose is to maintain a policy consistent with sound and effective risk management and which does not lead to excessive risk. Our approach is to reward, equally, attitude and expertise.

The total compensation package consists of fixed salary, a range of benefits and a variable component linked to the performance. The salary is based on the role, experience, and position of the employee and the benefits depend on the grade.

The assessment of the performance is done through a structured approach with the goal setting exercise, the annual appraisal discussion, and an annual review for the promotions, increases as well as the allocation of a performance bonus.

B.1.10 Risk Management System including the Own Risk and Solvency Assessment

B.1.11 Risk Management System

Positioning and structure of RM function

The Board designated a head of risk leading the risk function of the SG companies and being the S2 key function holder for risk management. The risk function reports regularly to the Boards, to the Management and to the respective Audit, Risk and Compliance Committee (ARC) where the head of risk is also a member. The ARC is established to perform an advisory role, issuing opinions, and making recommendations to the Board of Directors regarding the risk management framework. The committee reviews the Company risk strategy and mitigating actions and monitors operational risk, tolerance, and review risk results.

Responsibilities and duties

The Risk Management Function ensures the effectiveness of the Risk Management System. The Risk Management System includes the policies, processes and reporting required 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:

1. Responsible for operational risk management
2. Support to the management by appropriate risk reports and quality checks
3. Designing, monitoring, and facilitating the implementation of the Risk Management System
4. Aggregation of individual risks to the Group-wide risk profile
5. Detailed analyses and reports concerning risk exposure.
6. Advising management on risk aspects in strategic decisions, as well as larger projects or investments
7. Conduct the Company's Own Risk and Solvency Assessment (ORSA)
8. 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 of Directors before entering into force. The risk management process performed by the whole Stonefort Group is depicted below:



Table- Risk Management Process

The four steps of the risk management process i.e. risk identification, risk assessment, risk control and risk monitoring & reporting are carried out for every 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 is 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. The department heads causing the risk are recording and assessing the risk in order to ensure a complete and exhaustive view on the Company profile.

Assess risks

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 the Group and every insurance entity of the Group.

Information on forward-looking / prospective assessment of main risks is gathered and is performed by Risk Owners.

Hierarchies risks

The identified risk should be hierarchised to prioritise material risk. Action plans for material risks should be implemented first.

After identifying and assessing risks, the risks likely to impact the achievement of strategic and operational objectives are presented in a «Heatmap» table according to their potential impact and to their probability of occurrence.

Risk Control

If an action plan is required for a risk, suitable measures to avoid, reduce or relocate the risk shall be initiated. The risk owners are responsible for suggesting and implementing the necessary mitigation actions.

Analyse and mitigating the risk

Once individual risks have been assessed and prioritised, the risk profile, a risk heatmap, summarize all risks to which the Group is exposed. The heatmap shows mitigation action if existing.

The mitigation action will depend on two factors:

1. The nature of the risk;
2. The cost for the risk mitigation should be lower than the acceptance of the risk.

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

Accept the risk

The risk is accepted without implementing mitigating actions or controls.

Share the risk

Sharing the risk means reducing the risk through reinsurance, coinsurance or enter into a joint venture.

Reduce the risk

The Group reduces the likelihood and/or the impact of the risk.

Avoid the risk

Stonefort eliminates the risk by ceasing or reducing the activity.

Increase the risk

The Group accepts more risk. This choice is appropriate if the risk/return is positive.

Plan and schedule

If a risk should be mitigated the ARC Committee in conjunction with the department(s) in charge of the risk determine an action plan.

Risk monitoring and reporting

Risk monitoring is a continuous monitoring of the evolution of risks. This includes the evaluation of the risk indicators and the monitoring of the implemented mitigating actions and comprises the following steps:

- Risk tracking
- Risk scenario analysis
- Risk reporting
- Learn and improve

The risk category / register provides a snapshot of the Company's risk profile at a given moment and is updated regularly given the constant evolution of the environment in which SG is active. The risk management process is reviewed at least once a year and the review covers at least the following elements:

1. Internal and external audit findings and recommendations;
2. Internal control findings;
3. Issues arising while applying the Risk Management process ;
4. If applicable, the results from back testing;
5. Incidents reported;.
6. Evolution and breaches of KRIs;
7. New or updated group and regulatory directives impacting the Risk Management activity ;
8. Completion/non-completion of actions plans.

Crisis Management System

A crisis management system is in place to ensure the continuity of the activities following a critical event for example a natural disaster, IT disaster, property damage, or pandemic. The system ensures for example that a data backup is available. The need for additional disaster recovery plans is under consideration.

Information on significant risks

Based on the results of the Risk assessment carried out by the Company, the significant risks are identified. The Risk assessment is not limited to quantitative risks as financial and underwriting risks. The assessment comprises also qualitative assessment models to quantify non-financial risk as operating, strategic, legal or compliance risks.

B.1.12 The Own Risk and Solvency Assessment (ORSA)

The ORSA Process

The ORSA process is established in accordance with the ORSA policy and is performed at least once a year taking into account the Business Plan process.

The risk profile should be updated at least quarterly. In the event of significant changes in the risk profile, an ad-hoc ORSA should be carried out. The ad-hoc ORSA need not contain all elements of a regular ORSA. The ad-hoc ORSA should consider the changes in the risk profile.

The ORSA process is performed 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 to align with the Hochtief group forecasting and budgeting process. The group ORSA report describes:

- each subsidiary of Stonefort Group, the strategy for each subsidiary and the Group;
- the stress and scenario test results of each subsidiary and for the Group. The ORSA shows the risks interdependencies within the Group ;
- the sources and availability of own funds for the individual entities and for the Group.

Objectives

The underlying objectives of the ORSA are the following:

- to identify and assess the risks which may jeopardize the fulfilment of the business plan within the planning horizon;
- to determine the adequacy of the own funds ;
- to ensure the coverage of the technical provisions;
- to ensure that the solvency requirements are met at all times.

Process

The annual ORSA process performed by Stonefort Group is depicted below:

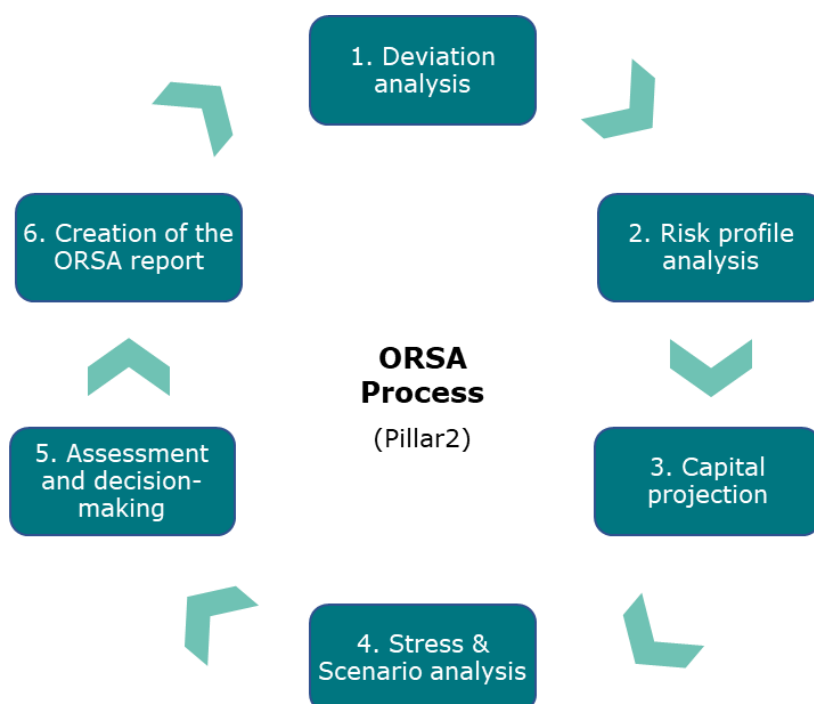


Figure 1 - ORSA Process

Deviation Analysis:

This first step is to challenge 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 to another. In addition, it is necessary to examine whether there are further differences between the risk profile and the assumptions of the standard formula that are not listed in this document.

Risk profile Analyses

The overall Solvency needs reflecting the actual risk profile are determined based on the 1st Pillar results supplemented by the quantitative and/or qualitative assessment of the risks not or insufficiently taken into account in the standard formula.

The overall solvency needs correspond to the quantification 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.

Capital projection

The evolution of the risk profile is forecasted over the Company's business planning horizon (3 years for SIH). In addition, the future capital needs, the Solvency ratio, and the Minimum capital requirements should be assessed while the ORSA process. Assumptions of the future development of important risks used for the forecasts are documented in the ORSA report.

When analysing the future risk profile, the projected solvency ratio and overall solvency needs should be assessed against the risk appetite established by the BoD.

Stress and Scenario analysis

Sensitivity and stress scenario to analyse the 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.

Assessment and decision making

The results of the different stress scenarios is compared with the risk appetite and risk limits (Key risk indicators) to evaluate if any scenario would lead to a noncompliance with the risk appetite. In this case the management should discuss potential countermeasures to align the risk to the risk appetite.

The actuarial function should assess the continuous compliance with technical provisions.

If the overall risk situation changes significantly, an ad hoc ORSA might be required. This changed risk situation should be considered when selecting the stress scenario for an ad hoc ORSA.

Creating of the ORSA report

Once the process and the results have been presented to the BoD, the Risk Management Function consolidates the ORSA results of each Stonefort entity into a single ORSA report, the Stonefort Group ORSA.

The ORSA report is established according to the structure above and shall include at least:

1. ORSA qualitative and quantitative results and related conclusions ;
2. The methods and main assumptions used ;
3. A comparison between the overall solvency needs, the regulatory capital requirements and the company's own funds

No later than two weeks after the completion of the ORSA and its approval by the BoD, the ORSA report should be submitted to the CAA, but in any event the ORSA must be delivered in accordance with the CAA's deadlines..

B.1.13 Internal control system

B.1.14 General information on the internal control system

Internal control is a set of continually operating processes involving the Board of Directors, the Management and all levels of personnel which goal is to:

- Ensure that the Company's operations are effective and efficient in view of the risks and targets established,
- Ensure the availability and reliability of financial and non-financial information,
- Ensure that the company acts, interacts, or operates in compliance with the laws, regulations and other rules applicable to the Company.

