

Solvency and Financial Condition Report



Financial Year 2022

Report approved by the Board of Directors on 16 May 2023

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Summary

Big Wakam – the leading insurance group company – operates its insurance business with its company Wakam.

Wakam operates in B2B2C insurance company and designs tailor-made, white-label insurance solutions via its Play&Plug® technology platform for more than 150 distributor partners, whether they are insurance professionals (MGAs, brokers, and *insurtechs*) or non-professional (*retailers, marketplaces, associations*) in many product universes: home, mobility, travel and leisure, healthcare, business, *consumer electronics*, inclusive insurance, etc.

Positioned in a rapidly expanding market, sales performance has been very strong, with more than half of its turnover generated internationally.

Highlights

Big Wakam has made changes to its governance in particular with the arrival of Catherine Charrier-Leflaive, Deputy CEO, Deputy Managing Director.

2022 was marked by

- The creation of the entity NAMECO (NO. 1384) LIMITED validated by Lloyd's as a Corporate Member.
- The creation of Wakam Life is part of the group's goal to enter the life insurance market,
- The liquidation of Protegys Courtage.

System of governance

Big Wakam has a system of governance in keeping with its insurance business line. The Board of Directors determines the group's policies and ensures its implementation within Wakam. The Board relies on work carried out as part of Wakam's governance (Board of Directors, Audit and Risk Committee, Heads of the four key functions).

Shareholding

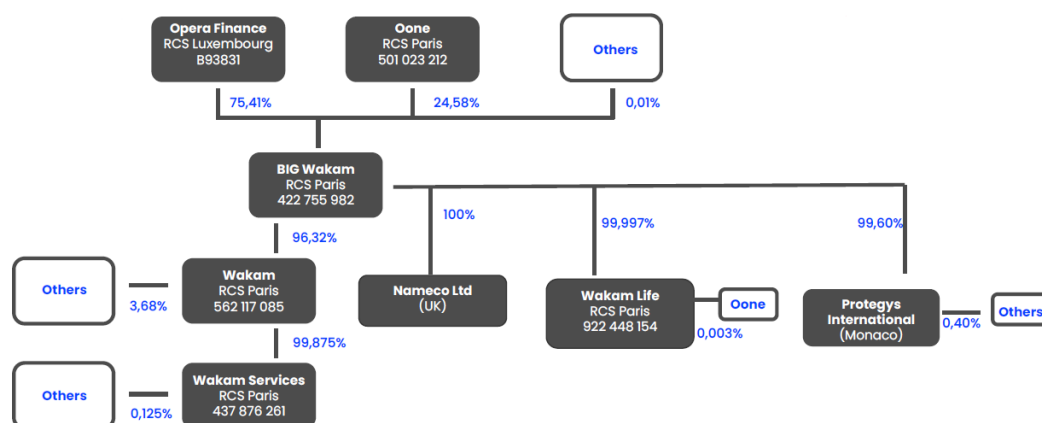
Big Wakam's capital is primarily owned by Opera Finance, *Family office* with over one billion in assets under management. Olivier Jaillon, CEO of Wakam, has been a shareholder since its acquisition in 2001.

A. Business and performance

A.1. Business

Name and legal form

Big Wakam Société par actions simplifiée [Simplified joint stock company]
Paris B 422 755 983



Contact information of the supervisory authority

The company is supervised by the French Prudential Supervisory and Resolution Authority (ACPR), located at 4 Place de Budapest – 75436 Paris.

Name and contact information of the company's external auditors

The Statutory Auditors of the Big Wakam group as at 31 December 2021 are, on the one hand, the firm Mazars, located at 61 rue Henri Regnault – 92075 PARIS LA DEFENCE CEDEX, represented by Mr Pierre de Latude, Partner and, on the other hand, the firm Exco Paris located at 5 avenue Franklin D. Roosevelt 75008 Paris, represented by Mr Arnaud Dieumegard as joint statutory auditors for the accounts of the consolidating entity Big Wakam

Holders of qualified ownership interests in the company

Shareholders having reached the thresholds for holding the share capital or voting rights provided for in Article L. 233-13 of the Commercial Code are presented in the organisational chart above. No employee of the group holds a stake in the share capital on the last day of the past financial year.

Significant lines of business and geographic locations

The Big Wakam Group carries out the insurance business exclusively through its subsidiary Wakam. It is authorised in France in the branches mentioned in paragraphs 1, 2, 3, 8, 9, 10, 13, 14, 15, 16, 17, and 18 of Article R. 321-1 of the Insurance Code. Wakam designs and insures non-life insurance products, primarily for individuals, distributed through a network of partners.

Significant lines of business and geographic locations

The Big Wakam group, via its insurance entity Wakam, is authorised in France in the branches mentioned in paragraphs 1, 2, 3, 8, 9, 10, 13, 14, 15, 16, 17, and 18 of Article R. 321-1 of the Insurance Code. Wakam designs and insures non-life insurance products, primarily for individuals, distributed through a network of partners.

The company offers auto insurance, property damage, and affinity coverages in France and under the free provision of services in the European countries listed below:

Branches	1 Accidental bodily injury	2 Sickness	3 Bodies of land vehicles	8 Fire and natural elements	9 Other property damage	10 Land vehicles CL	13 General CL	14 Credit	15 Surety	16 Miscellaneous Financial losses	17 Legal protection	18 Assistance
Country of origin:												
FRANCE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Country of origin:												
GERMANY	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
AUSTRIA	✓	✓				✓				✓		
BELGIUM	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
BULGARIA										✓		
CYPRUS										✓		
CROATIA										✓		
DENMARK	✓		✓	✓	✓	✓				✓	✓	✓
SPAIN	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
ESTONIA										✓		
FINLAND	✓		✓	✓	✓	✓	✓			✓	✓	✓
GREECE	✓	✓	✓		✓	✓	✓			✓	✓	✓
HUNGARY										✓		
IRELAND	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
ICELAND										✓		
ITALY	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
LATVIA										✓		
LIECHTENSTEIN										✓		
LITHUANIA										✓		
LUXEMBOURG					✓					✓		
MALTA										✓		
NORWAY	✓		✓	✓	✓	✓	✓			✓	✓	✓
NETHERLANDS	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
POLAND	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
PORTUGAL	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
SLOVAK REPUBLIC										✓		
CZECH REPUBLIC										✓		
ROMANIA										✓		
SLOVENIA										✓		

SWEDEN	✓		✓	✓		✓	✓			✓	✓	✓
Others:												
MONACO	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
UNITED KINGDOM	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓

In addition, Big Wakam, via its insurance entity Wakam, is also authorised to market products in the above branches in the United Kingdom under the temporary permission regime granted by the *Financial Conduct Authority* (FCA).

Significant events occurring over the reference period

For the Big Wakam group, 2022 was marked by:

- **The creation of the entity NAMECO (NO. 1384) LIMITED**, validated by Lloyd's as a *Corporate Member*,
- **the creation of the Wakam Life entity**, in line with its goal to enter the life insurance market,
- **the liquidation of its Protegys Courtage entity**.

On the other hand, for the Big Wakam Group, through the activity of its insurance entity Wakam, the year was marked by:

- **the continuation of sustained growth the business activity**, not only in the number of partnerships, but also in the amount of the associated revenues. Our presence has also continued to strengthen outside France, with the United Kingdom in particular and new partnerships in Germany, the Netherlands, and the Nordic countries.
- **an increased loss record**, despite pricing measures adapted to target profitability, mainly due to inflation and increased frequencies observed in the different markets after two years of COVID, as well as a deformation of the mix towards lower-margin auto products (especially in the United Kingdom).
- **ongoing reinforcement of our specific "Bespoke" organisation and process to create tailored products for brokers, MGAs, and non-specialists in insurance** (e-merchants, fintechs, other non-insurer distributors). This is evidenced through the differentiation of our methodology according to the complexity and size of the partnership; the construction of product bases; as well as through the strengthening of the teams in the core countries under the responsibility of *country managers*, thus allowing for the supervision of activity in each of the core countries. This Bespoke organisation structures the company's internal methodology around 4 phases (prospecting, qualification, building, and life of partnerships) in a shared and transparent manner with its partners.
- **the reinforcement of human capital** with the recruitment of 91 people during the 2022 financial year, mainly supporting the financial, underwriting, risk management,

partnership monitoring, and IT and data platform development. This growth in the workforce mitigates key human risk and has been identified as a source of operational risk. However, this operational risk is controlled, in particular through the onboarding process for new employees and the formalisation of our procedures.

- **The control of solvency and risk** through, on the one hand, a capital increase allowing Wakam to maintain its solvency ratio above its risk appetite threshold, as well as through a strengthened organisational framework in the areas of compliance and risk management.

A.2. Underwriting results

The technical performance analysed below is that of Wakam, the only subsidiary with any activity to date within the Big Wakam group.

Overall analysis

(in millions of euros)	31/12/21	31/12/22	Change in € million
Premiums written	454.9	653.9	199.0
Change in unearned premiums	-1.4	-58.8	-57.4
Earned premiums	453.5	595.1	141.6
Gross claims expense	-243.4	-392.6	-149.2
Commissions	-168.4	-182.1	-13.7
Reinsurance balance	-11.7	46.0	57.7
Net technical margin	30.1	66.3	36.2

Change from previous reference period

The key indicators show, compared to the 2021 close, an increase in revenue, mainly driven by the development of the GIG economy internationally.

Revenue increased by +44% to €654 million with continued development in the *GIG economy* (+€80 million), mainly focused on policies in the United Kingdom, as well as in the *Motor* (+€45 million) and *Property Damage* (+€35 million) segments, driven by the growth of New Business.

- Similarly, **the earned premiums increased by +31% to €595 million.**
- **The Net Claims Ratio of reinsurance is up +2.1pts** mainly due to a deterioration in attritional and serious claims, in particular on the Driving (Auto/Motorcycle) and Property Damage segments
- **The Fee and Commission Ratio is down by -6pts to 38.8%** mainly on the partner commission rate following a favourable change in the business mix.

Breakdown by segment

Revenue by product line and geographic location

(in millions of euros)	31/12/21	31/12/22	Change in € million
Affinity and Miscellaneous	181.7	221.2	39.5
GIG	97.8	177.7	79.9
Auto / Motorcycle	135.9	180.8	44.8
Property Damage	39.4	74.2	34.8
TOTAL	454.9	653.9	199.0
France	186.8	231.8	45.0
UK	100.4	211.0	110.6
Others	167.7	211.2	43.5
TOTAL	454.9	653.9	199.0

Net technical margin by product line and geographic area

(in millions of euros)	31/12/21	31/12/22	Change in € million
Affinity and Miscellaneous	9.1	31.4	22.3
GIG	9.3	9.2	(0.0)
Auto / Motorcycle	4.7	23.2	18.4
Property Damage	7.1	2.5	(4.6)
TOTAL	30.1	66.3	36.2
France	17.5	37.1	19.6
UK	7.8	12.4	4.6
Others	4.8	16.8	12.1
TOTAL	30.1	66.3	36.2

A.3. Investment performance

The financial performance analysed below is that of Wakam, the only subsidiary with financial performance within the Big Wakam group.

(in millions of euros)	31/12/21	31/12/22	Change in € million
Equities	0.0	0.0	-0.0
Bonds	1.0	1.1	+0.1
Real estate	0.5	0.4	-0.0
UCITS	-	-	-
Private Equity	1.4	-	-1.4
Private debt	2.1	1.2	-0.9
Investment income	5.0	2.7	-2.3
Equities	0.1	-0.1	-0.2
Bonds	0.3	-0.0	-0.4
Private Equity	-	0.1	+0.1
Private debt	-	0.7	+0.7
Realised gains and losses	0.4	0.7	+0.3
Change in provision for impairment	-0.1	-0.1	-0.1
Other - management fees	-0.3	-0.3	+0.0
Other - foreign exchange gain/loss	1.2	-3.7	-4.9
Interest on subordinated debt	-1.2	-1.2	-
Balance sheet correction (illiquid assets)	-	-4.4	-4.4
Others	-0.4	-9.7	-9.3
Net financial income/loss	5.0	-6.2	-11.3
Average assets for the period	108.5	113.2	+4.7
Accounting rate of return ¹	5.0%	3.1%	
Including income	4.6%	2.4%	
Including realised gains/losses	0.4%	0.6%	

Overall analysis

In 2022, there was a net financial loss of €6.2 million, down by €11.3 million compared to 2021. This decrease is mainly related to:

- The recognition of an unrealised foreign exchange loss of €3.7 million, compared to an unrealised gain of €1.2 million in 2021 (-€4.9 million) in relation to the decline in the pound sterling;
- The correction of an accounting procedure with respect to illiquid assets (correction of the face value of the assets on the balance sheet) leading to an impact of -€4.4 million;

¹ Calculated as the ratio of the net financial income/loss, excluding interest on subordinated debt, to the average asset amount for the period

- The non-recurrence of a capital gain realised in 2021 following the sale of securities not compliant with our SRI² policy for €0.5 million;
- Apart from these elements and with a comparable scope, the net financial income amounts to €1.9 million compared to €3.3 million in 2021, in connection with the decrease in income on illiquid investments (-€1.5 million net income from realised gains, including -€1.3 million on *"Private Equity"*).

Risk mitigation techniques acquired over the period

Wakam does not own any hedging derivatives on its investments.

² SRI: Socially Responsible Investment

A.4. Results of other activities

As of 1 January 2019, Wakam has been marketing, alongside its non-life insurance business, a service offering called “IPaaS” or “Insurance Product as a Service”, which consists of assisting its partners in the digitalisation of their activities. As of 31 December 2022, this activity represents a revenue of €0.4 million compared to €0.1 million in 2021.

A.5. Other information

Outside Wakam, the activities of the group companies are as follows:

- As **Protegys Courtage** has been closed, the group no longer holds any interest in this company. A liquidation surplus of €1.3m was recorded in connection with this liquidation.
- **NAMECO (NO. 1384) LIMITED** is an entity owned exclusively by the group.
- **Wakam Life** is an entity wholly owned by the Big Wakam Group, which was born from the Group’s ambition to enter the life insurance market.
- **Protegys International** is an entity whose business is focused on services to contractualise partnership agreements between Wakam and its reinsurance partners.

Intra-group transactions

In accordance with Articles R. 356-29 and R. 356-30 of the Insurance Code and Articles 376 and 377 of Delegated Regulation (EU) No. 2015/35, we inform you that the following intra-group transactions between Wakam and other entities of the Big Wakam Group were carried out during the 2022 financial year:

- Sale of the trademark (Wakam): after the sale of the Wakam trademark to Big Wakam in 2020, in 2021, the La Parisienne and Protegys Assurances trademarks increased in value and were transferred from Wakam SA to Big Wakam for €164,000, excluding tax. As long as the trademark has been sold, it does not appear in the assets of the Wakam balance sheet, but it is the subject of a chargeback by Big Wakam to Wakam, which amounted to €0.4 million for 2022.
- Sale of intellectual property rights, intangible assets, and domain names: continuing in 2020 and 2021, the transfer of tangible assets from Wakam to Big Wakam was carried out at the net book value, i.e. for an amount of €5,103,769, excluding taxes.
- Grant of a loan of £9.3 million (i.e. €10.9 million) by the Big Wakam holding company to the entity NAMECO (NO. 1384) LIMITED, following its creation in December 2022.

B. System of governance

Big Wakam has a system of governance in keeping with its insurance business line

The Board of Directors determines the group's policies and ensures its implementation within Wakam. The Board relies on work carried out as part of Wakam's governance (Board of Directors, Audit and Risk Committee, Heads of the four key functions).

