Financial report for the period
January 1st 2023 – Year ended 31 December 2023

Solvency Financial Condition Report Guardian Group Nederland N.V.

Guardian Group Nederland N.V.
Brainpark III Fascinatio Boulevard 216
3065 WB Rotterdam
www.myguardiangroup.eu

Table of Contents

I. Summary

GGNL is a Dutch non-life insurer that operates with a ‘lean & efficient’ business model, focusing solely on the distribution channel of authorized agents. The authorized agent market is a resilient growth market that continues to evolve and professionalize.
While GGNL offers various products, the primary focus is on the property and liability commercial lines of business. In 2022, the premium volume for the entire portfolio was over € 62 million, which developed to a level of € 66.9 million in 2023. The year 2023 marks the first full year in which GGNL reports under the license obtained from DNB.
Despite slightly higher than budgeted expenses (5%) in the first full year of operation after the license by DNB was granted GGNL closed its year with a positive result of € 3.1 million after taxes. The solvency ratio level per ultimo 2023 is 201%, which is well above the statutory required capital (100%) and internal Norm (150%) thresholds.
Thanks in part to the positive result for the 2023 fiscal year, GGNL's solid financial position remains unchanged. GGNL's equity on a statutory basis amounts to € 17.7 million. The solvency available on Solvency II principles for GGNL is € 17.2 million. GGNL's Solvency II solvency requirement is € 8.6 million. Therefore, GGNL's Solvency II solvency ratio stands at 201%. The target solvency under GGNL's capital policy is 200%.

II. Introduction

Guardian Group in the Netherlands

Guardian Group Nederland N.V. (GGNL) was established on July 26, 2021 as a subsidiary of Fatum General Insurance N.V.

Fatum General Insurance N.V. is a Curaçao based insurer that is supervised by the Central Bank of Curaçao and Sint Maarten (CBCS). Fatum General Insurance N.V. is a wholly owned subsidiary of Fatum Holding N.V. This holding company and its insurance subsidiaries form part of Guardian Holdings Limited.

Fatum General Insurance N.V. has been active as an insurer in the Netherlands since October 2008 on the basis of a cross-border services license pursuant to Section 2:45 of the Financial Supervision Act (Wft). Since November 2018, Fatum General Insurance N.V. (hereinafter: FGI) has also been active in the Netherlands under the trade name Guardian Group Nederland.

After the start-up phase in 2009, FGI has acquired a position in the Dutch market as a non-life insurer. On March 2, 2021, the ‘Eerste Kamer der Staten Generaal van Nederland’ adopted bill 35.599 ‘Introduction of a ban on the provision of services by third-country insurers‘. The publication of this bill took place on March 16, 2021 in the ‘Staatscourant’. With this adjustment, the possibility of cross-border services in accordance with Article 2:45 of the Wft came to an end.

In order to continue to serve FGI policyholders in the Netherlands, FGI established a new entity on July 26, 2021: Guardian Group Nederland N.V. With this new entity, the process for applying for a license to operate as a non-life insurer was formally initiated on September 17, 2022 at De Nederlandsche Bank (DNB) (as referred to in Article 2:27, first paragraph, Financial Act).

The premium volume has since increased to over € 66 million exclusively through the distribution channel of the authorized agents (AA). More than 30 regionally selected AA’s have now been appointed and in 2023 a gross combined ratio of 70% was achieved.

Guardian Group Nederland N.V.

For Guardian Group Nederland N.V., the time during the period 2021 and 2022 was almost entirely devoted to applying for a DNB license to conduct business as a non-life insurer. During this period, the company had no employees and hardly any costs were incurred. The activities for the benefit of the Dutch FGI portfolio were still carried out by and for the account and risk of FGI.

Decision-making process Fatum General Insurance N.V.
Below the decision-making process within FGI.

- Supervisory Board of Directors / Executive Board of Directors of FGI has approved FGI to continue its services as a non-life insurer in the Netherlands and to start the license application process at DNB.

- Supervisory Board of Directors / Executive Board of Directors of FGI has approved to establish a new entity in the Netherlands.

- Establishment of Guardian Group Nederland N.V. on July 26, 2021 followed by a capital contribution from FGI for a total amount of € 10,000,000 in line with the expected Solvency II capital requirements and in line with GGNL's capital policy.

- The Executive Board of Directors of FGI appointed Mr. René Alexander van den Broek as Chief Executive Officer of Guardian Group Nederland N.V. on July 26, 2021 and appointed Mr. Menze Pieter Akkerman as Chief Financial and Risk Officer of Guardian Group Nederland N.V. on September 8, 2021. Mr. Akkerman left the company December 31, 2023. In accordance with the Governance structure mrs. Tamara Monzón and mr. Wieger Wagenaar were appointed as independent supervisory board members and mr. Diego Fränkel was appointed as dependent supervisory board member of GGNL.

License application DNB
On September 17, 2021, the process of the license application of Guardian Group Nederland N.V. (hereinafter: GGNL) was formally started at DNB.

After assessment of the required capitalization and the policy documents by DNB, DNB confirmed on September 24, 2021 that GGNL's license application is complete. As a result, FGI was able to make use of the transition regime. This enabled FGI to continue to carry out its non-life insurance activities during the assessment of GGNL's license application by DNB.

DNB granted a license to GGNL on October 26, 2022 and explained this as follows:
"The permit application is related to GGNL's intention to independently operate the Dutch insurance portfolio, currently serviced cross-border from Curaçao by its parent company, Fatum General Insurance N.V. In this regard, GGNL is applying for a permit for the following branches: branch 1 (Accident Insurance), branch 3 (Motor vehicle insurance), branch 7 (Goods-in-transit insurance), branch 8 (Fire and natural forces insurance), branch 9 (Other property damage insurance), branch 10A (Motor vehicle liability insurance), branch 13 (General liability insurance), branch 16 (Pecuniary loss insurance), and branch 18 (Assistance).
DNB grants GGNL the requested permit to conduct the business of a non-life insurer in the aforementioned branches."

It has been agreed with DNB and CBCS that the Dutch non-life insurance activities of FGI will continue to be managed within FGI until December 31, 2022 and that the Dutch non-life insurance activities will be transferred to GGNL per January 1, 2023. For this, the transfer conditions have been agreed with both CBCS and DNB.
DNB indicated that Art. 3:129 Wft applies and that no consent from DNB is required with regard to

the transfer of the portfolio from FGI to GGNL. DNB assumes that CBCS must grant consent on the basis of Art. 48 et seq. National Ordinance Supervision Insurance Industry (‘LTV’). DNB does state that the policy holders in the Netherlands must be notified of the portfolio transfer by FGI. This can be done through publication in the ‘Staatscourant’ and three Dutch daily and/or weekly newspapers.

On September 30, 2022, FGI requested approval from CBCS to transfer the Dutch portfolio to GGNL. This approval was issued by CBCS in 2022.

Portfolio transfer
As of January 1, 2023, GGNL has taken over a portfolio of active policies of Dutch residents from FGI. These policies are part of the start of the GGNL portfolio as a licensed insurer in the Netherlands.

The relevant portfolio of active policies is expected to be profitable and has been valued by Triple A – Risk Finance (hereinafter: Triple A) in order to determine an appropriate purchase price. This valuation is based on Solvency II legislation and regulations as applicable in the Netherlands.

In accordance with art. 2:94c lid 4 BW jo. 2:94b lid 3 BW jo. 2:94a lid 3 under b. BW the management board of GGNL has arranged the valuation:
‘by an independent person who, according to his training and activity, is an expert in carrying out valuations, (whereby) the expert valuation is carried out using valuation methods that are considered acceptable in society and the value of what is contributed is determined on a day that is not earlier than six months before the day of the contribution’.

The valuation report of the portfolio by Triple A is dated September 29, 2022. The total portfolio has a premium volume of € 61.2 million as of January 1, 2023. The acquisition price has been set at € 4.7 million.

After approval by CBCS, the transfer of the portfolio was published on December 16, 2022 in the national newspaper (‘Landscourant’) in Curaçao. After approval from DNB the transfer of the portfolio in the Netherlands was published in the ‘Staatscourant’ on January 6, 2023 and in 3 national newspapers on January 7, 2023.