The Internal Control Framework of the Company has five core elements and is managed by the Company's Internal Controls Manager to strengthen the accuracy and reliability of the data, controls and reporting:

1. Board-level Controls – supervision over the management and execution of strategy, policies and decisions taken by the Board
2. Management-level Controls – a close review of operations is performed by the Executive Committee (authorisation, reconciliations, ...)
3. Independent Control Functions – the second and third level of control oversee the operations and control over rules, policies and procedures
4. Controls over outsourced Activities - The Company requires its outsourcing partner - within the Group or outside – to implement the same control environment and fit and proper conditions
5. Business operations controls: these are internal controls (checks, reconciliations,...) embedded into the systems and/or processes and detailed in the policies/procedures.

B.1.15 Compliance function

Positioning and structure of compliance function

The compliance function is a centralised function within SIH with responsibility for compliance in all SG companies. This function is delegated by SIH's subsidiaries via group internal service agreements to SIH. The compliance function at SIH level centralises all information on compliance-related issues pertaining to SG and liaises with internal functions and external bodies in matters of compliance.

The compliance function is represented in the ARC special committee of each company. The Group Compliance Officer is a permanent attendee of the "ARC" specialised committees "ARC".

The ultimate responsible for the SG compliance functions is the Group's CLO, Mr. Cecil Kramer. Mr. Kramer was appointed as S2 Key Function Holder for Compliance for both the CAA regulated entities SINS and SRe.

The Group Compliance Officer also holds the role of Data Protection Officer for SINS and SRe (and is the Data Protection Coordinator for the rest of the SIH Group).

The person Responsible for the Control of AML/CTF (ref. AML Compliance Officer) for SINS and SRe reports to the Group Compliance Officer. Mr. Mario Grassi was appointed as AML Compliance Officer in May 2022.

Responsibilities and Duties

The compliance function is part of the second line of defence and is accountable for:

1. Establishing and maintaining effective compliance risk management and control systems, i.e., identifying and evaluating compliance risk, overseeing the implementation of mitigation measures and establishing a compliance monitoring programme;
2. Providing timely advice to the organisation, i.e., advising the Executive Management on relevant laws, regulations, rules, standards, recommendations, and practices in the marketplace with a focus on compliance activities;
3. Promoting high standards of business integrity and regulatory compliance from its employees via training and awareness initiatives.

The scope is represented by laws and regulations the organization is required to comply within all jurisdictions where the business is conducted, directly or by means of intermediaries, as well as critical organizational and governance policies. It covers 4 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

PERSONAL CONDUCT RELATED INTEGRITY RISK	FINANCIAL SERVICES CONDUCT RELATED INTEGRITY RISK	ORGANISATIONAL CONDUCT RELATED INTEGRITY RISK	CLIENT AND THIRD-PARTY RELATED RISKS
EXAMPLES OF COMPLIANCE/INTEGRITY RISK			
Respect of regulatory framework requirements	Conflict of interest	Issue of corporate governance	Money laundering
Internal company rules	Code of conduct	Professional secrecy	Terrorist financing
FATCA	Gifts	Data protection	Customer & third-party due diligence
Insider dealing	Fraud	Outsourcing agreements	New product & line of business
Market abuse			

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

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

1. Accounting practices and reporting
2. Information Technology
3. Social & Labour law
4. Credit and market risks
5. Actuarial compliance
6. Tax compliance

When an affiliated company of the SIH group establishes a representative office or a branch outside Luxembourg, it likely becomes subject to double supervision, from respectively the local and Luxembourg regulator/s. The responsibility for the S2 key compliance function nevertheless remains with the appointed S2 Key Function Holder for Compliance of the Luxembourg regulated company.

The Compliance Function may appoint a local Compliance Officer for the representative or branch office, to be notified, where required, to the local regulator; the overall structure of the Compliance Function shall comply with the requirements of independence and segregation in terms of roles, duties and responsibilities of all its team members. However, the proportionality principle is applied, again provided that any effective/potential conflict of interest or poor segregation of duties is identified and mitigated.

Compliance Policy

This compliance policy applies to:

1. the Company and its affiliated regulated undertakings in which SIH holds major participating interests,
2. all directors and employees of SIH Group without restriction.

The fundamental compliance principles which must be observed by all employees and directors of SIH Group are laid down in our code of conduct. In addition, directors sign a separate Code of Conduct for directors.

SIH expects its directors and employees to observe strict compliance with the principles listed in both Codes of Conduct and to act in accordance with SIH' Group ethical principles as they carry out their business activities.

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

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

- 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 decisions. Decision makers however must act in due consideration of the compliance advice.
- The compliance function has full and unrestricted access to any information or documentation at any time. All staff members of the compliance function must comply with applicable confidentiality requirements.
- The compliance function is subject to review by Internal Audit.
- The Group Compliance Officer and separately any S2 key function holder 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 Directors of the respective SG company.

Annual Compliance Plan

Developments in the regulatory framework, as well as risk assessment, provide the basis for the annual compliance plan and monitoring activities. The annual compliance plan is discussed with the Management and submitted to the ARC for approval.

A three years Compliance program is discussed with the respective SG entity management and the Audit and Compliance Committee (ARC) and is then submitted to the Board of Directors for approval.

The Compliance program is reviewed on a yearly basis, or when changes occur in the regulatory/internal environment and submitted to the Board of Directors for approval.

Reporting

The compliance function reports on compliance matters, results, and progress made on the relevant actions to the SG entity's CEO, its Board of Directors and its Audit, Risk and Compliance Committee (ARC).

Whistleblowing

The whistle-blowing system of HOCHTIEF AG (hotline and e-mail) is available and can be used by employees or third parties to draw attention to possible offenses or non-observance of the regulations, or code of conduct.

Due to the relatively small size of the company in terms of headcount, upward communication to Senior Management is facilitated. Employees are encouraged to report any concerns or suggestions to Senior Management without restrictions.

B.1.16 Internal Audit function

B.1.17 Positioning and structure of internal audit function

The S2 Key Function - Internal Audit is exercised by designated non-executive directors of the operative SG insurance entities. At 31st December 2022, Mr. Peter Coenen (in respect of SINS) and Dr. Michael Feifel (in respect of SRe and SIH) control the Internal Audit activities and services outsourced to HOCHTIEF AG Corporate Audit (Mr. Lutz Gensch) and E & Y Luxembourg. Both report to the respective Boards of Directors.

The head of HOCHTIEF AG Corporate Audit is Mr Jörg Mathew who has overall responsibility for Internal Audit matters for the HOCHTIEF AG group of which SG is a part.

Ernst & Young Luxembourg are providing internal audit services related to Solvency II.

Changes are planned for 2023 to align with the CAA requirements (see below).

B.1.18 Responsibilities and Duties

The function provides independent and objective assurance services, via a formal outsourcing arrangement in respect of the Company's processes, with due regard to the adequacy of the governance, risk management and internal control framework.

B.1.19 Annual Audit Plan

The Internal Audit prepares a three-year internal audit plan according to business priorities and risk areas.

The Audit Committee oversee the 3-years risk-based Audit Plan.

The internal audit plan for 2023 has been adapted and will cover areas such as:

- Annual update of the risk assessment
- Follow-up of previous years' recommendations
- Solvency II
- Human Resources
- Outsourcing
- IT system implementation

An audit report is issued by Internal Audit following the conclusion of the audit.

Internal Audit Reports highlight any significant control weaknesses identified, recommendations and Management responses.

B.1.20 Outsourcing

A due diligence process is undertaken by the relevant department (responsible for the contract) prior to any final decision being made as to whether to outsource a material business activity. This process addresses all material factors that would impact on the service provider's ability to perform the activity. The Compliance function is responsible for revising the on-boarding due diligence and complement it with additional checks.

SIH has established an Outsourcing Policy applicable in all SIH subsidiaries including the Company.

The Outsourcing Policy sets out the following:

- Definition of outsourcing and material outsourcing;
- Risk mitigation strategies;
- Board and management responsibility;
- Business Case;
- Due diligence;
- Contractual Agreements;
- Management and control of the outsourcing relationship;
- Final approval.

The Company's outsourcing arrangements are subject to a review whose frequency depends upon the risk attached to the outsourcing activity. Findings of this review are submitted to the Board as part of the annual Compliance report.

For 2023 SG is planning a number of changes to its external and in particular internal outsourcing arrangements to improve SG's alignment with the regulatory requirements in this regard. This includes the outsourcing of range of activities from SRe and SINS to SIH's 100% subsidiary Stonefort Captive Management S.A. a PSA authorized and regulated by the CAA.

B.1.21 Actuarial function

B.1.22 Positioning and structure of actuarial function

The actuarial function is a centralized function established at the level of SINS and SRe.

This position is held by the Head of Actuary. He/she provides independent oversight and validation on the actuarial works of the SG Group.

B.1.23 Responsibilities and duties

The responsibilities of the Head of Actuary include:

- 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 an opinion on the underwriting policy;
- Preparing an opinion on the adequacy of the reinsurance arrangements;
- Contribute to the effective implementation of the risk-management system, including risk modelling.

B.1.24 Reporting

The Actuarial Key Function produces an annual report for the company that highlights the adequacy of technical provisions, as well as an opinion on the underwriting and reinsurance arrangements.

B.1.25 Any Other Information

The SG entities have assessed their corporate governance system at the date of this report and concluded that the SG actuarial key functions provide a sound and prudent management of the business, and is proportionate to the nature, scale, and complexity of the operations of the respective SG operative entities.

C. Risk Profile

Stonefort Group maintains one Risk Profile comprising all Risks relating to the two operative (re)-insurance entities and the risks relating to of the holding entity SIH. This reflects better dependencies between the entities better.

C.1.1 Underwriting risk

Stonefort Group takes a conservative approach to underwriting risk in order to maintain its financial security and regulatory compliance.

Insurance risk concentration occurs due to the concentration of insurance operations in a particular geographic area, industry or insurance peril. It may also occur as a result of a correlation between individual insured perils.

This underwriting risk is divided into three modules: Premiums and Reserves Risk, Catastrophe Risk and Lapse Risk.

- **Premium & Reserve Risk**

Premium Risk is related to future claims, i.e. the risk that the gross premiums received are not sufficient to cover 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 sum of the technical provisions.

The value measure for the Premium Risk is the premium volume, is evaluated as the Gross Earned Premium of the year T+1. The Reserve Risk measure is. the reserve volume, is the value of the claims provision, net of reinsurance.

Strategic underwriting decisions impact the SCR since the underwriting risk is forward looking.

- **Natural Catastrophe Risk**

Natural catastrophe risk arises from aggregation or accumulation of risks which may result in increased exposure to natural catastrophe losses (e.g. hurricanes, earthquakes or floods).

If insured risks are overly correlated, e.g. due to geographical concentration, losses can occur and affect multiple lines of business.

