Solvency and Financial Conditions Report

Financial Year 2024

Summary

Summary

Wakam SA's Solvency and Financial Conditions Report (SFCR) is part of the application of the provisions of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 relating to reporting requirements.

This report covers the financial year 2024.

After consultation with the Risk Committee, this report was approved by the Board of Directors on April, 3rd 2025.

European leader in digital and motor insurance

Wakam SA, subsidiary of the Big Wakam Group, is a B2B2C insurance company that designs tailor-made insurance solutions distributed on a white label basis in Europe via its Play&Plug® technology platform for its distribution partners, whether insurance professionals (MGAs, brokers & insurtechs) or non-insurance professionals (retailers, marketplaces, associations).

Within this market, Wakam SA stands out for its agile, technological offering on a European scale, enabling it to respond to the emergence of new uses and behaviours.

Moreover, Wakam SA is a company with a mission, whose *raison d'être* is to make insurance transparent and impactful.

Activities and results

Wakam SA recorded a €815m topline for the 2024 financial year, down slightly on the previous year. This development is in line with a deliberate strategy based on four priorities:

- Improving the technical balance of the insurance portfolio, with a view to strengthening the financial solidity;
- Deployment of a selective underwriting policy;
- Initiating the gradual transfer of UK activities to the dedicated UK legal entity within the Group, in line with post-Brexit regulatory requirements;
- Continuation of the operational and digital transformation program, in line with its Ikigai strategic plan.

The company's underwriting performance improved sharply during the year, with a significant recovery in the net underwriting margin compared with 2023. These favourable improvements had a significant impact on the company's net income, which remained in deficit for the year.

In 2023, Wakam SA obtained authorization from the Prudential Regulatory Authority (PRA) in the United Kingdom to continue its activities via a branch. In 2024, the Big Wakam Group obtained authorization from the PRA to set up a subsidiary in the United Kingdom (Wakam UK Ltd), enabling the Group to continue its business in the United Kingdom. Since August 2024, renewals of activities previously managed by the branch have been carried out by this subsidiary.

Governance system

Wakam SA relies on the governance structure of Big Wakam - the Group's parent company - of which it is a member.

The Board of Directors determines the direction of the company's business and oversees its implementation, in compliance with Group policies.

The governance of the company, which operates with two effective directors, changed at the end of 2024. Previously headed by Catherine Charrier-Leflaive, Chief Executive Officer, assisted by Alexandre Morillon, Deputy Chief Executive Officer, Wakam SA is now managed by Alexandre Morillon, Chief Executive Officer, and Anouk Bara, Deputy Chief Executive Officer.

The four key functions holders (risk management, compliance, actuarial and internal audit) report directly to the Executive Board, and have direct access to the Board of Directors.

Shareholding

Wakam SA is backed by shareholders who are committed to the long term and to transforming the insurance sector, convinced that insurance has a role to play as an economic and social role to play as an economic and social stabilizer in the face of increasing crises and risks, while meeting policyholders' expectations for transparency.
The company's capital is held by Opera Finance, a family office with more than billion in assets under management. Olivier Jaillon, non-executive Chairman of Wakam, has been a shareholder since the company was acquired in 2001.

Risk profile

The main risk to which Wakam SA is exposed is Underwriting risk, which represents 52% of the Solvency Capital Requirement (SCR). A system for mitigating this risk has been strengthened by measures relating to underwriting and the coverage of reinsurance programs.

In 2024, the company's risk profile is stable overall and remains sensitive to various types of risk, such as Market risk and Health underwriting risk.

Valuation for solvency purposes

The company's Solvency II balance sheet has been drawn up as at 31 December 2024 in accordance with Solvency II regulations

Capital management

The SCR coverage ratio is 154% at December, 31st 2024, an increase of +4pts compared with 2023.

At the end of the year, Wakam subscribed to a 25m€ super-subordinated debt to support this ratio and keep it above 150% at December, 31st 2024.

A. Activities and results

A.1. Activity

Name and legal form

Wakam SA is a public limited company governed by the French Insurance Code, with share capital of €5,432,928. Its registered office is located at 120-122, rue Réaumur - 75002 PARIS, and it is registered with the Registre du Commerce et des Sociétés de Paris under number 562 117 085.

Contact details for the Control Authority

The company is subject to supervision by the Autorité de Contrôle Prudentiel et de Résolution, based at 4 Place de Budapest - 75436 PARIS.

Name and contact details of the company's external auditor

The company's Statutory Auditor at 31 December 2024 is Mazars, located at 61 rue Henri Regnault - 92075 PARIS LA DEFENSE CEDEX, represented by Mr Pierre de Latude, Partner.