A. Business and performance

A.1. Business activities and external environment

GGNL is a Dutch non-life insurer that operates with a ‘lean & efficient’ business model, focusing solely on the distribution channel of authorized agents. The authorized agent market is a resilient growth market that continues to evolve and professionalize.
Outsourcing of certain primary processes forms a crucial pillar in the chosen strategy. The outsourcing model seamlessly aligns with the business model of authorized agents. Here the strengths of GGNL and the selected delegated agents complement each other without overlapping tasks. Through the establishment of this entity we confirm our commitment to the Dutch market.
The organization with its streamlined communication and focused attention on authorized agents, fosters a close partnership and pooling of (market) knowledge. This reinforced interaction results in the outsourcing of operations being managed at a higher level of quality and/or executed more (cost) efficiently. Financial and actuarial expertise, as well as capital, are provided by GGNL.
A customer-centric and efficient back office is set up by the authorized agent.
Product development and niche marketing are jointly undertaken by both parties, enabling the creation of distinctive products focused on convenience for the (commercial) end customer.
This market approach will contribute to our growth objective, which is accompanied by the precondition of improving profitability and enabling us to represent the interests of our stakeholders.
The product offering of GGNL targets both the private and commercial segments with non-life products obtained with a Solvency II license in 2022 from DNB.

While GGNL offers various products, the primary focus is on the property and liability commercial lines of business. In 2022, the premium volume for the entire portfolio was over € 62 million, which developed to a level of € 66.9 million in 2023. The year 2023 marks the first full year in which GGNL reports under the license obtained from DNB.

Personnel

In order to operationalise GGNL a team of employees was built up to carry out the insurer's activities as of January 1, 2023. During the year positions for a.o. underwriting, claims handling, finance, IT, audit, reinsurance, office management (1st line) and the key functions compliance officer, risk manager, actuarial function (2nd line) and the key function internal audit (3rd line) were fulfilled.

Effective personnel management is a critical factor for employee satisfaction. In 2023 training and development of the employees was set up and personnel meeting were held. Effective January 1, 2023 a pension scheme has been arranged. Other topics touched included sustainable employability and absenteeism. Absenteeism for the year 2023 was in line with market average As of December 31, 2023, GGNL had 8 employees, filling 6,88 FTE positions.

Remuneration policy, principle

GGNL implements a careful, controlled, and sustainable remuneration policy aligned with its strategy, risk appetite, objectives, and values, while considering the long-term interests of the insurer, the relevant international context, and societal acceptance. The policy is detailed in the Remuneration Policy and aims to prevent the compensation of those shaping or influencing the company's policy, its employees, and other individuals involved in providing financial services or other activities under its responsibility from leading to careless treatment of members, insured persons, consumers, clients, or participants. GGNL's remuneration policy is also aimed at attracting, motivating, and retaining qualified and skilled employees, executive board members, and supervisory board members with a market-competitive compensation package. The members of the Board of Supervisors and Board of Directors also receive a variable component of maximum 20% (compliant with the ‘Wet Financiële Toezicht’).

A.2. Results from insurance activities

Financials

Despite slightly higher than budgeted expenses (5%) in the first full year of operation after the license by DNB was granted GGNL closed its year with a positive result of € 3.1 million after taxes. The proposal from the management is to allocate this amount to the retained earnings. In the 2023 financial statements, this item is recorded as undistributed profit.

The gross written premium of € 66.9 million was above budget. In comparison with our peers the total book of business performed very well with an overall gross combined ratio of 70% in 2023. Also all the individual lines of business (Property, Casualty, Motor, Accident, Marine) performed below the targeted combined ratio of 85%. This was mainly due to the lower than expected loss ratios as the overall commission ratio was in line with budget and previous year.

Investments and expenses

No significant investments were made in 2023. However, some investments were done with respect to operating expenses to comply with ICT-related regulatory requirements and Solvency II regulations.

Expectations for the year 2024

It is expected that the book of business will further expand in 2024 as a result of autonomous growth within existing portfolios with existing authorized agents. This will be generated through the development of new products, increased shares in existing pools, (lead) participation in new pools, the transfer of the provincial portfolio into the GGNL proxy and the setup of an environment where the AA is enabled to compare, quote, request or change GGNL products directly in their back office. Of course also new Authorized Agents will be added in the course of 2024 and beyond. Partially with AA in the Dutch market and partially through AA within other EU countries.

Financially, the outlook is positive. GGNL maintains a solid financial position, which is expected to be sustained in the coming years, even with anticipated increases in costs due to the implementation of new laws and regulations that may negatively impact results. These cost increases are expected to be offset by the benefits of further optimization of workflow processes and continued portfolio growth. Notwithstanding the growth of the book of business we expect to stabilize the favourable loss ratio trend observed in recent years.

A.3. Results from investment activities

At the end of the 2023 fiscal year, the balance for other financial investments and cash amounted to € 28.7 million. A total amount of € 15.1 million is invested in bonds, of which € 10.5 million in government bonds and € 4.6 million in corporate bonds. The remaining € 13.6 million is held in deposits and cash. The underlying parties have a minimum BBB rating. Investment income amounted to € 0.4 million. GGNL's investment policy is designed to minimize risk, ensuring the ability to meet obligations to policyholders at all times.

A.4. Other information

Subsequent events after the balance sheet date

Per December 31, 2023 the CFRO, Mr. Menze Pieter Akkerman, departed the company. The regulator was informed in a timely manner and exemption was granted by DNB. Currently the position is temporarily filled until the new CFRO will be appointed. This expected to take place around mid-2024.

B. Governance structure

B.1. General information about the Governance system

Regarding the Governance system of GGNL, the following framework is established concerning general Governance arrangements, suitability requirements, the risk management system, and the internal control system.

Corporate Governance arrangements

GGNL comprises of the following bodies.
A. Management Board
B. Supervisory Board
The Management Board is responsible for strategy and the operational management of the company and reports to the Supervisory Board. The Supervisory Board oversees the policies of the Board of Directors and the general affairs within GGNL, challenges the MB in respect of strategy and operations, whilst providing guidance. An Audit, Compliance & Risk Committee (ACRC) has been appointed, consisting of several members of the Supervisory Board. The ACRC primarily focuses on internal risk management, compliance and control.

Supervisory Board

Mrs. T.E. Monzon, chair

Mr. W. Wagenaar

Mr. D. Fränkel

Audit, Compliance and Risk Committee

Mr. W. Wagenaar, chair

Mrs. T.E. Monzon

Mr. D. Fränkel

Management Board

Mr. R.A. van den Broek, CEO

Mr. M.P. Akkerman, CFRO December 31, 2023

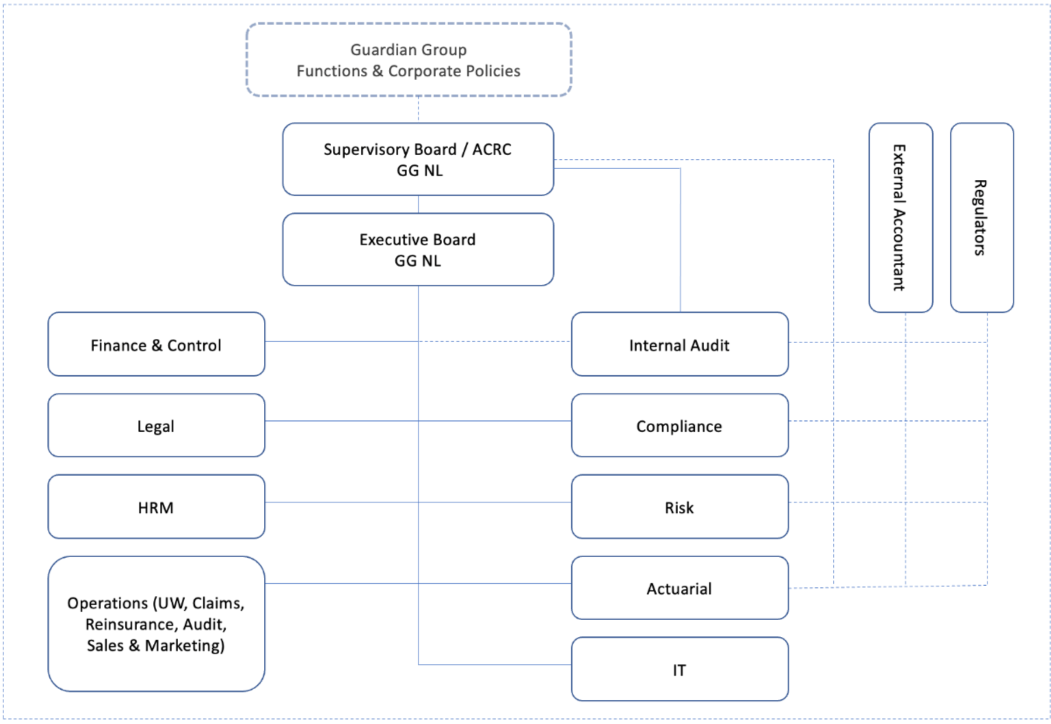
Mr. P.W.Baardse, CFRO appointed March 31 2024

Independent Auditor

PricewaterhouseCoopers Accountants N.V.

