ECHC Group

ECHC Limited
Eucare Insurance PCC Limited

Group Solvency and Financial Condition Report
31st December 2021

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1.0 Summary

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

The principal activity of ECHC Limited is to act as an insurance holding company, whilst Eucare carries on the business of insurance and is licensed as a protected cell company by Malta Financial Services Authority (“MFSA”) in accordance with the Companies Act (Cell Companies carrying on business of insurance) Regulations, 2010. At the time of writing, Eucare only has one operating cell, namely NLCare Cell, along with its Core. This report covers the period from 1st January 2021 to 31st December 2021.

The following table outlines the key aspects and material changes up till 31st December 2021, including the business, performance, system of governance, risk profile, solvency valuations and capital management of the Group during the reporting year:

Business	- No changes in the shareholding structure of the Group were effected. - NLCare Cell remained the only operating cell of Eucare. No further cells were set up. - The level of business in the Netherlands remained relatively constant consisting of Health Insurance, Income Protection and Personal Accident Business. - Eucare commenced the underwriting of statutory insurance business in France, consisting of accident and sickness insurance
Performance	- Gross written premiums of €540,862,307 (2020: €532,441,481) - Underwriting Income of €14,637,121 (2020: €15,326,933) - Profit before tax of €8,037,458 (2020: €9,608,575)
System of Governance	- No changes to the composition of the Board of Directors and/or Committees of all entities within the Group - No changes in organizational structure of the Company
Risk Profile	- Analysis of risks, monitoring and controls are documented in the report.

Valuation for Solvency Purposes	- The Group reported the following Solvency II figures for its first year of operation:
	    - Assets: €232,800,860 (2020: €224,782,407)
	    - Technical Provisions: €148,940,050 (2020: €115,025,773)
	    - Other Liabilities: €45,566,401 (2020: €80,583,507)

Capital Management	- Eligible own funds for SCR €47,446,731 (2020: €37,124,160) - SCR (Standard Formula) €15,494,257 (2020: €16,059,823) - Eligible own funds for MCR €40,720,108 (2020: €29,907,732) - MCR (Standard Formula) €5,102,526 (2020: €4,067,413)

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

2.0 Business and Performance

2.1. Business

2.1.1. Overview

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

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

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

Tel: +356 2144 1155

The MFSA is also the group supervisor.

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

As at 31st December 2021, Eucare has set up one cell, namely NLCare Cell which was granted MFSA approval on 2nd November 2018. The Cell is ring-fenced from the Eucare "Core" cell but has the same direct shareholder as the Core. Eucare is licensed to carry on business in the Netherlands, France, Germany, and Belgium under the EU Freedom of Services Provision regime.

The non-cellular (Core) shares of Eucare are 100% subscribed by ECHC Limited (Malta), which is wholly owned by ECSH B.V. (the Netherlands) and Quantum Leben AG (Liechtenstein). The ultimate qualifying shareholders of the Group are H.H. Laeven, Netherlands (53% interest), S.M.M. Franco, Netherlands (19% interest), and A.F.J.P. van den Beuken, Netherlands (11% interest).

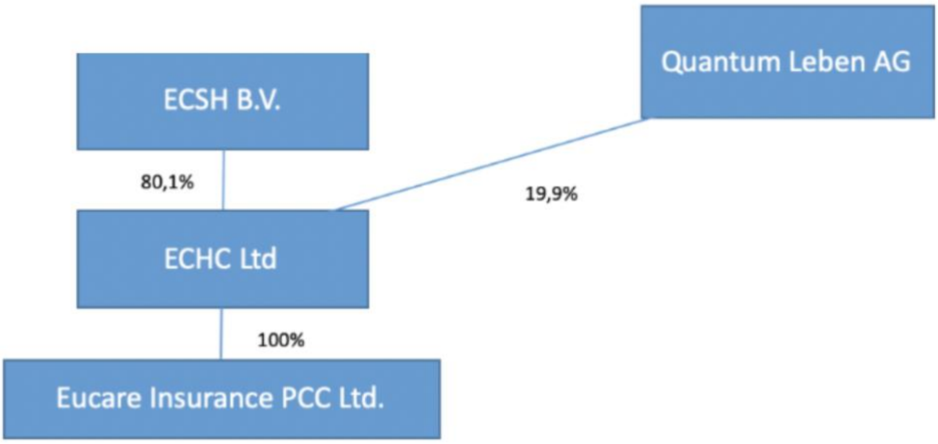

Figure 1: ECHC Group Shareholding Structure

The undertakings falling within the scope of group supervision for which a group solvency has been calculated are ECHC Limited, the Eucare Core and NLCare Cell. For the purpose of calculating group solvency, Method 1 – Accounting Consolidation Based Method – has been used. The Annual Quantitative Reporting Templates ("QRTs") containing information on the undertakings in the scope of the Group is being included in this document (refer to S.32.01.22 in Appendix 2).

The Group's appointed external auditors are:

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

2.1.2. Business Objectives

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

ECHC Ltd as shareholder of NLCare Cell has entered into a cell agreement with Eucare which provides secondary recourse to the assets of the Core to cover the Cell liabilities in the event that the Cell assets were to be exhausted. Eucare receives fees from the Cell for the provision of the cell facility and for exposure to the Core. Eucare carries on insurance business only through NLCare Cell. The NLCare Cell was set up to sell health, sickness, income protection and personal accident insurance business. As at 31st December 2021, Eucare's insurance risks are predominantly located in the Netherlands and France.

2.2. Underwriting performance

The Group is composed of the insurance holding company, ECHC Limited and Eucare Insurance PCC Limited, acting as the insurance underwriting arm of the ECHC Group. After taking into account the underwriting income of €14,637,121 (2020: €15,326,933) and administrative expenses of €5,478,384 (2020: €4,758,473), net impairment losses on financial assets of €91,978 (2020: Nil) and finance costs of €1,029,301 (2020: €959,885), the Group reported a profit before tax of €8,037,458 (2020: €9,608,575).

The main operations of the Group emanate from the insurance undertaking, Eucare. During the financial year ended 31st December 2021, the Group generated gross written premium of €540,862,307 (2020: €532,441,481). Although the majority of policies written commence on 1st January and are valid till 31st December, a small part of the personal accident insurance portfolio incepted during the year with cover extending beyond 31st December 2021. This resulted in an unearned premium of €208,998 (2020: €38,775).

The Premium written relating to the Dutch Basic Health Insurance Business is generally derived from two different sources, as explained in greater detail in section 4.1. The first source relates to premium payable directly from the policyholders and amounting to €206,128,630 (2020: €276,900,209), whereas the second source relates to contributions received through the Dutch Health Insurance Risk Equalisation Fund amounting to €250,067,793 (2020: €253,202,961).

Part of the contributions received through the Dutch Health Insurance Equalisation Fund also included contributions which were received by Eucare during the reporting period due to the additional costs incurred due to the Covid-19 pandemic. In fact, article 33 of the Dutch Healthcare Act concerning catastrophe situations, stipulates that healthcare insurance companies may receive additional contributions if the pandemic related costs throughout the year of the pandemic and the following calendar year, exceed 4% of the average Risk Equalisation Fund. Eucare exceeded this threshold and was thus eligible for a compensation of €25,559,216 emanating from this article.

Add-on products to the Basic Health Insurance Business was also sole throughout the reporting period, generating a premium of €64,129,738 (2020: €66,427,415).