B.1. General information

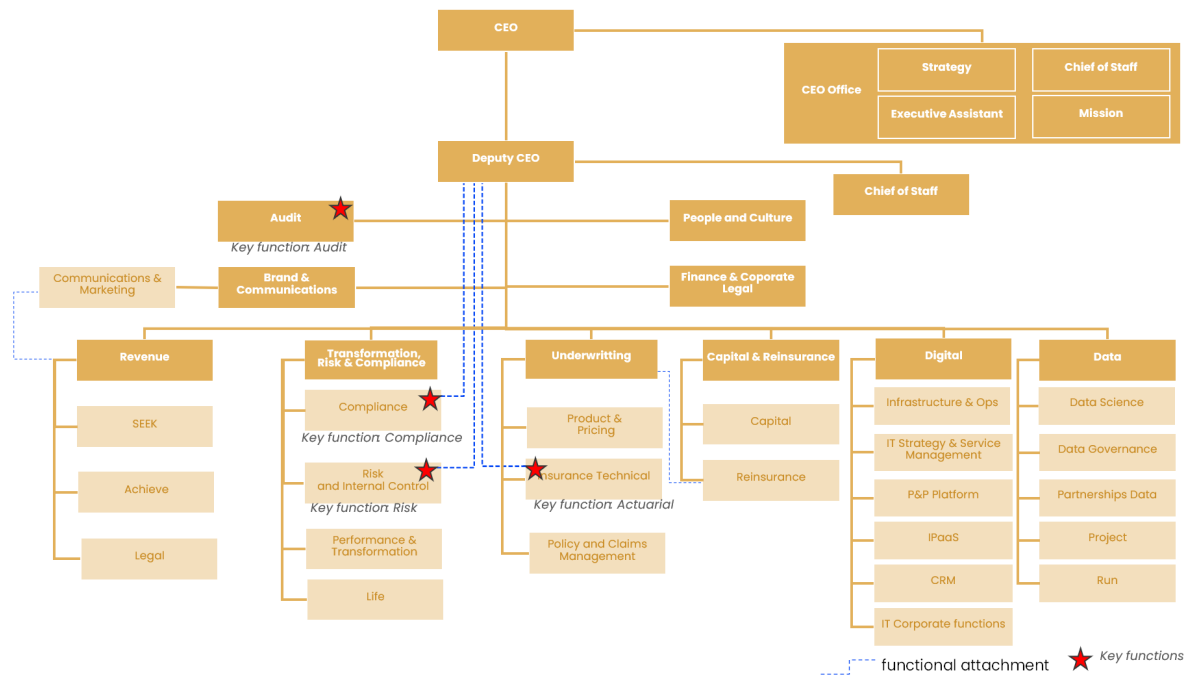
Wakam's general organisational chart, delegations, and key functions

- The **Board of Directors**, on a quarterly basis, approves the strategic objectives and the governance system, the means necessary for risk management, the risk profile in the event of significant developments, prudential communication, and the portfolio of key projects. It assumes responsibility for complying with prudential requirements. It entrusts the following two committees with the responsibility of preparing its work:
 - The **Audit and Risk Committee**, which meets four times a year, is chaired by an independent director, who reports on this work to the Board of Directors. The primary objectives are to review the annual financial statements and the appropriateness of the accounting principles applied in the development of the annual financial statements; to approve the annual internal audit plan and to review the conclusions of the major engagements conducted; and to monitor risk management policies, procedures, and systems. The committee also reviews the work and proposals of key functions before approval by the Board of Directors. In addition, it ensures the achievement of strategic objectives and the adequacy of the governance and risk management system. Finally, it reviews the prudential communication before presentation to the Board of Directors for approval.
 - The **ALM Committee** is convened four times a year. It has a mandate from the Board of Directors to approve the ALM and Asset Management Policy, the application of which it monitors within the company.
 - The **Investment Committee** meets monthly and is run by Candriam (Wakam's asset manager).
- The system implemented by the Board of Directors is supplemented by an **organisation of internal committees** enabling the operational management of the company.
 - The **Executive Committee, chaired by the Chief Executive Officer**, brings together the Deputy Chief Executive Officer as well as the *Vice Presidents* on a weekly basis. It provides

guidance regarding the strategic roadmap of the business and makes decisions based on the strategy approved by the Board of Directors.

- The Management Committee, chaired by the senior management, brings together all the company's *Vice Presidents* and *Chief Operating Officers* every week. It drives the business operationally. In this regard, it tracks the progress of projects and the transformation of the company and broadly covers the management of the various departments of the company.
- The **Technical Committee** is chaired by the *Vice President Chief Underwriting Officer* and brings together the members of management as well as the key functions. It meets quarterly and presents the monitoring of the technical results of each quarterly closing as well as, if applicable, the technical corrective actions taken.
- The *Operational Risk Committee* is chaired by the *Vice President Risks*. Its work is carried out with the systematic participation of the Key Risk Management Function and the participation of all key functions and all heads of Wakam departments (Information Systems, Data, Finance, Technical, Human Resources, Reinsurance, Partnerships, Claims). This committee meets at least four times a year, and its responsibilities are detailed in section B.3.
- The **Strategic Committee for Information Systems Security** is chaired by the *Vice President Risks*. It brings together on a quarterly basis the *Vice President Information Technology*, the *Vice President Data*, the DPO, the *Chief People & Culture Officer*, and the employees involved in corporate security. It aims to look after and monitor the physical and IT security risks of the company, and defines and approves the implementation and development of control systems.
- The **Non-Technical Committee** is chaired by the *Vice President Finance & Corporate Legal* and brings together the members of management. It meets once a month and tracks overheads in line with the company's growth projections.

Wakam general organisational chart



Wakam currently has **two executive officers** who effectively run the company:

- Olivier Jaillon, Chief Executive Officer of Wakam,
- Catherine Charrier-Leflaive, Deputy Chief Executive Officer.

All key functions have been in place since 2016 in accordance with Article 268 of the Delegated Acts. They report to the senior management and operate under the ultimate responsibility of the Board of Directors, to which they report.

- The **Risk Management function** is responsible for overseeing the adequacy and effectiveness of the risk management system. It assists the Board of Directors and the company's senior management in defining risk management strategies and the tools to ensure their assessment and monitoring, particularly by providing, via an appropriate reporting system, the information necessary to assess the performance of the risk management system as a whole. It presents the major points of its work particularly during the Audit and Risk Committee meeting.
- The **Actuarial function** contributes to the effective implementation of the risk management system, particularly with regard to the risk modelling underlying the calculation of the SCR and the evaluation of "*Best Estimate*" of technical commitments. By calculating and approving the technical provisions, appropriate processes and procedures will be implemented to avoid conflicts of interest and ensure the appropriate independence.
- The **Compliance Oversight function** is responsible for determining whether the organisation and internal procedures are appropriate to prevent the risk of judicial or administrative sanctions, loss of assets, or reputational damage resulting from a violation of laws, regulations, or provisions established by supervisory authorities. It

focuses in particular on ethics and group rules and on provisions relating to its core business, such as customer protection, data protection, conflicts of interest, money laundering, and terrorist financing.

- The **Internal Audit function** is responsible for independently assessing the effectiveness of the internal control and risk management system, as well as the proper functioning of controls to ensure the smoothness and reliability of key processes. It communicates any findings and recommendations to the Audit and Risk Committee and the Board of Directors, which determine the actions to be taken and ensure they are implemented. Its independence is guaranteed by a direct link to the Audit and Risk Committee and the Board of Directors. Internal audit engagements are carried out in accordance with the audit plan based on field reviews with operational management or based on the analysis of internal or external reports on risks and controls carried out within the company.

Changes to the system of governance over the period

Wakam's governance was strengthened by the arrival of a Deputy Chief Executive Officer, Catherine Charrier-Leflaive, alongside Olivier Jaillon (Chief Executive Officer) and Emmanuel Clarke (Chairman of the Board of Directors).

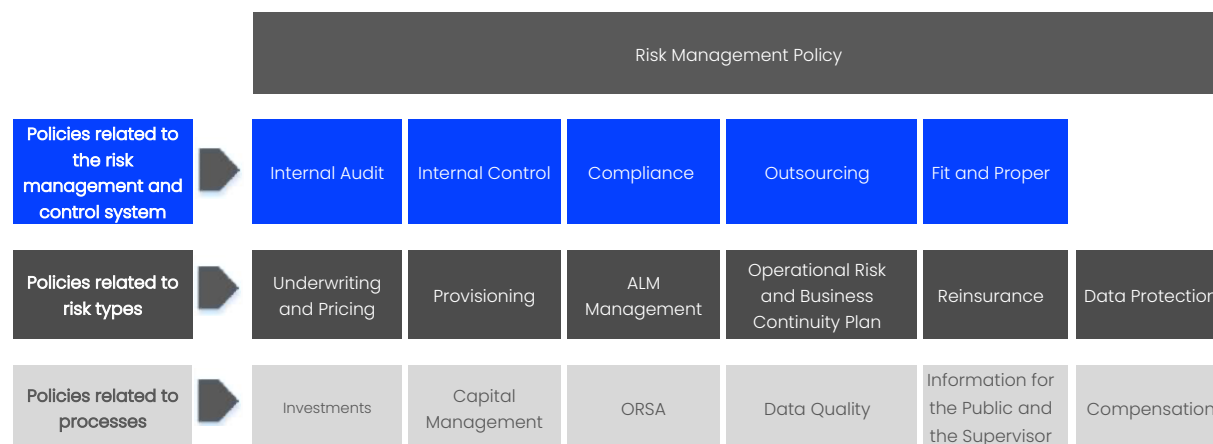
In addition, to support Wakam's development, the organisation has been adjusted with:

- The creation of a *Transformation, Risk, and Compliance* Department, which natively integrates, in addition to the company's transformation work, the developments to be carried out in terms of risk management and compliance
- The creation of an *Underwriting* Department, ensuring the management of our insurance portfolios across the entire value chain (product design, underwriting and pricing, contract and claims management, underwriting performance, and inventory).

Wakam policies

New policies have been introduced regarding the Conflict of Interest Management Policy and with regard to product governance.

Wakam policy framework as of 31 December 2022



Compensation paid to the members of the administrative and supervisory bodies

Directors serving on the Wakam and Big Wakam Board of Directors receive compensation (“director’s fees”). The members of the administrative and supervisory bodies as well as the holders of key functions do not have any supplementary and early retirement scheme in comparison to the legal and contractual provisions. In particular, Wakam fulfils the obligation to ensure that members of the administrative and supervisory bodies or salaried employees in key functions subscribe to the B2V Group and thus benefit from the B2V supplementary pension scheme, as well as an Article 83 managed by AXA.

Employee compensation

- **Compensation Policy:** The Compensation Policy and practices are established, implemented, and kept in force in line with the corporate and risk management strategy, risk profile, objectives, risk management practices, and long-term interests and results of the company as a whole. In particular, Wakam makes individual increases and has implemented a three-year incentive plan for employees subject to the achievement of the company’s financial and strategic objectives. The Compensation Policy applies to Wakam as a whole. Compensation is subject to clear, transparent and effective

governance, particularly with regard to the oversight of the Compensation Policy, which is brought to the attention of each member of the company's staff.

- **Relative importance of variable component:** Compensation consists of fixed portion and variable component for 100% of employees. The variable component represents between 10% and 40% of their total compensation. The compensation components are thus balanced so that the fixed component represents a sufficiently high portion of the total compensation.
- **Variable compensation allocation criteria:** The allocation of the variable portion of the compensation is linked to the employee's performance, on which his/her total amount depends, assessed according to the achievement of the objectives previously set with his/her direct manager and reviewed at the end of each period, and according to the assessment of skills (*soft skills*) carried out during the annual interview.

Significant transactions with shareholders and directors

No significant transactions were entered into during the 2022 financial year between Wakam on the one hand and its shareholders and directors on the other hand.

B.2. Fit and proper

Requirements for persons who effectively run the company and hold key functions

When a person is appointed as an executive director or the head of a key function, the HR manager, in conjunction with the head of the Compliance Oversight key function, ensures that the person is fit for the position in question, while the head of the Internal Audit key function ensures that the Compliance Oversight key function is fit as an individual.

- **The persons who effectively run the company** must have managerial skills and general knowledge of the insurance market and its environment, the business strategies and business model, governance systems, financial analysis, actuarial analysis, and the regulatory framework and provisions.
- **The skills required of key functions** are consistent with the definition by area of expertise provided for in Articles 269 to 279 of the Delegated Acts:
 - **The Actuarial function holder** has strong actuarial and financial mathematical knowledge to be able to coordinate and assess the calculation of provisions. The function is also competent to issue notices on the company's underwriting and reinsurance policies, to contribute to the implementation of the management system, and to ensure the quality of the data.
 - **The Risk Management function holder** is competent to manage risks related to underwriting, provisioning, asset-liability management, investments, liquidity and concentration risk management, operational and strategic risk management, and risk mitigation techniques. The function is also competent to manage the company's own risk self-assessment (ORSA).
 - **The Compliance Oversight function holder** is competent to implement preventive actions as well as internal control procedures, particularly to identify and assess the risks of non-compliance inherent in the company, in order to comply with the regulations in force.
 - **The Internal Audit function holder** is competent to establish, implement, maintain, and keep operational an audit plan detailing the audit work to be conducted to improve the company's operation. The function holder is also competent to understand, test, and issue an opinion on the various works carried out by the company.

Requirements for directors

When a person occupies or wishes to occupy a position of director on the Board of Directors, the company will ensure that the individual is fit and proper for the position in question in accordance with the provisions of ACPR position 2019-P-01. Where applicable, Wakam

establishes a training plan for directors under the responsibility of the Compliance Oversight key function so that they can perform their duties in a sound and prudent manner.

Fit and proper assessment process

- **Fitness assessment process:** The Compliance Oversight function head assesses the fitness of a person effectively running the company or holding a key function based on a minimum of 10 years' experience in the field and completion of at least five years of higher education leading to a degree. The curriculum vitae is assessed with each new hire, appointment, or replacement. The individuals effectively running the company also ensure that all the information and data inherent in the areas of responsibility of the key functions are communicated to them.
- **Propriety assessment process:** The propriety of an individual is assessed based on his/her honesty and experience as a director, executive officer, head of a key function, or head of a critical function. This assessment is based on specific information concerning his/her character, personal behaviour, and professional conduct, including any information of a criminal, financial, or prudential nature relevant for the purposes of this assessment. The individual's past experience also allows us to know whether he/she effectively ran a company or headed a key function in a company at the time when the company went bankrupt. When an individual is or wishes to effectively run the company or hold a key function, the company assesses the person's propriety by ensuring that the individual has a good reputation and integrity based on documents attesting to the person's propriety as well as through the responses made on the questionnaire present in the appointment or re-appointment form for a person effectively running the company or heading a key function, as proposed by the ACPR. The documents requested for each individual are given to the head of the Compliance Oversight key function, who updates them every three years. In the event that a doubt arises about the individual's propriety, the Board of Directors is invited to decide on the appointment or re-appointment of the individual concerned.

B.3. Risk management system, including internal risk and solvency assessment

Risk management policies

The **Risk Management Policy** is established in accordance with all the regulatory provisions applicable to the insurance sector, particularly those of Order No. 2015-378 of 2 April 2015 implementing Solvency 2 Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 and Article 258 et seq. of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 on the Risk Management System, which require a clearly defined governance and risk management strategy, in line with the company's overall strategy, and policies defining significant risks and approved risk tolerance limits.

The Wakam Risk Control Policy in place sets forth the strategies, principles, and processes for identifying, measuring, managing, and monitoring risks to which Wakam's business is exposed, including those entrusted to its partners and service providers.

The Risk Management Policy defines in particular:

- The governance system implemented, including the roles and responsibilities of the various stakeholders in the risk management system,
- The categories of risks to which Wakam is exposed and the processes in place to identify and analyse them, as well as the methods to measure and assess the risks in question,
- The framework for defining the insurance risk strategy,
- Processes and procedures to ensure effective risk management and the implementation of appropriate risk mitigation measures,
- Internal and external *reporting* obligations,
- The risk culture in the business and its integration into key decisions.

This policy aims to ensure that risk management systems enable Wakam to meet applicable industry requirements.

The definition and implementation of the risk management, control, and monitoring system for the insurance activities carried out by Wakam are entrusted to the Risk Management key function, which:

- Implements the company's risk management systems,
- Ensures, within the company, compliance with these systems and the applicable regulations,
- And reports on this work to the governing bodies below.

Governing bodies

The **Audit and Risk Committee**, which meets four times a year, is chaired by an independent director, who reports on this work to the Board of Directors. The primary objectives are to review the annual financial statements and the appropriateness of the accounting principles applied in the development of the annual financial statements; to approve the annual internal audit plan and to review the conclusions of the major engagements conducted; and to monitor risk management policies, procedures, and systems. The committee also reviews the work and proposals of key functions before approval by the Board of Directors. In addition, it ensures the achievement of strategic objectives and the adequacy of the governance and risk management system. Finally, it reviews the prudential communication before presentation to the Board of Directors for approval.

The *Operational Risk Committee* is chaired by the *Vice President Risks*. Its work is carried out with the systematic participation of the Risk Management key function and the participation of all key functions and all heads of Wakam departments (Information Systems, Data, Finances, Technical, Human Resources, Reinsurance, Partnerships, Claims). This committee meets at least four times a year and has the following responsibilities:

- Approving the annual internal control work program by ensuring that the areas and activities that generate the main risks are covered at a suitable frequency,
- Reviewing the results of the controls performed,
- Tracking significant risks incurred by Wakam,
- Ensuring the existence and relevance of the risk prevention, detection, and response systems implemented,
- Keeping the risk mapping up to date,
- Monitoring changes in key risk metrics,
- Monitoring capital requirements.

Integration into the organisational structure and decision-making procedures

The aim of integrating the risk management system into decision-making processes as well as the company culture can be described at several levels:

- **The company's senior management** ensures that a risk culture appropriate to the various types of activities is implemented and ensures the proper level of employee ownership.
- **The risk appetite system** is integrated into the budgeting and planning process as well as the strategic asset allocation process.
- **Capital allocations from planning work** are broken down into operational limits integrated into day-to-day business management.
- **Appropriate risk measurement indicators** are integrated into the company's performance management system.

- **Metrics using risk measurements** are used in decision-making. These metrics are defined by the risk management function and approved by the Board of Directors. They are integrated into the company's goals.
- **Risk preferences** drive partnership and product development in alignment with risk appetite and tolerances.

Changes to the system of governance over the period

The Operational Risk Committee meets more frequently at one committee meeting per quarter in response to the needs to assess changes in Wakam's risk profile.

Internal risk assessment

Description, documentation, and analysis of internal risk assessments

According to the Solvency 2 Directive and as part of its risk management system, Wakam conducts an internal risk and solvency assessment, also known as the *own risk self-assessment* (ORSA).

This assessment includes the following elements:

- The overall need for solvency, given the specific risk profile, approved risk tolerance limits, and the business strategy of the company;
- Ongoing compliance with capital requirements;
- The extent to which the company's risk profile deviates from the assumptions underlying the solvency capital requirement calculated using the standard formula.

Frequency of review by administration, risk, or control bodies

The ORSA is approved at least annually by the Board of Directors after review by the Audit and Risk Committee.