The structure below illustrates the organisational structure of GGNL.

Organisational / Governance structure Guardian Group Nederland



The Three Lines model

The tasks, responsibilities, and authorities are described in Governance charters, providing structure within the organisation and managing risks associated with achieving strategic objectives. To implement Governance in the organisation, a standard model, known as the Three Lines model, is utilized. This model contributes to strengthening the risk culture, taking responsibility for managing risks, and internal control within GGNL. It is a control system that enables GGNL to (i) ensure overall risk management, (ii) support the achievement of strategic objectives, and (iii) manage and improve internal processes. Standards for internal control are based on applicable laws and regulations, including the Financial Supervision Act (Wft), which requires GGNL to have a sound and controlled business operation. Internal control focuses on managing operational processes and the adequate implementation of risk mitigation measures.

- The first line consists of the management board and line management.
- The second line comprises three of the four key functions: compliance, risk management, and the actuarial function.
- The third line is represented by the internal audit function, ensuring that the first and second lines operate in accordance with agreements and regulatory requirements.

The GGNL board monitors whether the execution aligns with agreed objectives, risk appetite, and performance. The second line supports, advises, coordinates, and monitors whether line management fulfils its responsibilities adequately. The third line verifies the interaction between the first and second lines.

Independence and objectivity are important for the effectiveness of these key functions. The key functions for compliance, risk management and actuarial are hierarchically and functionally positioned under the Board of Directors. The key function internal audit operates in collaboration with the internal audit group (GIA). The key function internal audit has a functional line with the

ACRC of GGNL. From the Management Board, the CEO is the portfolio holder and therefore the point of contact for the key function internal audit.

The key functions are separated from each other and from other functions within the organisation. The GGNL organisational structure is designed with attention to proportionality of GGNL. The separation of functions is maintained to a certain extent up to the level of the Management Board. Since GGNL has a Management Board with two directors, complete separation cannot be achieved at that level. The CEO is portfolio holder of the key function internal audit, whilst the risk management function, compliance function and actuarial function is positioned under the CFRO. The Board collectively bears responsibility for the organisation, including the functioning of the various control functions. The Supervisory Board, among other tasks, ensures the proper functioning of the control functions through its oversight of the company.

Independence of the key functions is ensured through regular meetings and direct, unrestricted access to the Management Board and the Supervisory Board. Risk based decision making is also applied in significant decision making processes.

Taking the relatively small organisation of GGNL into account the internal audit function and the actuarial function in GGNL are outsourced to external parties.

B.2. Risk management function
The Risk Manager fulfils the risk management function. This includes the following tasks and responsibilities:

- Monitoring compliance with risk management procedures
- Preparing meetings of the Risk Committee
- Monitoring data integrity
- Reporting to ACRC

The Risk Management Framework of GGNL includes:

- A risk management strategy aligned with the overall business strategy of GGNL
- Decision-making procedures for risk-taking
- Description and classification of material risks to which GGNL is exposed, and risk tolerance limits per risk category
- Reporting procedures ensuring active monitoring and analysis of information on material risks to which GGNL is exposed and the effectiveness of the risk management system

Reporting is done in such a way that the key stakeholders are provided with the necessary information. These risk reports are part of the risk management process and include reports for regulators, shareholders and internal management. These reports are an important instrument for internal management and form part of GGNL's risk management framework.

The Risk Management Framework of GGNL provides risk assessments and control measures among others for the following areas:

- Assumption of insurance liabilities and reserve formation
- Management of investment risk
- Management of liquidity risk
- Management of counterparty risk
- Management of operational risk
- Management of outsourcing risk

- Management of compliance risk
- Management of IT risk
- Reinsurance and other risk mitigation techniques
- Development of new products and assessment of PARP + POG process

The risk management function also does the annual preparation and execution of the ORSA (Own Risk and Solvency Assessment). This is done under the ultimate responsibility of the CFRO, who will seek assistance from external advisors and experts if necessary.

B.3. Internal audit function

Objective and scope of internal audit

The objective of Internal Audit (IA) is to provide the Audit Committee and the Board with assurance, advice, and insights on the effectiveness and adequacy of GGNL's internal controls (including outsourced activities) and other components of the organization's Governance System in light of the company's business strategies, objectives, and the risks to which the company is exposed.
The scope of IA's activity is focused on assessing the material processes, as developed and implemented by the Board, to determine if they are suitable for their purposes and function in a manner that provides reasonable assurance that:
Financial, operational, strategic, and regulatory risks are appropriately identified, monitored, and managed, including the assessment of second-line functions;
Outsourced activities are effectively monitored;
Relevant control measures are effective and efficient in terms of their design and operation;
Financial, management, and operational information is reliable, accurate, complete, and timely;
Resources are adequately protected, acquired at market rates, and efficiently utilized;
Assets are used appropriately;
Reporting processes are effective and support business objectives;
Program plans and objectives are achieved;
Performance management and accountability are effective;
Quality and continuous improvement are promoted in GGNL's operational and monitoring processes.
Opportunities for improving internal control, profitability, and the company's reputation can be identified by the internal audit. Findings, observations, and recommendations will be communicated to the appropriate management levels and, if applicable, brought to the attention of the Audit Committee.
Placement of Internal Audit within the GGNL Organization The Head of Internal Audit (HIA) of GGNL is responsible for GGNL's internal audit activities, in collaboration with Group Internal Audit (GIA).
The HIA has a functional line to GGNL's Audit Committee. From the Board of Directors, the CEO is the portfolio holder and thus the point of contact for the HIA.

B.4. Actuarial function

GGNL has an actuarial function which includes the following tasks and responsibilities.

- Coordinating the calculation of technical provisions
- Ensuring that the methodologies, underlying models, and assumptions used in the calculation of technical provisions are correct
- Assessing whether sufficient data is used in the calculation of technical provisions
- Assessing whether the data used in the calculation of technical provisions is of sufficient quality
- Informing the Management Board about the reliability and adequacy of the calculation of technical provisions
- Advising on the overall policy for entering into insurance obligations
- Advising on the adequacy of reinsurance arrangements
- Contributing to the risk management of GGNL and specifically to the ORSA

- Premium Setting

This key function is outsourced to Triple A - Risk Finance through an outsourcing agreement. This is appropriate and prudent given the limited size of the GGNL organisation combined with the required level of expertise.

B.5. Outsourcing

GGNL outsources various activities to third parties. To ensure that this is done in a controlled and regulated manner in line with (supervisory) regulations, the Outsourcing Policy of Guardian Group Netherlands has been established. This policy formulates the principles that GGNL applies to outsourcing and describes how outsourcing takes shape. The two main conditions that GGNL applies are: that outsourcing must result in the activities being managed at a qualitatively higher level and/or executed more efficiently (in terms of cost) than if GGNL were to perform these activities itself. The most prominent form of outsourcing by GGNL concerns outsourcing to authorized agents. Based on its market analysis, GGNL asserts that authorized agents represent a growing and sustainable distribution channel. The insurer's expertise and capital are made available by the insurer, while a customer-oriented and efficient back office is established by the authorized agent. Regarding authorized agents, deviations from the policy have been made in certain aspects. These involve the steps described below concerning selection and risk analysis.

Selection and risk analysis

As GGNL outsources certain activities, it is important for the organization to have sufficient insight into the control of its outsourcing risks related to these outsourced activities. GGNL conducts a general risk analysis before entering into a new outsourcing arrangement. This risk analysis focuses, among other things, on identifying possible concentration risks of execution tasks with one executor, potential risks of inadequate control of execution tasks by the outsourcing relationship, and legal risks. Scenarios such as failure to meet agreements, failure to meet a minimum level of internal control of execution tasks, and discontinuity are identified during this analysis. Subsequently, a systematic risk analysis is conducted in which the outsourcing risks per type of outsourcing are identified, the ways in which they are controlled are specified, and which risks are accepted. The risk analysis is elaborated in the Outsourcing Policy of Guardian Group Netherlands through selection criteria, monitoring criteria, and evaluation criteria for each type of outsourcing relationship.