- **Man-made Catastrophe risk**

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

1) Lapse Risk

As there is no tacit renewal of cover, we do not assume any lapse risks. Whilst there may be occurrences of insurance contracts being cancelled mid-term the impact is immaterial.

C.1.2 SRe Exposure & Concentration

All programmes are reinsurance programmes, some proportional and some non-proportional. As defined in the EIOPA segments, the Proportional segments are classified in the range S1 to S9 for non-life and S1 to S3 for health. For the Non-Proportional programs, the range is S10 to S12 in non-life and S4 in health.

SRe covers the following classes of business in the non-life and health segments. The table below shows the breakdown by a segment of premium volume (Gross Earned Premium of the year T+1) and reserve volume (claims provision, net of reinsurance) as of 31 December 2022, in thousands of United States dollars:

	Volume measure Premium Risk	Volume measure Reserve Risk
Motor vehicle liability - S1 :	607	961
Other motor - S2 :		
Marine, aviation and transport - S3 :	4,110	5,423
Fire and other damage to property - S4 :	23,280	24,338
General liability - S5 :	43,852	93,161
Credit and suretyship - S6 :	9,852	9,223
Legal expenses - S7 :		
stance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :	2,855	1,956
Casualty - S10 :	73,863	59,671
Marine, aviation and transport - S11 :		
Property S12 :	2,517	7,102

For SRe, the Non-Life premium volume is USD 160,936 thousands and the reserve volume is USD 201,835 thousands.

	Volume measure Premium Risk	Volume measure Reserve Risk
Insurance and proportional reinsurance - S1 :		
Insurance and proportional reinsurance - S2 :		
Insurance and proportional reinsurance - S3 :	43,034	57,744
Non-proportional health reinsurance - S4 :	2,650	4,166

The health premium volume is USD 45,684 thousands and the reserve volume is USD 61,910 thousands.

The premium and reserve risk is sufficiently diversified. The premium and reserve risk for the non-life business is USD 98,472 thousands which represents 27% of the non-life exposure (premium and reserve) and for health USD 25,886 thousands which represents 24% of the health exposure (premium and reserve).

C.1.3 SINS Exposure & Concentration

The underwriting risk is the main risk for SINS which consists of:

Non-life underwriting risk relates to SINS commitments in the following business segments: insurance fire and other property damage, general liability insurance, credit and suretyship insurance and miscellaneous financial losses.

SINS has not underwritten any Health risk (assimilated to non-life) in 2022.

New business is defined and controlled by the SINS underwriting policy. In addition, the underwriting risk exposure is managed by a series of reinsurance programs, mainly by intragroup reinsurance with SRe. The strong reinsurance program limits the underwriting risk SINS is exposed to.

The reinsurance program in place mitigate SINS underwriting concentration risk, except on reinsurance.

The programmes underwritten in 2022 were classified into 6 non-life segments; the table below shows the breakdown by segment of premium volume (Gross Earned Premium of the year T+1) and reserve volume (claims provision, net of reinsurance) as of 31 December 2022 in thousands of euros:

	Volume measure Premium Risk	Volume measure Reserve Risk
Motor vehicle liability - S1 :		
Other motor - S2 :		
Marine, aviation and transport - S3 :		
Fire and other damage to property - S4 :	8,059	6,279
General liability - S5 :	2,444	3,167
Credit and suretyship - S6 :	835	498
Legal expenses - S7 :	14	1,425
Insurance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :		
Casualty - S10 :		
Marine, aviation and transport - S11 :		
Property - S12 :		

For SINS, the premium volume is EUR 11,352 thousands and the reserve volume is EUR 11,369 thousands.

The premium and reserve risk is sufficiently diversified. The premium and reserve risk for the non-life business is EUR 3,824 thousands which represents 17% of the non-life exposure (premium and reserve).

C.1.4 SIH Group Exposure & Concentration

The programmes underwritten in 2022 were classified into 8 non-life segments and 2 health segments.

The table below shows the breakdown by segment of premium volume (Gross Earned Premium of the year T+1) and reserve volume (claims provision, net of reinsurance) as of 31 December 2022 in thousands of euros:

	Volume measure Premium Risk	Volume measure
Motor vehicle liability - S1 :	567	905
Other motor - S2 :		
Marine, aviation and transport - S3 :	3,840	5,067
Fire and other damage to property - S4 :	23,081	27,048
General liability - S5 :	46,066	92,632
Credit and suretyship - S6 :	10,015	9,132
Legal expenses - S7 :		
Assistance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :	2,667	1,824
Casualty - S10 :	69,005	55,827
Marine, aviation and transport - S11 :		
Property S12 :	2,351	6,926

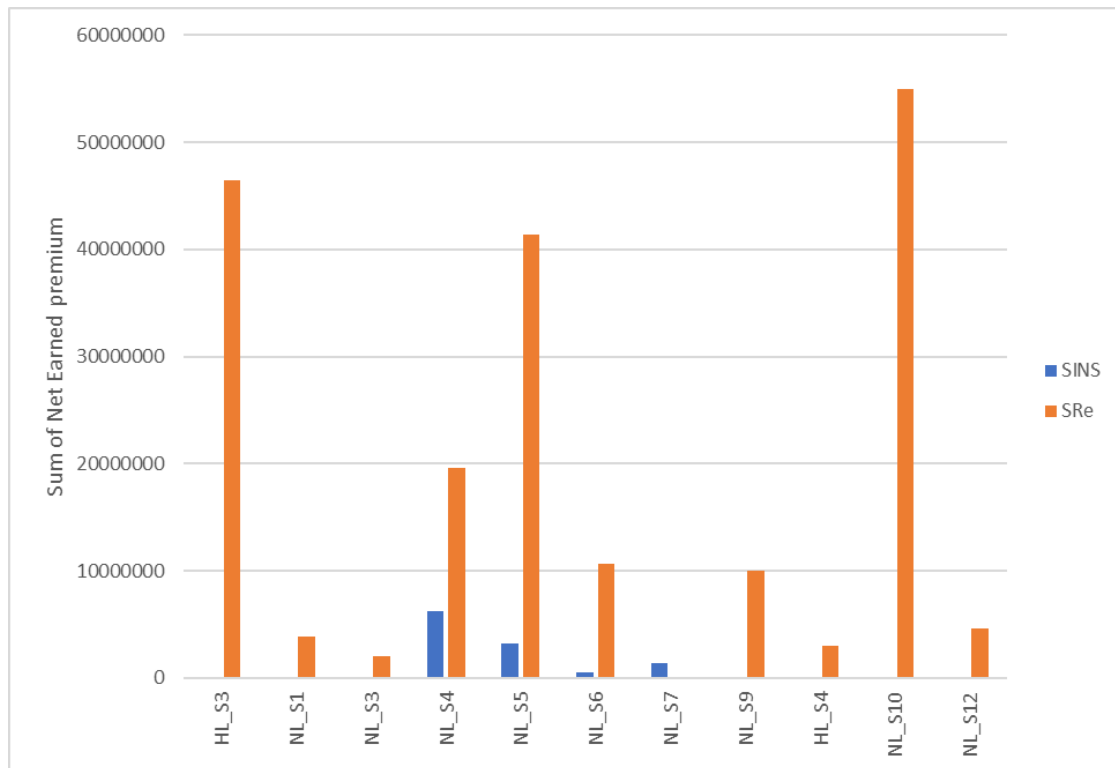
At the SG level, the Non-Life premium volume is EUR 157,593 thousands and the reserve volume is EUR 199,360 thousands.

	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 :	40,203	53,183
Non-proportional health reinsurance - S4 :	2,476	3,813

At the SG level, the Health premium volume is EUR 42,679 thousands and the reserve volume is EUR 56,996 thousands.

The premium and reserve risk is sufficiently diversified.

The graph below shows the net written premium by segment and demonstrates the importance of the Casualty Non-Proportional business (NL_S10), Worker's Compensation (HL_S3) and Liability Proportional business (NL_S5), suggesting some concentration risk. The dominant undertaking remains SRe.



SG manages insurance risks by monitoring and controlling the nature of and accumulation by geographic location of risks in each segment underwritten achieved through several techniques and procedures including:

1. the management of pricing risk through the establishment and review of pricing guidelines;
2. the purchase of reinsurance to mitigate exposure;
3. the review of business plans and underwriting of new programs.

A robust underwriting policy and risk mitigation techniques have resulted in minimal volatility and acceptable claims ratios. The financial impact of a surge in major claims or the occurrence of a catastrophic event is mitigated by retrocession limits that are in place.

The non-life catastrophic risk has been estimated at EUR 67,117 thousands in Non-Life and EUR 2,102 thousands in Health.

C.1.5 Sensitivity analysis

SG performs sensitivity and scenario analysis which are relevant with their risk profile:

- Deterioration of quality of risks leading to a significant increase of the loss ratios;
- Catastrophic scenarios on specific geographical areas;
- Significant increase of SINS's retention because of impossibility to maintain the existing retrocession;
- Pandemic scenario impacting financial market, credit risk and business related to the UK branch.

- Inflation scenario impacting financial market, credit risk and business related to the UK branch.

The occurrence of these scenarios is unlikely to affect significantly the solvency position of the company nor to create durable deviation from its risk appetite thanks to effective mitigation measures in place.

C.1.6 Market risk

Each SG company's assets 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 market risk is the risk that SG is adversely affected by movements in the fair value of its financial assets arising from market movements, such as credit spreads, interest rates and foreign exchange rates or other price risks.

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

- Spread risk: the potential financial loss due to the increase in the spread that an asset trade has relative to comparable government bonds hence a decrease in the asset's market value;
- Currency risk: the potential financial loss arising from the change in the value of currency exchange rates or from closing out a currency position at a loss due to adverse movements in exchange rates;
- Interest rate risk: the potential financial loss arising from the reduction in the value of the investment portfolio and liabilities due to changes in the level of interest rates;
- Equity risk: the potential financial loss arising from the reduction in the value of the investment portfolio due to changes in prices of equities or mutual funds;
- Property risk: the potential financial loss arising from the reduction in the value of the investment portfolio due to changes in real estate prices.

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.