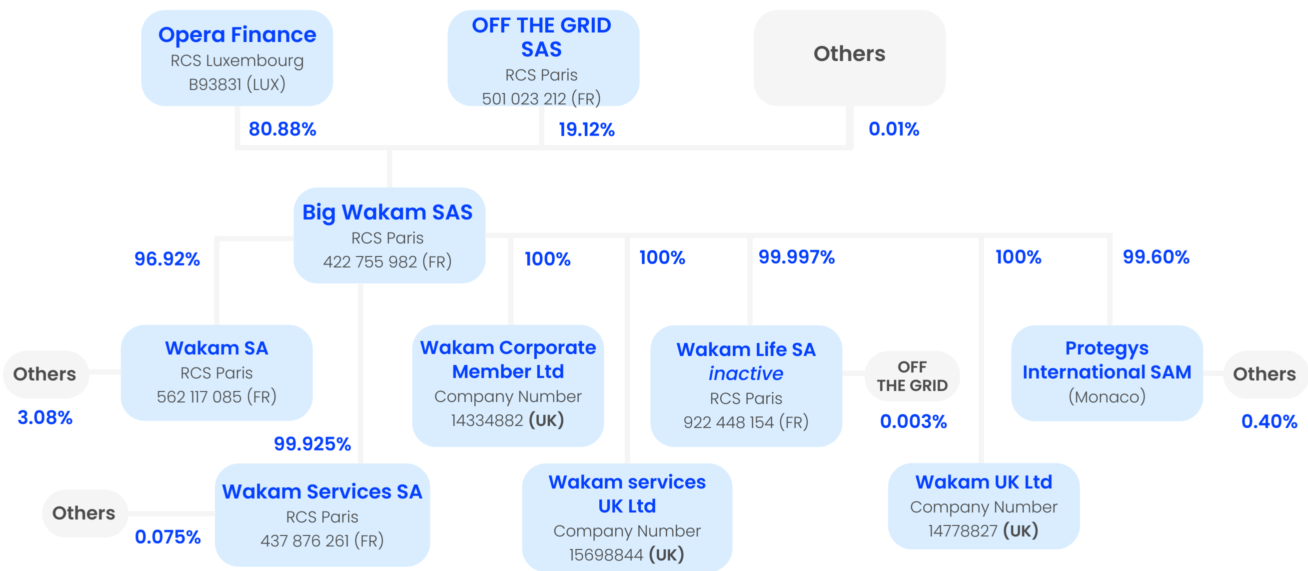
Holders of qualifying shareholdings in the company

The table below shows the shareholders who have reached the share capital or voting rights ownership thresholds set out in Article L. 233-13 of the French Commercial Code.

	Number of shares		Ownership rate	
	2023	2024	2023	2024
Big Wakam SAS	323 829	329 110	95,37%	96,92%

Wakam SA in the Group's legal structure

Wakam SA belongs to the group headed by Big Wakam, in which it has a 96.92% stake.



Major business lines and geographical areas

Wakam SA is authorized in France in the classes mentioned in paragraphs 1, 2, 3, 8, 9, 10, 13, 14, 15, 16, 17 and 18 of article R. 321-1 of the French Insurance Code. Wakam SA designs and insures non-life insurance products, mainly for individuals and professionals, distributed through a network of partners.

The company offers coverage for motor, property (multi-risk home), animal health and affinity insurance cover in France and under the freedom to provide services in 29 European countries. It also operates in Monaco.

Wakam SA is also authorized to market products in the same branches outside 14 and 15 in the United Kingdom via a branch.

Significant events during the reference period

Wakam SA's 2024 was a year of consolidation marked by:

- **The significant improvement in the claims sinistrality** is a continuation of the technical recovery measures and pricing increases implemented since the end of 2023 and throughout 2024, contributing to the technical improvement seen in the current financial year.
- **Technical performance of the company improved significantly** during the year, in particular with a significant improvement in the net technical margin compared to 2023. These favourable improvements significantly impact the net result, which remains negative over the period.
- The -11.8% **contraction in written premiums** was mainly due to the implementation of the technical portfolio recovery plan, in particular through the termination of loss-making programs. The decline was also due to a limited contribution from new businesses, a direct consequence of the selective underwriting policy. The start of the migration of UK partnerships to the Group's newly created subsidiary, Wakam UK Ltd, during the second half of the year.
- **Continued targeted strategic investment** in technological infrastructure and data architecture, alongside controlled changes to the organizational structure, including 30 new hires, mainly in the Finance and Data functions.

- **Capital management to maintain financial strength.** The solvency ratio at the end of the year, after support from the subscription of a €25m super-subordinated debt, remains above 150% at December, 31st 2024. The risk framework organization has been strengthened in the areas of compliance and risk management.

Trends and development factors

Business lines

The Motor/Mobility and Animal Health business lines account for 75% of written premiums. A fall in written premiums for the Motor/Mobility business of around 20% in 2024 compared with 2023 is explained by technical turnaround operations and the termination of loss-making programs.