Monitoring and evaluation

In addition to carefully selecting a party to which activities are outsourced, it is also important to adequately monitor the execution of the outsourced activities by the outsourcing party (both external parties and intra-group outsourcing). GGNL has established internal processes for monitoring outsourcing and possesses sufficient procedures, measures, expertise, and information. In order to keep track of outsourced activities, GGNL maintains a register of its outsourcing parties (Outsourcing Register). In cases where outsourcing parties also outsource activities themselves, GGNL will agree with the party to which outsourcing is done to receive regular information on sub-outsourcing (incident reports, service level reports, assurance reports on the quality of services, and the effectiveness of internal control measures). It is stipulated that sub-outsourcing:

1. must meet the same criteria that GGNL applies to outsourcing relationships; and
2. is prohibited without written consent from GGNL.

Outsourcing parties are periodically and continuously monitored on how they perform the outsourced activities. Additionally, GGNL conducts periodic supplementary assessments to ensure that the overall service meets the desired objectives and requirements.

Expectations from GGNL and that outsourcing still aligns with GGNL's strategy and risk appetite. Non-critical outsourcings are evaluated upon contract modification or extension, and at least once every 3 years. The Outsourcing Policy of Guardian Group Netherlands provides documents used by GGNL in the selection process (the Selection Process Format) and the evaluation process (the Outsourcing Party Evaluation Format). The Business Continuity Plan of Guardian Group Netherlands is designed to ensure compliance with the requirements of DNB Good Practice.

B.6. Compliance function

The role of the compliance function includes assessing whether the policies and procedures of GGNL, as well as the control measures implemented, are being adequately adhered to and compliance with applicable laws and regulations is achieved. The compliance function is tasked with verifying whether policies and procedures are being applied in practice and are effective.

Additionally, the compliance function is responsible for providing advice, both solicited and unsolicited, if compliance is inadequate or if the measures taken are ineffective and need to be updated. The primary responsibility for the compliance function rests with the CFRO. In order to ensure an adequate implementation of the compliance function, GGNL has established a Compliance Charter for GGNL. The Compliance Charter outlines the responsibilities, authorities, and reporting duties of the compliance function. This Compliance Charter is approved by the Management Board. The compliance function is carried out by a Compliance Officer who performs the duties based on an annual Compliance Plan to be developed by the Compliance Officer. The Compliance Plan outlines the planned activities as specifically as possible and is approved by the Board. The compliance function is internally assigned within GGNL.

C. Risk profile

C.1. Risk categories

GGNL annually revises its risk strategy and risk profile. The following risks are distinguished therein.

- Insurance technical risk
- Counterparty risk, including GA, bank, and reinsurance
- Investment risk
- Outsourcing risk, including GA and IT
- Environmental risk, including market and climate
- Operational risk, including compliance, IT, process, business, information provision, product development, HR, and fraud

The main risks from the above overview are subjected to scenario analyses in the ORSA.

C.2. Insurance technical risk

A possible increase in loss ratios jeopardizes the technical result of GGNL. Given the nature of GGNL's insurance products, continuous risk management and analysis are essential. Premium and claims overviews are continuously subjected to analysis by type and risk category. The overviews are periodically reviewed by the management. If the results warrant it, swift intervention is possible. Furthermore, this risk under Solvency II consists of premium and provisions risk and catastrophe risk.

Premium risk

Pertains to the upcoming period and involves the risk that premiums (including premium provisions) may prove inadequate to cover the claims and expenses.

Provision risk

Concerns the risk that the technical provisions are insufficient to cover the expenses and settlement of existing obligations.

Catastrophe risk

Is composed of modules such as natural disaster risk (hail and windstorm) and man-made catastrophe risk. For the catastrophe risk, branch-specific scenarios are calculated, the outcomes of which are aggregated step by step.

Reinsurance Program

GGNL mitigates significant fluctuations in claims costs and volatile results through reinsurance. The reinsurance programme is structured to provide protection against both attritional losses and catastrophic losses. The contract was secured through Dutch brokers with global network. Despite positive loss ratio trends in recent years, the relative reinsurance premiums have increased due to the hardening reinsurance market. GGNL, as a primary insurer, reinsures through a panel of continental reinsurers making use of a combination of Quota Share (QS) and Excess of Loss (XL) reinsurance. Per May 1, 2023 the reinsurance programme was renewed and in order to retain more of our very profitable book of business and in line with Group appetite GGNL has doubled the retention of the Quota share treaty

C.3. Third Party Risk

Holding funds as cash and deposits results in credit risk on the associated (banking) counterparties. Additionally, counterparty risk arises from receivables from the General Agent and A+ reinsurer. The counterparty risk of banking counterparties and reinsurers exists, and their (credit) status as well as exposures should therefore be regularly assessed.

Investment risk
Refers to the risk of value fluctuations in equity or bond investments. GGNL has opted for a prudent investment policy, emphasizing diversification and limiting potential risks rather than pursuing high returns. Reserves are currently mainly held in deposits and/or cash equivalents. To diversify risks, funds are deposited with Dutch banking institutions, with the solvency of the respective banking institution being closely monitored. GGNL also invests in government and corporate bonds and a small portion in equities to achieve some overall return. Since bonds and securities entail more risks, careful consideration is given to the risk associated with these investments. Investment risks are managed through the investment policy.

Investments are assessed for the following risks:

- Price volatility: the risk of price declines.
- Market liquidity: the risk of liquidity of investments.

Liquidity risk
The risk of liquidity due to unexpected or unexpectedly large payment obligations.

Outsourcing Risk
Refers to the risk that the continuity, integrity, and/or quality of activities outsourced to third parties may be compromised. This risk is managed through the outsourcing policy.

C.4. Strategic and environmental risk

Environmental risk
Encompasses climate and market risks, which can be divided into physical risks and transition risks Result from factors such as new government policies, new laws and regulations, technological developments, or changes in consumer preferences. This can affect companies in various ways, such as reducing profitability for CO_2-intensive sectors due to transition, leading to negative impacts on the valuation of their stocks and corporate bonds and the creditworthiness of their loans. Transition risks may also arise concerning government bonds of countries or regions highly dependent on revenues from fossil fuels. For GGNL, a limited portion of investments is made in equities. As GGNL's investment policy is prudently designed and focuses more on risk management than on high returns, the risk in this area is limited. The energy transition may also have a potential negative effect on economic growth, for example, if an abrupt transition leads to higher energy prices and thus lower consumer spending. This can lead to premium defaults and a shrinking commercial and private market.

Physical risks
These focus more on the insurer's obligations. GGNL provides coverage for natural catastrophes such as windstorm and hail damage. This makes the insurer sensitive to climate change if it leads to more extreme weather and severe catastrophes. The windstorm and hail risk are covered by purchasing excess-of-loss reinsurance. To mitigate the risk, GGNL has purchased a very high level of coverage. Finally, climate change may also lead to more frequent pandemics. For some types of insurance, this may have negative consequences. For example, a pandemic can lead to unnatural attrition and higher combined ratios.

C.5. Operational risk
Refers to the risk arising from the failure of internal processes and systems, availability of competent personnel, disasters, and changes in laws and regulations. GGNL has identified 5 operational risk categories:

- Processing Risk
  The risk of inadequate processes and controls.

- Business Risk
  Disasters (fire).

- Insufficient Information Provision
  The risk of information being untimely, incomplete, or unreliable.

- Product Development
  The risk of products not meeting the requirements of laws and regulations, the AFM, or being unprofitable.

- HR Risk
  Illness or dependency risk can cause discontinuity in operations or loss of quality of work especially in a small organisation like GGNL

C.6. IT risk

Systems Risk and IT failure and risk of unauthorized access to data.
Business Continuity Management (BCM)

The plan consists of two phases: the Business Impact Analysis phase and the plan activation phase. The Business Impact Analysis includes a risk analysis covering potential threats, emergencies, and scenarios that could jeopardize the continuity of GGNL's operations. It also outlines the risk mitigation measures already in place to minimize the occurrence of these scenarios. The activation of the BCP involves the actual execution of the plan. The plan includes a flowchart regarding the activation process along with a description.