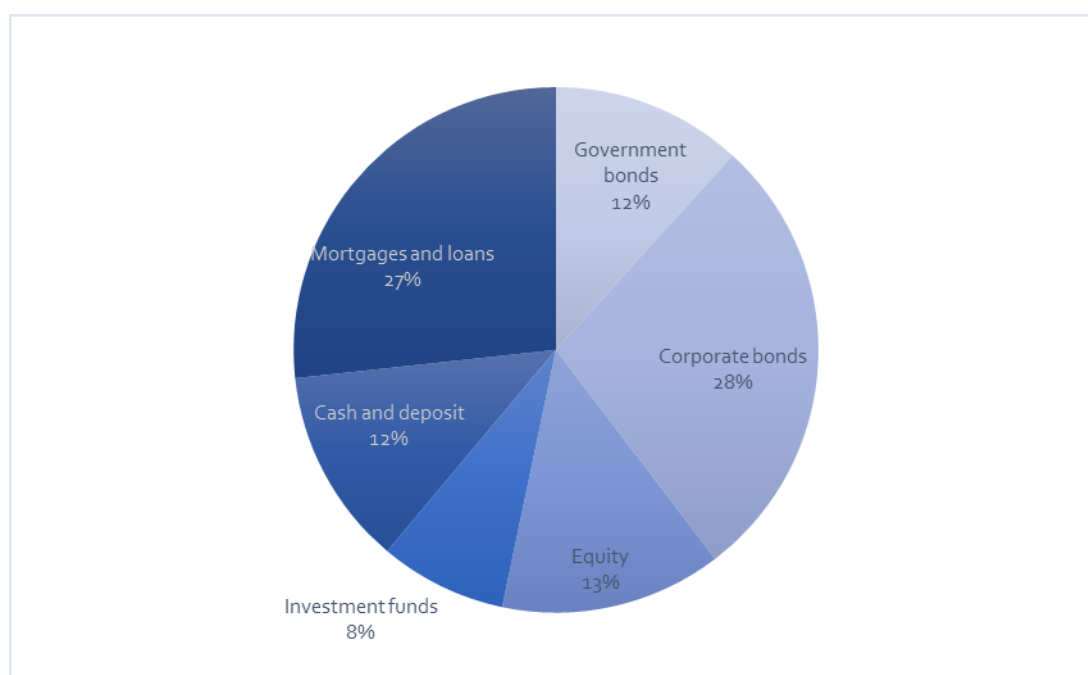
C.1.7 SRe Exposure & Concentration

As explained in Section A.3 the investments of SRe are managed by the fund of the Group, SMAF.

Assets Ptf	Statutory BS	EconomicBS	Delta	%
Cash and deposits	54,306	54,306	-	-
Bonds			-	-
Equities			-	-
Participation	773,353	869,155	95,802	12.39%
Properties	3	3	-	-
Total Portfolio	827,662	923,464	95,802	11.57%

Assets Ptf	Economic
Cash	26,475
Government Bonds	
Corporate Bonds	
Structured notes	
Equities	
Collective Investments	
Holdings, including participations	869,155
Property	3
Loans and mortgages	
Derivatives	
Deposits	27,831
Total Portfolio	923,464

The look-through of the SRe invested Portfolio, including SMAF, could be summarised as follows: ¹

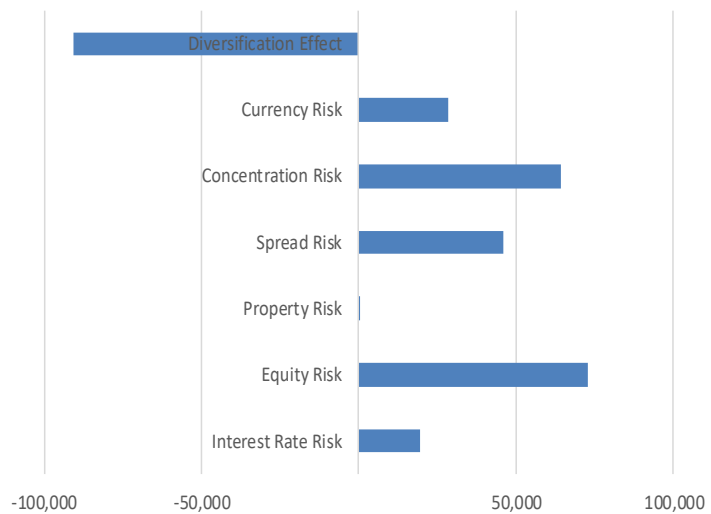


Risk assessment

Measured with the Solvency II Standard Formula, the equity risk with a value of USD 73,027 thousands and the concentration risk with a value of USD 64,286 thousands were the two major market risks in STRe Solvency at 31/12/ 2022. In total, the market risk amounted to USD 140,727 thousands after the diversification effect, the market risk is higher than the underwriting risk amounting to USD 135,328 thousands.

¹ The pie chart above contains the total assets of the entity including receivables and not only the investment and cash where the investment sections refers to.

Market Risks	140,727
Interest Rate Risk	19,549
Equity Risk	73,027
Property Risk	4
Spread Risk	46,103
Concentration Risk	64,286
Currency Risk	28,433
Diversification Effect	-90,675
Tot Base	923,464
Average Shock :	15.24%

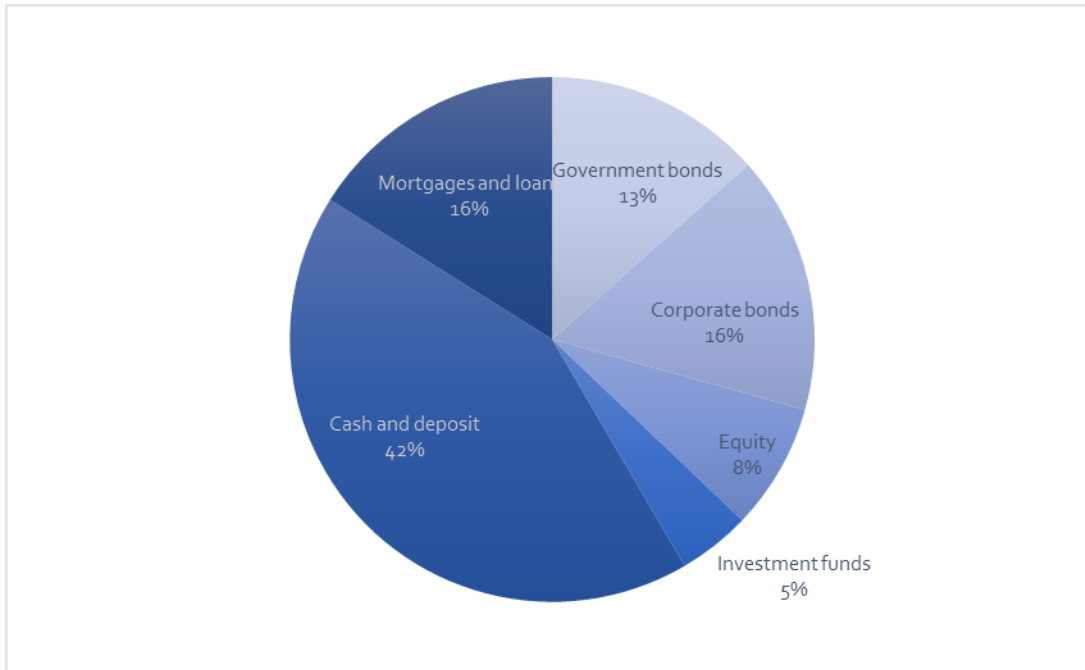


C.1.8 SINS Exposure & Concentration

SINS owns a small government bond portfolio as of 31/12/2022 with a value of 4,000 thousand Euro.: SINS has also invested €35m in SMAF. The market value amounts to 31,994 thousand Euro as of 31/12/2022.

The look-through of the SINS invested Portfolio in SMAF, is summarised as follows:²

² The pie chart above contains the total assets of the entity including receivables and not only the investment and cash where the investment sections refers to.



These assets are held in accordance with the SINS investment policy and this in compliance with the principle of the 'prudent person' as defined in article 132 of the Directive 2009/138/EC.

The highest investment position of SINS is Cash. This notable portion of cash is enabling SINS to control its market risk.

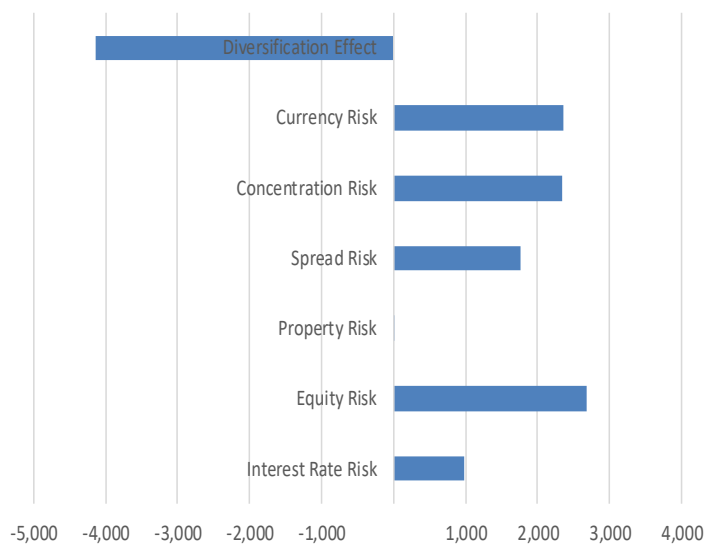
Assets Ptf	Statutory BS	EconomicBS	Delta	%
Cash and deposits	16,314	16,314	-	0.0%
Bonds	4,028	4,028	-	0.0%
Equities			-	0.0%
Participation	31,994	31,994	-	0.0%
Properties	8	8	-	0.0%
Total Portfolio	52,343	52,343	-	0.00%

Assets Ptf	Economic
Cash	16,314
Government Bonds	4,028
Corporate Bonds	
Structured notes	
Equities	
Collective Investments	
Holdings, including participations	31,994
Property	8
Loans and mortgages	
Derivatives	
Deposits	
Total Portfolio	52,343

Risk assessment

According to the Solvency 2 Standard Formula, the equity risk with a value of EUR 2,688 thousand and the concentration risk with a value of EUR 2,347 thousands were the major market risks in the SINS Solvency capital as of 31/12/2022. In total, with a value of EUR 5,994 thousand after diversification effect, the Market risk and the Counterparty risk are the highest risk in the Solvency capital needs.