Eucare also generated premium from Income Protection and Personal Accident insurance business in the Netherlands, amount to €2,089,285 (2020: 976,541) and €691,686 (2020: €174,551) respectively.

In 2021, Eucare started writing insurance business in France through a locally appointed MGA. This business relates to Statuary insurance, covering municipalities against the absenteeism of civil servants from work due to sickness and work accident. Eucare generated €6,350,406 (2020: Nil) worth of premium in the first year of this portfolio.

During the financial year, Eucare, through NLCare Cell incurred €22,377,759 (2020: €23,067,827) worth of operating expenses directly attributable to the acquisition and servicing of insurance contracts.

NLCare also incurred Deferred Acquisition Costs amounting to €88,568 (2020: €5,816) since, by the end of the year, policies were still in force with a termination date in 2021.

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

Ever since the breakout of the Covid-19 pandemic in 2020, the impact on healthcare in the Netherlands has been significant and was also evident throughout the reporting period. Major pressure has been put on hospital capacity both due to the contagiousness of the virus, as well as the need to shift staff in order to assist in the treatment of Covid-19 infected patients. Moreover, healthcare providers also experienced constraints in the provision of non-emergency healthcare treatments, mainly due to restrictive measures limiting social gatherings and interactions imposed by the Dutch government.

Throughout the reporting period, Europe experienced periods of fluctuating infection rates and subsequently restrictions. As the infection rates went up and the virus became more contagious, further restrictions were imposed. On the other hand, as the spread decreases, governments eased restrictions which would once again lead to higher infections. The spread of Covid-19 was even more prominent as the virus developed different variants such as the alpha, delta, and omicron variants. However, as the virus continues to evolve, it become less dangerous and severs, even though it may be much more contagious.

Similar to 2020, the Covid-19 pandemic had a significant impact on the Dutch healthcare insurance business as shifts in emergency and non-emergency healthcare treatments were evident.

In order to protect healthcare providers from the uncertainties brought about by the Covid-19 pandemic, the Eucare provided supporting measures to assist the healthcare providers to overcome financial challenges. In addition, NLCare Cell also incurred claims which related to treatment of Covid-19 of infected policyholders. As explained above, as a result of these supporting measures, Eucare was eventually eligible for compensation emanating from article 33 of the Dutch Healthcare Act.

The impact on other insurance portfolios such as income protection and personal accident was insignificant. Whilst the size of these portfolios is relatively small when compared to the totality of Eucare’s portfolio, although there were some claims emanating from sickness due to Covid-19, the employment arrangement of remote working for employees had a positive impact on work accident claims which offset any Covid related claims.

The shareholders' funds as at 31 December 2021 amounted to €38,294,409 (2020: €27,444,275) and comprises of share capital, capital contribution and retained earnings. In addition, the Group has a subordinated Tier 2 and a subordinated Tier 3 loan agreement consisting of €7,000,000 and €3,000,000 respectively.

The QRTs containing an analysis of premiums, claims and expenses are being attached to this document (refer to S.05.01.02 and S.05.02.01 in Appendix 2 for the Group and in Appendix 3 for Eucare).

2.2.1. Material risk mitigation techniques

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

In addition to the uncertainty borne by the Company arising from the inherent nature of insurance business, Eucare also faces the uncertainty of variances in expected future income contributions receivable from the Dutch Health Insurance Risk Equalisation Fund which are based on best estimate calculations.

The Company has in place a number of measures to mitigate these uncertainties. As the estimated receivables from the Dutch Health Insurance Risk Equalisation Fund are based on Best Estimates of expected amounts a provision is made for any uncertainties. Estimates of the compensation from the Dutch Health Insurance Risk Equalisation Fund is recalculated throughout the year and adjustments to the provision are made accordingly.

Through a healthcare procurement company in the Netherlands Eucare also enters into price agreements with a large number of providers. This reduces the potential fluctuation in claims costs by pre-agreeing prices per treatment and therefore removing the uncertainty with regards to price movements during the year.

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

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

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

In view of the uncertainties relating to the Covid-19 pandemic, risk assessments are carried out to monitor the financial impact that the pandemic may have on the Company and to take any action as deemed necessary.

Based on known information at the date of reporting, management's assessment shows that the Company will be able to absorb the effects of the pandemic, and in particular the Company would still remain above the Minimum Capital Requirement (MCR) as well as the Solvency Capital Requirement (SCR).

Nonetheless, Eucare remains cautious given the uncertainty regarding the actual future developments and its consequent effects and is mindful of the fact that the Covid-19 global and national scenario requires constant scrutiny and the assessments need to be carried out on a frequent basis with more recent data, since there is still uncertainty regarding important factors that might have an impact on the outcome of the assessment, such as the duration of the pandemic and the actual costs of the Covid-19 treatments. Also, the assessment by the Company is subject to constant dynamics depending on the various socioeconomic factors assessed in conjunction with the future development and impact of the pandemic.

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

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

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

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

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

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

2.3. Investment performance

As at 31st December 2021 the Group's financial assets were limited to cash and cash equivalents which include deposits held at call with banks. No interest income was earned on the cash deposits held with banks for the year ending 31st December 2021.

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

2.4. Performance of other activities

The administration expenses of the Group amounted to €5,478,384 (2020: €2,229,336). These relate solely to administrative costs, such as staff costs, directors' fees, actuarial fees and legal and professional fees paid by NLCare Cell.

2.5. Any Other Information

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

3.0 System of Governance

3.1. General Information on the Systems of Governance

3.1.1. Structure of the Board, Committees & Key Functions

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

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

The Board of Eucare is currently composed of six directors with collective experience and knowledge that is considered adequate.

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

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

Audit Committee

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

Investment Committee

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

Risk Management and Compliance Committee

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

<u>Key and Important Functions</u>

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

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

The following are also identified as important functions

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

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

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

3.1.2. Remuneration Policy

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

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

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

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

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

3.1.3. Material transactions with Shareholders & Board Members

The Group does not have any material transactions, other than a payable of €3,626 (2020: €41,746) to the sister company Ouverture Services Limited.

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

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

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

3.2. Fit and Proper Policy

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

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

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

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

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

3.3. Risk Management System including Own Risk & Solvency Assessment

3.3.1. Risk Management System

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

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

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

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

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

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

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

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

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

3.3.2. Own Risk and Solvency Assessment (ORSA)

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

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

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

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

3.3.3. Use of Internal Model

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

3.4. Internal Control System

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

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

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

3.5. Internal Audit Function

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

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

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

The internal auditor performs internal audit procedures addressing a number of risk areas, on an annual basis. This includes the review and testing of the processes and controls relevant to the Company's operations. In this respect, internal audits, to date, have covered the most significant areas, including, amongst others, compliance, risk management, clams, due diligence and oversight of appointed intermediaries, governance and IT. A three-year internal audit plan up to 2024 was approved by the Board of Eucare.

3.6. Actuarial Function

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

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

3.7. Outsourcing

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

3.8. Any Other Information

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

4.0 Risk Profile

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

4.1. Underwriting Risk

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

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

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

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

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

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

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

4.2. Market Risk

As outlined in section 2.3, the investments of Eucare are currently limited to bank deposits, such that no interest-bearing instruments, other than bank deposits were made. Accordingly, the company was not exposed to any interest rate risk an increase in the interest rates would lead to an increase in own funds, whilst a decrease in interest rates is not assumed under Solvency II given that the current interest rates are already negative.