Geographic zones

Two countries account for 84% of 2024 written premiums, with 47% of business in the UK (down 26% on 2023), 36% in the UK (up 10% on 2023) and 16% in the rest of Europe (up 2% on 2023). The decline in business in the UK is due to the impact of the remediation plan implemented.

Competitive position

The B2B2C insurance market in Europe is experiencing significant growth, with increasing demand for embedded insurance products and digital solutions. Wakam SA is strengthening its position as European leader in digital and embedded insurance.

Strategic objectives

Wakam SA aims to grow and strengthen its core business by maintaining its international footprint to build strong pan-European partnerships

In 2025, Wakam SA's development will be based on 5 major strategic directions:

- Profitable organic growth;
- Diversifying its business lines through selective growth;
- Operational excellence in the level of control of its delegated model;
- Adjusting the cost structure by reviewing its operating model;
- Fair value for all customers with a mission of impact and transparency.

A.2. Underwriting results

Global analysis

(in millions of euros)	31/12/2023	31/12/2024	Var. in m€
Written premiums	**924.0**	**814.8**	**-109.2**
Change in UPR	-189.7	23.2	+212.9
Earned premiums	**734.3**	**838.0**	**+103.7**
Gross claims incurred	-613.0	-611.4	+1.5
Commissions	-153.9	-156.4	-2.5
Reinsurance result	40.2	-19.2	-59.4
Net technical margin	**7.6**	**51.0**	**+43.4**

Change compared with the previous reference period

There were two major developments in 2024: firstly, written premiums fell by -109.2m€ to 814.8m€ at December, 31st 2024, and secondly, the net technical margin improved by +43.4m€ to 51m€.

These two trends reflect the measures put in place to return the portfolio to technical profitability, namely the termination of unprofitable partnerships and greater selectivity when signing up new partnerships.

The various components of the net technical margin changed as follows:

- **Written premiums falls by -12% from 924m€ in 2023 to 814.8m€ in 2024,** mainly as a result of technical streamlining measures on the existing portfolio and a stricter underwriting approach for new business.
- **Earned premiums** amount to 838m€, representing an increase of **+104m€** compared with 2023. This upward trend is mainly due to the strong growth in the portfolio observed in 2023, with a high level of new business, the acquisition of which continues in 2024.
- **The claims ratio net of reinsurance, at 75.3%, improved by 2.8pts,** in line with the significant recovery in the net technical margin of 43m€ compared with 2023. This improvement in the net ratio is mainly due to the 10pts rise in the gross claims ratio. This improvement is mainly due to the positive impact of the remediation measures mentioned above on the current financial year.

Details by segment

During 2024, the grid used to monitor technical results was revised in order to align it with the new organization of the underwriting department. The new grid is used to present the technical data below, including retroactively for the 2023 financial year.

(in millions of euros)	Written premiums			Net technical margin		
	31/12/2023	31/12/2024	Var. in m€	31/12/2023	31/12/2024	Var. in m€
Consumer Products	79.1	83.8	+4.7	3.7	5.3	+1.6
Motor & Mobility	498.6	402.7	-96.0	-0.4	34.1	+34.5
Home & SME	107.2	98.4	-8.8	-2.1	7.2	+9.3
Accident & Health	6.9	14.2	+7.4	1,.1	1.4	+0.3
Autres	232.2	215.7	-16.5	5.3	3.1	-2.3
TOTAL	**924.0**	**814.8**	**-109.2**	**7.6**	**51.0**	**+43.4**
France	267.9	295.0	+27.1	8.8	- 6.7	-15.5
UK	524.9	386.1	-138.8	-8.4	61.1	+69.5
Autres	131.2	133.7	+2.5	7.2	- 3.4	-10.6
TOTAL	**924.0**	**814.8**	**-109.2**	**7.6**	**51.0**	**+43.4**

A.3. Investment results

(in millions of euros)	31/12/2023	31/12/2024	Var. in m€
Actions	0.0	0.0	*-0.0*
Bonds	2.2	4.1	*+2.0*
Real estate	0.6	0.6	*+0.0*
UCIT	-	-	-
Interest-bearing cash	0.4	2.0	+1.7
Private Equity	0.0	0.2	*+0.2*
Private debt	0.4	0.7	*+0.3*
Financial assets income	**3.5**	**7.7**	**+4.2**
Actions	-0.5	0.0	*+0.5*
Bonds	-1.5	0.0	*+1.5*
Private Equity	0.1	0.9	*+0.8*
Private debt	1.0	0.4	*-0.6*
Realized gains and losses	**-1.0**	**1.3**	**+2.3**
Change in provision for depreciation	0.5	0.0	*-0.5*
Other - Fees	-0.8	-0.6	*+0.2*
Other - intra-group cash pooling interest	0.3	0.2	-0.1
Other – Change result	4.3	0.3	*-4.1*
Interest on subordinated debts	-1.2	-1.2	-
Interest on intra-group super-subordinated debt	-	-0.1	-0.1
Interest on repo	-0.1	-1.5	*-1.4*
Others	**3.0**	**-2.9**	**-5.9**
Financial result	**5.5**	**6.2**	**+0.7**
Average assets for the period	138.3	177.3	*+39.0*
Accounting return rate	4.0%	3.5%	
Of which Revenues	*2.5%*	*4.4%*	
Of which Realized gains/losses	*-0.7%*	*0.7%*	
Of which Others	*2.1%*	*-1.6%*	