Market Risks	5,994
Interest Rate Risk	977
Equity Risk	2,688
Property Risk	2
Spread Risk	1,769
Concentration Risk	2,347
Currency Risk	2,356
Diversification Effect	-4,146
Tot Base	52,315
Average Shock :	11.46%



C.1.9 SIH Group Exposure & Concentration

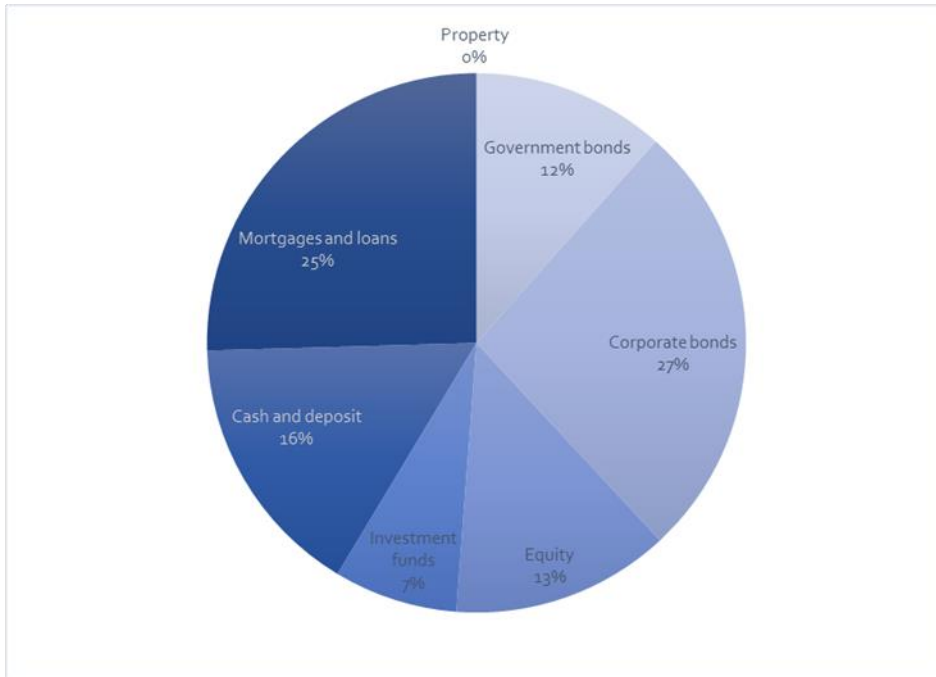
The investments of SIH are the addition of the SMAF POOL converted in EUR, the SINS bond portfolio and some assets specific to the holding.

Assets Ptf	Statutory BS	EconomicBS	Delta	%
Cash and deposits	75,402	75,402	0	0.0%
Bonds	4,028	4,028	1	0.0%
Equities			-	0.0%
Participation	725,751	845,230	119,478	16.5%
Properties	150	150	-	0.0%
Tot Portfolio	805,332	924,810	119,478	14.84%

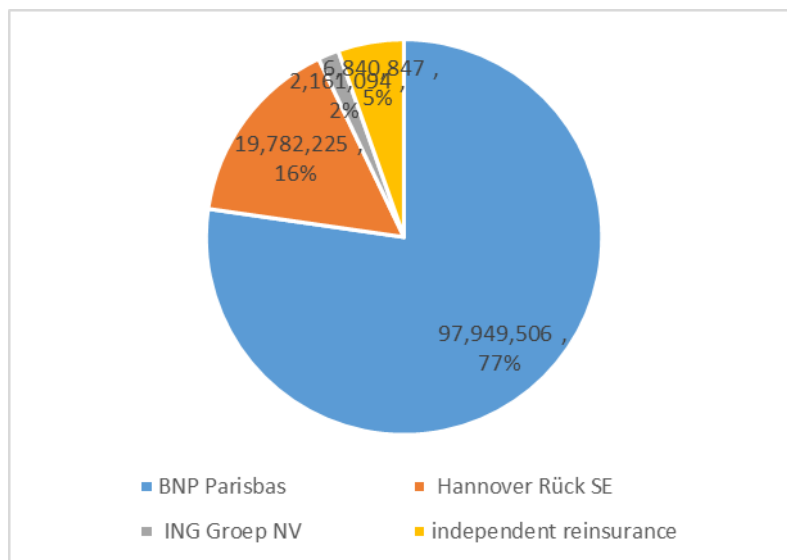
Assets Ptf	Economic
Cash	49,402
Government Bonds	4,028
Corporate Bonds	
Structured notes	
Equities	
Collective Investments	
Holdings, including participations	845,230
Property	150
Loans and mortgages	497
Derivatives	
Deposits	26,000
Total Portfolio	925,307

The investment categories could be summarized as follow: ³

³ The pie chart above contains the total assets of the entity including receivables and not only the investment and cash where the investment sections refers to.



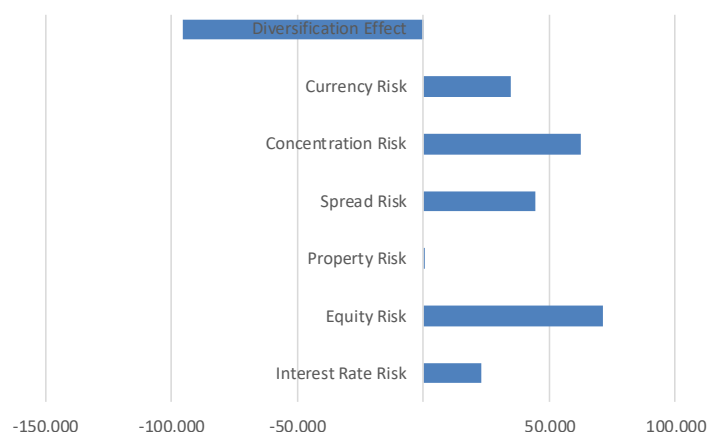
The assets specific for the holding are the participation in SCM and two main bank accounts. Below an overview of a split of assets not held in SMAF:



Risk assessment

The Solvency II Standard Formula measures the equity risk with a value of EUR 71,417 thousands and the concentration risk with a value of EUR 62,733 thousands were the two major risks that SIH was faced with in 2022. In total, with a value of EUR 141,472 thousands after the diversification effect, the market risk is higher than the underwriting risk being EUR 129,234 thousands.

Market Risks	141,472
Interest Rate Risk	23,036
Equity Risk	71,417
Property Risk	41
Spread Risk	44,746
Concentration Risk	62,733
Currency Risk	34,887
Diversification Effect	-95,388
Tot Base	924,782
Average Shock :	15.30%



C.1.10 Sensitivity analysis

SG and its insurance subsidiaries perform sensitivity and scenario analyses related to their risk profile:

- Deterioration of quality of risks leading to a significant increase of the loss ratios;
- Catastrophic scenarios on specific geographical areas;
- Significant decrease of SINS's retrocession to SRe;
- Pandemic scenario impacting financial market, credit risk and business related to credit and suretyship;
- Inflation scenario impacting financial market, credit risk, loss ratios and new business.

Even if the occurrence of these scenarios is not likely, the potential to affect the solvency position of the company or to create a deviation from its risk appetite exists. The effect is mitigated by effective management actions in place.

C.1.11 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 categorised into two components below:

1. Type 1 exposures includes risk mitigating contracts like reinsurance arrangements, securitisations, derivatives, deposits with ceding institutions, cash at bank.
2. Type 2 exposures includes diversifiable and unrated exposures such as receivables from intermediaries, policyholder debtors etc.

C.1.12 SRe Exposure & Concentration

The most significant exposure of SRe is the retrocession contract with Hannover Re where a deferred profit commission has been defined in the agreement. This arrangement has given rise to a material

receivable of USD 24,249 thousand. SRe activities are mainly concentrated on one well rated banking partner and on one well rated custody bank.

C.1.13 SINS Exposure & Concentration

For SINS, credit risk is the largest risk in the SCR calculation and results from the credit quality of counterparties (reinsurers, banks for cash held) and debtors, mainly business partners as MGAs or policy holders.

The counterparty default risk is driven by the concentration in mostly one reinsurer (SRe), the remaining reinsurers for SINS are A rated. The type II counterparty risk is driven by MGAs and overdue receivables.

The cash held in banks is concentrated on one depositary bank, who administer 88% of all the assets in cash (in addition to a minor secondary bank). The concentration of credit risk has been accepted by the BoD as the depositary bank is well rated and it is not considered that the rating might change in near future.

C.1.14 SIH Group Exposure & Concentration

The credit risk for SIH is mainly the sum of the credit risk of its insurance entities. In the Solvency capital calculation, the exposure to the bank used by the group and the reinsurance contract with Hannover Re mentioned for SRe are the largest single items.

The default risk concentration is associated with any single exposure or group of exposures with the potential to produce large losses.

The SIH counterparty risk is represented by a well-diversified panel of reinsurance. As described above the majority of cash is placed with one well rated credit institute.

C.1.15 Sensitivity analysis

SG performs sensitivity and scenario analysis which are relevant with their risk profile:

1. Deterioration of loss ratios;
2. Catastrophic scenarios on specific geographical areas;
3. Pandemic scenario impacting financial market, credit risk and business related to credit and suretyship.
4. Inflation scenario impacting financial market, credit risk and business related to credit and suretyship

The occurrence of these scenarios is unlikely to affect significantly the solvency position of the group nor to create durable deviation from its risk appetite. Effective mitigating measures are in place.

C.1.16 Liquidity risk

Liquidity risk is the risk that SG is not able to meet its financial obligations to policyholders and other creditors when they become due and payable.

The risk that SG is unable to realise investments and other assets in order to settle its financial obligations when they fall due is not explicitly covered in the standard formula. It is assumed that a

capital requirement to cover the liquidity risk would be ineffective and should be covered by an explicit liquidity risk management policy within the overall Risk Management System instead.

The liquidity risk has been tackled in the Risk Appetite Statement and is considered as a key dimension in the Risk Management System.

SG continually monitors its 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 held a portion of its investments in cash so that the cash available in SMAF constitute a cash buffer for the Group.

C.1.17 Operational risk

Operational risk is the risk of losses caused by weak or failing internal procedures, weaknesses in the action taken by personnel, weaknesses in systems or because of external events. The Risk Function has identified the following risks categories that have been endorsed by the Risk Committee and incorporated into SG's internal Risk Management System:

1. Clients, products and commercial practices
2. Execution, delivery, process management
3. Internal fraud
4. External fraud
5. Dysfunctions activity and systems
6. Employment practices and work place safety
7. Damage to assets

The standard formula measure operational risk for the Solvency Capital Requirement needs. Operational risk is managed by the Risk Management System for internal needs as follows.

- a top-down analysis of the SG risks is performed by the Risk Function and discussed during the Risk Committee in order to decide on risk exposure and actions plans.
- The heads of department are continually involved in the validation and qualitative evaluation of identified risks.
- All employees are invited to continuously report on incidents and risks.

C.1.18 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 therefore an SCR quantification within the context of a standard formula would not be appropriate.