Statement on the assessment of the overall solvency needs

The company assesses its overall solvency needs based on the identified risks and the estimation methodology of the standard formula presented in the Solvency 2 Directive. However, the company has identified four risks not included in the standard formula that complement its own risk profile:

- the risk of dependence on a distributor partner that arises from the excessive relative share of Wakam's business that a single distributor partner would represent;
- the risk of heterogeneity of accounts, related to the issuance of reliable accounts, including the risk of heterogeneity of the information received (extracts and brokers) and the risk of error related to the restatements performed by the data integration unit;
- cyber risk, particularly relating to the availability of computer systems, as well as the loss, modification, or dissemination of data as a result of a malicious act and/or a computer attack;

- key man risk, which would arise from the disappearance, incapacity, or departure of a key man and result in a decrease in revenue or have a strong impact on the sustainability of the company.

These additional risks are considered to be under control.

B.4. Internal control system

Description of the internal control system

Wakam's internal control system includes all means, behaviours, procedures, and actions:

- contributing to the control of its activities, including outsourced activities, the efficiency of its operations, and the efficient use of resources,
- and enabling significant risks, whether operational, financial, or compliance risks, to be appropriately considered.

Specifically, it aims to ensure compliance with laws and regulations; the application of the instructions and guidance of the individuals running the company and the Board of Directors; the proper functioning of the company's internal processes, particularly those helping to safeguard its assets; and the reliability of financial information.

Wakam's internal control system consists of an ongoing process of assessing controls integrated into the company's internal processes:

- **First-level controls** are integrated by business leaders into business processes to measure, monitor, and control risks within their area of activity.
- **Second-level controls** aim to ensure the proper execution, relevance, and reliability of the first-level controls through the line management and actors independent of the operational activity:
 - The control plan is developed from the risk analysis and after consideration of the existing first-level controls within the activities. The second-level controls provide assurance of process control and identify areas for continuous improvement where appropriate.
 - Each control is the subject of a detailed description including in particular the function in charge of carrying out the controls, the frequency of occurrence, the applicable control methodology, the documentation to be collected, and the formalisation of the result.
- **Incident tracking** helps strengthen internal control by identifying and correcting deficiencies both in business processes and in the control plan when required.
- In addition, on a regular basis, as often as the severity of the risk or incidents dictates, the head of Internal Control activities organises verification campaigns: spot checks targeting a risk or activity. Following these assessments, the head of Internal Control activities makes recommendations to remedy the failed controls.

Compliance Oversight System description

An integral part of the permanent control system, the Compliance Oversight System implemented by Wakam includes all means, behaviours, procedures and actions:

- Identifying the laws and regulations to which the company is subject,
- Contributing to the regular monitoring of changes to these laws and regulations,
- Aiming to implement the applicable regulations in its internal procedures,
- And ensuring the proper notification and training of the employees concerned.

The Compliance Oversight System defines the monitoring processes, raises awareness, and shares regulatory developments with all employees and participates in the development of Wakam's risk mapping.

The function is carried out by four people: a *head of compliance*, two *senior compliance officers*, and a GDPR expert.

B.5. Internal Audit function

Description of the Internal Audit System

The Internal Audit System implemented by Wakam constitutes the company's third level of control, applied after the first- and second-level controls described in B.4. As an independent and objective activity, Internal Audit gives the company assurance on the level of control of its operations, advises it on how to improve them, and helps create added value. Its main responsibilities are:

- Identifying and controlling risks through a structured and focused approach to company issues,
- Assessing the control of operational and functional processes as well as the conduct of operations with regard to the organisation's concerns in strategic, operational, and financial matters,
- Assessing the relevance and effectiveness of these processes in complying with applicable rules, standards, procedures, laws, and regulations,
- Verifying the integrity, reliability, completeness, and traceability of information produced, whether accounting, financial, or management information,
- Proposing areas for improvement or progress for the organisation.

Independence of the key Internal Audit function

In order to ensure its independence, the Internal Audit key function does not hold any other key function in the company. This has been entrusted to an independent director, whose fitness and propriety have been verified in accordance with the company's internal policy as described in paragraph B.2.

Independence is enhanced through:

- the outsourcing of the operational performance of audit engagements to the firm PricewaterhouseCoopers (PwC), which may be consulted at any time by the Internal Audit key function,
- the statutory capacity of Internal Audit to have access at all times to all locations, to all the documents, and all the information systems that it needs for the performance of its engagement, by requesting the full collaboration of the company's staff.

In 2022, Wakam initiated an action plan to strengthen the Internal Audit function. As a result, the function will be re-insourced, and a new key function head will be appointed from January 2023.

Internal audit engagements conducted during the period

A single audit engagement was initiated in 2022 with respect to cash management.

All recommendations are the subject of an action plan led by each of the heads of the audited activities; this action plan is shared in the corresponding bodies.

Also, as planned, the internal audit team has followed up on recommendations from audits conducted in 2021 and previous years.

Summary table of the Internal Control and Internal Audit System

	First Level Operational Controls	Second Level Continuous Control, Risk Management, and Compliance	Third Level Periodic Monitoring and Internal Audit
Head	Operational staff	Heads of Internal Control and Compliance Oversight key function	Internal Audit function
Frequency	High frequency	Recurring	Periodic
Scope	Limited to the scope of responsibility of operational staff	All operational processes	Company-wide
Control type	Self-check (tallying, reconciliation, anomaly listing, etc.)	Oversight, verification of the adequacy of controls with the process objectives	Document control and on-site control
Reporting type	Supplies continuous control	Risk indicators, mappings, and alerts	Audit reports

B.6. Actuarial function

Responsibilities of the Actuarial function

Since 1 January 2016, and in accordance with Article R354-6 of the Insurance Code, the purpose of the Actuarial Function has been:

- To coordinate the calculation of prudential technical provisions,
- To ensure the appropriateness of the methodologies, underlying models, and assumptions used to calculate the prudential technical provisions,
- To assess the sufficiency and quality of the data used in the calculation of these provisions,
- To oversee the calculation of prudential technical provisions in cases where the insurance company does not have sufficient data of appropriate quality to apply a reliable actuarial method to a set or subset of its commitments,
- And to compare the best estimates to empirical observations.

The Actuarial function is also responsible for informing the Wakam Board of Directors of the reliability and adequacy of the calculation of prudential technical provisions. In addition, it must give an opinion on the overall underwriting policy and on the adequacy of the reinsurance provisions made. Finally, the Actuarial function contributes to the effective implementation of Wakam's Risk Management System, specifically with respect to the risk modelling underlying the calculation of capital requirements and the ORSA.

In accordance with the provisions of Article 272 of European Regulation No. 2015/35, the Actuarial function prepares at least once a year a written report that it submits to the Wakam Board of Directors. This report discusses all work conducted by the Actuarial function and its outcome, clearly indicates any material deficiencies observed, and makes the recommendations needed for remediation.

Description of the Actuarial key function system

In order to prevent the risk of conflicts of interest between those responsible for actuarial work and those responsible for monitoring it, Wakam has set up the following organisation:

- **The Chief Insurance Technical Officer** oversees but does not directly perform:
 - The work relating to the inventory, led by a *Team Lead* manager since September 2022 and carried out by four dedicated employees in charge of calculating the technical provisions according to social standards, the Best Estimates of Claims and Premiums assessed in the economic balance sheet, and the surplus/deficit on liquidation.
 - The technical monitoring and profitability analyses of the portfolios, entrusted to research managers specializing in two- and four-wheel risks, excluding fleets, on the one hand, and the risks relating to fleets, affinities, and property damage, on the other.

Governance points completed in 2022

The Actuarial function's 2022 report includes all the recommendations made in the previous reports regarding underwriting, reinsurance, and provisioning.

The work on strengthening the provisioning methods and on assessing data quality continued in 2022, in connection with the recommendations of the Actuarial function.

B.7. Outsourcing activities

Definition of outsourcing

Outsourcing refers to an agreement, in whatever form, concluded between a company and a service provider, whether subject to control or not, under which the service provider performs, either directly or by itself using outsourcing, a procedure, service, or activity that would otherwise be performed by the company itself (Article L.310-3 of the Insurance Code).

List of important or critical operational functions

In light of the definition given in Article R.354-7 of the Insurance Code, an activity is considered important or critical when it has at least two of the following characteristics:

- It is a core insurance business activity (management of policies, claims, etc.) or a key function;
- When the outsourcing relates to a function/activity in relation to policyholder management, the replacement of the service provider in the event of failure or direct takeover of the function would likely lead to exceeding regulatory deadlines for responding to policyholders or for regulatory reporting;
- When the outsourcing relates to an activity that is not directly related to policyholder management, the replacement of the service provider in the event of failure or direct takeover of the function would likely exceed one month;
- The cost of the service exceeds a threshold set at €800,000 annually;
- The quality of the service provided to policyholders could suffer in the event of failure of the service provider;
- A reputational or estimated financial risk exceeding a threshold set by the Risk team in the event of a vendor failure.

In the case of outsourcing as part of the call for insurance intermediation (delegated management of policies, receipts, claims), for the activity to be considered critical, a materiality threshold is defined based on revenue.

Outsourcing decision process

For any outsourcing relating to the insurance business, whether critical or not, Wakam conducts an assessment of the prospective providers by sending them a Due Diligence questionnaire as soon as a possible business relationship may be possible. A procedure detailing the pre-screening process is drafted by the Management Department. This procedure specifies that distinguishing criteria are established for all service providers, including:

- Verification of its approvals (if necessary);
- Verification of the fitness and propriety of the directors;
- The existence of an ACP [Activity Continuity Plan].

For critical or important activities, additional distinguishing criteria are established in this questionnaire, ensuring at least that the service provider has:

- a mature operational risk management and internal control system;
- sufficient financial resources to take on the outsourced activity;
- reliable and qualified staff for the performance of these outsourced tasks;
- adequate AML/CTF risk control system;
- an adequate contingency plan to ensure the continuity of outsourced activities.

Any departure from these rules must be explained by a reasoned presentation demonstrating the control of the risk incurred and submitted to the management team at least 15 days before a Management Committee meeting convened to make a decision. Such departures are also traced in a file kept by the Management and Compliance Departments. For outsourcing non-insurance functions, a Procurement procedure details the selection process.

B.8. Other information

Adequacy of the company's system of governance

The company continues to deploy and enhance the governance system, particularly in terms of internal control and risk budget preparation, with the objective of disseminating a risk culture to all employees.

This adequacy is further enhanced by additional systems to reduce the main risks to which Wakam is exposed. Given its economic model focused on the delegation of material claims management, its reinsurance treaties with a high protection of capital, and its strong growth, the company is in fact more particularly exposed to the operational outsourcing risk, counterparty risk, and underwriting risk. To take these features into account, the complete governance system presented in the preceding paragraphs is supplemented as follows:

- **With regard to the outsourcing risk**, the company conducts audits of its service providers regularly thanks to a dedicated team supplemented by an external consulting firm and insurance expert. It also regularly monitors key management indicators.
- **With regard to counterparty and reinsurance risk**, the company has an independent director as well as its chairperson, who are experts in the field of reinsurance, and strengthened its internal reinsurance team in 2020. Furthermore, even if this provision has no longer been mandatory since 2008, the company systematically requests collateral from its reinsurers, mainly pledges, to guarantee their commitment to claim settlements for their share.
- **With regard to the underwriting risk**, it is at the heart of the company's governance through the four phases of the Bespoke process (Seek, Qualify, Achieve, Develop). In this context, a pre-audit of partners is carried out in the "Seek" phase. Special attention is paid to the underwriting rules, pricing, and claim ratios expected in the "Qualify" phase. The purpose of the "Achieve" phase is to ensure the quality of computerised exchanges as well as risk mitigation through reinsurance. Finally, during the "Develop" phase, actuarial analyses are conducted on each partnership to implement the necessary portfolio adjustments.

Other governance systems

The governance system presented in points B.1 to B.7 is supplemented by an internal committee organisation enabling the preparation of the work presented to the Board committees, the monitoring of risk management improvement action plans, the management of the various components of the risk budget, and the dissemination of the risk culture within the company. The main internal committees are:

- **The Investment Committee**: this Committee meets monthly and is chaired by the Chief Financial Officer. It is attended by the representative of the majority shareholder and

representatives of the asset management company to which the company has delegated management of its investments, as well as the Chief Risk and Capital Officer. Its objective is to manage the company's investments within the fixed risk limits.

- **The Opportunities Presentation Committee:** This committee is chaired by the Chief Executive Officer and is led by the *Chief Revenue Officer*. It brings together all employees of the company. It is intended to present the opportunities presented in Phase 1 (Seek phase) to arbitrate them and, subject to approval by the majority of voters, move them to Phase 2 (Qualify phase).
- **The Business Approval Committee:** This committee is chaired by the Chief Executive Officer, is led by the Chief Product Officer, and brings together the extended management team. It is intended to approve or not approve the transition of partnerships from Phase 2 (Qualify phase) to Phase 3 (Achieve phase).

C. Risk profile

C.1. Underwriting risk

➤ Definition of underwriting risk

Underwriting risk is the risk that the insurer takes by distributing insurance contracts to natural persons or legal entities due to market segments or risk categories that are inconsistent with the group's risk profile and business strategies, complex risk categories with difficult assessment, inadequate technical skills among internal staff and sales networks, or non-compliance with limits. With regard to the group through its Wakam insurance entity, it includes the following categories:

- **Lapse risk** resulting from loss of, or adverse change in the value of, insurance commitments resulting from fluctuations affecting the level or volatility of policy termination, maturity, or renewal rates,
- **Premium and reserve risk**, depending on the risk of loss or adverse change in the value of insurance commitments resulting from fluctuations affecting the date of occurrence, the frequency, and severity of insured events, as well as the date and amount of claims settlements,
- **Catastrophe risk**, corresponding to the risk of loss or adverse change in the value of insurance commitments resulting from significant uncertainty related to extreme or exceptional events, which weighs on the assumptions made in terms of price and provisioning.

➤ Exposure to underwriting risk

Measures used to assess risks and change over the period

Unless otherwise stated, the quantitative risk assessment elements are presented in Section E of this report and correspond to the Solvency Capital Requirement (SCR) as of 31 December 2022, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the group's bottom line of a shock of such magnitude that it would only occur once every two hundred years.

Thus, with regard to exposure to underwriting risk, the exposure measures used by Big Wakam are as follows:

- **Lapse risk** is measured by the *Lapse* sub-module of the Non-Life Underwriting SCR.
- **Premium and reserve risk** is measured by the Premiums and Reserve SCR modules of the Non-Life and Health Underwriting SCRs.
- **Catastrophe risk** is measured by the Catastrophe module of the Non-Life Underwriting SCR.

These exposure measurements are presented in Section E.2.

➤ Concentration of underwriting risks

The Big Wakam group, via its insurance entity Wakam, has identified a technical risk of concentration in its Property Damage portfolio, more particularly in the Comprehensive Building portfolio. 27% of the insured assets of this portfolio, which represents a turnover of €19 million, are indeed located in the Isère department (38), which is known as a seismic zone and whose main city, Grenoble, could be massively flooded in the event that dams break in the region. This risk is controlled by the reinsurance system described below.

➤ Mitigating underwriting risk

System description for the reference period

The Big Wakam Group, through its insurance entity Wakam, assigns some of its risks to reinsurers. The reinsurance system is analysed for each branch, with much of the risk being transferred via Share treaties, supplemented by excess claims agreements in order to protect the group against losses associated with large-scale single claims, such as those on the risks of Civil Liability for Bodily Injury, but also against losses associated with events.

The transfer rates for the 2023 financial year were set as part of the work to draw up the risk budget. They found:

- for maintaining retention on European mobility portfolios on traditional programmes (20%);
- for maintaining retention on mobility portfolios in Great Britain and Ireland (20%);
- and the decrease in the retention of the Property Damage share (22.9%):

Mitigation plan over the planning period

The Wakam Mitigation Plan focuses on the following Reinsurance Plan:

With regard to share treaties, the level of transfer per programme depends on:

- the level of the consumption of equity per branch compared to the intrinsic profitability of each of the Product Lines, so as to approach the optimum under the constraint of the available Tier 1 Equity,
- the knowledge of risks in Partnerships, the volumes of which do not allow for sufficient pooling.
- the appetite of reinsurers for a given financial year.

With regard to the XS reinsurance programme, it meets the risk tolerance criteria set by the Reinsurance Policy, reviewed by the Audit and Risk Committee and approved by the Board of Directors:

- **Natural catastrophe risks:** the group, via its insurance entity, protects itself against ten-year to two hundred-year claim scenarios.
- **Terrorism risks:** the protection sought is unlimited beyond a retention equivalent to the maximum amount under risk of the portfolio within a radius of 200 m.
- **Other Property Damage risks:** the reinsurance sought aims to limit the impact of a serious loss to a net amount of €687,000.
- **CL Auto (European Mobility and GB and IE Mobility) and Private Life risks:** the reinsurance sought aims to limit the impact of a serious claim to a net amount of €600,000.

Finally, the panel of reinsurers is diversified in fiscal year 2023.

Monitoring the effectiveness of mitigation techniques:

The mitigation techniques presented are analysed at the time of programme renewal to reassess coverage needs and at the time of the own risk and solvency assessment (ORSA), including through reinsurance risk scenarios (see below).

Guarantees received

Although there has been no regulatory requirement for reinsurers to pledge their commitments to the benefit of the transferors since 2008, Wakam's risk-covering reinsurance contracts provide for a guarantee of the reinsurer's commitment, through a pledge with a bank or a cash deposit. These guarantees have the effect of reducing counterparty risk. The valuation of these guarantees corresponds to the amount of the Provisions for Claims Payable at the end of the accounting year for each programme and to the share of each reinsurer.

➤ Sensitivity to underwriting risk

Stress testing and scenario analysis

The Big Wakam group performed stress scenarios in preparing the 2022 ORSA report. The group complies with the MCR level required in both the central scenario and the stress scenarios tested. With regard to the ongoing compliance with SCR requirements, the result of the stress tests shows that the level of capital generally appears sufficient.