C.7. Compliance and integrity risk

The risk of losses occurring due to non-compliance with legal obligations, inadequate legal documentation, and the risk of damage to the reputation, integrity, and financial condition of the organization due to non-compliance with laws, regulations, and internal business rules and policies, as well as late identification of significant developments in laws and regulations, potentially resulting in an inability to influence the ultimate outcome.

C.8. Other risks

Fraud

We have included fraud and corruption in our SIRA (Systematic Integrity Risk Assessment). Fraud and integrity risks are also included in our risk management tool. The SIRA and the Risk Tool are periodically recalibrated. Authorized Agents have the necessary controls to prevent insurance fraud and are in contact with GGNL's fraud expert for this purpose in respect of claims handling. GGNL also uses Group fraud policy that applies to all of GGNL activities.

Climate

Disclosures regarding the impact of climate change, ESG and CSRD on the activities of the GGNL do not have a material impact in the current year. GGNL analysed a climate risk within its Own Risk and Self-Assessment (ORSA), which showed that GGNL is well protected by reinsurance contracts to mitigate this risk. We will assess the regulation in relation to these topics moving forward and address the requirements in upcoming years when necessary.

GGNL'S vision regarding our role in sustainability is aim for a well-functioning society, which can only exist with a healthy equilibrium between people and nature For these reasons we target to make a positive contribution to the restoration and preservation of nature. In line with these objectives we have mandated our asset manager to invest our portfolio whilst taking into account

to prevent damage as a result of our investments (CO2, human rights) and to do investments that contribute to an environmental or social objective.

The GGNL sustainable investment strategy promotes ecological and social characteristics, but does not have a pure sustainable investment objective. The strategy follows a sustainable investment policy and has a minimum share of 'sustainable investments' of 20%. Within the sustainable investment strategy, ESG criteria play a major role in the selection of investments, but financial goals are also important. Investments are made directly in shares and bonds of companies and governments as well as in actively and passively managed investment funds.

D. Valuation for Solvency II purposes

D.1. General

Notes to the Solvency II Balance Sheet

Registered address and registration number trade register

The registered and actual address of Guardian Group Nederland N.V. (hereafter 'the company') is Fascinatio Boulevard 216, 3065 WB in Rotterdam, The Netherlands. The company is registered at the Chamber of Commerce under RSIN number 862898924 and KVK number 83508880.

General notes

The most important activities of the entity

The activities of the company and its group companies consist mainly of Insurance.
On July 26, 2021, Guardian Group Nederland N.V. was established as a subsidiary of Fatum General Insurance N.V. During the reporting period, Guardian Group Nederland N.V. operated solely as a financial holding with the necessary equity to apply for a license from De Nederlandsche Bank in order to start January 1, 2023 offering non-life insurance products. The company may offer these products starting from January 1, 2023 in compliance with financial supervision rules, provide support, and carry out relationship management regarding the active intermediaries and/or MGA's and/or other organizations that are utilized to offer non-life insurance products.

During the reporting period July 26th ,2021- December 31th ,2022, the available equity and the ING bank account in which this equity was deposited were not freely available to the company, as they were required for the license application. Therefore, apart from bank and interest expenses, as well as audit fees (to be paid), the company did not incur any expenses in that period. The activities during the reporting period resulted in obtaining a license by the company from De Nederlandsche Bank on October 26th ,2022.

Disclosure of group structure

The company is part of a group, with Guardian Holdings Limited in Trinidad and Tobago as ultimate parent of the group. The company's results are consolidated in the financial statements of Guardian Holdings Limited in Trinidad and Tobago. The consolidated financial statements can be obtained from the website www.myguardiangroup.com.

Guardian Group Nederland N.V. is a subsidiary of Fatum General Insurance N.V., which in its turn is a subsidiary of Fatum Holding N.V.. Guardian International Incorporated (Saint Lucia) is the parent organization of Fatum Holding N.V., with Guardian Holdings Limited in Trinidad and Tobago as the owner of Guardian International Incorporated.

Guardian Holdings Limited is 61.77% owned by NCB Global Holdings Limited (NCBFH). Further information can be found on page 41 of the 2021 annual report of Guardian Holdings Limited which has been published on the website www.myguardiangroup.com.

The holding Company NCB Financial Group Limited (NCBFG) is the (100%) holding of NCBFH and is 52.63% owned by Michael Lee Chin's AIC Barbados Limited. There are no other shareholders with an interest larger than 5%. Further information can be found on pages 338-339 of the 2021 annual report of NCB Financial Group Limited, published on website *www.myncb.com*.
Mr M. Lee-Chin (legal representative and 99.9% shareholder) of Portland Holdings Inc. which is the 100% parent organization of AIC Barbados Limited) was born on January 3, 1951 in Jamaica. He resides in Canada and holds citizenship in both Jamaica and Canada. For further information, please refer to pages 338-339 of the 2021 annual report of NCB Financial Group Limited, published on website www.myncb.com.

Use of estimates and assumptions
In preparing the financial statements, GGNL makes judgments and estimates and forms assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities Income and expenses. Actual outcomes may differ from from the estimates. Estimates and underlying assumptions are continuously evaluated. Revisions to estimate are regocnized In the period In which the estimate Is revised and In any future periods affected. The most significant estimates relate to:

Valuation of liabilities related to Insurance contracts; Estimates In the recognition of other provisions; fair value of less liquid and non-listed Investments; Key estimates and assumptions are disclosed In the accounting policies section under the respective Item.

Judgment
- Determining whether the going concern assumption is still valid
- Determining whether there is joint control of another company
- Determining whether a lease classifies as a finance lease or an operating lease
- Determining whether amounts are received for its own account or for third parties

Estimates
- Determining the best estimate of provisions for claims, disputes, and legal proceedings;
- Determining the extent of an impairment loss;
- Determining the likelihood of approval by tax authorities of an uncertain tax position, as well as its extent, based on the applicable tax legislation.

D.2. Balance

Accounting principles
General
Assets and liabilities are valued at fair value, unless otherwise stated separately. Any deviations will be specifically disclosed.

Foreign currency
Translation of assets in foreign currencies is done at the exchange rates prevailing at the balance sheet date. Currency exchange differences are recognized in the income statement. Other currency exchange differences are reflected in the income statement by processing transactions at the exchange rate on the transaction date.

D.3. Assets

Netting of assets and liabilities
Financial assets and liabilities are offset in the balance sheet if Guardian has a legally enforceable right to do so and also intends to settle the asset and liability on a net basis or simultaneously after offsetting.

Investments
Stocks and bonds
The shares and bonds are valued at market value, including any accrued interest. For listed shares and bonds, the market value is based on the market value as of the balance sheet date. The realized and unrealized results (including foreign exchange results) for the reporting year are recognized in the income statement. The realized and unrealized results for the reporting year are recognized in

the income statement.

Claims
The receivables are valued at amortized cost, where necessary net of an allowance for potential impairment. The estimate for impairment is determined based on the estimated creditworthiness of each individual receivable.

Other assets
Tangible fixed assets
Included in the tangible fixed assets are acquisitions of information processing equipment, office machinery, furniture and fixtures, and telecommunication equipment. They are valued at acquisition cost less depreciation. Depreciation is calculated on a straight-line basis over five years. No residual value is taken into account.

Cash and cash equivalents
Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is measured at nominal value.

D.4. Liabilities

Assets - Legal reserve
Revaluation
For unrealized positive changes in value of investments valued at fair value, of which the unrealized results are recognized in the profit and loss statement, a revaluation reserve is formed. The revaluation reserve is formed from other reserves. In this case, the balance sheet and profit and loss statement are prepared entirely based on current values.

D.5. Technical provisions

General
The technical provisions under Solvency II principles consist of the best estimate and the risk margin. The best estimate is calculated by discounting expected future cash flows based on the Solvency II risk-free interest rate term structure. The future cash flows are determined based on the nature of the technical provision and are described below for each technical provision. The risk margin ensures that the value of the technical provision equals the market value. The risk margin is calculated according to a method prescribed in Solvency II Directive 62, as laid down in Guidelines for the valuation of technical provisions. The risk margin is determined at the aggregate level and then allocated to different homogeneous risk groups. When calculating the risk margin, consideration is given to insurance technical shock scenarios as recognized under Solvency II regulations. For the corresponding future risk capitals, the cost of capital is determined using a capital charge rate of 6% (CoC) prescribed under Solvency II. To arrive at the value of the risk margin, these are then discounted using the Solvency II risk-free interest rate term structure. The relevant Solvency II legislation and regulations adhered to in the preparation of the technical provisions are as follows:

- Richtlijn 2009/138/EG (level 1);
- Gedelegeerde Verordening 2015/35 (level 2);
- Guideline 14/036 on the valuation of technical provisions (level 3).