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.

Operational, Reputational and Strategic risks are qualitatively covered in the Risk Management System. SIH has identified three key material risks: inflation risk, reputational risk and strategic risk. However the complete risk profile does also envisage a number of additional risks.

C.1.19 Inflation risk

The sensitivity of the value of assets, liabilities 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. For non-life business, the inflation risk is assumed implicitly in the calibration of the upward/downward interest rate shocks and in the reserve volatility parameter. The SG investment strategy requires mitigation of inflation risk via investments in index-linked bonds. In the context of actual rising inflation the insurance entities adjusted the technical provisions to reflect an explicit inflation factor and increasing expenses are reflected in the business plans and the ORSA.

C.1.20 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 .

C.1.21 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:

1. Regular management meetings;
2. Regular board meetings in which financial reports are presented and variances to plans and forecasts explained;
3. The production of 12 month forecasts every quarter with explanations of variances from previous forecasts.

C.1.22 Any other information

There is no other information to be reported.

D. Valuation for Solvency purposes

To define SG available capital, we apply the consolidation-method for 2 entities SINS and SRe (100% affiliated to SIH).

The statutory and economic balance sheets with the consolidation method are as follows:

Statutory		Economic	
Assets		Assets	
Investment	756,248	Investment	875,727
RI Recoverable	66,726	RI Recoverable	51,644
Debt	46,137	Debt	78,181
Other Assets	49,552	Other Assets	49,552
P and A Income	9,834	P and A Income	513
Other	6,973	Other	4,668
Total	935,470	Total	1,060,285

Liabilities		Liabilities	
Basic Own Fund	316,499	Basic Own Fund	607,425
Tech. Provision	584,893	Tech. Provision	312,500
Debt	16,389	Debt	16,389
Prov. for Taxation	6,754	Prov. for Taxation	116,257
Reg. Account	4,957	Reg. Account	532
Other	5,978	Other	7,181
Total	935,470	Total	1,060,285

The available capital in economic value has been evaluated at EUR 607,425 thousands.

D.1.1 Assets – Consolidated BS

D.1.2 Investment Portfolio, Cash and Deposits

The market valuation of the investment portfolio (equities, government bonds and corporate bonds) is done at the closing date, based on prices provided either by the undertaking or by the responsible asset manager.

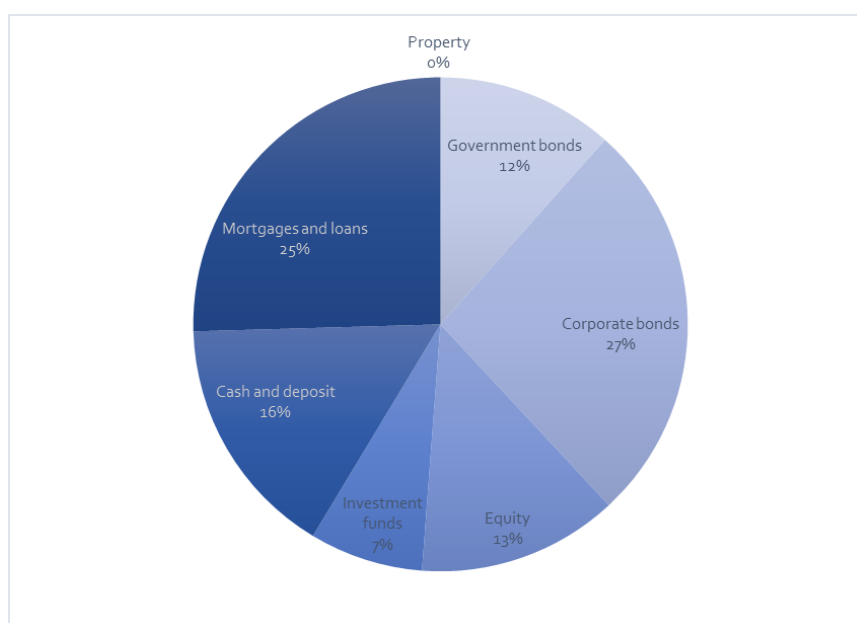
The reports provided by the custodian include the exchange rates, the quantities held, the prices in local and reference currency and the following asset types: Fixed Income, Equities, Emerging Market Equities, and Cash;

Assets Ptf	Statutory BS	EconomicBS	Delta	%
Cash and deposits	75,402	75,402	0	0.0%
Bonds	4,028	4,028	1	0.0%
Equities			-	0.0%
Participation	725,751	845,230	119,478	16.5%
Properties	150	150	-	0.0%
Total Portfolio	805,332	924,810	119,478	14.84%

Assets Ptf	Economic
Cash	49,402
Government Bonds	4,028
Corporate Bonds	
Structured notes	
Equities	
Collective Investments	
Holdings, including participations	845,230
Property	150
Loans and mortgages	497
Derivatives	
Deposits	26,000
Total Portfolio	925,307

The item “affiliated undertakings” comprises the Steinfors Multi-Asset Fund SICAV-SIF amounting to EUR 845,230 thousands as of 31/12/2022. The Solvency II value (NAV) of the fund is EUR 119,478 thousands higher than its cost value. This added value represents the main part of the Investment increase at SIH level.

The look-through analysis for the investments (SMAF) shows that the main components are Corporate bonds (27%), Equity (13%), Loans (25%) and Government bonds (12%).⁴



⁴ The pie chart above contains the total assets of the entity including receivables and not only the investment and cash where the investment section refers to.

D.1.3 Receivables

Reinsurance receivables are the second largest asset class in the Balance sheet after the investments. In addition of reinsurance programs retrocession agreements, a Profit Sharing arrangement on reinsurance, which is computable, increases the reinsurance receivables. The impact on the Solvency 2 counterparty default risk is low as the reinsurer is well rated.

In general the SG counterparty default risk is low to moderate. However, the overdue receivables in SINS are quite high. This is caused by the MGA business and the timing difference from premium payment to the MGA and reception of premiums by SINS.

D.1.4 Other assets

The other assets items are similar in statutory as in economic value.

D.1.5 Technical provisions – Consolidated BS

SIH is a holding company without any underwriting and without own technical provisions.

At the entity level, the technical provisions are evaluated based on homogeneous risk groups. As with standard actuarial techniques, large individual claims are considered separately from the rest to produce a more reliable valuation.

The provisions are modelled by applying the cash-flows using appropriate payment patterns and are discounted by applying risk-free yield curves provided by EIOPA. That is the method to determine the discounted Best Estimate.

Technical provisions are grouped into the following key components:

4. Gross claims provisions: the best estimate of provisions that relate to the gross earned exposure;
5. Gross premium provisions: the best estimate of provisions that relate to the unearned exposure i.e. driven from unearned premium and policies which are bound but not yet incepted at the valuation date;
6. Risk margin: an additional provision to bring the best estimates to the level required to transfer the obligations to a third party.

The main sources of uncertainty with regard to the future cost of claims include the following:

7. The final settlement cost of open claims – These cannot be known precisely, being dependent on factors such as court decisions as to the party liable or the prognosis for recovery from injuries;
8. Material adverse or favourable developments in large claims occurred;
9. Inflation rates may differ from assumed;
10. Social, legal, technological or economic environments may differ from assumed;
11. A change in the underlying mix of business or types of coverage over time or the emergence of new claim types or other events not included in the historical data;
12. The level of expenses.

The management seeks to actively identify sources of uncertainty, quantify them and implement mitigations to reduce the potential impact. A review is performed every year to assess the actuarial assumptions against actual results.

D.1.6 Other liabilities

As disclosed in the QRT in the Appendix hereto the Solvency 2 values and statutory accounts values of creditors and accruals are evaluated at settlement value. Under Solvency 2 tax provisions are disclosed as accruals while under Lux-GAAP under creditors.

Provisions for deferred tax are the results of valuation differences between Lux-GAAP and Solvency II of all assets and liabilities. The major driver however for deferred tax is the reclassification of the equalization reserve and the valuation differences for technical provisions and listed assets.

A deferred tax liability is calculated with a tax rate of 27.19%.

D.1.7 Alternative methods for valuation

SG does not use any alternative methods for valuation.

D.1.8 Any other information

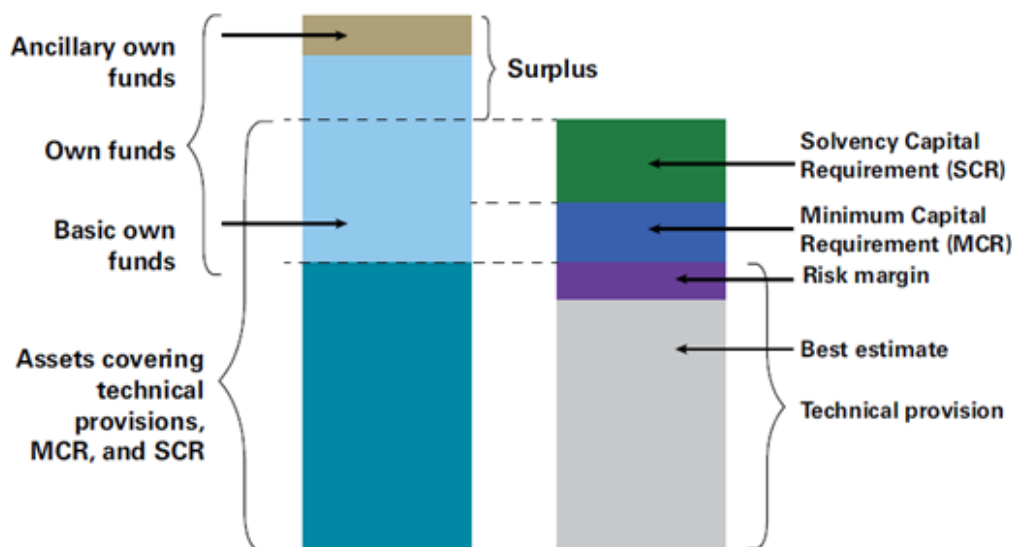
No other information is deemed necessary.

E. Capital management

E.1.1 Own Funds

E.1.2 Available capital

The Solvency 2 balance sheet can be summarised as follows:



The Basic own funds are the surplus 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.

For SIH Group, the economic available capital consists solely of own funds and is valued at EUR 610,987 thousands.