Assumptions of the central scenario

Testing was conducted around a central scenario developed in November 2022. The changes observed between the assumptions of the central scenario and the scenario carried out do not significantly affect the conclusions or the ranking of the scenarios for their impact on the solvency ratio of the group.

Methods and assumptions of stress tests and scenario analyses

The stress tests implemented as part of the 2022 ORSA report and their respective impacts in 2023, 2024, and 2025 are as follows:

- **S1/** Wakam is facing an overinflation situation in addition to the inflation already included in the assumptions of the central scenario. This is accompanied by a rise in rates
- **S2/** The group is impacted by a global environment of economic crisis, particularly affecting the Property Damage loss record and resulting in a spread shock following a widespread worsening of the ratings of bonds held
- **S3/** The claim ratio of all Wakam branches increases (+5pts)
- **S4/** Impact of an un-reinsured bicentenary claim between the date of termination of a reinsurer and the date of conclusion of the following treaty
- **S5/** Increased Wakam retention (+10pts)
- **S6/** Worsening of Wakam's top-line and margin
- **S9/** Reloading of inventory of 2- and 4-wheel cases in excess of €100,000 by +10%

The choice of these stress tests resulted from the main risks identified by the Technical Director and the Risk Director and were approved and amended by the Audit and Risk Committee.

Stress test results

Scenarios / (in solvency ratio pts relative to the central scenario)	2023	2024	2025
S1: Overinflation	-25pts	-19pts	-14pts
S2: Economic crisis	-26pts	-25pts	-23pts
S3: Claim ratio increases by 5pts across branches	-21pts	-18pts	-14pts
S4: Impact of an un-reinsured claim	-29pts	-24pts	-21pts
S5: Increased retention (+10pts)	-13pts	-22pts	-28pts
S6: Worsening of top-line and margin	-10pts	-29pts	-44pts
S9: Reloading of inventory of 2- and 4-wheel cases in excess of €100,000 by +10%	-3pts	-3pts	-2pts

The severity of these scenarios is explained as follows:

- **For scenarios 1, 2, 3, 4, and 6, which have in common a significant impact on the loss record and/or the technical margin**, by the decrease in net income and future profits integrated into prudential equity following the assumption of a decrease in reinsurance commissions, and overall by a decrease in equity greater than the decrease in SCR (scenario 6) or aggravated by an increase in SCR (scenario 2).
- **For scenario 5, where Wakam's share of risk increases**, by the immediate increase in SCR, which is found to be greater than the rise in results.

C.2. Market risk

➤ Definition of market risk

Market risk is the risk of loss or adverse change in financial situation resulting, directly or indirectly, from fluctuations affecting the level and volatility of the market value of assets, liabilities, and financial instruments. They include:

- **Interest rate risk** resulting from the sensitivity of the value of assets, liabilities, and financial instruments to changes in the interest rate curve or interest rate volatility,
- **Equity risk** related to the sensitivity of the value of assets, liabilities, and financial instruments to changes affecting the level or volatility of the market value of equities,
- **Real estate risk** arising from the sensitivity of the value of assets, liabilities, and financial instruments to changes affecting the level or volatility of the market value of real estate,
- **Spread risk**, reflecting the sensitivity of the value of assets, liabilities, and financial instruments to changes affecting the level or volatility of credit spreads relative to the risk-free interest rate curve,
- **Currency risk** related to fluctuations in the level or volatility of exchange rates between the currency of the asset and that of the liability,
- **Concentration risk**, as a result of a lack of diversification of the asset portfolio, or significant exposure to the default risk of a single issuer of securities or a group of related issuers.

➤ Exposure to market risk

Measures used to assess risks and change over the period

Unless otherwise stated, the quantitative risk assessment elements are presented in Section E of this report and correspond to the Solvency Capital Requirement (SCR) as of 31 December 2022, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the group's bottom line of a shock of such magnitude that it would only occur once every two hundred years.

Thus, with regard to market risk exposure, the exposure measures selected by Big Wakam are as follows:

- **Interest rate risk** is measured by the Rate sub-module of the Market SCR.
- **Equity risk** is measured by the Equity sub-module of the Market SCR.
- **Real estate risk** is measured by the Real Estate sub-module of the Market SCR.
- **Spread risk** is measured by the Spread sub-module of the Market SCR.

- **Currency risk** is measured by the Currency sub-module of the Market SCR.
- **Concentration risk** is measured by the Concentration sub-module of the Market SCR.

These exposure measurements are presented in Section E.2.

➤ **Market risk concentration**

The concentration of the Big Wakam group's market risks is measured by the Concentration sub-module of the Market SCR.

On the Wakam entity's bond portfolio, this risk measure represents an amount of €0.1 million (see section E.2). This amount is included at the Big Wakam Group level.

➤ **Mitigation of market risk**

System description for the reference period

The group, via its entity Wakam, has put an investment strategy in place to align technical assets and liabilities. Thus, assets representing technical liabilities must necessarily be chosen from sovereign and corporate bonds rated at least BBB whose duration and currency must be consistent with these same technical liabilities. This helps to limit market risk both by taking intrinsic risk and also by neutralising the effects between assets and liabilities.

Monitoring the effectiveness of mitigation techniques:

The congruence between technical assets and liabilities is presented at each ALM Committee meeting and orders in part the decision-making at each Investment Committee meeting.

Furthermore, the mitigation techniques presented are analysed at the time of the own risk and solvency assessment (ORSA), particularly through the risk scenarios relating to financial risks (see below).

➤ **Sensitivity to market risk**

Stress testing and scenario analysis

The Big Wakam group performed stress scenarios in preparing the 2022 ORSA report. The group complies with the MCR level required in both the central scenario and the stress scenarios tested. With regard to the ongoing compliance with SCR requirements, the result of the stress tests shows that the level of capital generally appears sufficient.

Assumptions of the central scenario

Testing was conducted around a central scenario developed in November 2022. The changes observed between the assumptions of the central scenario and the scenario carried out do not significantly affect the conclusions or the ranking of the scenarios for their impact on the solvency ratio of the group.

Methods and assumptions of stress tests and scenario analyses

The stress tests implemented as part of the 2022 ORSA report and their respective impacts in 2023, 2024, and 2025 are as follows:

- **S1/** The group is facing an overinflation situation in addition to the inflation already included in the assumptions of the central scenario. This is accompanied by a rise in rates
- **S2/** The group is impacted by a global environment of economic crisis, particularly affecting the Property Damage loss record and resulting in a spread shock following a widespread worsening of the ratings of bonds held.
- **S7/** Inability to raise subordinated debt in 2023

The choice of these stress tests resulted from the main risks approved and amended by Wakam's Audit and Risk Committee

Stress test results

Scenarios / (in solvency ratio pts relative to the central scenario)	2023	2024	2025
S1: Overinflation	-25pts	-19pts	-14pts
S2: Economic crisis	-26pts	-25pts	-23pts
S7: Inability to raise subordinated debt in 2023	-5pts	-10pts	-8pts

The severity of these scenarios is explained as follows:

- **For scenarios 1 and 2, which have in common a significant impact on the loss record and/or the technical margin**, by the decrease in net income and future profits integrated into prudential equity following the assumption of a decrease in reinsurance commissions, and overall by a decrease in equity greater than the decrease in SCR (scenario 1) or aggravated by an increase in SCR (scenario 2).
- **For scenario 7**, by a decrease in Big Wakam equity greater than the decrease in market risk SCR.

Application of the prudent person principle

As stipulated in Article 132 of the Solvency 2 Directive, the investments of the Big Wakam group, via its entity Wakam, on which the majority of its investments are positioned, are invested in accordance with the Prudent Person Principle, thanks to the investment processes and the organisation of accompanying committees that make it possible to

ensure the knowledge of risks *a priori* and the analysis, management, and control of risk once the investment has been made.

The investment policy is built around three major processes:

- **The strategic allocation of assets**, defined according to the group's appetite for financial risk, via its entity Wakam which mainly deals with financial investments, and based on the macroeconomic context and the results of the ALM studies conducted by the Financial Department and the Risk Department and supplemented during the preparation of the budget and the ORSA report on the consequences of this allocation on the Market SCR and on the company's solvency ratio.
- **The central scenario** identifies the outgoing cash flows over the claims settlement period and allocates the premium to investments, mainly bond investments, backed by a maturity bracket. This central scenario takes into account a portion of future premiums under the assumption of a conservative lapse rate.
- **The stressed scenario**, carried out under the assumption of a 10% shock on the portfolio's claims expense, makes it possible to identify the safety margin to be maintained in monetary or short-term assets.
- **The surplus identified in this projection** is allocated to diversified assets (equities, real estate, etc.).
- **Tactical asset allocation**, which makes it possible to adjust the strategic allocation based on short-term expectations in interaction with the asset management agent (see below).
- **Current investment management**, which includes the selection of securities by the asset management agent in compliance with the constraints defined in the management mandate.

While the Board of Directors remains the ultimate decision-making body for investment policy and financial risk management, it has mandated the **ALM Committee**, whose role is to review investment risk strategies and policies, to define the investment strategy. This is carried out in particular via the monthly **Investment Committee** meetings organised with the asset management agent in which the managers of the agent, the Deputy Chief Executive Officer, the *Vice President Transformation, Risk & Compliance*, and the *Vice President Finance & Corporate Legal* of Wakam, as well as a representative of the shareholder, participate.

Thus defined, the main guidelines of the investment policy are as follows:

- **A target asset allocation** of 58% in bonds, 2% in listed shares, 2% in real estate, and 22% in illiquid assets (private equity, private debt)
- **A liquidity pocket** of 15%, with no need to leave a minimum available on the cash accounts managed by the mandate

- **Investments excluding:**
 - **By asset class**, derivatives, and generally no leveraged transactions, insurance-related obligations to avoid concentration risk, subordinated bonds, perpetual bonds, and securitisation products,
- **Limits by rating for bond investments:**
 - **Bonds rated AAA to A-:** Minimum 45% of the bond portfolio
 - **Bonds rated BBB+ to BBB-:** Maximum 40% of the bond portfolio
 - **High-yield and unrated bonds:** Maximum 15% of the bond portfolio

Finally, asset management is mainly entrusted to a specialised external management company via a management mandate combining the management of bonds and shares. Monthly investment committees relying on comprehensive monthly *reporting* help to monitor asset portfolio profitability and adherence to the investment rules and limits outlined above, and to share managers' tactical choices about future investments and projections of contributions to the company's mandate. These are based on Wakam's monthly cash flow monitoring *reporting*, which routinely includes an annual *reforecast*.

C.3. Credit risk

➤ Definition of credit risk

Credit risk is the risk of loss or adverse change in financial condition resulting, directly or indirectly, from fluctuations affecting the level of solvency or credit standing of the group's counterparties. They include:

- **Spread risk**, which reflects the sensitivity of the value of assets, liabilities, and financial instruments to changes affecting the level or volatility of credit spreads relative to the risk-free interest rate curve.
- **Counterparty risk**, which is the risk of possible losses that could result from the unexpected default, or the worsening of the credit standing, of counterparties and debtors of the group. The scope of counterparty risks includes risk-mitigating contracts, such as reinsurance agreements, securitisations and derivatives, and receivables from intermediaries and policyholders. This risk is included in the standard formula.

➤ Exposure to credit risk

Measures used to assess risks and change over the period

Unless otherwise stated, the quantitative risk assessment elements are presented in Section E of this report and correspond to the Solvency Capital Requirement (SCR) as of 31 December 2022, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the group's bottom line of a shock of such magnitude that it would only occur once every two hundred years.

Thus, with regard to credit risk exposure, the exposure measures used by Big Wakam are as follows:

- **Spread risk** is measured by the Spread sub-module of the Market SCR.
- **Counterparty risk** is measured by the Counterparty Default SCR module.

These exposure measurements are presented in Section E.2.

➤ Credit risk concentration

The concentration of the Big Wakam group's spread risks is measured by the Concentration sub-module of the Market SCR.

On the Wakam entity's bond portfolio, this risk measure represents an amount of €0.1 million (see section E.2). This amount is included at the Big Wakam Group level.

Counterparty risk on receivables materialises at the Big Wakam group, via its insurance entity Wakam through its relationships with its partners, reinsurers, and banks. With regard to the

concentration of these risks, they materialise particularly at the end of 2022 with respect to the most important reinsurers historically.

➤ Mitigation of credit risk

Spread risk is mitigated by strategic asset allocation provisions by all the governance over the investment decisions and the recourse to a manager.

The counterparty risk, particularly that manifested by the transfer activity to reinsurance, is largely mitigated through the implementation of financial guarantees (cash deposit or security pledge) in front of the transferred provisions during the contractualisation process. Furthermore, the counterparty risk on reinsurers is mitigated through the strong diversification of the panel (30), the largest of which does not exceed 30% of the premium transferred over 2023. Finally, it is verified that each reinsurer's rating is aligned with Wakam's reinsurance underwriting policy.

➤ Sensitivity to credit risk

Stress testing and scenario analysis

The Big Wakam group performed stress scenarios in preparing the 2022 ORSA report. The group complies with the MCR level required in both the central scenario and the stress scenarios tested. With regard to the ongoing compliance with SCR requirements, the result of the stress tests shows that the level of capital generally appears sufficient.

Assumptions of the central scenario

Testing was conducted around a central scenario developed in November 2022. The changes observed between the assumptions of the central scenario and the scenario carried out do not significantly affect the conclusions or the ranking of the scenarios for their impact on the solvency ratio of the group.

Methods and assumptions of stress tests and scenario analyses

The stress tests implemented as part of the 2022 ORSA report and their respective impacts in 2023, 2024, and 2025 are as follows:

- **S2/** The group is impacted by a global environment of economic crisis, particularly affecting the Property Damage loss record and resulting in a spread shock following a widespread worsening of the ratings of bonds held.
- **S5/** Increased Wakam retention (+10pts)

The choice of these stress tests resulted from the main risks identified by the Technical Director and the Risk Director and were approved and amended by the Audit and Risk Committee.

Stress test results

Scenarios / (in solvency ratio pts relative to the central scenario)	2023	2024	2025
S2: Economic crisis	-26pts	-25pts	-23pts
S5: Increased Wakam retention (+10pts)	-13pts	-22pts	-28pts

The severity of these scenarios is explained as follows:

- For scenario 2, characterised by a significant impact on the loss record and the technical margin, by the decrease in net income and future profits integrated into prudential equity following the assumption of a decrease in reinsurance commissions, and overall by a greater decrease in equity aggravated by an increase in SCR.
- For scenario 5, where Wakam's share of risk increases, by the immediate increase in SCR, which is found to be greater than the rise in results.

C.4. Liquidity risk

➤ Definition of liquidity risk

Liquidity risk for the Big Wakam group means the inability to realise investments and other assets in order to meet its financial commitments when they fall due.

➤ Exposure to liquidity risk

Measures used to assess risks and change over the period

Unless otherwise stated, the quantitative risk assessment elements are presented in Section E of this report and correspond to the Solvency Capital Requirement (SCR) as of 31 December 2022, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the group's bottom line of a shock of such magnitude that it would only occur once every two hundred years.

➤ Concentration of liquidity risks

No liquidity risk concentration was identified in the Big Wakam group's risk profile at the end of 2022.

➤ Mitigation of liquidity risk

The Big Wakam group mitigates its liquidity risk through annual asset-liability allocation work conducted on the Wakam entity to ensure, among other things, that durations remain consistent.

➤ Sensitivity to liquidity risk

Stress testing and scenario analysis

The Big Wakam group performed stress scenarios in preparing the 2022 ORSA report. The group complies with the MCR level required in both the central scenario and the stress scenarios tested. With regard to the ongoing compliance with SCR requirements, the result of the stress tests shows that the level of capital generally appears sufficient.

Assumptions of the central scenario

Testing was conducted around a central scenario developed in November 2022. The changes observed between the assumptions of the central scenario and the scenario carried out do not significantly affect the conclusions or the ranking of the scenarios for their impact on the solvency ratio of the group.

Methods and assumptions of stress tests and scenario analyses

The stress tests implemented as part of the 2022 ORSA report and their respective impacts in 2023, 2024, and 2025 are as follows:

- **S1/** The group is facing an overinflation situation in addition to the inflation already included in the assumptions of the central scenario. This is accompanied by a rise in rates
- **S2/** The group is impacted by a global environment of economic crisis, particularly affecting the Property Damage loss record and resulting in a spread shock following a widespread worsening of the ratings of bonds held.
- **S3/** The claim ratio of all Wakam branches increases (+5pts)
- **S4/** Impact of an un-reinsured bicentenary claim between the date of termination of a reinsurer and the date of conclusion of the following treaty
- **S5/** Increased Wakam retention (+10pts)
- **S6/** Worsening of Wakam's top-line and margin
- **S7/** Inability to raise subordinated debt in 2023
- **S8/** Cyberattack targeting Wakam
- **S9/** Reloading of inventory of 2- and 4-wheel cases in excess of €100,000 by +10%

The choice of these stress tests resulted from the main risks identified by the Technical Director and the Risk Director and were approved and amended by the Audit and Risk Committee.