For unearned premiums and claims to be paid
Non-life insurance premium
The provision for unearned premiums and outstanding claims for non-life insurance has a short-term nature and relates to premiums charged in the current financial year for risks that pertain to subsequent financial years. The best estimate per line of business is calculated by multiplying the unearned portion of the premium by the expected loss and expense ratios plus the expected future premiums yet to be received, less the expected claims and expenses.

Claims insurance
The provision for outstanding claims for non-life insurance is established for claim events that have occurred, regardless of whether they have been reported. The cash flow projections for the calculation of the provision for outstanding claims encompass payments and expenses related to these events. To determine the best estimate for outstanding claims, a calculation based on claims triangles is used. For the best estimate of expected costs for claims handling, the expected cost level according to the (multi-year) budget is utilized. The provision for ongoing claims with long-tail liabilities is determined using tail development triangles.

Reinsurer's share in technical provisions
The technical provisions for reinsurance for non-life claims represent the best estimate based on standards derived from the reinsurance contracts applicable to the respective lines of business.

D.6. Other provisions

Provisions General

The provisions are valued at the best estimate of the amounts necessary to settle the obligations as of the balance sheet date.

Taxation Deferred tax assets and liabilities are recognized for temporary differences between the value of assets and liabilities according to tax regulations on one hand and the valuation principles followed in these financial statements on the other hand. The calculation of deferred tax assets and liabilities is based on the tax rates applicable at the end of the reporting period or on future rates for upcoming years, to the extent already enacted by law. Tax deferred are valued at nominal value.

Other provisions
The other provisions, consisting of a provision for jubilee benefits, are recognized at nominal value.

Debts
The liabilities are valued at nominal value.

Corporation tax
The corporate income tax payable or recoverable for the year is based on the taxable profit for the year, after any adjustments for prior years. Deferred tax assets and liabilities are recognized for temporary differences between the valuation of assets and liabilities according to tax regulations on one hand and the valuation principles followed in these financial statements on the other hand. The calculation of deferred tax assets and liabilities is based on the tax rates applicable at the end of the reporting period or on future rates for upcoming years, to the extent already enacted by law. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the temporary differences can be offset in the future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax items relate to the same tax authority.

E. Qualitative information about capital management

E.1. Information about equity

Shareholders' equity

		31-12-2023		31-12-2022
Share capital paid called up				
Balance as at beginning of period	100.000		0	
Paid share capital during the period	0		100.000	
Balance as at 31st December		100.000		100.000

		31-12-2023		31-12-2022
Share premium				
Balance as at beginning of period	14.634.000		0	
Capital contribution	3.000.000		14.634.000	
Balance as at 31st December		17.634.000		14.634.000

		31-12-2023		31-12-2022
Other reserves				
Balance as at beginning of period	0		0	
Appropriation of result	(82.880)		0	
Balance as at 31st December		(82.880)		0

		31-12-2023		31-12-2022
Undistributed profit/(loss)				
Balance as at beginning of period	(82.880)		0	
Appropriation of result	82.880		0	
Result for the year	3.144.144		(82.880)	
Balance as at 31st December		3.144.144		(82.880)

		31-12-2023		31-12-2022
Solvency II				
Equity as per Balance Sheet		20.795.264		
Available own funds to meet the SCR		17.261.439		
Eligible own funds to meet the SCR		17.261.439		
Solvency Capital Requirement		8.590.357		
SCR ratio		201%		
Internal minimum in % of SCR		150%		
Internal minimum in SCR		12.885.536		
				0

The authorised share capital of the Guardian Group Nederland N.V. amounts to € 100.000, divided into 100.000 ordinary shares of € 1.
Of these, 100.000 ordinary shares of Guardian Group Nederland N.V. have been issued.

The solvency ratio level per ultimo 2023 is 201%, which is well above the statutory required capital (100%) and internal Norm (150%) thresholds. In line with the Capital policy it is also above the Internal Target threshold. It should be noted that the available and eligible equity under Solvency II consists overwhelmingly of Tier 1 capital (paid-up capital and share premium). Additionally, due to revaluations under Solvency II (particularly the valuation of goodwill at zero), there is a deferred tax asset which qualifies as Tier 3 capital.

GGNL's capital management focuses solely on Tier 1 capital, excluding the presence of deferred tax effects, and does not utilize other capital instruments.

Other reserves and solvency position as of December 31, 2023
Thanks in part to the positive result for the 2023 fiscal year, GGNL's solid financial position remains unchanged. GGNL's equity on a statutory basis amounts to € 17.7 million. The solvency available on Solvency II principles for GGNL is € 17.2 million. GGNL's Solvency II solvency requirement is € 8.6 million. Therefore, GGNL's Solvency II solvency ratio stands at 201%. The target solvency under GGNL's capital policy is 200%.

E.2. Capital policy
The capital held by GGNL encompasses share capital, reserves, and retained earnings. In managing this capital, GGNL has the following objectives:

- Compliance with the capital requirements under Solvency II as implemented in the Dutch Financial Supervision Act (Wft)
- Adherence to the capital management requirements of De Nederlandsche Bank
- Ensuring business continuity to deliver value to our stakeholders
- Providing sufficient profitability to our shareholders by appropriately valuing insurance and investments relative to risk

GGNL determines its target solvency levels based on the capital requirements of Solvency II, specifically:

- Solvency Capital Requirement (SCR)
- Absolute Minimum Capital Requirement (MCR)

The calculation of both SCR and MCR results in specific amounts, with the higher amount serving as GGNL's required capital under Solvency II

The solvency capital requirements are calculated based on the primary risks faced by the company, utilizing the Solvency II standard formula. The capital policy aims to ensure that GGNL consistently maintains sufficient solvency to absorb the risks it faces.

In establishing its internal minimum solvency threshold and its target solvency threshold, GGNL balances between risk mitigation on one hand and shareholder value enhancement on the other.

Based on this assessment, GGNL applies an internal minimum requirement (the 'internal norm') concerning the required capital. This internal norm is set at 150% of the statutory required capital (namely, the higher amount of the Absolute Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR)).

In formula: GGNL's Internal Norm = 150% x maximum (MCR, SCR)

By adhering to the internal norm, GGNL maintains a substantial buffer compared to the statutory required capital. However, GGNL aims for an even stronger capital position in the form of the 'internal target capital'. The internal target capital is set at 200% of the statutory required capital (namely, the higher amount of the Absolute Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR)).

In formula: GGNL's Internal Target Capital = 200% x maximum (MCR, SCR)

E.3. ORSA

The Own Risk and Solvency Assessment ('ORSA') of GGNL is a forward-looking assessment of GGNL's capital position. The ORSA integrates risk and capital management with GGNL's business planning processes. In this context, the risk approach is aligned with the business strategy, the execution of the strategy is closely monitored, and risks are timely identified. Based on the business strategy and the risk profile, a baseline projection is prepared. This projection is then confronted with the key stress scenarios for GGNL. Based on the outcomes, an assessment can be made of the robustness of the capital position and strategy, and to what extent the current business strategy aligns with the risk appetite. It also includes an assessment of the significance of the deviation of the company's risk profile from the assumptions underlying the Solvency Capital Requirement ('SCR') calculation model. The ORSA policy is reviewed and updated annually.

E3.1 Approach

The ORSA is a continuous process building upon existing risk and capital management and business planning processes. It consolidates these processes under a single framework, assessing the alignment of available equity and risk appetite with strategic objectives, and their adequacy for the projection period.

This process yields the following outcomes:

- Assessment of overall solvency capital requirements, considering GGNL's specific risk profile, approved risk appetite limits, and GGNL's business strategy.
- Continuous compliance with capital requirements and technical provisions (premium and claims reserves).
- Comparison of the risk profile with the assumptions underlying the solvency capital requirement.

GGNL employs the standard model as indicated in Solvency II for determining the solvency capital requirement (SCR) and preferred risk limits. GGNL's risk profile is determined by customer needs, GGNL's ability to manage related risks, GGNL's risk appetite, and the availability of sufficient equity to assume risk.