The selection of these investments is in line with the prudent person principle in that the counterparty default risk is monitored and controlled and reported to the Investment Committee of Eucare and the Board on a regular basis. External credit ratings are obtained where possible and if necessary, copies of financial statements are obtained from counterparties.

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

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

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

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

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

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

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

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

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

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

4.3. Credit Risk

The Company is exposed to credit risks. As indicated above, Eucare holds cash amounts with banks. Moreover, as part of its day-to-day insurance operations, receivables from debtors such as amounts due by appointed intermediaries and government agencies are due to the Company. Moreover, the reinsurer's share of technical provisions and accrued profit commission due to the company further exposes the company to counterparty default risk. Albeit, the Company ensures that all counterparties are reputable with a strong credit rating, and thus, any exposure to credit risk is not considered material.

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

4.4. Liquidity Risk

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

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

The liquidity position of the Group is continuously monitored by means of cash flow forecasts on the basis of expected cash flows over a twelve-month period and ensures that no additional financing facilities are expected to be required over the coming year. The outcome is reported to the Management, the Investment Committee and the Board.

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

4.4.1. EPIFP

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

The Group is subject to a positive EPIFP for its homogeneous health risk groups, and also for the accident, sickness and disability insurance portfolios. The EPIFP for the reporting period of Eucare amounts to €12,287,775 (2020: €12,224,076).

4.5. Operational Risk

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

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

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

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

4.6. Other Material Risk

4.6.1. Intra-Group Transactions

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

4.6.2. Reinsurance Risk

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

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

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

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

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

4.6.3. Solvency Risk

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

4.7. Any Other Information

4.7.1. Description of Material Risk Concentrations

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

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

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

Moreover, although the Group, through Eucare, on behalf of NLCare Cell, had more than one reinsurance counterparty for its portfolio, the Group is still exposed to concentration risk due to a single reinsurance counterparty covering the majority of its portfolio.

Subsequently, the material risk concentrations arose from the exposure to the default of the reinsurer and banks engaged throughout the reporting year.

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

4.7.2. Description of Risk Mitigating Techniques

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

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

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

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

4.7.3. Risk Sensitivity

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

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

5.0 Valuation for Solvency Purposes

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

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

5.1. Valuation of Assets for solvency calculation

The following table shows a list of the assets on the Group's balance sheet as at 31st December 2021 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Assets						
Intangible assets	118,683	172,851	(118,683)	(172,851)	-	-
Deferred Tax Asset	-	-	78,879	-	78,879	-
Deferred Acquisition Costs	5,816	88,568	(5,816)	(88,568)	-	-
Property, Plant & Equipment	405,287	295,613	-	-	405,287	295,613
Investments (other than assets held for index-linked and unit-linked contracts)	1,200	1,189	-	-	1,200	1,189
Reinsurance recoverables	115,973,614	118,730,223	(3,709,364)	(30,150,322)	112,264,250	88,579,901
Insurance and intermediaries receivables	18,772,202	10,307,940	-	(81,142)	18,772,202	10,226,798
Receivables (trade, not insurance)	86,701,294	93,108,281	(16,606,640)	(34,362,706)	70,094,654	58,745,575
Cash and cash equivalents	23,165,934	10,096,195	-	-	23,165,934	10,096,195
Total assets	**245,144,032**	**232,800,860**	**(20,361,625)**	**(64,855,589)**	**224,782,407**	**167,945,271**

Table 2: Group Valuation of Assets

Kindly refer to Table 11 in Appendix 1 for the Solo valuation of assets of Eucare.

The Annual QRTs containing the Solvency II Balance Sheet is being attached to this document (refer to S.02.01.02 in Appendix 2 for the Group and S.02.01.02 in Appendix 3 for Eucare).

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

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

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

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

<u>Non-Financial Assets</u>

Intangible Assets

The value of intangible assets, comprising of computer software, has been removed for the Solvency II Balance Sheet as the assets cannot be sold separately and the Group could not assign a market price as quoted in an active market for same or similar assets.

Deferred Acquisition Costs

By the end of the year, the Group still has policies in force with a termination date in 2022, which resulted in deferred acquisition costs of €88,568 (2020: €5,816) relating to acquisition costs attributable to unearned premium, which are nullified for Solvency II purposes.

Property, Plant and Equipment

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

Financial Assets

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

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

Reinsurance recoverables

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

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

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

The difference in value from IFRS to Solvency II relates to a reclassification related to the estimated payable to the reinsurer in relation of the Best Estimate of the Risk Equalisation Fund of €(23,353,566) (2020: €(14,151,944)) which are included in payable under IFRS; and an adjustment to account for future premiums payable to the reinsurers, along with the relative discounting and the relative counterparty adjustment in relation to business that is written but not yet incepted by the valuation date amounting to €(6,629,516) (2020: €(6,249,299)).

Insurance and intermediaries receivables

Insurance and intermediaries receivables of the Group consist of amounts prepaid by NLCare Cell to appointed insurance intermediaries in order to provide them with sufficient liquidity, as well as accrued income. At Group level, due to consolidation, any intra-group balances are eliminated.

As evidenced in Table 11 under Appendix 1, the insurance and intermediaries receivables of Eucare also includes receivables of the Core from intra-group related parties, which is not applicable at group level due to consolidation.

The difference in value from IFRS to Solvency II mainly relates to the Unearned Premium Reserve. Under IFRS, the complete written premium and corresponding commissions are included in the receivables, whereas the future premium cashflows and commissions are incorporated in the premium provision under Solvency II. This leads to a reclassification of €114,832. Furthermore, the receivable from CAK of €33,690 is reclassified from Receivables (trade, not insurance) towards Insurance and intermediaries receivables.

Receivables (trade, not insurance)

Receivables (trade, not insurance) consist of risk equalisation fund receivable, prepayments, and related party receivables which are valued approximately to the fair value of the asset. The difference in the amount of receivable between the Group and Eucare relates to different amounts taken for prepaid expenses, which are nullified for Solvency II valuation purposes. and receivables from related parties, whereby any intra-group transactions are not considered (eliminated) at group level.

The difference between IFRS and Solvency II values relates to treatment of risk equalisation fund receivable for the Solvency II Balance sheet, which as explained below are reclassified for Solvency II purposes; as well as the amount relating to prepaid expenses of €84,056 (2020: €52,138) (referred to above) which are nullified for Solvency II purposes.

The adjustment related to the Best Estimate of the Risk Equalization Fund of €27,474,784 (2020: €16,649,346) is reclassified from Receivables to the claims reserve within technical provisions, and restated to present value by considering the relative discounting of €54,103.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at face value. There is no difference between the value of cash at bank as recognised under IFRS and Solvency II Directives.

5.2. Valuation of Technical Provisions

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

The following table shows the change in technical provisions from the Group balance sheet as at 31st December 2021 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation. Given that Eucare is the only insurance undertaking within the Group, the Technical provisions of the Group and of Eucare are the same.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Technical provisions						
Health (not similar to life techniques):						
Best estimate: premium provision	38,775	208,999	(3,626,201)	(11,141,288)	(3,587,426)	(10,932,289)

Best estimate: claim provision	136,019,506	147,929,876	(19,445,840)	(33,659,650)	116,573,666	114,270,226
Risk margin	-	-	1,676,824	1,949,461	1,676,824	1,949,461
Health (similar to life techniques)						
Best estimate: premium provision	-	-	(62,427)	(46,830)	(62,427)	(46,830)
Best estimate: claim provision	406,339	801,175	3,808	143	410,147	801,318
Risk margin	-	-	14,989	19,433	14,989	19,433
Total Technical Provisions	**136,464,620**	**148,940,050**	**(21,438,848)**	**(42,878,731)**	**115,025,773**	**106,061,319**

Table 3: Group Valuation of Technical Provisions

Kindly refer to Table 12 in Appendix 1 for the valuation of the Technical Provision of Eucare.