Stress test results

Scenarios / (in solvency ratio pts relative to the central scenario)	2023	2024	2025
S1: Overinflation	-25pts	-19pts	-14pts
S2: Economic crisis	-26pts	-25pts	-23pts
S3: Claim ratio increases by 5pts across branches	-21pts	-18pts	-14pts
S4: Impact of an un-reinsured claim	-29pts	-24pts	-21pts
S5: Increased Wakam retention (+10pts)	-13pts	-22pts	-28pts
S6: Worsening of Wakam's top-line and margin	-10pts	-29pts	-44pts
S7: Inability to raise subordinated debt in 2023	-5pts	-10pts	-8pts
S8: Cyberattack targeting Wakam	-7pts	-18pts	-26pts
S9: Reloading of inventory of 2- and 4-wheel cases in excess of €100,000 by +10%	-3pts	-3pts	-2pts

The severity of these scenarios is explained as follows:

- **For scenarios 1, 2, 4, 6, and 8, which have in common a significant impact on loss record and/or technical margin**, by the decrease in net income and future profits integrated into prudential equity following the assumption of a decrease in reinsurance commissions, and overall by a decrease in equity greater than the decrease in SCR (scenario 6) or aggravated by an increase in SCR (scenarios 2 and 8).
- **For scenario 5, where Wakam's share of risk increases**, by the immediate increase in SCR, which is found to be greater than the rise in results.

- For **scenario 7**, by a decrease in Wakam equity greater than the decrease in market risk SCR.

➤ Expected profit from future premiums

The expected profit from future premiums after application of the reinsurance as recorded in the Best Estimate of Provisions for Premiums is €2.4 million, which includes €4.4 million in future profit before fees and €2 million in associated fees. For comparison, in 2021, the expected profit from future premiums was €4.7 million. This change (-€2.3 million) is explained by the mechanical decrease in commitments on three-year agreements following a non-renewal of a major partnership.

C.5. Operational risk

➤ Definition of operational risk

Operational and non-compliance risks are unforeseen losses arising from inadequate or weak internal processes, staff, or systems or external events. Operational risk includes legal risks, but does not include risks arising from strategic decisions or reputational risks. They include:

- **Internal fraud**, risk of losses arising from acts not in compliance with legislation or agreements relating to employment, health, or safety, or from requests for compensation for personal injury or breaches of equality/acts of discrimination,
- **External fraud**, risk of losses due to acts by a third party intending to defraud, misappropriate assets, or circumvent legislation,
- **Risks concerning employment and safety practices in the workplace**, risk of losses arising from acts not in compliance with legislation or agreements relating to employment, health, or safety, or from requests for compensation for personal injury or breaches of equality/acts of discrimination,
- **Risks concerning customers, products, and business practices**, risk of losses arising from an unintended or negligent breach of a professional obligation to specific customers (including trust and compliance requirements) or from the nature or design of the product,
- **Risks of damage to tangible assets**, the risk of destruction or damage arising from a natural catastrophe or other loss events,
- **Risks of business interruption and system malfunctions**, risk of losses resulting from interruptions in business or the malfunctioning of systems,
- **Risks relating to the implementation, delivery, and management of processes**, risk of losses arising from a problem in the processing of a transaction or in the management of processes or suffered in relations with commercial counterparties and suppliers.

➤ Exposure to operational risk

Measures used to assess risks and change over the period

Unless otherwise stated, the quantitative risk assessment elements are presented in Section E of this report and correspond to the Solvency Capital Requirement (SCR) as of 31 December 2022, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the group's bottom line of a shock of such magnitude that it would only occur once every two hundred years.

Thus, regarding operational risk exposure, the exposure measure used by Wakam is the Operational SCR.

This exposure measurement is presented in Section E.2.

➤ **Concentration of operational risk**

No operational risk concentration was identified in Wakam's risk profile.

➤ **Mitigation of operational risk**

Operational risk is mitigated by the entire risk management system implemented at Wakam, particularly through the construction and monitoring of risk mapping, the implementation of the first- and second-level control plan, the escalation and monitoring of incidents, and the monitoring of action plans following the identification of each operational failure.

➤ **Sensitivity to operational risk**

Stress testing and scenario analysis

The Big Wakam group performed stress scenarios in preparing the 2022 ORSA report. The group complies with the MCR level required in both the central scenario and the stress scenarios tested. With regard to the ongoing compliance with SCR requirements, the result of the stress tests shows that the level of capital generally appears sufficient.

Assumptions of the central scenario

Testing was conducted around a central scenario developed in November 2022. The changes observed between the assumptions of the central scenario and the scenario carried out do not significantly affect the conclusions or the ranking of the scenarios for their impact on the solvency ratio of the group.

Methods and assumptions of stress tests and scenario analyses

The stress tests implemented as part of the 2022 ORSA report and their respective impacts in 2023, 2024, and 2025 are as follows:

- **S6/** Worsening of Big Wakam's top-line and margin
- **S7/** Inability to raise subordinated debt in 2023
- **S8/** Cyberattack targeting Big Wakam

The choice of these stress tests resulted from the main risks were approved and amended by Wakam's Audit and Risk Committee

Stress test results

Scenarios / (in solvency ratio pts relative to the central scenario)	2023	2024	2025
S6: Worsening of Big Wakam's top-line and margin	-10pts	-29pts	-44pts
S7: Inability to raise subordinated debt in 2023	-5pts	-10pts	-8pts
S8: Cyberattack targeting Big Wakam	-7pts	-18pts	-26pts

The severity of these scenarios is explained as follows:

- For scenarios 6 and 8, which have in common a significant impact on the loss record and/or the technical margin, by the decrease in net income and future profits integrated into prudential equity following the assumption of a decrease in reinsurance commissions, and overall by a decrease in equity greater than the decrease in SCR (scenario 6) or aggravated by an increase in SCR (scenario 8).
- For scenario 7, by a decrease in Wakam equity greater than the decrease in market risk SCR.

C.6. Other significant risks

Other significant risks that may be encountered by the group, in particular via its insurance entity Wakam, are those whose assessment is not covered by the standard formula provided for in the Solvency 2 Directive. Based on the stress scenarios performed for the own risk self-assessment (ORSA) exercise, these risks are considered controlled:

- **The risk of dependence on a distributor partner** arises from the excessive relative share of Wakam's business that a single distributor partner would represent. This risk is controlled due to the growth of the number of partners present in the portfolio, which increases diversification, and the extension of agreements effective as of 31 December 2022, sometimes for a multi-year period.
- **The risk related to the quality of data that partners provide** concerns the reliability of Wakam's published accounts and financial statements due to insufficient quality of the data that partners provide or insufficient controls over the partner data. The management information (policies, receipts, and claims) comes exclusively from files sent by broker partners. Poor data transmission can occasionally lead to errors in the quarterly accounts. The mechanism for controlling the risk of errors in monthly data submissions by partners is based on technical elements and governance elements.
- **Cyber risk** relates to the availability of computer systems, as well as the loss, modification, or dissemination of data as a result of a malicious act and/or a computer attack. This risk is common to all businesses through the rise of malicious acts and attacks. Wakam

has therefore considered IT security a priority and has intensified its actions since 2021, primarily by taking action to enhance the security of employees' access to Wakam's information systems and to train them on cybersecurity topics.

C.7. Other information

The information relating to the risk profile as presented in paragraphs C.1 to C.6 is exhaustive.

D. Valuation for solvency purposes

D.1. Assets

Value, methods, and assumptions by asset type

- **Valuation of investments:** As of 31 December 2022, investments in the Big Wakam Group are predominantly owned by Wakam. They represent an investment volume in market value of €148.9 million compared to a book value of €151.7 million. All of the group's investments are valued in market value in the Solvency 2 prudential balance sheet. Interest accrued is taken into account in the valuation. Accrued interest not due posted on the consolidated balance sheet is repositioned by nature in the various investment lines appearing at market value on the Solvency 2 prudential balance sheet, as is the premium/discount, in order to avoid a double count.

Comparative distributions of the Big Wakam group's investments

(Net book value excluding cash)

(in millions of euros)	31/12/21	31/12/22
Equities	1.7	1.4
Bonds	59.1	110.7
Funds	26.2	26.5
Deposits and sureties		2.5
Loan		10.5
TOTAL	87.0	151.7

- **Valuation of intangible assets :** As part of the valuation of the economic balance sheet, these assets generally do not represent a material wealth available for solvency purposes. In the case of Wakam, a significant portion of these intangible assets result from investment in the Wakam IaaS platform and will result in future revenue in the billing of services. Consistent with the Solvency 2 regulations, the value of intangible assets in the statutory accounts is completely cancelled on the Solvency 2 prudential balance sheet.
- **Valuation of receivables:** As of 31 December 2022, the receivables are broken down as follows:
 - Insurance trade receivables amount to €331.6 million on the consolidated balance sheet and are not subject to any restatement on the Solvency 2 prudential balance sheet.
 - The receivables from reinsurance transactions amount to €132.8 million on the consolidated balance sheet. On the Solvency 2 prudential balance sheet, they are reduced by €38.1 million due to an entry to reclassify the transferred unearned

- premiums on the reinsurance treaties to earned premiums. These unearned premiums are included in cash exchanges with reinsurers. Thus, they amount to €94.7 million.
- The other receivables of €63.6 million, which concern receivables arising from administrative operations with public organisations (tax, social contributions, etc.) as well as with suppliers, are not subject to any adjustment between the consolidated balance sheet and the Solvency 2 prudential balance sheet.
 - In total, the amount of receivables in the statutory accounts amounts to €527.9 million, compared to €489.8 million on the prudential balance sheet.
- **Valuation of other assets:** the book value of other assets appearing on the consolidated balance sheet amounts to €48.4 million for an economic value of €0.3 million. These restatements result from the following effects:
 - **Cancellation of the deferred acquisition costs (DACs) (-€45.6 million)**, with the DACs corresponding to the amount already paid by Wakam with respect to acquisition commissions on unearned premiums as of 31 December 2022. In accounting, increasing this item makes it possible to link the group's acquisition costs, incurred at the level of its insurance entity, to the correct accounting year. Conversely, Solvency 2 is based on a logic of future cash flows. Since the DACs have already been disbursed by the company and are not subject to future cash flow, they are therefore completely cancelled on the Solvency 2 prudential balance sheet. It should be noted that this transaction does not generate a loss of wealth for Wakam, since these acquisition costs on existing policies will not give rise to any cash flow from the company and are not projected in the Best Estimate of Premiums on the Solvency 2 prudential balance sheet.
 - **Cancellation of prepaid expenses (-€1.3 million)**, according to the same principle as the deferred acquisition costs, since these charges have already been disbursed. Given their relative weakness, the basis used to calculate the Best Estimate of Costs was not corrected for this favourable impact.
 - **Cancellation of accrued interest not due (-€0.6 million) and discounts (-€0.5 million)** whose amounts are already integrated into the market value of the group's investments. Thus, in order to avoid any double counting of balance sheet items, this amount is completely cancelled on the group's Solvency 2 prudential balance sheet.
 - **The value of "current accounts and cash"** remains the same as the value of the accounting balance sheet.

- **Valuation of deferred taxes:** Deferred taxes appearing on the Solvency 2 prudential balance sheet correspond to the tax expense (liabilities) or tax credit (asset) applicable to the change in net assets following the restatements between the consolidated balance sheet and the prudential balance sheet. As of 31 December 2022, the value of deferred taxes assets amounts to €15.5 million.

Differences from the financial statements

(in millions of euros)	Company balance sheet	Solvency 2 prudential balance sheet	Differences
Acquisition differences	20.2	-	-20.2
Intangible assets	33.4	-	-33.4
Tangible assets	3.0	3.0	-
Investments	151.7	148.9	-2.8
Share of reinsurers in technical provisions, including:	710.3	591.5	-118.8
<i>Provisions for unearned premiums / Best Estimate of Provisions for Premiums</i>	<i>98.0</i>	<i>70.8</i>	<i>-27.2</i>
<i>Provisions for claims / Best Estimate of Provisions for Claims</i>	<i>612.3</i>	<i>520.7</i>	<i>-91.6</i>
Receivables	527.9	489.8	-38.1
Current accounts and cash	26.5	26.5	-
Other assets	48.4	0.3	-48.1
Deferred taxes	-	15.5	15.5
Total assets	1,521	1,275	-246

In summary, the differences between the assets on the consolidated balance sheet and the Solvency 2 prudential balance sheet are broken down as follows:

- Acquisition differences (-€20.2 million): cancellation in the Solvency 2 prudential balance sheet
- Intangible assets (-€33.4 million): cancellation in the Solvency 2 prudential balance sheet
- Investments (-€2.8 million): change to market value
- Share of reinsurers in technical provisions (-€118.8 million)
- Receivables (-€38.4 million): this restatement relates to a portion of the reinsurance receivables, the nature of which corresponds to unearned premiums transferred on earned premium treaties entering into cash exchanges with reinsurers, and which are therefore cancelled on the Solvency 2 prudential balance sheet for (-€38.1 million).
- Current accounts and cash (-): No restatement
- Other assets (-€48.1 million): transfers of interest accrued not due and discounts (-€1.1 million) at the market value of investments, cancellation of DACs (-€45.6 million) and prepaid expenses (-€1.3 million)
- Deferred taxes (€15.5 million): related to adjustments between the consolidated balance sheet and the prudential balance sheet

The total value of the assets on the Solvency 2 prudential balance sheet is €1,275 million, compared to €1,521 million in the financial statements.

D.2. Technical provisions

Value, methods, and assumptions by type of provision

- The **segmentation** used for the valuation of technical provisions is based on homogeneous risk categories. For presentation purposes, these are then aggregated by Line of Business, as described by the regulations.
- The company's commitments on 2- and 4-wheel products are allocated to the "Automobile Civil Liability" and "Other Motor Vehicle Insurance" Lines of Business
- Commitments relating to Property Damage products (Comprehensive Home, Comprehensive Building, Glass Breakage and Breakage/Theft of property) are presented in the "Fire and Other Property Damage" and "General Civil Liability" Lines of Business
- Commitments related to Mechanical Failure, Unpaid Rent, Over-Redemption, Property Warranty Extension, and Ticket Cancellation products are classified in the "Miscellaneous Financial Losses" Line of Business,
- Commitments related to Legal Protection and Assistance are reflected in the Business Lines of the same name.
- Commitments relating to Personal Accident products are classified in the "Income Protection" Line of Business.
- **The Best Estimate of Provisions for Claims Gross of Reinsurance** is the sum of future cash flows related to losses already incurred, updated according to the currency rate curves as provided by the European Insurance and Occupational Pension Authority (EIOPA) in its "Baseline" scenario without a volatility adjustment published on 31 December 2022. Like last year, the projection of future cash flows gross of reinsurance was carried out on an aggregated basis, distinguishing homogeneous classes of liquidation based on historical data from technical reserve calculations with:
 - On the one hand, **claims less than €2 million**, excluding "Affinity" product lines: valuation is based on the annual settlement histories net of recoveries and past records of annual recoveries constituted by the financial year of occurrence and the financial year of settlement or collection and by the Solvency 2 line of business (Settlements + Fees – Recoveries Collected + Associated Management Costs). Settlements gross of recovery and recoveries are then extrapolated over a maximum period of 21 years based on the Chain-Ladder method and discounted.
 - On the other hand, **claims for an amount greater than €2 million**, excluding "Affinity" product lines, are projected from a market settlement rhythm provided by the reinsurance broker operating for Wakam.

- **“Annuity” claims:** the valuation of the annuity claims is based on the amounts of compensation determined by loss item assessed for probability using the mortality tables in force.
- **Claims relating to the “Affinity” product line:** in the absence of sufficient history on the “Breakage/Warranty Extension” products launched from the 2013 financial year, the warranty period of which can be up to six years, the valuation is carried out by applying the technical provisions recorded in the company balance sheet by financial year of underwriting, the settlement rate provided for in the pricing beyond the warranty period already passed.
- **Recurring expenses related to the management of commitments during the claims settlement period** are charged to future cash flows as long as they have not already been disbursed on the valuation date. They include expenses directly attributable to the management of commitments and indirect expenses allocated to the management of commitments in the company’s cost accounting:
 - **Costs of managing compensation for material claims** are not projected because they are fully borne by the company’s delegated third parties and already paid out by the company in the form of management commissions in accordance with the delegation agreements.
 - **Acquisition fees** are also excluded from the projection insofar as they have already been paid to the finders in the form of distribution commissions in accordance with the distribution agreements.
 - **Other overheads relating to contract administration and investment management** are projected in proportion to the settlement flows on future claims according to the company’s cost accounting rules and the business continuity scenario provided for in Article 31 of the Delegated Regulation.
 - **Before discounting, the amount of expenses included in the Best Estimate of Provisions for Claims and annuities resulting from non-life commitments gross of Reinsurance amounts to €3.7 million.**
- **The Best Estimate of Provisions for Claims Transferred in Reinsurance**, represented in assets, is the sum of future cash flows related to losses already incurred, projected according to the same segmentation and methodology as the Best Estimate of Provisions for Claims Gross of Reinsurance, but ceded according to the terms provided for in the Reinsurance Treaties in force at Wakam:
 - **Proportional Treaties** are modelled by applying the transfer rates to the gross future cash flows separately by Treaty, Reinsurer, and Financial Year of Occurrence.