E.1.3 Eligibility of Own Funds

The classification of funds is done according to their capacity to absorb losses:

1. Tier 1 funds are permanently available to fully absorb losses in case of winding up and on a going concern basis.
2. Tier 2 funds absorb losses in the case of a winding-up of the undertaking.
3. Tier 3 funds are own funds which do not have the characteristics of the first two tiers. Own funds are deemed as being permanently available because of their sufficient duration, restrictions on redemptions and freedom from encumbrances. The value of EUR 610,987 thousands is classified as Tier 1 capital

E.1.4 Solvency Capital Requirement and Minimum Capital Requirement

To evaluate the solvency ratio of the group, the insurance entities SRe and SINS are consolidated with the specificities of SIH stand alone and we apply the consolidation method

SCR	172,889
Available Capital	607,425
Solvency Ratio	351%

The SCR is estimated at EUR 172,889 thousands; with an economic capital of EUR 607,425 thousands, the solvency ratio is 351 % and the surplus is EUR 434, 535 thousands.

E.1.5 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.1.6 Differences between the standard formula and any internal model used

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

E.1.7 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.1.8 Any other information

SRe being rated by A.M. Best since 2010 (SINS from 2016) SG considers it is paramount to have a capital policy in place to ensure the capital growth aligned with the business evolution over the next 3 to 5 years.

Disclaimer

To the best of the SG's knowledge, the information contained herein is accurate and reliable as at the date of publication. However, SG does not accept any liability whatsoever for any loss or damage whether or not arising from any omission or error in compiling such information or as a result of any party's reliance or use of such information.

Contact

Readers can address any comments and questions on this document to contact@stonefort.com

Appendix: Outsourcing register

LIST OF CRITICAL AND IMPORTANT OUTSOURCING AGREEMENTS							
Delegate Name	Country of the delegate	Nature of the outsourcing arrangement	Criticality of the activity	Relationship owner(s)	Agreement start date	Expiration date / renewal arrangements	Agreement status (complete, signed, in course..)
EuroCaution Benelux	Luxembourg	Underwriting provider and claims handling	YES	Tim Lamm/Larissa Zanin			Runoff for underwriting
Direkt Assekuranz Service GmbH (DIAS)	Germany	Underwriting provider and claims handling	YES	Tim Lamm/Larissa Zanin			Runoff
Gerditex	Germany	Underwriting provider and claims handling	YES	Tim Lamm/Larissa Zanin			In course
ATLAS	Norway	Underwriting	YES	Tim Lamm			New
Crawford	Norway	Claims handling	YES	Larissa Zanin			In course
Act-Unity S.A.	Belgium / Luxembourg	Risk management	YES	Kerstin Schmericher			Renewed
A.S. Support Inc	Canada	Actuarial services	YES	Eric Petitjean			In course
O'Neill consultancy	UK	Actuarial services	YES	Eric Petitjean			In course
DELOITTE Tax & Consulting	Luxembourg	Accounting	YES	Gaetan Scheuer			In course
Hochtief AG	Germany	Internal audit	YES	Lutz Gensch			In course
Fiscal Reps Limited (Sovos)	UK	Accounting (IPT)	YES	Gaetan Scheuer			In course

Provider	Service Provider	Category	System name	Contact	Contract type
NTT	NTT	Infrastructure Security	Infrastructure as a Service Compute as a Service Backup-as-a-Service Wsaas Web security as a service AVaaS Anti Virus as a service Tape Out VPNaaS VPN as A Service MaaS Monitoring as a Service Ticketing System	<p>NTT Luxembourg PSF S.A. 89D Parc d'Activités L-8308 Capellen Luxembourg</p> <p>Mourad Djamah - Client Delivery Manager Luxembourg NTT Luxembourg PSF SA T: +352 204 107 06 M: +352 691 496 328 E: mourad.djamah@global.ntt</p> <p>Caroline Tilly - Client Manager Luxembourg NTT Luxembourg PSF SA T: +352 204 107 70 M: +352 691 418345 E: caroline.tilly@global.ntt</p> <p>Support@ https://dimensiondataservices.service-now.com/gsc@global.ntt</p>	Managed Services
DXC	DXC	Core Business Software	DXC SICS P&C DXC Ticketing System	<p>DXC Technology Via A. Grandi, 4 20063 Cernusco Sul Naviglio (MI) ITALY dxc.technology</p> <p>Mattia Gallarate - Service delivery manager M +39 3356328725 m.gallarate@dxc.com</p> <p>Alberto Brogna Senior Application Architect abrogna@dxc.com Tel: +39 335 78 43 392</p> <p>Gustavo Lima Advisor Application Engineer glima@dxc.com Tel: +55.11.2502.8011 Mob: +55.11.99198.0116</p> <p>Support https://dxc-insurance-delivery.atlassian.net/servicedesk/customer/user/login</p>	Managed Services
SAPIENS	SAPIENS	Core Business Software	Sapiens IDiT	<p>Sapiens International Azrieli Center, 26 Harokmim Street Holon 588-5800 Phone: +972 3 790 2000 info.sapiens@sapiens.com</p> <p>Support https://jira-gi.sapiens.com/</p>	Managed Services

Provider	Service Provider	Category	System name	Contact	Contract type
NTT	NTT	Infrastructure Security	Infrastructure as a Service Compute as a Service Backup-as-a-Service Wsaas Web security as a service AVaaS Anti Virus as a service Tape Out VPNaaS VPN as A Service MaaS Monitoring as a Service Ticketing System	<p>NTT Luxembourg PSF S.A. 89D Parc d'Activités L-8308 Capellen Luxembourg</p> <p>Mourad Djamah - Client Delivery Manager Luxembourg NTT Luxembourg PSF SA T: +352 204 107 06 M: +352 691 496 328 E: mourad.djamah@global.ntt</p> <p>Caroline Tilly - Client Manager Luxembourg NTT Luxembourg PSF SA T: +352 204 107 70 M: +352 691 418345 E: caroline.tilly@global.ntt</p> <p>Support@ https://dimensiondataservices.service-now.com/gsc@global.ntt</p>	Managed Services
DXC	DXC	Core Business Software	DXC SICS P&C DXC Ticketing System	<p>DXC Technology Via A. Grandi, 4 20063 Cernusco Sul Naviglio (MI) ITALY dxc.technology</p> <p>Mattia Gallarate - Service delivery manager M +39 3356328725 m.gallarate@dxc.com</p> <p>Alberto Broglia Senior Application Architect abrogli@dx.com Tel: +39 335 78 43 392</p> <p>Gustavo Lima Advisor Application Engineer glima@dxc.com Tel: +55.11.2502.8011 Mob: +55.11.99198.0116</p> <p>Support https://dxc-insurance-delivery.atlassian.net/servicedesk/customer/user/login</p>	Managed Services
SAPIENS	SAPIENS	Core Business Software	Sapiens IDiT	<p>Sapiens International Azrieli Center, 26 Harokmim Street Holon 588-5800 Phone: +972 3 790 2000 info.sapiens@sapiens.com</p> <p>Support https://jira-gi.sapiens.com/</p>	Managed Services

Appendix: Publicly disclosed QRTs

5.02.01.02

Balance sheet

5.02.01.02.01

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	150,355.77
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	849,257,225.60
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	845,229,515.24
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	4,027,710.36
Government Bonds	R0140	4,027,710.36
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	497,184.70
Loans on policies	R0240	497,184.70
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	51,643,737.64
Non-life and health similar to non-life	R0280	51,643,737.64
Non-life excluding health	R0290	49,932,116.59
Health similar to non-life	R0300	1,711,621.05
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	26,000,414.89
Insurance and intermediaries receivables	R0360	33,234,143.04
Reinsurance receivables	R0370	38,172,216.96
Receivables (trade, not insurance)	R0380	6,774,245.06
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	49,401,956.15
Any other assets, not elsewhere shown	R0420	485,081.59
Total assets	R0500	1,055,616,561.40
Liabilities		
Technical provisions – non-life	R0510	312,500,398.58
Technical provisions – non-life (excluding health)	R0520	263,665,564.33
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	251,839,406.40
Risk margin	R0550	11,826,157.93
Technical provisions - health (similar to non-life)	R0560	48,834,834.25
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	46,429,534.90
Risk margin	R0590	2,405,299.35
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	6,753,659.14
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	2,513,218.49
Deferred tax liabilities	R0780	109,503,152.66
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	4,031,318.40
Reinsurance payables	R0830	5,360,598.39
Payables (trade, not insurance)	R0840	6,997,364.84
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	532,057.35
Total liabilities	R0900	448,191,767.84
Excess of assets over liabilities	R1000	607,424,793.56

5.05.01.02

Premiums, claims and expenses by line of business

5.05.01.02.01

Z Axis:

VG/Statutory accounts

D/Year to Date

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

	Line of Business	Line of Business											Line of Business				Total	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport		Property
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150		C0160
Premiums written																		
Gross - Direct Business	R0110	-	-	-	-	-	-	21,792,465.33	11,536,962.24	11,558,770.20	-	-	123,731.19	-	-	-	-	45,011,928.96
Gross - Proportional reinsurance accepted	R0120	-	-	41,231,456.35	588,657.75	-	3,647,336.35	13,209,575.71	43,865,013.87	2,034,393.99	-	-	1,262,298.54	-	-	-	-	105,838,732.56
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0140	-	-	5,447,218.77	74,252.79	-	80,452.73	16,127,013.25	10,611,714.25	12,343,430.87	-	-	897,695.06	230,847.58	42,490,056.84	-	1,499,513.08	45,843,853.16
Net	R0200	-	-	35,784,237.57	514,404.96	-	3,566,883.62	18,875,027.79	44,790,261.87	1,249,733.32	-	-	488,334.67	1,623,435.65	37,076,261.88	-	1,317,664.90	145,286,246.25
Premiums earned																		
Gross - Direct Business	R0210	-	-	-	-	-	-	24,799,543.09	7,561,403.47	15,460,115.66	-	-	184,900.15	-	-	-	-	48,005,962.37
Gross - Proportional reinsurance accepted	R0220	-	-	42,725,909.39	588,657.75	-	3,484,210.73	11,466,805.33	45,123,082.21	2,627,999.19	-	-	1,127,007.33	-	-	-	-	107,143,671.93
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0240	-	-	7,503,333.64	95,670.65	-	83,351.96	17,910,244.57	10,972,966.57	17,187,144.48	-	-	889,443.25	230,847.58	42,288,370.02	-	1,491,223.49	45,672,630.55
Net	R0300	-	-	35,222,575.76	492,987.09	-	3,400,858.76	18,356,103.85	41,711,519.11	900,970.37	-	-	422,464.23	1,662,189.46	36,777,214.08	-	1,296,637.39	140,243,520.10
Claims incurred																		
Gross - Direct Business	R0310	-	-	-	-	-	-	22,540,118.56	5,924,664.94	14,924,880.34	-	-	4,590,607.43	-	-	-	-	38,799,056.41
Gross - Proportional reinsurance accepted	R0320	-	-	16,719,846.78	1,436,296.75	-	2,480,576.08	8,562,782.89	34,885,190.53	2,862,636.36	-	-	2,703,565.79	-	-	-	-	69,650,895.18
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	-	57,174.33	12,028,818.31	253,776.38	12,773,531.69	-	-	2,188,298.40	-	14,029,049.88	-	2,318,110.77	17,741,554.27
Net	R0400	-	-	16,719,846.78	1,436,296.75	-	2,537,750.41	19,074,083.13	40,556,079.08	5,013,985.00	-	-	301,256.76	1,394,393.62	14,022,123.75	-	2,324,843.07	103,380,658.37
Changes in other technical provisions																		
Gross - Direct Business	R0410	-	-	-	-	-	-	32,195.95	78.05	119,947.18	-	-	-	-	-	-	-	152,221.18
Gross - Proportional reinsurance accepted	R0420	-	-	76,934.74	46,537.90	-	-	-	272,121.64	-	-	-	-	-	-	-	-	241,724.81
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	-	76,934.74	46,537.90	-	-	32,195.95	272,043.59	119,947.18	-	-	-	-	-	-	-	89,503.63
Expenses incurred	R0550	-	-	7,389,371.65	75,611.85	-	891,596.67	6,881,334.02	8,809,835.32	2,558,633.94	-	-	2,481,405.10	52,232.55	22,354,711.69	-	61,625.47	6,846,934.89
Other expenses	R1200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	R1300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,846,934.89