The Solo Annual QRTs containing information on the Non-Life Technical Provisions is being included in this document (refer to S.12.01.02 and S.17.01.02 in Appendix 3).

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

Technical provisions

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

The significant difference between the IFRS and Solvency II valuation of the Technical Provision for health (not similar to life) insurance is mainly due to a reclassification of the ex-post part of the Risk Equalization Fund contribution, amounting to €27,474,784 (2020: €16,649,346). Under Solvency II, this is part of the claims provision, whilst under IFRS, this is part of the receivable from the responsible government agency.

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

Given the long-term nature of the disability insurance portfolio, the Technical Provision applicable under this health insurance cover is pursued on a similar technical basis to that of life insurance ('health SLT'), as illustrated in Table 3 above.

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

Best estimate of liabilities

The Best Estimate liabilities comprise of the Claims Provision, Premium Provision and Risk Margin. The technical provisions analysis is performed on health and income protection lines insurance. The business written in 2021 relates predominantly to the exposures in the Netherlands and France. All insurance contracts are denominated in Euro.

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

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

Table 4: Segmentation of Lines of Business

(i) Premium provisions

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

Health Non-Similar to Life Techniques has a total provision of €(10,932,289) (2020: €(3,587,426)). This amount also includes €248 (2020: €26,396) which relate to the business which remained in force by the end of 2021. Health Similar to Life Techniques has a premium provision of €(46,830) (2020: (€62,427)). This amount also includes €4,997 (2020: Nil) which relate to business which remained in force by the end of 2021.

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

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

(ii) Claims provision

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

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

Claims provision is related of health and income protection products written in 2019, 2020, and 2021. Health Non-Similar to Life Techniques has a total provision of €114,270,226 (2020: €116,573,666), which includes an adjustment related of the Best Estimate of the Risk Equalization Fund €(27,474,784) (2020: €(16,649,346)). The remaining difference is mainly due to the discounting effect which differs between Solvency II and IFRS.

Health Similar to Life Techniques has a total provision of €801,318 (2020: €410,147). The difference in the claims provision for Health Similar to Life Techniques is due to the discounting effect.

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

(iii) Uncertainty associated with the amount of technical provisions

The claims provision as described under (ii) above are based on statistical estimates to cater for IBNR, which relies on data provided by a partnering intermediary, duly supplemented with management's knowledge of the market and independent actuarial advice. Given that the Group is in initial years of operation, the estimation process is inherently more uncertain until experience develops. The calculation of the technical provisions thus takes into consideration alternative methodologies and a range of outcomes. Notwithstanding the uncertainties, the directors believe that the estimated provision for IBNR as at 31 December 2021 is reasonable, having also considered actuarial advice.

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

Risk Margin

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

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

The method for calculating risk margin is expressed as follows:

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

where:

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

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

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

- Level 4: calculates the risk margin as a percentage of the best estimate of technical provisions net of reinsurance.

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

The total Risk Margin comprises of Health Non-Similar to Life Techniques of €1,949,461 (2020: €1,676,824) and Health Similar to Life Techniques of €19,433 (2020: €14,989).

Net technical provisions

The reinsurer's share of Solvency II technical provisions was calculated based on the characteristics of the reinsurance program. Given that Eucare has in place a quota share reinsurance arrangement, the difference between the valuation of Reinsurance receivables amounts as per IFRS and Solvency II purposes, as illustrated in Table 2 under section 5.1 and Table 11 in Appendix 1, is driven by the same differences for gross technical provisions explained above.

5.3. Valuation of Other Liabilities

The following table shows the difference in other liabilities from the Group balance sheet as at 31st December 2021 in accordance with IFRS and their valuation as required by the Solvency II Directive and Delegated Regulation.

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Other Liabilities						
Deferred tax liabilities	-	-	-	73,958	-	73,958
Financial Liabilities other than debts owed to credit institutions	180,410	133,161	-	-	180,410	133,161
Reinsurance payables	62,885,921	33,515,146	2,575,917	(23,456,008)	65,461,838	10,059,138
Insurance & Intermediaries Payables	-	566,864	-	-	-	566,864
Payables (trade, not insurance)	4,941,259	1,351,230	-	-	5,121,669	1,351,230
Subordinated liabilities	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total Other Liabilities	**78,007,590**	**45,566,401**	**2,575,917**	**(23,382,051)**	**80,583,507**	**22,184,350**

Table 5: Group Valuation of Other Liabilities

Kindly refer to Table 13 in Appendix 1 for Eucare's valuation of other liabilities.

The Annual QRTs containing the Solvency II Balance Sheet is being attached to this document (refer to S.02.01.02 in Appendix 2 for the Group and S.02.01.02 in Appendix 3 for Eucare).

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

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

Deferred Tax Liability

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

Deferred taxes	(€)
Decrease in assets	(64,855,589)
Decrease in liabilities	66,334,740
Movement from IFRS to Solvency II	**1,479,152**
Movement in Deferred Tax Liability	**73,958**

Table 6: Group Deferred Tax Liability Movement

The difference of €1,479,152 (2020: -€1,097,241) between IFRS equity and Solvency II own funds has resulted in a movement of €78,879 (2020: Deferred Tax asset of €78,879) in the deferred tax liability.

The total deferred tax liability in the Solvency II Balance Sheet amounts to €73,958.

Refer to Table 14 in Appendix 1 for Eucare's Deferred Tax Liability.

Financial Liabilities other than debts owed to credit institutions

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

Reinsurance payables

The reinsurance payables represent the outstanding balance payable to the reinsurer as at period end, arising on business written during 2021. The difference between IFRS and Solvency II of €23,456,008 (2020: €2,575,917) primarily result from reclassification of €23,353,566 (2020: €2,539,935) explained in the 'reinsurance recoverables' section above, after applying the relative discounting of €45,987.

Insurance & Intermediaries Payables

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

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

Payables (trade, not insurance)

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

Subordinated liabilities

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

5.4. Alternative Methods for Valuation

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

5.5. Any Other Information

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

6.0 Capital Management

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

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

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

6.1. Own Funds

6.1.1. Capital Structure

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

Own Funds as at	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	17,502,400	17,502,400	17,502,400	17,502,400
Capital Contribution	3,000,000	3,000,000	3,000,000	3,000,000
Reconciliation reserve	8,591,849	8,591,849	19,197,202	19,197,202
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	1,029,911	3,000,000	747,129
Deferred Tax Asset	78,879	-	-	-
Ancillary Own Funds	-	-	-	-
Total Own Funds	**39,173,128**	**37,124,160**	**49,699,602**	**47,446,730**

Table 7: Group Available & Eligible Own Funds

As illustrated above, as at 31st December 2021, the eligible and available own funds of the Group is made up of issued and ordinary share capital, subordinated liabilities, capital contribution, and a reconciliation reserve.

The Group's shareholders' funds for the financial year ended 31st December 2021, amounted to €38,294,409 (2020: €27,444,275).

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

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

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

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

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

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

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

Refer to Tables 15-20 in Appendix 1 for the own funds composition of ECHC and Eucare (in a combined format), Eucare Core and NLCare Cell.