- **Non-Proportional Treaties** are taken into account individually for each claim or event involving these coverages, by applying the indexing and reconstitution clauses.
 - **A reinsurer default probability**, identical to that used for the valuation of the Type 1 counterparty SCR, and based on the individual rating of each of the reinsurers, is applied to the future transferred cash flows thus obtained.
- **The Best Estimate of Provisions for Premiums Gross of Reinsurance** is the updated sum of future cash flows (premiums, settlements of losses not yet occurred net of recovery collected and associated expenses) that will be generated by policies in the portfolio on the valuation date for the non-acquired portion of the risk or that are to be renewed or underwritten over the next financial year in cases where the company could not unilaterally release itself from its commitment to the final policyholder or increase the policy price. **The company thus retains the following policies within its “boundary”:**
 - All individual policies when Wakam cannot terminate within two months of the closing date. Depending on the validity period of the renewal quote, lower horizons have been used for the partnerships concerned. In some rare cases where distribution agreements are multi-year, with no possible unilateral modification of pricing, policies underwritten are retained until the end of these agreements.
 - Future cash flows from this scope are valued on the basis of the premiums, commission rates, and claim ratios projected in the 2023 budget year, the latter themselves being from historical observations, portfolio “aging” assumptions, average cost inflation, frequency changes, and anticipated measures on pricing and the underwriting framework.
 - **Recurring expenses related to the management of commitments and renewal** are charged to future cash flows as long as they have not already been disbursed on the valuation date. They include expenses directly attributable to the management of commitments and renewal and indirect expenses allocated to the management of commitments and renewal in the company's cost accounting. **Before discounting, the amount of expenses included in the Best Estimate of the Provisions for Premiums Gross of Reinsurance amounts to €14.5 million, including €7.1 million related to Future Premiums.**
 - **The Best Estimate of Provisions for Premiums Transferred in Reinsurance**, represented in assets, is the sum of future cash flows, projected according to the same segmentation and methodology as the Best Estimate of Provisions for Claims Gross of Reinsurance, but transferred according to the terms provided for in Wakam's Reinsurance Treaties over the financial year 2023.

- **Valuation of the Provision for Unexpired Risks:** The Provision for Unexpired Risks corresponds on the company's balance sheet to the losses at completion estimated by the company over the coming financial years in view of the average economic performance of a homogeneous group of risks over the last two financial years. As these losses at completion are projected in the Best Estimate of the Provisions for Premiums, the Provision for Unexpired Risks is positioned at 0 in the Solvency 2 prudential balance sheet.
- **The Risk Margin** is added to all the Best Estimates of Provisions for Claims and Premiums in order to constitute the technical provisions within the meaning of the Solvency 2 Directive. It is calculated to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance companies would request to resume and honour Wakam's insurance and reinsurance commitments. The risk margin is estimated as the discounted sum of future SCRs up to the end of the commitments multiplied by a cost of capital rate equal to 6% as provided for in Article 39 of the Delegated Regulation. As a simplification measure, the company estimated the risk margin in the Solvency 2 prudential balance sheet based on the level 2 simplification defined in the LTGA Technical Specifications, which assumes that the SCR for each financial year is proportional to the Best Estimate of Provisions Net of Reinsurance. **The Risk Margin is thus valued at €9.7 million** in the Solvency 2 prudential balance sheet.

Level of uncertainty

The valuation carried out by the company for the purpose of meeting regulatory requirements is subject to uncertainty in three areas:

- **The insurance business is inherently volatile:** despite the application of risk mitigation techniques via reinsurance, which aims to achieve the tolerance levels accepted by the company's Board of Directors, the risk cannot be completely eliminated. The valuation that relies on a deterministic projection in a central development scenario does not reflect the volatility of operations.
- **Wakam's growth is strong:** Wakam continued to grow significantly in 2022 (earned premiums increased by +31%), in keeping with its growth trend in 2021. This growth involves building new partnerships with historical data that is sometimes less deep. The valuation of the commitments is then based on the observations of comparable portfolios that cannot perfectly reflect the new risk posed by Wakam in this context, despite rigorous selection and increasing diversification of guarantees.

Differences from the financial statements

Summary of Differences in Technical Provisions as of 31 December 2022

(in millions of euros)	Company balance sheet	Solvency 2 prudential balance sheet	Differen ces
Technical provisions, including:	860.2	700.2	-160.0
<i>Provisions for unearned premiums / Best Estimate of Provisions for Premiums</i>	155.6	89.4	-66.2
<i>Provisions for claims / Best Estimate of Provisions for Claims</i>	668.4	584.4	-84.0
<i>Other technical provisions (provision for losses not yet manifested, provision for unexpired risks, mathematical provision of annuities)</i>	36.2	16.8	-19.4
<i>Risk margin</i>	-	9.7	9.7
Share of reinsurers in technical provisions, including:	710.3	591.5	-118.8
<i>Provisions for unearned premiums / Best Estimate of Provisions for Premiums</i>	98.0	70.8	-27.2
<i>Provisions for claims / Best Estimate of Provisions for Claims</i>	612.3	520.7	-91.6
Technical provisions net of reinsurance	150	109	41

In summary, the differences between the net technical provisions on the consolidated balance sheet and the Solvency 2 prudential balance sheet are broken down as follows:

- Net provisions for premiums (-€38.9 million): Reclassification into receivables and reinsurance liabilities of the transferred unearned premiums (see section D.1.) (-€38.1 million), integration of the discounted income on the unearned premiums in the 2022 financial year net of the expenses related to the management of commitments and renewal (+€1.6 million), integration of the discounted profits on policies not yet initiated in 2022 but belonging within the “boundary” of policies (-€2.4 million).
- Provisions for claims and other net technical provisions (-€11.8 million): Cancellation of the Provision for Unexpired Risks (-€1.7 million) and integration of the provision for claims, including expenses and discounting (-€10.1 million).
- Risk margin (+€9.7 million): Integration of the prudential margin valued according to the standard formula.

The total value of the net technical provisions on the Solvency 2 prudential balance sheet is €109 million, compared to €150 million in the financial statements.

Technical Provisions by Line of Business

After valuation of the technical provisions, the breakdown by main Lines of Business shows a preponderance of Automobile Civil Liability Insurance due to both a greater relative weight of serious claims and a higher duration of commitments than the other branches. However, this segment is more reinsured to cover itself against the volatility of serious claims.

Breakdown of Technical Provisions by Line of Business as of 31 December 2022 (in millions of euros)

(Amounts in € million)	Better Estimate of Provisions			Risk margin	Technical provisions Net S2
	Gross	Transferred	Net		
Medical expense insurance	-1.7	1.0	-0.6	0.0	-0.6
Income protection insurance	9.0	-6.9	2.1	0.2	2.3
Automobile civil liability insurance	389.9	-346.4	43.5	4.6	48.1
Other motor vehicle insurance	115.4	-99.2	16.1	1.0	17.1
Fire and other property damage insurance	102.5	-75.8	26.7	2.7	29.4
General civil liability insurance	29.8	-27.9	1.8	0.1	1.9
Legal protection insurance	0.4	-0.2	0.2	0.0	0.2
Assistance insurance	0.3	-0.3	0.0	0.0	0.0
Miscellaneous financial loss insurance	41.0	-33.7	7.2	0.9	8.1
Annuities arising from non-life insurance policies	4.0	-2.0	2.0	0.1	2.1
TOTAL	691	-591	99	10	109

Matching adjustment

Article 77 (3) of Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance, known as "Solvency 2", authorises non-life insurance companies, under certain conditions and subject to the approval of the supervisory authority, to apply a matching adjustment to the relevant risk-free interest rate curve used for the valuation of their portfolio of annuity commitments that may arise from the policies they market.

Wakam does not use this option.

Correction for volatility

Article 77 (5) of the Solvency 2 Directive authorises insurance companies to apply a Volatility Correction to the relevant risk-free interest rate curve used for the valuation of their portfolio of commitments.

Wakam does not use this option.

Transitional risk-free interest rate curve

Article 308 (4) of the Solvency 2 Directive authorises insurance companies to apply, subject to the prior approval of the supervisory authority, a transitional measure to the relevant risk-free interest rate curve used for the valuation of their portfolio of commitments.

Wakam does not use this option.

Transitional deduction

Article 308 (5) of the Solvency 2 Directive authorises insurance companies to apply, subject to the prior approval of the supervisory authority, a transitional deduction to the technical provisions of the same group of homogeneous risks.

The Wakam insurance entity of the Big Wakam Group does not use this option.

Amounts recoverable under reinsurance

The amounts recoverable under the reinsurance in the Solvency 2 prudential balance sheet are €591.5 million.

Changes in assumptions compared to the previous period

Compared to the previous financial year, the Wakam insurance entity of the Big Wakam group did not make methodological adjustments or changes to structural assumptions apart from those required by the standard (interest rate curve, review clause) or specific to the evolution of its activity.

D.3. Other liabilities

Value, methods, and assumptions by type for other liabilities

- **Valuation of debts arising from insurance and reinsurance operations:** debts arising from insurance operations correspond to the balances of claim settlements and commission payments due to brokers in the short term, as well as the cash balances of treaties underwritten by the Wakam insurance entity of the Big Wakam group. The economic value presented in the prudential balance sheet amounts to €415.4 million. Reinsurance debts have been reduced in relation to the amount recorded in the consolidated balance sheet by €8.9 million, **resulting from a reclassification entry of deferred reinsurance commissions on treaties to earned premiums because these are included in cash exchanges with reinsurers.**
- **Valuation of deferred reinsurance commissions:** deferred reinsurance commissions (DRCs) are the amount already received by the Wakam insurance entity of the Big Wakam group with respect to reinsurance commissions on unearned premiums as of 31 December 2022. In accounting, increasing this item makes it possible to link the group's reinsurance commission, incurred at the level of its insurance entity, to the correct accounting year. Conversely, Solvency 2 is based on a logic of future cash flows. Since the DRCs have already been collected by the company and are not subject to future cash flow, they are therefore completely cancelled on the Solvency 2 prudential balance sheet. It should be noted that this transaction does not generate a loss of wealth for Wakam, since these reinsurance commissions on existing policies will not give rise to any

future cash flow and are not projected in the Best Estimate of Net Provisions on the Solvency 2 prudential balance sheet. The restatement of DRCs amounts to €32.2 million on the prudential balance sheet of 31 December 2022.

- **Valuation of transferees' deposits:** these cash deposits are made according to the contractual terms of certain Reinsurance Treaties and make it possible to guarantee Wakam the repayment of claims by the Reinsurer in the amount of its share. The economic value on the Solvency 2 prudential balance sheet remains zero, identical to the value recorded in the company financial statements.
- **Valuation of the provision for risks and liabilities:** The provision for risks and liabilities consists of provisions for litigation, provisions for fines and penalties, and provisions for retirement bonuses. These provisions are not subject to restatement on the Solvency 2 prudential balance sheet.
- **Valuation of subordinated liabilities:** in accordance with Article 14 of Delegated Regulation 2015/35 of 10 October 2014 and the Guidelines published by EIOPA on the valuation of financial liabilities, the company takes into account changes in market conditions affecting the value of its subordinated debt, with the exception of changes in market conditions affecting its own credit risk. Subordinated debt is thus valued on the economic balance sheet as the sum of the coupons and redemption at maturity discounted on the risk-free interest rate curve as of 31 December 2022, to which the credit risk premium specific to Wakam, the group's entity on which the subordinated debts are positioned, is added.
- **Valuation of other debts:** Other debts correspond to the amounts due to public bodies (taxes, social contributions, etc.) and suppliers. Their economic value is restated with accrued interest not due because these items are integrated into the prudential balance sheet on the subordinated debts item. The restatement is €0.8 million as of 31 December 2022.
- **Valuation of accrual/deferral liability accounts:** The economic value of other liabilities is restated with the adjustments for premiums on the Solvency 2 prudential balance sheet because these items are integrated into the market value of the investments appearing under Assets. The restatement of the premiums is €0.3 million as of 31 December 2022.

Differences from the financial statements

(in millions of euros)	Company balance sheet	Solvency 2 prudential balance sheet	Differences
Technical provisions, including:	860.2	700.2	-160.0
<i>Provisions for unearned premiums / Best Estimate of Provisions for Premiums</i>	155.6	89.4	-66.2
<i>Provisions for claims / Best Estimate of Provisions for Claims</i>	704.5	601.1	-103.4
<i>Risk margin</i>	-	9.7	9.7
Provision for risks and liabilities	2.2	2.2	-
Transferee deposits	-	-	-
Debts	510.7	501.0	-9.7
Deferred reinsurance fees	32.2	-	-32.2
Other liabilities	21.0	21.4	0.4
Deferred taxes	-	-	-
Total liabilities	1,426	1,225	-201
Subordinated debt, included in S2 equity		19.8	19.8
Equity	95	70	-25

In summary, the differences between the liability items on the consolidated balance sheet and the Solvency 2 prudential balance sheet are broken down as follows:

- Gross technical and other non-technical provisions (-€160.0 million): See Section D.2.
- Provisions for risks and liabilities: No restatement
- Transferee deposits: No restatement
- Other debts (-€9.7 million): Restatement of accrued interest not due on the subordinated debt (-€0.8 million), also taking into account the restatement relating to the reinsurance commissions of the reinsurance treaties in earned premiums (-€8.9 million)
- Deferred reinsurance commissions (-€32.2 million): Restatement of deferred reinsurance commissions
- Other liabilities (€0.4 million): Fair value of subordinated debt (+€0.8 million) and adjustments for premiums (-€0.4 million)

The total value of the liabilities on the Solvency 2 prudential balance sheet is €1,225 million, compared to €1,426 million in the consolidated financial statements.

D.4. Alternative valuation methods

Valuation for solvency purposes is carried out on the sole basis of the "Standard Formula" provided by Directive 2009/138/EC and Delegated Regulation (EU) 2015/35 of 10 October 2014. No alternative valuation method is used.

D.5. Other information

All values, methods, and assumptions for the valuation of all assets and liabilities of the group are presented in their entirety in paragraphs D.1. to D.4.

E. Capital management

E.1. Equity

Capital management objectives and policies

The capital management system takes into account regulatory constraints as well as the internal assessment Big Wakam makes of the amount of equity necessary to cover its risks. The group thus identifies the various equity items that it may hold to classify them according to the levels and characteristics presented in Chapter IV, Section 2 of the Delegated Acts.

	Basic equity	Ancillary equity
Level 1	Article 71	
Level 2	Article 73	Article 75
Level 3	Article 77	Article 78

- The group must first establish a classification by type of equity:
 - **Core Equity** consists of the following: the surplus of assets over liabilities, measured in accordance with Title I, Chapter II of the Delegated Acts, and the subordinate liabilities that Big Wakam may come to hold.
 - **Ancillary Equity** consists of items, other than basic equity, that may be used to absorb losses. They may include the following: The fraction of the initial funds that was not called, letters of credit, and guarantees or any other legally binding undertaking received by Big Wakam. When an element of ancillary equity has been paid or called up, it is treated as an asset and ceases to be part of ancillary equity.
- The Big Wakam group must then classify equity into three levels to assess the quality of the equity it holds: The classification of these items depends on their type (Basic Equity or Ancillary Equity) of their duration, which may or may not be determined, and which is compared to the duration of commitments, if any, and their permanent or subordinated availability.

Quality	Type of equity	
	Basic equity	Ancillary equity
High	Level 1	
Medium	Level 2	Level 2
Low	Level 3	Level 3

- **Level 1 basic equity items**, including the paid-up ordinary share capital and the related share premium account, have a number of characteristics listed in Article 71 of the Delegated Regulations, and the most significant for Big Wakam are the following:
 - **These elements of equity cannot be distributed** when the solvency capital is not met or a distribution in connection with this element would lead to non-compliance, unless the supervisory authorities have exceptionally accepted that the distribution not be cancelled, the distribution does not further weaken Big Wakam's solvency position, and the Minimum Capital Requirement (MCR) is met after distribution.
 - Big Wakam is under no obligation to make distributions.
- In the event that a company in the Big Wakam group carries out a capital increase, ordinary share capital not paid up and not called, and callable on demand, is recognised as Level 2 ancillary capital. When this capital is paid up, it is reclassified to Level 1 basic equity.
- In accordance with Article 76 of the Delegated Regulations, the value of the net deferred tax assets and preferred shares is recognised as Level 3 basic equity.
- In the event that the Big Wakam group holds elements of equity with characteristics not included in the usual characteristics of Level 1, 2, or 3 equity, these items would only be valued if they have received approval from the supervisory authorities for its valuation and classification.

Expected changes in equity

The Board of Directors has put in place a medium-term Capital Management Plan taking into account:

- The maturity of equity items, including contractual maturity and any earlier redemption or buyback opportunity related to the company's equity items,
- The result of the projections made in the ORSA,
- How the issue, redemption, or buyback, or any other variation in the valuation of an equity item affects the application of limits by level.

The Vice President Transformation, Risk & Compliance ensures compliance with the medium-term Capital Management Plan, under the supervision of the Executive Officer.

Wakam equity structure

Eligibility of coverage items defined by the Solvency 2 Directive

SCR	15% of Level 3 items at the most	MCR	20% of Level 2 items at the most
	Remaining admissible Level 2 portion		
	At least 50% of Level 1 equity		At least 80% of Level 1 equity

The eligibility and classification principles for coverage items are defined in the Solvency 2 Directive. Each equity item as a different loss-absorbing capacity. The value of the SCR and MCR can be compared to the amount of eligible items; the ratio between the two corresponds to the solvency ratios allowing the company to be in line with regulatory requirements and internal capital tolerance levels.

- **As of December 31, 2022, 50% of the Big Wakam group's equity (€35.1 million) is classified as Level 1**, as a sum of the group's share capital and the net assets generated in the valuation of the Solvency 2 prudential balance sheet; **28% is classified as Level 2**, corresponding to subordinated debts issued on 9 March 2017 and 28 September 2018 (valued at €19.8 million on the economic balance sheet); and **22% is classified as Level 3**, corresponding to deferred tax assets due to valuation restatements that are negative overall.
- **Total equity thus amounts to €70.4 million** as of 31 December 2022 and is 88% eligible to cover the SCR and at 55% eligible to cover the MCR.