Risks are identified and assessed based on their potential impact on business objectives and ultimately on the ability to meet insurance obligations. Thematic risk discussions or risk sessions will regularly take place within departments regarding the execution of activities. Additionally, an annual risk session is organized, during which the Risk Tool, among other things, is reviewed and recalibrated.

Capital projections are made based on historical experience combined with expectations about the future as outlined in the annual plans. These projections are compared against both internal norm thresholds and statutory requirements Solvency capital requirements SCR and MCR (Minimum Capital Requirement).

Scenario analyses are used to assess whether the available and future capital is sufficient for expected (Base scenario) and stressed situations. Additionally, the suitability of the applied risk limits is tested through scenario analyses. If the available capital falls below the norm solvency or SCR, the capital policy (Appendix I) and the Preparatory Crisis Plan (VCP) provide measures to restore the capital position. The recovery measures from the Preparatory Crisis Plan (VCP) come into effect in the event of a significant deterioration of the financial position (crisis scenario) and include, according to article 26.5 section 3 Bpr at least:

- a threatened or actual breach of the solvency capital requirement (the SCR);
- a threatened or actual breach of the minimum capital requirement (the MCR);
- as well as a threatened or actual deterioration of the liquidity position.

E3.2 ORSA proces

GGNL conducts an annual ORSA to fulfill its ORSA policy. The board initiates the process, involving all relevant disciplines, responsible parties, and key personnel within GGNL. Periodically, the Supervisory Board assesses at a strategic level to what extent the business activities align with GGNL's risk appetite. The necessary underlying documents regarding risk appetite are provided to the Supervisory Board and discussed during the annual review of the ORSA. In analyzing the scenarios in this document, GGNL has utilized the services of Triple A – Risk Finance B.V. (hereinafter: Triple A). In addition to the 1st line review from GGNL, the ORSA is also independently assessed by the actuarial function.

Conclusion

The ORSA has been discussed with the Supervisory Board and approved. The key conclusion of the ORSA 2023 is that GGNL's solvency position is solid and robust given the risks and stress scenarios. In the base scenario, it even remains above statutory and internal norms even with high dividends. Actual dividend payouts need to be reassessed annually based on the prevailing situation and expected solvency. Only in very severe scenarios can solvency not be restored above internal norms solely by reducing or halting dividend payments. In the most severe scenarios, solvency restoration is possible by taking appropriate measures. The application of such measures follows GGNL's capital policy and is separately assessed for each situation to ensure alignment with the prevailing circumstances.

Back to TOC

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0,00
Deferred tax assets	R0040	2.081.937,81
Pension benefit surplus	R0050	0,00
Property, plant & equipment held for own use	R0060	1.095,00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	15.513.793,10
Property (other than for own use)	R0080	0,00
Holdings in related undertakings, including participations	R0090	0,00
Equities	R0100	0,00
Equities - listed	R0110	0,00
Equities - unlisted	R0120	0,00
Bonds	R0130	15.513.793,10
Government Bonds	R0140	10.766.898,10
Corporate Bonds	R0150	4.746.895,00
Structured notes	R0160	0,00
Collateralised securities	R0170	0,00
Collective Investments Undertakings	R0180	0,00
Derivatives	R0190	0,00
Deposits other than cash equivalents	R0200	0,00
Other investments	R0210	0,00
Assets held for index-linked and unit-linked contracts	R0220	0,00
Loans and mortgages	R0230	0,00
Loans on policies	R0240	0,00
Loans and mortgages to individuals	R0250	0,00
Other loans and mortgages	R0260	0,00
Reinsurance recoverables from:	R0270	27.466.914,63
Non-life and health similar to non-life	R0280	27.466.914,63
Non-life excluding health	R0290	27.466.914,63
Health similar to non-life	R0300	0,00
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0,00
Health similar to life	R0320	0,00
Life excluding health and index-linked and unit-linked	R0330	0,00
Life index-linked and unit-linked	R0340	0,00
Deposits to cedants	R0350	0,00
Insurance and intermediaries receivables	R0360	3.141.659,55
Reinsurance receivables	R0370	0,00
Receivables (trade, not insurance)	R0380	0,00
Own shares (held directly)	R0390	0,00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0,00
Cash and cash equivalents	R0410	13.590.206,98
Any other assets, not elsewhere shown	R0420	68.965,74
Total assets	R0500	61.864.572,81
Liabilities		
Technical provisions - non-life	R0510	35.003.890,09
Technical provisions - non-life (excluding health)	R0520	35.003.890,09
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	33.274.480,72
Risk margin	R0550	1.729.409,37
Technical provisions - health (similar to non-life)	R0560	0,00
Technical provisions calculated as a whole	R0570	0,00
Best Estimate	R0580	0,00
Risk margin	R0590	0,00
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0,00
Technical provisions - health (similar to life)	R0610	0,00
Technical provisions calculated as a whole	R0620	0,00
Best Estimate	R0630	0,00
Risk margin	R0640	0,00
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	0,00
Technical provisions calculated as a whole	R0660	0,00
Best Estimate	R0670	0,00
Risk margin	R0680	0,00
Technical provisions - index-linked and unit-linked	R0690	0,00
Technical provisions calculated as a whole	R0700	0,00
Best Estimate	R0710	0,00
Risk margin	R0720	0,00
Other technical provisions	R0730	
Contingent liabilities	R0740	0,00
Provisions other than technical provisions	R0750	0,00
Pension benefit obligations	R0760	0,00
Deposits from reinsurers	R0770	0,00
Deferred tax liabilities	R0780	853.193,96
Derivatives	R0790	0,00
Debts owed to credit institutions	R0800	0,00
Financial liabilities other than debts owed to credit institutions	R0810	0,00
Insurance & intermediaries payables	R0820	428.203,03
Reinsurance payables	R0830	7.500.217,68
Payables (trade, not insurance)	R0840	795.155,16
Subordinated liabilities	R0850	0,00
Subordinated liabilities not in Basic Own Funds	R0860	0,00
Subordinated liabilities in Basic Own Funds	R0870	0,00
Any other liabilities, not elsewhere shown	R0880	0,00
Total liabilities	R0900	44.580.659,92
Excess of assets over liabilities	R1000	17.283.912,89

Back to TOC

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense	Income protection	Workers' compensation	Motor vehicle liability	Other motor insurance	Marine, aviation and	Fire and other damage to	General liability insurance	Credit and suretyship	Legal expenses insurance	Assistance	Miscellaneous financial	Health	Casualty	Marine, aviation,	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110				5.220.680,81	6.198.787,71	463.365,35	46.377.532,99	8.642.352,88									66.902.719,74
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140				4.272.792,61	5.058.211,40	352.360,08	36.414.064,34	6.535.521,01									52.632.949,44
Net	R0200				947.888,20	1.140.576,31	111.005,27	9.963.468,65	2.106.831,87									14.269.770,30
Premiums earned																		
Gross - Direct Business	R0210				5.374.088,27	6.342.209,17	460.101,81	45.905.785,62	8.615.833,88									66.698.018,75
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240				4.407.643,48	5.211.558,78	342.411,26	35.177.274,98	6.354.323,69									51.493.212,19
Net	R0300				966.444,79	1.130.650,39	117.690,55	10.728.510,64	2.261.510,19									15.204.806,56
Claims incurred																		
Gross - Direct Business	R0310				2.826.974,89	3.938.673,95	84.700,24	17.385.030,93	3.711.333,74									27.946.713,75
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340				2.351.619,58	3.496.721,66	69.824,49	14.521.364,85	3.068.084,60									23.507.615,18
Net	R0400				475.355,31	441.952,29	14.875,75	2.863.666,08	643.249,14									4.439.098,57
Expenses incurred	R0550				204.514,72	224.414,00	51.171,43	4.724.586,24	1.239.293,95									6.443.980,34
Balance - other technical expenses/income	R1210																	473.400,00
Total technical expenses	R1300																	6.917.380,34