The Group and Solo Annual QRTs containing the own funds are appended to this document (refer to S.23.01.22 in Appendix 2 and S.23.01.01 in Appendix 3).

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

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

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

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

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

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

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

Group SCR and MCGSCR cover as at	31 Dec 20 (€)	31 Dec 21 (€)
Total Available Own Funds	39,173,128	49,699,602
Total Eligible own funds to meet SCR	**37,124,160**	**47,446,730**
Tier 1 Eligible Own Funds	29,094,249	39,699,602
Tier 2 Eligible Own Funds	7,000,000	7,000,000
Tier 3 Eligible Own Funds	1,029,911	747,129
SCR	**16,059,823**	**15,494,257**
SCR cover:	**231%**	**306%**
Total Eligible own funds to meet Minimum Consolidated Group SCR	**29,907,731**	**40,720,108**
Tier 1 Eligible Own Funds	29,094,249	39,699,602
Tier 2 Eligible Own Funds	813,483	1,020,505
Minimum Consolidated Group SCR	**4,067,413**	**5,102,526**
Minimum Consolidated Group SCR cover:	**735%**	**798%**

Table 8: Group SCR and Minimum Consolidated Group SCR Cover

As shown above, as at 31st December 2021, the Group's available own funds amounted to €49,699,602 (2020: €39,173,128), whilst the eligible own funds amounted to €47,446,730 (2020: €37,124,160), with the difference arising as a result of limitations imposed on Tier 3 capital. The Group's eligible own funds covers both the minimum consolidated Group SCR by 798% (2020: 735%) and the SCR by 306% (2020: 231%) calculated using the standard formula.

Refer to Table 20 and 21 in Appendix 1 for the Eligible Own Funds to cover the SCR and MCR of Eucare (in a combined format), of Eucare Core and of NLCare Cell. Appendix 1 also includes Table 22 which illustrates the adjustment relating to the Ring-Fenced Funds of the PCC structure and Table 23 which explains the difference in shareholders' funds of Eucare.

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

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

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

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

On a combined level, the level of eligible Tier 2 and Tier 3 capital shall correspond to the level of eligible Tier 2 and Tier 3 capital at the Core and respective cells.

Based on these criteria, the tier 2 and tier 3 eligible own funds to meet SCR amount to €7,000,000 (2020: €7,000,000) and €747,129 (2020: €1,029,911) respectively, as evidenced in Table 8.

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

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

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

The Group's tier 2 eligible own funds to meet the Minimum Consolidated Group SCR amounts to €1,020,505 (2020: €813,483).

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

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

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

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

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

The SCR and Minimum Consolidated Group SCR as at 31 December 2020 calculated using the Standard Formula are being shown in the following tables:

SCR	31 Dec 20 (€)	31 Dec 21 (€)
Market risk	264	262
Counterparty Default risk	4,640,578	3,149,520
Health underwriting risk	10,347,381	11,382,239
Non-life underwriting risk	-	-
Diversification	(2,634,513)	(1,986,064)
Basic Solvency Capital Requirement	**12,353,710**	**12,545,957**
Adjustment due to RFF	-	-
Operational risk	3,706,113	3,763,787
Loss Absorbing Capacity of Deferred Taxes	-	(815,487)
Total SCR	**16,059,823**	**15,494,257**

Table 9: Group SCR Components

MCR	31 Dec 20 (€)	31 Dec 21 (€)
MCR at ECHC, net of consolidation adjustments	-	-
MCR at Eucare	4,067,413	5,102,526
Minimum Consolidated Group SCR	**4,067,413**	**5,102,526**

Table 10: Group Minimum Consolidated Group SCR Components

The changes in the level of SCR during the reporting period, when compared to 2020, are mainly due to an increase in health underwriting risk, as a result of the Group's slightly larger insurance portfolio, and a decrease in counterparty default risk due to the decreased level of receivables stemming from the insurance operations.

Moreover, the Group was also subject to a Loss Absorbing Capacity of Deferred Tax in 2021 which also reduced the level of SCR.

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

Refer to Tables 25-31 in Appendix 1 for the SCR and MCR of Eucare (in a combined format), Eucare Core and NLCare Cell.

The Group and Solo Annual QRTs containing information on the SCR and Minimum Consolidated SCR/MCR is being attached to this document (refer to S.25.01.22 in Appendix 2 for the Group and S.25.01.21 and S.28.01.01 in Appendix 3 for Eucare).

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

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

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

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

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

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

As at 31st December 2021 the Group reports an SCR Cover of 306% (2020: 231%). and a Minimum Consolidated Group SCR cover of 798% (2020: 735%).

Accordingly, there are no compliance issues to report.

6.6. Any other information

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

Appendix 1: Eucare (Solo) Valuations and Capital Management

1.1 Valuation for Solvency Purposes

1.1.1 Valuation of Assets

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Assets						
Intangible assets	118,683	172,851	(118,683)	(172,851)	-	-
Deferred Tax Asset	-	-	551,002	-	551,002	-
Deferred Acquisition Costs	5,817	88,568	(5,817)	(88,568)	-	-
Property, Plant & Equipment	405,287	295,613	-	-	405,287	295,614
Reinsurance recoverables	115,973,614	118,730,223	(3,709,364)	(30,150,322)	112,264,250	88,579,901
Insurance and intermediaries receivables	20,005,902	11,048,953	-	(81,410)	20,005,902	10,967,543
Receivables (trade, not insurance)	83,470,464	93,104,722	(16,603,357)	(34,359,147)	66,867,107	58,745,575
Cash and cash equivalents	23,165,423	10,091,071	-	-	23,165,423	10,091,071
Total assets	**243,145,191**	**233,532,001**	**(19,886,219)**	**(64,852,297)**	**223,258,972**	**168,679,704**

Table 11: Eucare Valuation of Assets

1.1.2 Valuation of Technical Provisions

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Technical provisions						
Health (not similar to life techniques):						
Best estimate: premium provision	38,775	208,998	(3,626,201)	(11,141,287)	(3,587,426)	(10,932,289)
Best estimate: claim provision	136,019,506	147,929,876	(19,445,840)	(33,659,650)	116,573,666	114,270,226
Risk margin	-	-	1,676,824	1,946,062	1,676,824	1,946,062
Health (similar to life techniques)						

Best estimate: premium provision	-	-	(62,427)	(46,830)	(62,427)	(46,830)
Best estimate: claim provision	406,339	801,175	3,808	142	410,147	801,317
Risk margin	-	-	14,989	19,440	14,989	19,440
Total Technical Provisions	**136,464,620**	**148,940,049**	**(21,438,848)**	**(42,882,123)**	**115,025,773**	**106,057,926**

Table 12: Eucare Valuation of Technical Provisions

1.1.3 Valuation of Liabilities

	IFRS (€)		Movement (€)		Solvency II (€)	
	2020	2021	2020	2021	2020	2021
Other Liabilities						
Deferred tax liabilities	-	-	-	74,292	-	74,292
Reinsurance payables	62,885,921	33,515,146	2,575,917	(23,456,008)	65,461,838	10,059,138
Insurance & Intermediaries Payables	-	566,864	-	-	-	566,864
Payables (trade, not insurance)	6,301,579	2,403,519	-	-	6,301,579	2,403,519
Subordinated liabilities	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total assets	**79,187,500**	**46,485,529**	**2,575,917**	**(23,381,716)**	**81,763,417**	**23,103,813**

Table 13: Eucare Valuation of Other Liabilities

Deferred Tax Liabilities

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

Deferred tax liabilities	(€)
Decrease in assets	(64,852,297)
Decrease in liabilities	66,338,131
Movement from IFRS to Solvency II	**1,485,834**
Deferred tax liabilities	**74,292**

Table 14: Deferred Tax Liability

The difference of €1,485,834 (2020: -€1,100,528) between IFRS equity and Solvency II own funds has resulted in a deferred tax liability of €74,292 (2020: Deferred Tax Assets of €551,002) in the Solvency II balance sheet. This is since there was no deferred tax liability under the IFRS statements as during the reporting period, the

ECHC Group applied for fiscal unity under the Consolidated Group (Income Tax) Rules, which was approved and applicable as from the year of assessment 2021.