Differences from the financial statements

Difference between the equity on the consolidated balance sheet and the Solvency prudential balance sheet dated 31 December 2022

(in millions of euros)

	Company balance sheet	Solvency 2 prudential balance sheet	Differences
Total assets	1,521.4	1,275.4	-245.9
Total liabilities	1,426.3	1,224.9	-201.4
Equity	95.1	50.5	-44.6

The valuation of the Solvency 2 prudential balance sheet shows a -€44.6 million decrease in equity before reclassification of subordinated liabilities. This corresponds to all of the following:

- the cancellation of **intangible assets** for -€33.4 million,
- the cancellation of **the DACs reduced by the DRCs** (excluding the effect of the restatements of the DRCs on the earned premiums, see section D.3.) for -€4.4 million,
- the statement at market value of **financial assets** for -€2.8 million,
- taking into account **Other restatements** (mainly taking into account goodwill) for -€22.3 million,
- the integration of the restatement into the **technical provisions net of reinsurance, including risk margin** (excluding the effect of restatements of transferred unearned premiums on treaties in earned premiums, see section D.1.) for €2.9 million,
- the taking into account of **deferred tax assets** of €15.5 million due to overall negative restatements.

E.2. Solvency capital requirement and minimum capital requirement

Information by risk module

SCR and MCR calculations were carried out on 31 December 2022 based on the Standard Formula and its parameters as described in the Solvency 2 Directive, the Delegated Regulation, and the review clause. In addition, the items of the review clause that entered into force on 1 January 2019 were included in the calculation, in particular, the revisions concerning shocks on premiums and reserves as well as correlations, risk factors, and weighting by region of the Catastrophe risk, or the evolution of certain shocks on the Market SCR.

- **The Market SCR** is valued on a "simplified" look-through basis for funds, which represent 14% of the total investments, not counting cash in the bank.
- **The Equities SCR** is calculated based on the standard formula. **As at 31 December 2022, the amount of the SCR Shares thus amounts to €6.2 million**, up +€1.7 million, mainly due to the inclusion in the calculation of the NAMECO (NO. 1384) LIMITED loan to the SIAB treated as a strategic stake.

- **The Interest Rate SCR** is estimated based on standard scenarios upward or downward, applied to net cash flows (shock on bonds and UCITSS net of shocks on Solvency 2 Technical Provisions), the worst scenario being used. **As of 31 December 2022, the amount of the Interest Rate SCR amounts to €1.0 million**, up by € 0.2 million. As with the previous closing, Wakam's is sensitive to an upward interest rate shock. The slight increase in SCR is due to proper alignment of the asset and liability bases sensitive to interest rate changes.
- **The Spread SCR** represents the impact of an adverse change in the issuer's solvency resulting in a widening of credit spreads (yield spread) between the risk-free rate and the expected rate of return on investments. The capital requirement is based on the market value, duration, and rating of the issuer. **As of 31 December 2022, the amount of the Spread SCR amounted to €5.8 million**, down by €0.3 million compared to the previous financial year. This decline is primarily due to the sharp rise in the proportion of short-term sovereign bonds in Wakam's investments that do not generate spread risk.
- **The Currency SCR** represents the change in the value of the technical assets and liabilities denominated in non-euro currency, generated by a change in exchange rates of 25%, more or less, with exceptions (e.g. the Danish krone, for which the change is 0.39%). **As of 31 December 2022, the amount of the Wakam Currency SCR amounts to €1.1 million**, down by €1.2 million in connection with a rebalancing of the exposure to Pounds Sterling with the creation of NAMECO (NO. 1384) LIMITED.
- **The Concentration SCR** represents the risk of volatility caused in its investment portfolios by overexposure to a single issuer. The capital requirement is based on the exposure to the issuer under consideration and its rating. **As of 31 December 2022, the amount of Wakam's Concentration SCR was €0.1 million**, down by €0.2 million compared to the previous financial year due to the strong growth of the investment base on diversified issuers.
- **The Real Estate SCR** represents the real estate risk arising from the sensitivity of the value of assets, liabilities, and financial instruments to changes affecting the level or volatility of the market value of real estate. It amounted to €2.2 million as of 31 December 2022, stable compared to 31 December 2021.
- **After aggregation and diversification of the various risks, the group's Market SCR amounted to €13.3 million**, up +€1.0 million compared to the previous financial year.
- **The Counterparty SCR** is broken down into 2 sub-categories:
 - **The Type 1 Counterparty SCR** is the loss that would result from the default of Wakam's listed counterparties. In the case of reinsurers, this SCR is based on their rating, their exposure, including the Best Estimate of Net Transferred Provisions, the value of the pledges granted by reinsurers, and the of non-life SCR savings following transfers to reinsurers. In the case of bank counterparties, the SCR is based on their rating and bank

deposits. **As of 31 December 2022, the Type 1 Counterparty SCR amounted to €6.1 million**, an increase of €0.9 million compared to the previous financial year, in connection with an increase in transfers and compensated by a lower level of cash accounts taken into account in the exposure base.

- **Type 2 Counterparty SCR** is the loss that would result from a massive default of counterparties recorded in insurance receivables (policyholders and brokers), calculated according to the age of the receivables (more or less than 3 months). **As of 31 December 2022, the Type 2 Counterparty SCR was valued at €6.2 million** and shows an increase of €0.8 million compared to the previous financial year. This change is explained by Wakam's growth over the period, which automatically increases the bases of shocked receivables.
- **After aggregation of the two sub-modules, the Counterparty SCR amounted to €11.5 million**, an increase of €1.6 million compared to the previous financial year.
- **The Health Underwriting SCR** is up significantly to **€6.6 million as of 31 December 2022**, an increase of €5.1 million compared to the previous financial year. This development is mainly explained by a significant partnership in a medical expense benefit taken out at the end of 2022 and whose first policies are underwritten in 2023.
- **The Non-Life Underwriting SCR** reflects the group's risk of under-pricing and under-provisioning after geographic diversification, with Wakam's commitments being spread across countries in continental Europe, the United Kingdom, Ireland, Northern Europe, and an area comprising Reunion Island and the Caribbean. This SCR also encompasses the risk of lapse as well as the risk of natural or man-made catastrophes:
- **For the "Premiums and Reserves" SCR**, the capital charge is determined by applying a volatility coefficient specific to each of the lines of business to the Best Estimate of Net Provisions for Claims for the risk of under-provisioning, and to the net "Premium Volume" for the risk of under-pricing. For Wakam, the "Premium Volume" defined in the Standard Formula is equal to the sum of the following three items: the maximum between the Earned Premiums during the 2022 financial year and the Premiums to be Earned in the 2023 financial year; the Premiums to be Earned in 2024 for policies renewed up to 31 December 2023; and the Premiums to be Earned in the first two months of 2025 for policies underwritten as of 1 November 2023. **As of 31 December 2022, the "Premiums and Reserves" SCR amounted to €27.4 million**, an increase of €0.6 million compared to the previous financial year. This is explained by a slight decrease in the volume of net premiums in connection with the discontinuation of a major partnership in affinity and the increase in the level of transfer of premiums, particularly in property damage cases, going from 50% to 77.1% in 2023 and offset by the growth of net provisions.

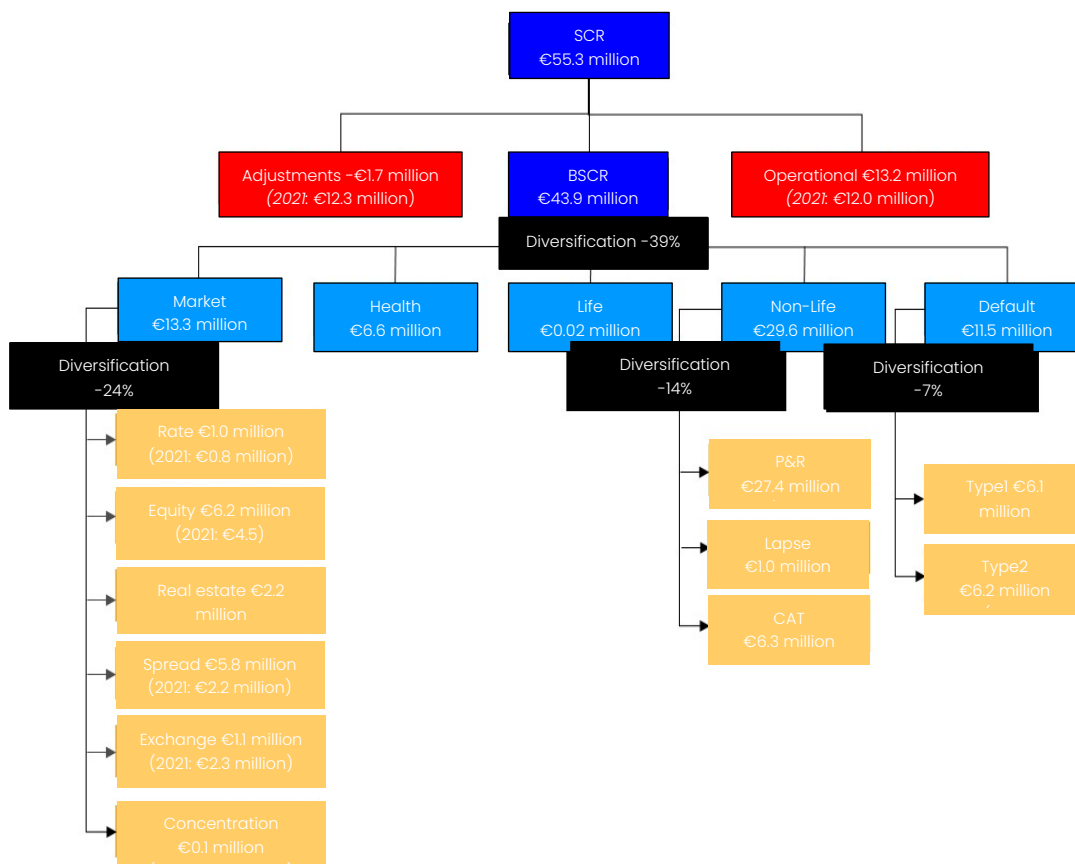
- **The Catastrophe SCR** is estimated using the Helper Tabs provided by EIOPA. It also incorporates the “Catastrophe” risk specific to the “Miscellaneous Financial Loss Insurance” Line of Business. The Catastrophe SCR is reduced by the application of the Reinsurance Treaties applicable to the “Fire and Other Property Damage Insurance” and “Other Motor Vehicle Insurance” Lines of Business. **As of 31 December 2022, the SCR Catastrophe thus amounted to €6.3 million**, up €1.2 million compared to the previous financial year, in line with Wakam’s increasing exposure to risk.
- **The Non-Life Discontinuance SCR** reflects the lapse risk that results from the loss or adverse change in the value of insurance commitments resulting from fluctuations affecting the level or volatility of policy termination, maturity, or renewal rates. **As of 31 December 2022, it is valued at €1.0 million**, down by €1.0 million compared to the previous year due to a decrease in the best estimate of future premiums.
- **After aggregation and diversification of the various sub-modules, the amount of the group's Non-Life SCR as of 31 December 2022 amounted to €29.6 million**, an increase of €1.0 million compared to the previous year.
- After application of the risk correlation matrices provided for by the standard formula, the sum of the individual SCRs benefits from a diversification effect of 28% to reach **a BSCR of €43.9 million as of 31 December 2022**, up by €3.8 million compared to the previous financial year. This increase follows mainly the increase in Health and Counterparty Underwriting risks, explained above.

Total solvency capital requirement and total minimum capital requirement

- **The Total Solvency Capital Requirement (SCR) as of 31 December 2022**, sum of the basic SCR (BSCR), the Operational SCR, and the adjustment for taxes, **amounted to €55.3 million**:
- **The Operational SCR** is a measure of the risk of loss resulting from inadequate or weak internal procedures, staff, or systems, or external events. It also includes legal risks, but excludes reputational and strategic decision-making risks. **As of 31 December 2022, the Big Wakam group’s Operational SCR amounted to €13.2 million** and marks an increase of €1.2 million compared to the previous year due to the increase in Health and Counterparty Underwriting risks.
- **Deferred tax adjustment** is the tax credits associated with the loss of the BSCR and Operational SCR. **As of 31 December 2022, the adjustment is valued at €1.7 million**, up €0.4 million from the previous financial year.

SCR Modules “Tree” as of 31 December 2022

(Restatement of amounts as of 31 December 2021 in parentheses)



- The Total Minimum Capital Requirement (MCR) amounted to €16.9 million as of 31 December 2022, an increase of €2.3 million compared to the previous year. It corresponds to the linear MCR (estimated by applying two differentiated coefficients for each of the lines of business, one to the net issued premiums for the 2022 financial year, the other to the best estimate of the net provisions for claims).

E.3. Use of the duration-based “equity risk” sub-module in calculating the solvency capital requirement

Article 304 (7) of Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance, known as “Solvency 2”, authorises life insurance companies, under certain conditions and subject to the agreement of the supervisory authority, to replace, in the design of the standard formula, the equity sub-module with a duration-based equity sub-module.

The Big Wakam group does not use this option and performs the calculation of its solvency capital requirement following the approach defined by the standard formula.

E.4. Differences between the standard formula and any internal model used

Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance, known as “Solvency 2”, authorises non-life insurance companies, under certain conditions and subject to the agreement of the supervisory authority, to use a partial or integral internal model.

The Big Wakam group does not use this option.

E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

SCR and MCR coverage ratios as of 31 December 2022

(in millions of euros)	As of 31 December 2021	As of 31 December 2022
Equity, including:	68.8	70.4
Level 1	34.8	35.1
Level 2	20.1	19.8
Level 3	13.9	15.5
Equity eligible for SCR coverage	60.2	62.7
SCR	50.8	55.3
SCR coverage ratio	118.5%	113.3%
Equity eligible for MCR coverage	37.7	38.4
MCR	14.6	16.9
MCR coverage ratio	259%	227%

- The Big Wakam group complies with the overall solvency needs as of 31 December 2022:
- As of this date, the SCR coverage ratio was 113% and the MCR coverage ratio was 227%.
- The SCR coverage ratio is down slightly compared to 2021 (-5.2 points). This is due to the concurrent growths of the SCRs, primarily on counterparty and health risk, as well as equity due to actions taken to support the group’s business, in particular via its insurance entity Wakam.
- The MCR coverage ratio declined by 32 points, a change consistent with the increase in net premiums and provisions over the period.

E.6. Other information

All information relating to capital management is presented in full in paragraphs E.1. to E.5.

Appendix

Public QRT presented in this appendix disclose informations related to annual closing 2022. It concerns the following QRT :

- S.02.01 – Balance Sheet
- S.05.01 – Premiums, claims and expenses by line of business
- S.05.02 – Premiums, claims and expenses by country
- S.23.01 – Own funds
- S.25.01 – Solvency capital requirement
- S.32.01 – Companies in the Group scope

All monetary amounts presented in the QRT are disclosed in thousand of euros (k€).

S.02.01 – Balance sheet

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	R0010		20 230 824,00
Deferred acquisition costs	R0020		45 571 063,00
Intangible assets	R0030		33 438 162,00
Deferred tax assets	R0040	15 487 865,00	
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060	3 052 391,00	3 052 391,00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	138 360 512,00	141 159 479,00
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090		
Equities	R0100	501 248,00	496 773,00
Equities - listed	R0110	501 248,00	496 773,00
Equities - unlisted	R0120		
Bonds	R0130	103 241 088,00	110 716 419,00
Government Bonds	R0140	38 572 581,00	40 022 260,00
Corporate Bonds	R0150	64 668 506,00	70 694 159,00
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180	32 157 378,00	27 485 488,00
Derivatives	R0190		
Deposits other than cash equivalents	R0200	2 460 799,00	2 460 799,00
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230	10 492 604,00	10 492 604,00
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260	10 492 604,00	10 492 604,00
Reinsurance recoverables from:	R0270	591 463 454,00	710 272 562,00
Non-life and health similar to non-life	R0280	589 464 026,00	710 272 562,00
Non-life excluding health	R0290	583 551 594,00	710 272 562,00
Health similar to non-life	R0300	5 912 433,00	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1 999 427,00	
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330	1 999 427,00	
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360	331 558 049,00	331 558 049,00
Reinsurance receivables	R0370	94 684 159,00	132 791 410,00
Receivables (trade, not insurance)	R0380	63 565 583,00	63 565 583,00
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	26 461 089,00	26 461 089,00
Any other assets, not elsewhere shown	R0420	322 562,00	2 801 247,00
Total assets	R0500	1 275 448 267,00	1 521 394 463,00

		Solvency II value	Statutory accounts value
		C0010	C0020
Liabilities			
Technical provisions - non-life	R0510	696 199 221,00	860 175 920,00
Technical provisions - non-life (excluding health)	R0520	688 598 702,00	860 175 920,00
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	679 190 737,00	
Risk margin	R0550	9 407 965,00	
Technical provisions - health (similar to non-life)	R0560	7 600 518,00	
Technical provisions - health (similar to life)	R0570		
Best Estimate	R0580	7 330 678,00	
Risk margin	R0590	269 840,00	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	4 111 396,00	
Technical provisions - life (similar to life)	R0610		
Technical provisions calculated as a whole	R0620		
Best Estimate	R0630		
Risk margin	R0640		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	4 111 396,00	
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670	4 048 979,00	
Risk margin	R0680	62 417,00	
Technical provisions - index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750	2 201 026,00	2 201 026,00
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780		
Derivatives	R0790		
Debts owed to credit institutions	R0800	1 251 138,00	1 251 138,00
Financial liabilities other than debts owed to credit institutions	R0810		
Insurance & intermediaries payables	R0820	173 724 876,00	173 724 876,00
Reinsurance payables	R0830	241 710 813,00	250 586 900,00
Payables (trade, not insurance)	R0840	84 352 389,00	85 168 005,00
Subordinated liabilities	R0850	19 815 616,00	19 000 000,00
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870	19 815 616,00	19 000 000,00
Any other liabilities, not elsewhere shown	R0880	1 537 009,00	34 159 810,00
Total liabilities	R0900	1 224 903 485,00	1 426 267 676,00
Excess of assets over liabilities	R1000	50 544 782,00	95 126 788,00