S.05.01.02.02

Z Axis:

VG/Statutory accounts

DI/Year to Date

Life

		Line of Business						Life reinsurance		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									
Reinsurers' share	R1420									
Net	R1500									
Premiums earned										
Gross	R1510									
Reinsurers' share	R1520									
Net	R1600									
Claims incurred										
Gross	R1610									
Reinsurers' share	R1620									
Net	R1700									
Changes in other technical provisions										
Gross	R1710									
Reinsurers' share	R1720									
Net	R1800									
Expenses incurred	R1900									
Other expenses	R2500									
Total expenses	R2600									

S.05.02.01**Premiums, claims and expenses by country****S.05.02.01.01**

Z Axis:

VG/Statutory accounts

DI/Year to Date

Home Country - non-life obligations

		Home country
		C0080
Premiums written		
Gross - Direct Business	R0110	42,527,858.22
Gross - Proportional reinsurance accepted	R0120	2,034,393.99
Gross - Non-proportional reinsurance accepted	R0130	-
Reinsurers' share	R0140	30,730,782.79
Net	R0200	13,831,469.42
Premiums earned		
Gross - Direct Business	R0210	45,130,958.01
Gross - Proportional reinsurance accepted	R0220	2,627,999.19
Gross - Non-proportional reinsurance accepted	R0230	-
Reinsurers' share	R0240	35,227,323.34
Net	R0300	12,531,633.86
Claims incurred		
Gross - Direct Business	R0310	42,736,428.01
Gross - Proportional reinsurance accepted	R0320	2,862,636.36
Gross - Non-proportional reinsurance accepted	R0330	-
Reinsurers' share	R0340	24,907,022.47
Net	R0400	20,692,041.90
Changes in other technical provisions		
Gross - Direct Business	R0410	- 152,221.18
Gross - Proportional reinsurance accepted	R0420	-
Gross - Non-proportional reinsurance accepted	R0430	-
Reinsurers' share	R0440	-
Net	R0500	- 152,221.18
Expenses incurred	R0550	6,846,934.89
Other expenses	R1200	
Total expenses	R1300	

S.05.02.01

Premiums, claims and expenses by country

S.05.02.01.02

Z Axis:

VG/Statutory accounts

DI/Year to Date

X Axis:

LG/All members

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

Localization of activity		GERMANY	IRELAND	UNITED KINGDOM	UNITED KINGDOM
		Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations
		C0090	C0090	C0090	C0090
Premiums written					
Gross - Direct Business	R0110	142,749.73	-	2,341,321.01	
Gross - Proportional reinsurance accepted	R0120	10,458,962.57	2,550,859.30	70,070.98	
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	
Reinsurers' share	R0140	234,888.55	158,660.02	2,113,143.90	
Net	R0200	10,366,823.75	2,392,199.28	298,248.08	
Premiums earned					
Gross - Direct Business	R0210	142,749.73	-	2,732,254.63	
Gross - Proportional reinsurance accepted	R0220	9,996,083.38	1,301,071.88	70,070.98	
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	
Reinsurers' share	R0240	243,172.09	158,660.02	2,439,241.08	
Net	R0300	9,895,661.02	1,142,411.86	363,084.52	
Claims incurred					
Gross - Direct Business	R0310	123,933.73	-	4,045,301.78	
Gross - Proportional reinsurance accepted	R0320	8,240,763.87	926,841.83	-	
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	
Reinsurers' share	R0340	301,004.26	-	2,876,790.86	
Net	R0400	8,665,701.86	926,841.83	1,168,510.92	
Changes in other technical provisions					
Gross - Direct Business	R0410	-	-	-	
Gross - Proportional reinsurance accepted	R0420	-	-	-	
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	
Reinsurers' share	R0440	-	-	-	
Net	R0500	-	-	-	
Expenses incurred	R0550				
Other expenses	R1200				
Total expenses	R1300				

S.05.02.01.03

Z Axis:

VG/Statutory accounts

DI/Year to Date

Total Top 5 and home country - non-life obligations

		Total Top 5 and home country
		C0140
Premiums written		
Gross - Direct Business	R0110	45,011,928.96
Gross - Proportional reinsurance accepted	R0120	105,840,202.86
Gross - Non-proportional reinsurance accepted	R0130	44,247,624.89
Reinsurers' share	R0140	51,216,946.80
Net	R0200	143,882,809.91
Premiums earned		
Gross - Direct Business	R0210	48,005,962.37
Gross - Proportional reinsurance accepted	R0220	107,144,613.61
Gross - Non-proportional reinsurance accepted	R0230	44,102,779.46
Reinsurers' share	R0240	60,387,423.10
Net	R0300	138,865,932.33
Claims incurred		
Gross - Direct Business	R0310	38,815,059.96
Gross - Proportional reinsurance accepted	R0320	69,638,441.56
Gross - Non-proportional reinsurance accepted	R0330	14,434,181.12
Reinsurers' share	R0340	22,819,014.78
Net	R0400	100,068,667.86
Changes in other technical provisions		
Gross - Direct Business	R0410	- 152,221.18
Gross - Proportional reinsurance accepted	R0420	241,724.81
Gross - Non-proportional reinsurance accepted	R0430	-
Reinsurers' share	R0440	-
Net	R0500	89,503.63
Expenses incurred	R0550	6,846,934.89
Other expenses	R1200	-
Total expenses	R1300	6,846,934.89

S.23.01.22

Own funds

S.23.01.22.01

Z Axis:

VG/Solvency II

Own funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	100,000,000.00	100,000,000.00			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	156,611,000.00	156,611,000.00			
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 at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	350,813,793.56	350,813,793.56			
Subordinated liabilities	R0140					
Non-available subordinated liabilities 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 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 (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total non-available own fund items	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	607,424,793.56	607,424,793.56			
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 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 entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	607,424,793.56	607,424,793.56			
Total available own funds to meet the minimum consolidated group SCR	R0530	607,424,793.56	607,424,793.56			
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	607,424,793.56	607,424,793.56			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	607,424,793.56	607,424,793.56			
Consolidated Group SCR	R0590	172,889,298.73				
Minimum consolidated Group SCR	R0610	48,378,106				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	60742479356.13%				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	1255.58%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings	R0660	607,424,793.56	607,424,793.56			
SCR for entities included with D&A method	R0670					
Group SCR	R0680	172,889,299				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	351.34%				

S.23.01.22.02

Z Axis:

VG/Solvency II

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	602,358,839.03
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	256,611,000.00
Adjustment for restricted own fund items in respect of matching adjus	R0740	-
Other non available own funds	R0750	
Reconciliation reserve	R0760	345,747,839.03
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life busine	R0780	21,768,440.59
Total Expected profits included in future premiums (EPIFP)	R0790	21,768,440.59

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

S.25.01.22.01

Z Axis:
CM/Accounting consolidation-based method [method 1 and part of combination of methods 1 and 2]
SO/Insurance/reinsurance sector

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	141,472,164.16	
Counterparty default risk	R0020	17,490,951.60	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	24,544,828.14	
Non-life underwriting risk	R0050	129,234,409.92	
Diversification	R0060	- 84,237,738.73	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	228,504,615.09	

S.25.01.22.02

Calculation of Solvency Capital Requirement

		Value	
			C0100
Operational risk	R0130		8,948,068.24
Loss-absorbing capacity of technical provisions	R0140		-
Loss-absorbing capacity of deferred taxes	R0150	-	64,563,384.60
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		-
Solvency Capital Requirement excluding capital add-on	R0200		172,889,298.73
Capital add-ons already set	R0210		-
Solvency capital requirement for undertakings under consolidated method	R0220		172,889,298.73
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		172,889,298.73
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		-
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450		4 - No adjustment
Net future discretionary benefits	R0460		-
Minimum consolidated group solvency capital requirement	R0470		48,378,106.49
Information on other entities			
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530		
Capital requirement for non-controlled participation requirements	R0540		
Capital requirement for residual undertakings	R0550		
Overall SCR			
SCR for undertakings included via D and A	R0560		-
Solvency capital requirement	R0570		172,889,298.73

Undertakings in the scope of the group

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
							C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/222100C6057UBQ8GM426	LUXEMBOURG	Stonefort Reinsurance SA	3- Reinsurance undertaking	société anonyme	2- Non-mutual	Commissariat aux assurances	100%	100%	100%		2- Significant	100%	1- Included in the scope		1- Method 1: Full consolidation
LEI/529900T8K6ZKH80GB69	LUXEMBOURG	Stonefort Insurance S.A.	2- Non life insurance undertaking	société anonyme	2- Non-mutual	Commissariat aux assurances	100%	100%	100%		2- Significant	100%	1- Included in the scope		1- Method 1: Full consolidation
LEI/529900VKR47CSZOROH22	LUXEMBOURG	Stonefort Insurance Holdings	5- Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	société anonyme	2- Non-mutual	Commissariat aux assurances	100%	100%	100%		2- Significant	100%	1- Included in the scope		1- Method 1: Full consolidation