1.2 Capital Management

1.2.1 Own Funds

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

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

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

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

ECHC

	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	23,470,982	23,470,982	17,502,400	17,502,400
Capital contribution	3,000,000	3,000,000	3,000,000	3,000,000
Reconciliation reserve	(90,299)	(90,299)	18,447,432	18,447,432
Tier 2 Basic Own Funds	-	-	-	-
Tier 3 Basic Own Funds				
Deferred Tax Assets	164	164	-	-
Total Own Funds	**26,380,847**	**26,380,847**	**38,949,832**	**38,949,832**

Table 15: ECHC Available & Eligible Own Funds

Eucare Combined

Own Funds as at	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	8,501,200	8,501,200	8,501,200	8,501,200
Capital Contribution	12,000,000	12,000,000	12,752,664	12, 752,664
Reconciliation reserve	(9,958,323)	(9,958,323)	(10,495,408)	(10,495,408)
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	1,038,342	3,000,000	1,090,897
Deferred Tax Assets	551,002	-	10,681	-
Ancillary Own Funds	-	-	-	-
Total Own Funds	**21,093,878**	**18,581,219**	**20,769,137**	**18,849,353**

Table 16: Eucare Combined Available & Eligible Own Funds

Eucare Combined Retained Earnings

Entity	31 Dec 2020 (€)	31 Dec 2021 (€)
Eucare Core	212,223	390,663
Eucare NLCare Cell	6,779,648	16,461,896
Retained earnings	**6,991,871**	**16,852,559**

Table 17: Eucare Retained Earnings

Movement in Eucare Combined Own Funds

Own Funds as at	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Eucare Core	2,604,523	2,587,234	2,688,921	2,688,921
Eucare NLCare Cell	33,865,259	31,369,889	46,829,044	44,909,260
Adjustments due to PCC Ring Fencing Regulation	(15,375,904)	(15,375,904)	(28,748,828)	(28,748,828)
Net movement in own funds	**21,093,878**	**18,581,219**	**20,769,137**	**18,849,353**

Table 18: Movement in Eucare Combined Available & Eligible Own Funds due to RFF

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

Eucare Core

Own Funds as at	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	2,501,200	2,501,200	2,501,200	2,501,200
Reconciliation reserve	44,684	44,684	177,040	177,040
Tier 2 Basic Own Funds	-	-	-	-
Tier 3 Basic Own Funds				
Deferred Tax Asset	58,639	41,350	10,681	10,681
Ancillary Own Funds	-	-	-	-
Total Own Funds	**2,604,523**	**2,587,234**	**2,688,921**	**2,688,921**

Table 19: Eucare Core Composition of Available & Eligible Own Funds

NLCare Cell

Own Funds as at	31 Dec 20		31 Dec 21	
	Available (€)	Eligible (€)	Available (€)	Eligible (€)
Tier 1 Basic Own Funds (Unrestricted)				
Paid-up share capital	6,000,000	6,000,000	6,000,000	6,000,000
Capital Contribution	12,000,000	12,000,000	12,752,664	12,752,664
Reconciliation reserve	5,372,896	5,372,896	18,076,380	18,076,380
Tier 2 Basic Own Funds				
Subordinated loan	7,000,000	7,000,000	7,000,000	7,000,000
Tier 3 Basic Own Funds				
Subordinated loan	3,000,000	996,993	3,000,000	1,080,897
Deferred Tax Asset	492,363	-	-	-
Ancillary Own Funds	-	-	-	-
Total Own Funds	**33,865,259**	**31,369,889**	**46,829,044**	**44,909,260**

Table 20: NLCare Cell Composition of Available & Eligible Own Funds

1.2.2 *Eligible Own Funds to cover SCR and MCR*

SCR and MCR cover as at 31 Dec 21	Core (€)	NLCare Cell (€)	Combined (€)
Total Available Own Funds	2,688,921	46,829,044	20,769,137
Total Eligible own funds to meet SCR	2,688,921	44,909,260	18,849,353
SCR	258,709	16,160,433	16,419,141
SCR cover:	**1039%**	**278%**	**115%**
Total Eligible own funds to meet MCR	2,678,240	37,849,549	11,778,961
MCR	64,677	5,102,526	5,102,526
MCR cover:	**4,141%**	**742%**	**231%**

Table 21: Solo SCR and MCR Cover

SCR and MCR cover	SCR		MCR cover	
	2020	2021	2020	2021
Core	939%	1039%	3694%	4141%
NLCare Cell	196%	278%	605%	742%
Combined	114%	115%	279%	231%

Table 22: Solo SCR and MCR Comparison

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

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

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

In light of the above, Eucare's available own funds as at 31st December 2021 amounted to €20,769,137 (2020: €21,093,878), comprising of paid-up share capital subordinated liabilities, capital contribution, retained earnings, and a reconciliation reserve (net of adjustment for ring fenced funds).

The tier 2 own funds to meet SCR are fully eligible and amount to €7,000,000. Moreover, the eligible Tier 3 own funds to cover SCR amounts to €1,090,897 (2020: €1,029,911).

Moreover, the tier 2 eligible own funds to meet MCR amount to €1,020,505 (2020: €813,483).

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

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

	Core (€)		NLCare Cell (€)		Combined (€)	
	2020	2021	2020	2021	2020	2021
Available Own Funds (unadjusted)	2,545,684	2,688,921	33,865,259	46,829,044	36,469,782	49,517,968
Adjustment for RFF	0	0	0	0	(15,375,904)	(28,748,828)
Total Available Own funds	**2,545,684**	**2,688,921**	**33,865,259**	**46,829,044**	**21,093,878**	**20,769,137**

Table 23: Eucare Available Own Funds adjusted for RFF

Differences in Shareholders' Funds

Eucare's shareholders' funds, reported in the financial statements for financial period ended 31st December 2021, amounted to € 20,769,137 (2020: €27,493,071). The reconciliation reserve represents the differences between IFRS and Solvency II valuation of assets and liabilities that amounts to €1,411,542 (2020: €1,023,289). The movement in capital is being reconciled below:

Own funds reconciliation	(€)	(€)
Shareholders' funds		38,106,423
Difference in valuation:		
Assets	(64,852,297)	
Gross technical provisions	42,882,123	
Other liabilities	23,381,716	
Solvency II Reconciliation Reserve		1,411,542
Less adjustment for RFF		(28,748,828)
Subordinated liabilities		10,000,000
Total basic Own Funds		**20,769,137**