Back to TOC

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060	0,00	0,00	0,00	323.791,87	387.754,53	15.973,98	1.522.213,44	127.177,37	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2.376.911,19
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0,00	0,00	0,00	244.429,12	289.081,63	11.922,59	1.198.544,35	101.152,44	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.845.130,14
Net Best Estimate of Premium Provisions	R0150	0,00	0,00	0,00	79.362,75	98.672,91	4.051,39	323.669,09	26.024,93	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	531.781,05
Claims provisions																		
Gross	R0160	0,00	0,00	0,00	6.402.790,15	2.453.770,27	53.093,21	15.310.309,09	6.677.606,81	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	30.897.569,53
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0,00	0,00	0,00	5.476.412,19	2.143.045,53	43.449,79	12.626.868,46	5.332.008,52	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	25.621.784,50
Net Best Estimate of Claims Provisions	R0250	0,00	0,00	0,00	926.377,96	310.724,74	9.643,42	2.683.440,62	1.345.598,29	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5.275.785,03
Total Best estimate - gross	R0260	0,00	0,00	0,00	6.726.582,01	2.841.524,80	69.067,19	16.832.522,52	6.804.784,18	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	33.274.480,72
Total Best estimate - net	R0270	0,00	0,00	0,00	1.005.740,71	409.397,65	13.694,81	3.007.109,71	1.371.623,22	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5.807.566,09
Risk margin	R0280	0,00	0,00	0,00	358.377,96	137.342,81	2.971,74	856.950,98	373.760,04	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.729.403,52
Technical provisions - total																		
Technical provisions - total	R0320	0,00	0,00	0,00	7.084.959,97	2.978.867,61	72.038,93	17.689.473,50	7.178.544,22	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	35.003.884,24
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0,00	0,00	0,00	5.720.841,30	2.432.127,16	55.372,39	13.825.412,82	5.433.160,97	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	27.466.914,63
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0,00	0,00	0,00	1.364.118,67	546.740,45	16.666,55	3.864.060,69	1.745.383,25	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7.536.969,61

Back to TOC

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

Accident year / Underwriting year	Z0020	Accident year [AY]

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160										31.218,16	
N-8	R0170									24.242,70		
N-7	R0180								-13.022,86			
N-6	R0190							159.169,12				
N-5	R0200						272.470,47					
N-4	R0210					320.640,98						
N-3	R0220				1.264.852,97							
N-2	R0230			1.982.357,04								
N-1	R0240		8.428.229,30									
N	R0250	12.942.404,90										

Back to TOC

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

Accident year / Underwriting year	Z0020	Accident year [AY]

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-9	R0160	31.218,16	31.218,16
N-8	R0170	24.242,70	24.242,70
N-7	R0180	-13.022,86	-13.022,86
N-6	R0190	159.169,12	159.169,12
N-5	R0200	272.470,47	272.470,47
N-4	R0210	320.640,98	320.640,98
N-3	R0220	1.264.852,97	1.264.852,97
N-2	R0230	1.982.357,04	1.982.357,04
N-1	R0240	8.428.229,30	8.428.229,30
N	R0250	12.942.404,90	12.942.404,90
Total	R0260	25.412.562,78	25.412.562,78

Back to TOC

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

Accident year / Underwriting year	Z0020	Accident year [AY]

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160										407.129,26	
N-8	R0170									309.582,03		
N-7	R0180								183.322,20			
N-6	R0190							688.614,57				
N-5	R0200						675.240,71					
N-4	R0210					2.388.266,35						
N-3	R0220				1.727.049,12							
N-2	R0230			3.854.196,76								
N-1	R0240		5.519.599,34									
N	R0250	16.857.104,42										

Back to TOC

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

Accident year / Underwriting year	Z0020	Accident year [AY]

		Year end (discounted data)
		C0360
Prior	R0100	
N-9	R0160	385.748,67
N-8	R0170	293.324,18
N-7	R0180	173.694,95
N-6	R0190	652.451,65
N-5	R0200	639.780,12
N-4	R0210	2.262.845,40
N-3	R0220	1.636.352,31
N-2	R0230	3.651.791,78
N-1	R0240	5.229.734,94
N	R0250	15.971.845,53
Total	R0260	30.897.569,53

Back to TOC

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	100.000,00	100.000,00		0,00	
Share premium account related to ordinary share capital	R0030	17.634.000,00	17.634.000,00		0,00	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0,00	0,00		0,00	
Subordinated mutual member accounts	R0050	0,00		0,00	0,00	0,00
Surplus funds	R0070	0,00	0,00			
Preference shares	R0090	0,00		0,00	0,00	0,00
Share premium account related to preference shares	R0110	0,00		0,00	0,00	0,00
Reconciliation reserve	R0130	-1.678.830,96	-1.678.830,96			
Subordinated liabilities	R0140	0,00		0,00	0,00	0,00
An amount equal to the value of net deferred tax assets	R0160	1.228.743,85				1.228.743,85
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
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	0,00				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0,00	0,00	0,00	0,00	0,00
Total basic own funds after deductions	R0290	17.283.912,89	16.055.169,04	0,00	0,00	1.228.743,85
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0,00			0,00	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0,00			0,00	
Unpaid and uncalled preference shares callable on demand	R0320	0,00			0,00	0,00
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0,00			0,00	0,00
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0,00			0,00	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0,00			0,00	0,00
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0,00			0,00	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0,00			0,00	0,00
Other ancillary own funds	R0390	0,00			0,00	0,00
Total ancillary own funds	R0400	0,00			0,00	0,00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	17.283.912,89	16.055.169,04	0,00	0,00	1.228.743,85
Total available own funds to meet the MCR	R0510	16.055.169,04	16.055.169,04	0,00	0,00	
Total eligible own funds to meet the SCR	R0540	17.283.912,89	16.055.169,04	0,00	0,00	1.228.743,85
Total eligible own funds to meet the MCR	R0550	16.055.169,04	16.055.169,04	0,00	0,00	
SCR	R0580	8.590.474,75				
MCR	R0600	4.000.000,00				
Ratio of Eligible own funds to SCR	R0620	201.198576146108%				
Ratio of Eligible own funds to MCR	R0640	401.37922602761%				

Back to TOC

Reconciliation reserve

		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	17.283.912,89
Own shares (held directly and indirectly)	R0710	0,00
Foreseeable dividends, distributions and charges	R0720	0,00
Other basic own fund items	R0730	18.962.743,85
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0,00
Reconciliation reserve	R0760	-1.678.830,96
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0,00
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	2.130.785,00
Total Expected profits included in future premiums (EPIFP)	R0790	2.130.785,00

Back to TOC

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	432.584,82	9
Counterparty default risk	R0020	1.969.877,60	
Life underwriting risk	R0030	0,00	9
Health underwriting risk	R0040	0,00	9
Non-life underwriting risk	R0050	5.260.468,47	9
Diversification	R0060	-1.054.873,40	
Intangible asset risk	R0070	0,00	
Basic Solvency Capital Requirement	R0100	6.608.057,50	

Back to TOC

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	1.982.417,25
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	0,00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,00
Solvency Capital Requirement excluding capital add-on	R0200	8.590.474,75
Capital add-on already set	R0210	0,00
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0,00
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0,00
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0,00
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0,00
Solvency capital requirement	R0220	8.590.474,75
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0,00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00

Back to TOC

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	Approach based on average tax rate is not applicable as LAC DT is not used

Back to TOC

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	1.754.989,43

Back to TOC

Background information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0,00	0,00
Income protection insurance and proportional reinsurance	R0030	0,00	0,00
Workers' compensation insurance and proportional reinsurance	R0040	0,00	0,00
Motor vehicle liability insurance and proportional reinsurance	R0050	1.005.740,71	947.888,20
Other motor insurance and proportional reinsurance	R0060	409.397,65	1.140.576,31
Marine, aviation and transport insurance and proportional reinsurance	R0070	13.694,81	111.005,27
Fire and other damage to property insurance and proportional reinsurance	R0080	3.007.109,71	9.963.468,65
General liability insurance and proportional reinsurance	R0090	1.371.623,22	2.106.831,87
Credit and suretyship insurance and proportional reinsurance	R0100	0,00	0,00
Legal expenses insurance and proportional reinsurance	R0110	0,00	0,00
Assistance and proportional reinsurance	R0120	0,00	0,00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0,00	0,00
Non-proportional health reinsurance	R0140	0,00	0,00
Non-proportional casualty reinsurance	R0150	0,00	0,00
Non-proportional marine, aviation and transport reinsurance	R0160	0,00	0,00
Non-proportional property reinsurance	R0170	0,00	0,00

Back to TOC

Overall MCR calculation

		Value
		C0070
Linear MCR	R0300	1.754.989,43
SCR	R0310	8.590.474,75
MCR cap	R0320	3.865.713,64
MCR floor	R0330	2.147.618,69
Combined MCR	R0340	2.147.618,69
Absolute floor of the MCR	R0350	4.000.000,00
Minimum Capital Requirement	R0400	4.000.000,00