S.05.01 – Premiums, claims and expenses by line of business

Non-Life obligations

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional)					
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0010	C0020	C0030	C0040	C0050	C0060
Premiums written							
Gross - Direct Business	R0110	4226,64	11934347,55		168551064,77	203774705,86	
Gross - Proportional reinsurance accepted	R0120						
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140	2125,75	10631662,52		99255084,48	121007964,60	
Net	R0200	2100,89	1302685,03		69295980,29	82766741,26	
Premiums earned							
Gross - Direct Business	R0210	484,91	11956546,61		162882286,65	165056069,78	
Gross - Proportional reinsurance accepted	R0220						
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240	-859,47	10635100,44		89989278,05	84068225,04	
Net	R0300	1344,38	1321446,17		72893008,60	80987844,74	
Claims incurred							
Gross - Direct Business	R0310	310,82	7664025,47		104405898,61	105799271,60	
Gross - Proportional reinsurance accepted	R0320						
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	214,84	5297289,56		72164201,32	73127285,32	
Net	R0400	95,99	2366735,91		32241697,28	32671986,29	
Changes in other technical provisions							
Gross - Direct Business	R0410	9,41	232078,01		11404397,23	3203758,26	
Gross - Proportional reinsurance accepted	R0420						
Gross - Non-proportional reinsurance accepted	R0430						
Reinsurers' share	R0440				7558018,12		
Net	R0500	9,41	232078,01		3846379,11	3203758,26	
Expenses incurred							
Administrative expenses							
Gross - Direct Business	R0610	19,43	478993,73		6525261,54	6612345,92	
Gross - Proportional reinsurance accepted	R0620						
Gross - Non-proportional reinsurance accepted	R0630						
Reinsurers' share	R0640						
Net	R0700	19,43	478993,73		6525261,54	6612345,92	
Investment management expenses							
Gross - Direct Business	R0710	1,23	30301,54		412793,39	418302,42	
Gross - Proportional reinsurance accepted	R0720						
Gross - Non-proportional reinsurance accepted	R0730						
Reinsurers' share	R0740						
Net	R0800	1,23	30301,54		412793,39	418302,42	
Claims management expenses							
Gross - Direct Business	R0810	2,29	56493,31		769600,04	779870,91	
Gross - Proportional reinsurance accepted	R0820						
Gross - Non-proportional reinsurance accepted	R0830						
Reinsurers' share	R0840						
Net	R0900	2,29	56493,31		769600,04	779870,91	
Acquisition expenses							
Gross - Direct Business	R0910	173,38	4274985,90		58237508,03	59014730,13	
Gross - Proportional reinsurance accepted	R0920						
Gross - Non-proportional reinsurance accepted	R0930						
Reinsurers' share	R0940	-324,10	4010454,44		33934601,95	31701796,20	
Net	R1000	497,48	264531,46		24302906,08	27312933,92	
Overhead expenses							
Gross - Direct Business	R1010	0,18	4423,62		60262,35	61066,60	
Gross - Proportional reinsurance accepted	R1020						
Gross - Non-proportional reinsurance accepted	R1030						
Reinsurers' share	R1040						
Net	R1100	0,18	4423,62		60262,35	61066,60	
Other expenses							
R1200							
Total expenses							
R1300							

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted)						Total
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0070	C0080	C0090	C0100	C0110	C0120	C0200
Premiums written								
Gross - Direct Business	R0110	196136099,08	27910270,52		1425065,59	-36032,74	44199661,22	653899408,49
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	102020326,33	17456377,72		-147,35	-339071,32	41990420,41	392024743,14
Net	R0200	94115772,75	10453892,80		1425212,94	303038,58	2209240,81	261874665,35
Premiums earned								
Gross - Direct Business	R0210	180740658,07	23498224,61		1480451,92	342001,54	46202899,61	592159623,71
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	91304445,59	13003470,20		-138,30	155417,32	44769079,38	333924018,25
Net	R0300	89436212,48	10494754,41		1480590,22	186584,22	1433820,24	258235605,46
Claims incurred								
Gross - Direct Business	R0310	115852934,09	15062124,35		948954,71	219219,53	29615591,43	379568330,61
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	80076265,53	10410773,61		655906,99	151522,11	20469968,94	262353428,23
Net	R0400	35776668,56	4651350,74		293047,72	67697,42	9145622,48	117214902,38
Changes in other technical provisions								
Gross - Direct Business	R0410	6302451,71	9081894,11		28735,75	6638,29	896803,86	31156766,63
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	2368235,20	8625790,73					18552044,05
Net	R0500	3934216,51	456103,38		28735,75	6638,29	896803,86	12604722,58
Expenses incurred	R0550	38811696,53	4618720,01		599981,47	79983,37	1840738,19	114041727,01
Administrative expenses								
Gross - Direct Business	R0610	7240689,51	941367,32		59308,70	13701,00	1850944,08	23722631,21
Gross - Proportional reinsurance accepted	R0620							
Gross - Non-proportional reinsurance accepted	R0630							
Reinsurers' share	R0640							
Net	R0700	7240689,51	941367,32		59308,70	13701,00	1850944,08	23722631,21
Investment management expenses								
Gross - Direct Business	R0710	458051,95	59551,67		3751,92	866,74	117092,24	1500713,10
Gross - Proportional reinsurance accepted	R0720							
Gross - Non-proportional reinsurance accepted	R0730							
Reinsurers' share	R0740							
Net	R0800	458051,95	59551,67		3751,92	866,74	117092,24	1500713,10
Claims management expenses								
Gross - Direct Business	R0810	853978,79	111026,40		6994,96	1615,92	218303,38	2797886,00
Gross - Proportional reinsurance accepted	R0820							
Gross - Non-proportional reinsurance accepted	R0830							
Reinsurers' share	R0840							
Net	R0900	853978,79	111026,40		6994,96	1615,92	218303,38	2797886,00
Acquisition expenses								
Gross - Direct Business	R0910	64622653,22	8401638,22		529326,01	122280,44	16519547,91	211722843,24
Gross - Proportional reinsurance accepted	R0920							
Gross - Non-proportional reinsurance accepted	R0930							
Reinsurers' share	R0940	34430546,44	4903557,34		-52,15	58607,26	16882243,32	125921430,70
Net	R1000	30192106,78	3498080,87		529378,16	63673,18	-362695,42	85801412,51
Overhead expenses								
Gross - Direct Business	R1010	66869,50	8693,75		547,73	126,53	17093,91	219084,17
Gross - Proportional reinsurance accepted	R1020							
Gross - Non-proportional reinsurance accepted	R1030							
Reinsurers' share	R1040							
Net	R1100	66869,50	8693,75		547,73	126,53	17093,91	219084,17
Other expenses	R1200							5063901,00
Total expenses	R1300							119105618,01

Life obligations

		Line of Business for: life insurance obligations	Total
		Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	
		C0260	C0300
Premiums written			
Gross	R1410		
Reinsurers' share	R1420		
Net	R1500		
Premiums earned			
Gross	R1510		
Reinsurers' share	R1520		
Net	R1600		
Claims incurred			
Gross	R1610		
Reinsurers' share	R1620		
Net	R1700		
Changes in other technical provisions			
Gross	R1710	-4506852,64	-4506852,64
Reinsurers' share	R1720	-1444586,14	-1444586,14
Net	R1800	-3062266,50	-3062266,50
Expenses incurred			
Administrative expenses			
Gross	R1910		
Reinsurers' share	R1920		
Net	R2000		
Investment management expenses			
Gross	R2010		
Reinsurers' share	R2020		
Net	R2100		
Claims management expenses			
Gross	R2110		
Reinsurers' share	R2120		
Net	R2200		
Acquisition expenses			
Gross	R2210		
Reinsurers' share	R2220		
Net	R2300		
Overhead expenses			
Gross	R2310		
Reinsurers' share	R2320		
Net	R2400		
Other expenses			
Total expenses			
Total amount of surrenders			
	R2700		

S.05.02 – Premiums, claims and expenses by country

Non-Life obligations

		Home country	Total Top 5 and home country	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations	Country (by amount of gross premiums written) - non-life obligations
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Country	R0010			UNITED KINGDOM	ITALY	IRELAND	POLAND	GREECE
Premiums written								
Gross - Direct Business	R0110	238 744 015,84	643 356 782,47	210 963 469,60	114 179 075,46	29 784 627,18	27 195 677,47	22 489 916,92
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	128 077 598,90	386 250 667,95	137 128 949,32	70 908 309,14	22 074 343,17	13 382 824,04	14 678 643,37
Net	R0200	110 666 416,94	257 106 114,53	73 834 520,28	43 270 766,32	7 710 284,01	13 812 853,43	7 811 273,55
Premiums earned								
Gross - Direct Business	R0210	219 948 217,13	572 486 284,91	179 315 173,89	98 272 521,42	26 653 842,53	27 456 643,13	20 839 886,81
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	109 092 700,38	328 996 864,01	116 802 372,23	60 397 594,81	18 802 270,86	11 399 092,63	12 502 833,10
Net	R0300	110 855 516,75	243 489 420,90	62 512 801,66	37 874 926,61	7 851 571,67	16 057 550,50	8 337 053,71
Claims incurred								
Gross - Direct Business	R0310	139 235 821,00	375 107 446,44	148 711 884,93	41 684 150,66	17 114 833,18	7 595 453,73	20 765 302,94
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	95 534 054,49	257 372 958,83	102 035 878,52	28 600 800,37	11 743 022,69	5 211 478,52	14 247 724,24
Net	R0400	43 701 766,51	117 734 487,60	46 676 006,40	13 083 350,29	5 371 810,49	2 383 975,21	6 517 578,70
Changes in other technical provisions								
Gross - Direct Business	R0410	17 765 045,25	30 745 736,14	6602506,39	3 618 460,93	981 412,57	1 010 972,23	767 338,77
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	11 043 291,17	18 321 578,64	3 702 032,49	2 028 874,97	550 279,09	566 853,23	430 247,68
Net	R0500	6 721 754,08	12 424 157,50	2 900 473,89	1 589 585,96	431 133,48	444 119,00	337 091,09
Expenses incurred	R0550	42 277 599,41	110 041 109,39	34 467 272,29	18 889 565,68	5 123 298,98	5 277 610,22	4 005 762,80
Other expenses	R1200		5 063 901,00					
Total expenses	R1300		115 105 010,39					

Life obligations

		Home country	Total Top 5 and home country
		C0220	C0280
Country	R0010		
Premiums written			
Gross	R1410		
Reinsurers' share	R1420		
Net	R1500		
Premiums earned			
Gross	R1510		
Reinsurers' share	R1520		
Net	R1600		
Claims incurred			
Gross	R1610		
Reinsurers' share	R1620		
Net	R1700		
Changes in other technical provisions			
Gross	R1710	-4506852,64	-4506852,64
Reinsurers' share	R1720	-1444586,14	-1444586,14
Net	R1800	-3062266,50	-3062266,50
Expenses incurred	R1900		
Other expenses	R2500		
Total expenses	R2600		

S.23.01 – Own funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	11136656	11136656			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	40446868	40446868			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	40752632,27	40752632,27			
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	-60069870,24	-60069870,24			
Subordinated liabilities	R0140	19815616,44			19815616,44	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	15487864,99				15487864,99
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (If not reported as part of a specific own fund item)	R0200	2790631,36	2790631,36			
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	70360398,81	35056917,39		19815616,44	15487864,99
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	70360398,82	35056917,39		19815616,44	15487864,99
Total available own funds to meet the minimum consolidated group SCR	R0530	54872533,83	35056917,39		19815616,44	
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	62729574,39	35056917,39		19815616,44	7857040,57
Total eligible own funds to meet the minimum consolidated group SCR	R0570	38443432,81	35056917,39		3386515,43	
Consolidated Group SCR	R0590	55345314,01				
Minimum consolidated Group SCR	R0610	16932577,13				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	1,13				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	2,27				
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	62729574,39	35056917,39		19815616,44	7857040,57
SCR for entities included with D&A method						
Group SCR	R0680	55345314,01				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1,13				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	50544782,38
Own shares (included as assets on the balance sheet)	R0710	
Forseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	110614652,6
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	R0760	-60069870,24
Expected profits		
Expected profits included in future premiums (EIPFP) - Life business	R0770	
Expected profits included in future premiums (EIPFP) - Non-life business	R0780	2398892,82
Total EIPFP	R0790	2398892,82

S.25.01 – Solvency capital requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	13267028,654	13267028,654	0,000
Counterparty default risk	R0020	11464933,140	11464933,140	0,000
Life underwriting risk	R0030	23901,911	23901,911	0,000
Health underwriting risk	R0040	6647613,255	6647613,255	0,000
Non-life underwriting risk	R0050	29626922,144	29626922,144	0,000
Diversification	R0060	-17164262,313	-17164262,313	
Intangible asset risk	R0070	0,000	0,000	
Basic Solvency Capital Requirement	R0100	43866136,791	43866136,791	

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0,000
Operational risk	R0130	13159841,037
Loss-absorbing capacity of technical provisions	R0140	0,000
Loss-absorbing capacity of deferred taxes	R0150	-1680663,820
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,000
Solvency Capital Requirement excluding capital add-on	R0200	55345314,008
Capital add-ons already set	R0210	0,000
Solvency capital requirement for undertakings under consolidated method	R0220	55345314,008
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0,000
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,000
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0,000
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,000
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,000
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
Net future discretionary benefits	R0460	0,000
Minimum consolidated group solvency capital requirement	R0470	
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0,000
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	0,000
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0,000
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	0,000
Capital requirement for non-controlled participation requirements	R0540	0,000
Capital requirement for residual undertakings	R0550	0,000
Overall SCR		
SCR for undertakings included via D and A	R0560	0,000
Solvency capital requirement	R0570	55345314,008

S.32.01 – Companies in the Group scope

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0020	C0010	C0040	C0050	C0060	C0070	C0080
LEI/969500SAORPQQWYY27	FRANCE	BIG WAKAM	99 - Other	SAS	2 - Non-mutual	
LEI/9695000KEF4YM23WXV94	FRANCE	WAKAM	2 - Non life insurance undertaking	SA	2 - Non-mutual	ACPR
SC/437876261	FRANCE	WAKAM SERVICES	99 - Other	SA	2 - Non-mutual	
SC/59500817	MONACO	PROTEGYS INTERNATIONAL	99 - Other	SA	2 - Non-mutual	
SC/42175297300048	FRANCE	GIE GLOBAL	99 - Other	GIE	2 - Non-mutual	
SC/922448154	FRANCE	WAKAM LIFE	1 - Life insurance undertaking	SA	2 - Non-mutual	ACPR
SC/14334882	UNITED KINGDOM	WAKAM CORPORATE MEMBER LIMITED	99 - Other	SA	2 - Non-mutual	

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Ranking criteria (in the group currency)								Accounting standard
			Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies	Underwriting performance	Investment performance	Total performance	
C0020	C0010	C0040	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170
LEI/969500SAORPQQWYY27	FRANCE	BIG WAKAM			91245420,97		5751388,68			2017073,66	2 - Local GAAP
LEI/9695000KEF4YM23WXV94	FRANCE	WAKAM	1498299076			261874665,4		12836873,94	-6256412,96	801214,92	2 - Local GAAP
SC/437876261	FRANCE	WAKAM SERVICES			13774632,49		3563824,4			-813962,17	2 - Local GAAP
SC/59500817	MONACO	PROTEGYS INTERNATIONAL			300103,88					10397	2 - Local GAAP
SC/42175297300048	FRANCE	GIE GLOBAL			57068,29		1126319,18			3061,74	2 - Local GAAP
SC/922448154	FRANCE	WAKAM LIFE	37000							0	2 - Local GAAP
SC/14334882	UNITED KINGDOM	WAKAM CORPORATE MEMBER LIMITED			10555217,49					-5978,289295	2 - Local GAAP

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation	
			% capital share	% used for the establishment of accounting consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	
C0020	C0010	C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	
LEI/969500SAORPQQWYY27	FRANCE	BIG WAKAM							1 - Included in the scope		1 - Method 1: Full consolidation	
LEI/9695000KEF4YM23WXV94	FRANCE	WAKAM	96,32%	100,00%	96,32%				1 - Included in the scope		1 - Method 1: Full consolidation	
SC/437876261	FRANCE	WAKAM SERVICES	99,88%	100,00%	96,20%				1 - Included in the scope		1 - Method 1: Full consolidation	
SC/59500817	MONACO	PROTEGYS INTERNATIONAL	99,60%	100,00%	99,60%				1 - Included in the scope		1 - Method 1: Full consolidation	
SC/42175297300048	FRANCE	GIE GLOBAL	100,00%	100,00%	100,00%				1 - Included in the scope		1 - Method 1: Full consolidation	
SC/922448154	FRANCE	WAKAM LIFE	99,99%	100,00%	100,00%				1 - Included in the scope		1 - Method 1: Full consolidation	
SC/14334882	UNITED KINGDOM	WAKAM CORPORATE MEMBER LIMITED	100,00%	100,00%	100,00%				1 - Included in the scope		1 - Method 1: Full consolidation	