Table 24: Eucare Own Funds Reconciliation

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

Eucare Combined

SCR	31 Dec 20 (€)	31 Dec 21 (€)
Market risk	-	-
Counterparty Default risk	4,829,471	3,304,117
Health underwriting risk	10,347,381	11,382,239
Non-life underwriting risk	-	-
Diversification	(2,711,770)	(2,065,869)
Basic Solvency Capital Requirement	**12,465,082**	**12,620,486**
Adjustment due to RFF	113,649	134,688
Operational risk	3,690,920	3,748,940
Loss Absorbing Capacity of Deferred Taxes	-	(84,973)
Total SCR	**16,269,650**	**16,419,141**

Table 25: Eucare Combined SCR Components

MCR	31 Dec 20 (€)	31 Dec 21 (€)
Floor	4,067,413	4,104,785
Cap	7,321,343	7,388,614
MCR (linear)	3,850,796	5,102,526
Absolute Floor	2,500,000	2,500,000
MCR	**4,067,413**	**5,102,526**

Table 26: Eucare Combined MCR Components

Eucare Core

SCR	31 Dec 20 (€)	31 Dec 21 (€)
Counterparty Default risk	275,665	258,709
Basic Solvency Capital Requirement	**275,665**	**258,709**
Loss Absorbing Capacity of Deferred Taxes	(0)	(0)
Total SCR	**275,665**	**258,709**

Table 27: Eucare Core SCR Components

MCR	31 Dec 20 (€)	31 Dec 21 (€)
Floor	68,916	64,677
Cap	124,049	116,419
MCR (linear)	-	-
MCR	**68,916**	**64,677**

Table 28: Eucare Core MCR Components

NLCare Cell

SCR	31 Dec 20 (€)	31 Dec 201 (€)
Health risk	10,347,381	11,382,239
Counterparty Default risk	4,553,806	3,045,408
Diversification	(2,598,121)	(1,931,181)
Basic Solvency Capital Requirement	**12,303,066**	**12,496,466**
Operational risk	3,690,920	3,748,940
Loss Absorbing Capacity of Deferred Taxes	-	(84,973)
Total SCR	**15,993,985**	**16,160,433**

Table 29: NLCare Cell SCR Components

MCR	31 Dec 20 (€)	31 Dec 21 (€)
Floor	3,998,496	4,040,108
Cap	7,197,293	7,272,195
MCR (linear)	3,850,796	5,102,526
MCR	**3,998,496**	**5,102,526**

Table 30: NLCare Cell Components

Reconciliation of SCR

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

	Core and Cell (€)	Combined (€)	Allocation from adjustments due to RFF (€)
Market risk	-	-	-
Counterparty Default risk	3,304,117	3,304,117	35,262
Health underwriting risk	11,382,239	11,382,239	121,473
Non-life underwriting risk	-	-	-
Diversification	(1,931,181)	(2,065,869)	-
Basic Solvency Capital Requirement	**12,755,175**	**12,620,486**	**-**
Adjustment due to RFF	-	134,688	-
Operational risk	3,748,940	3,748,940	-
Loss Absorbing Capacity of Deferred	(84,973)	(84,973)	-
Total SCR	**16,419,141**	**16,419,141**	**-**

Table 31: Reconciliation of SCR at Combined Level

The adjustment due to ring fenced funds arises as a result of the difference in diversification applicable at the core and cell level -€1,931,181 (2020: -€2,598,121) and at the combined level -€2,065,869 (2020: -€2,711,770).

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

Appendix 2: Group Annual Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	296
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	1
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	1
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
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**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	88,580
Non-life and health similar to non-life	**R0280**	87,864
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	87,864
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	716
Health similar to life	**R0320**	716
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	10,227
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	58,746
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**	10,096
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	167,945

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	105,287
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	

Technical provisions - health (similar to non-life)	**R0560**	105,287
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	103,338
Risk margin	**R0590**	1,949
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	774
Technical provisions - health (similar to life)	**R0610**	774
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	754
Risk margin	**R0640**	19
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	74
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	133
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	567
Reinsurance payables	**R0830**	10,059
Payables (trade, not insurance)	**R0840**	1,351
Subordinated liabilities	**R0850**	10,000
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	10,000
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	128,246
Excess of assets over liabilities	**R1000**	39,700

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Total
		Medical expense insurance	Income protection insurance	
		C0010	**C0020**	**C0200**
Premiums written				
Gross - Direct Business	**R0110**	531,731	9,131	540,862
Gross - Proportional reinsurance accepted	**R0120**			
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	
Reinsurers' share	**R0140**	452,013	1,895	453,908
Net	**R0200**	79,718	7,236	86,954
Premiums earned				
Gross - Direct Business	**R0210**	531,770	8,922	540,692
Gross - Proportional reinsurance accepted	**R0220**			
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	452,046	1,895	453,941
Net	**R0300**	79,724	7,027	86,751
Claims incurred				
Gross - Direct Business	**R0310**	489,617	6,545	496,162
Gross - Proportional reinsurance accepted	**R0320**			
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	
Reinsurers' share	**R0340**	416,220	974	417,194
Net	**R0400**	73,397	5,571	78,968
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**	-7,576	722	-6,854
Other expenses	**R1200**			
Total expenses	**R1300**			-6,854

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		FR	NL				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		6,350	534,512				540,862
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140			453,908				453,908
Net	R0200		6,350	80,604				86,954
Premiums earned								
Gross - Direct Business	R0210		6,350	534,342				540,692
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240			453,941				453,941
Net	R0300		6,350	80,401				86,751
Claims incurred								
Gross - Direct Business	R0310		5,387	490,775				496,162
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340			417,194				417,194
Net	R0400		5,387	73,581				78,968
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		711	-7,565				-6,854
Other expenses	R1200							

Total expenses	**R1300**							-6,854

Annex I

S.23.01.22

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	10,615	10,615			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	6,888	6,888			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	19,197	19,197			
Subordinated liabilities	R0140	10,000			7,000	3,000
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180	3,000	3,000			
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						

Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**					
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**					
Deductions for participations where there is non-availability of information (Article 229)	**R0250**					
Deduction for participations included by using D&A when a combination of methods is used	**R0260**					
Total of non-available own fund items	**R0270**					
Total deductions	**R0280**					
Total basic own funds after deductions	**R0290**	49,700	39,700		7,000	3,000
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Non available ancillary own funds at group level	**R0380**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Reconciliation reserve	**R0410**					
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**					
Total own funds of other financial sectors	**R0440**					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**					
Own funds aggregated when using the D&A and a combination of method net of IGT	**R0460**					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	49,700	39,700		7,000	3,000
Total available own funds to meet the minimum consolidated group SCR	**R0530**	46,700	39,700		7,000	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	47,447	39,700		7,000	747
Total-eligible own funds to meet the minimum consolidated group SCR	**R0570**	40,720	39,700		1,021	

Minimum consolidated Group SCR	**R0610**	5,103				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	798.04%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	47,447	39,700		7,000	747
Group SCR	**R0680**	15,494				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	306.22%				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	39,700				
Own shares (included as assets on the balance sheet)	**R0710**					
Forseeable dividends, distributions and charges	**R0720**					
Other basic own fund items	**R0730**	20,502				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**					
Other non available own funds	**R0750**					
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	19,197				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	52	-			
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	12,236	-			
Total EPIFP	**R0790**	12,288	-			

Annex I
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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement
		C0110
Market risk	R0010	0
Counterparty default risk	R0020	3,150
Life underwriting risk	R0030	
Health underwriting risk	R0040	11,382
Non-life underwriting risk	R0050	
Diversification	R0060	-1,986
Intangible asset risk	R0070	
Basic Solvency Capital Requirement	R0100	12,546

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	3,764
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-815
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	15,494
Capital add-on already set	R0210	
Solvency capital requirement	R0220	15,494
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	5,103
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**	15,494

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Undertakings in the scope of the group

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

Appendix 3: Solo Annual Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	11
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	296
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	88,580
Non-life and health similar to non-life	**R0280**	87,864
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	87,864
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	716
Health similar to life	**R0320**	716
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	10,968
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	58,746
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**	10,091
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	168,690

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	105,284
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	

Technical provisions - health (similar to non-life)	**R0560**	105,284
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	103,338
Risk margin	**R0590**	1,946
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	774
Technical provisions - health (similar to life)	**R0610**	774
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	754
Risk margin	**R0640**	19
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	85
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	133
Insurance & intermediaries payables	**R0820**	567
Reinsurance payables	**R0830**	10,059
Payables (trade, not insurance)	**R0840**	2,270
Subordinated liabilities	**R0850**	10,000
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	10,000
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	129,172
Excess of assets over liabilities	**R1000**	39,518

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Total
		Medical expense insurance	Income protection insurance	
		C0010	**C0020**	**C0200**
Premiums written				
Gross - Direct Business	**R0110**	531,731	9,131	540,862
Gross - Proportional reinsurance accepted	**R0120**			
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	
Reinsurers' share	**R0140**	452,013	1,895	453,908
Net	**R0200**	79,718	7,236	86,954
Premiums earned				
Gross - Direct Business	**R0210**	531,770	8,922	540,692
Gross - Proportional reinsurance accepted	**R0220**			
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	452,046	1,895	453,941
Net	**R0300**	79,724	7,027	86,751
Claims incurred				
Gross - Direct Business	**R0310**	489,617	6,545	496,162
Gross - Proportional reinsurance accepted	**R0320**			
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	
Reinsurers' share	**R0340**	416,220	974	417,194
Net	**R0400**	73,397	5,571	78,968
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**	-7,576	722	-6,854
Other expenses	**R1200**			
Total expenses	**R1300**			-6,854

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		NL	FR				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		534,512	6,350				540,862
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		453,908					453,908
Net	R0200		80,604	6,350				86,954
Premiums earned								
Gross - Direct Business	R0210		534,342	6,350				540,692
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240		453,941					453,941
Net	R0300		80,401	6,350				86,751
Claims incurred								
Gross - Direct Business	R0310		490,775	5,387				496,162
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		417,194					417,194
Net	R0400		73,581	5,387				78,968
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		-7,565	711				-6,854
Other expenses	R1200							

Total expenses	**R1300**							-6,854

Annex I

S.12.01.02

Life and Health SLT Technical Provisions

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		754				754
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		716				716
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		39				39
Risk Margin	**R0100**	19					19
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**						
Best estimate	**R0120**						
Risk margin	**R0130**						
Technical provisions - total	**R0200**	774					774

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance		Total Non-Life obligation
		Medical expense insurance	Income protection insurance	
		C0020	**C0030**	**C0180**
Technical provisions calculated as a whole	**R0010**			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**			
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	**R0060**	-9,635	-1,297	-10,932
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-6,442	-53	-6,494
Net Best Estimate of Premium Provisions	**R0150**	-3,194	-1,244	-4,438
Claims provisions				
Gross	**R0160**	111,827	2,443	114,270
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	94,178	181	94,359
Net Best Estimate of Claims Provisions	**R0250**	17,650	2,262	19,912
Total Best estimate - gross	**R0260**	102,192	1,146	103,338
Total Best estimate - net	**R0270**	14,456	1,018	15,474
Risk margin	**R0280**	1,645	301	1,946
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0290**			
Best estimate	**R0300**			
Risk margin	**R0310**			
Technical provisions - total				
Technical provisions - total	**R0320**	103,837	1,447	105,284
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	87,736	128	87,864
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	16,101	1,319	17,420

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	Development year	1	2	3
		C0010	C0020	C0030	C0040
Prior	R0100				
2018	R0220				
2019	R0230	84,758	28,939	-236	
2020	R0240	347,084	131,723		
2021	R0250	359,194			

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0220		
	R0230	-236	113,461
	R0240	131,723	478,807
	R0250	359,194	359,194
Total	R0260	490,681	951,462

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	Development year	1	2	3
		C0200	C0210	C0220	C0230
Prior	R0100				
2018	R0220				
2019	R0230	23,427	838	103	
2020	R0240	116,002	-10,728		
2021	R0250	124,856			

		Year end (discounted data)
		C0360
	R0100	
	R0220	
	R0230	103
	R0240	-10,794
	R0250	124,961
Total	R0260	114,270

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	8,501	8,501			
Share premium account related to ordinary share capital	**R0030**					
~~I~~initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	-10,495	-10,495			
Subordinated liabilities	**R0140**	10,000			7,000	3,000
An amount equal to the value of net deferred tax assets	**R0160**	11				11
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	12,753	12,753			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	20,769	10,758		7,000	3,011
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	20,769	10,758		7,000	3,011
Total available own funds to meet the MCR	R0510	17,758	10,758		7,000	
Total eligible own funds to meet the SCR	R0540	18,968	10,758		7,000	1,210
Total eligible own funds to meet the MCR	R0550	11,779	10,758		1,021	

SCR	**R0580**	16,419				
MCR	**R0600**	5,103				
Ratio of Eligible own funds to SCR	**R0620**	115.52%				
Ratio of Eligible own funds to MCR	**R0640**	230.85%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	39,518	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	21,265	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	28,749	
Reconciliation reserve	**R0760**	-10,495	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	52	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	12,236	
Total Expected profits included in future premiums (EPIFP)	**R0790**	12,288	

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

-	-	Gross solvency capital requirement
		C0110
Market risk	**R0010**	
Counterparty default risk	**R0020**	3,339
Life underwriting risk	**R0030**	
Health underwriting risk	**R0040**	11,504
Non-life underwriting risk	**R0050**	
Diversification	**R0060**	-2,088
Intangible asset risk	**R0070**	
Basic Solvency Capital Requirement	**R0100**	12,755

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	3,749
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	-85
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	16,419
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	16,419
Other information on SCR		-
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	259
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	16,160
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

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

Calculation of loss absorbing capacity of deferred taxes		LAC DT **C0130**
LAC DT	**R0640**	-85
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-85
LAC DT justified by reference to probable future taxable economic profit	**R0660**	
LAC DT justified by carry back, current year	**R0670**	
LAC DT justified by carry back, future years	**R0680**	
Maximum LAC DT	**R0690**	

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	5,093

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	14,456	78,059
Income protection insurance and proportional reinsurance	**R0030**	1,018	7,189
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**		
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**		
Fire and other damage to property insurance and proportional reinsurance	**R0080**		
General liability insurance and proportional reinsurance	**R0090**		
Credit and suretyship insurance and proportional reinsurance	**R0100**		
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	**R0200**	10

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk

		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	39	
Total capital at risk for all life (re)insurance obligations	R0250		13,037

Overall MCR calculation

		C0070		
Linear MCR	R0300	5,103		
SCR	R0310	16,419	-	-
MCR cap	R0320	7,389		
MCR floor	R0330	4,105		
Combined MCR	R0340	5,103		
Absolute floor of the MCR	R0350	2,500		
-	-	**C0070**		
Minimum Capital Requirement	**R0400**	5,103		