Global analysis

Net financial income for 2024 is 6.2m€, up +0.7m€ on 2023. It comprises:

- Investment income of 7.7m€, up on 2023 (+4.2m€), due to the increase in the volume of investments between 2023 and 2024, amplified by the full-year effect of the increase in the portfolio in 2023.
- Realized gains of 1.3m€ (+2.3m€ compared with 2023), in respect of capital gains recognized on the disposal of a fund in 2024. In 2023, the financial result was impacted by capital losses of 1m€, due to a sale transaction to enable the transfer of GBP-denominated assets to an account located in the UK, a transfer made compulsory as part of the establishment of separate accounting for the UK branch, in order to cover the local SCR.
- Partially offset by financial expenses relating to subordinated debt (1.2m€), interest on securities sold under repurchase agreements (1.5m€) and bank charges (0.6m€).

A.4. Results of other activities

Since January, 1st 2019, Wakam SA has been marketing, as an accessory to its non-life insurance business, a range of services known as «IPaaS» or «Insurance Product as a Service» consisting of assisting its partners in the digitalization of their activities. At December, 31st 2024, this business represented revenue of 0.7m€.

A.5. Other information

Significant 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 significant intra-group transactions between Wakam SA and other entities of the Big Wakam Group were entered into during the financial year 2024:

- Contract for the transfer from Wakam SA to Big Wakam of intellectual property rights over intangible assets, carried out at net book value;
- Service contract from Wakam Services SA to Wakam SA;
- Service contract from Wakam SA to Wakam UK Ltd.

B. Governance system

B.1. General information on the governance system

Wakam SA's system of governance is in line with the requirements set out in the Solvency II Directive and aims to ensure sound and prudent management of the business. This system is adapted to the nature, scale and complexity of the risks inherent in the company's business.

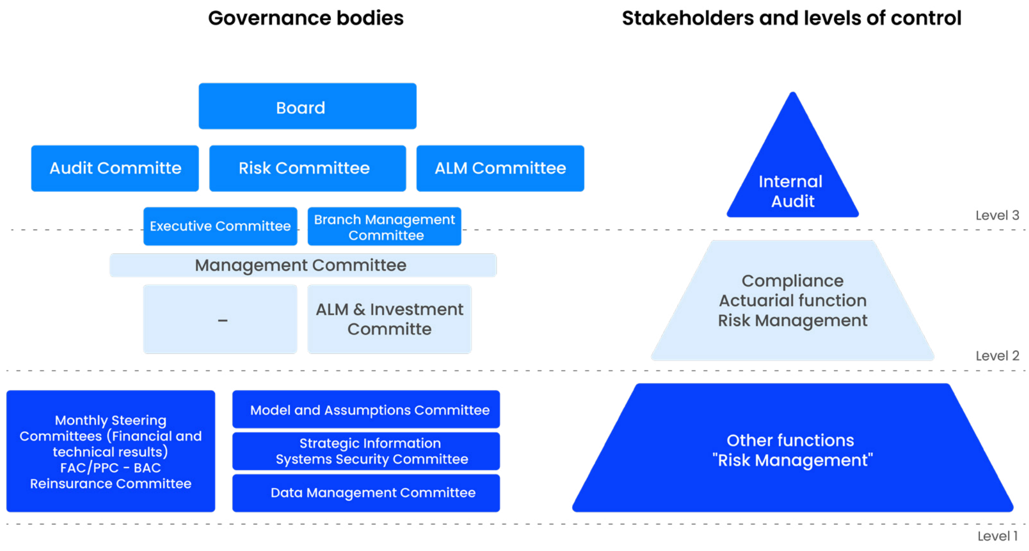
The general organization of Wakam SA is based on the following bodies:

- The Board of Directors and its specialist committees;
- General Management;
- Operational committees;
- Key functions.

Wakam SA made a change of governance in December 2024 by appointing:

- Alexandre Morillon, Chief Executive Officer (previously Deputy Chief Executive Officer) and Group Vice-President Transformation;
- Anouk Bara, Deputy Chief Executive Officer and Group Vice-President Finance.

General organization chart, delegations and key functions



- **The Board of Directors,** which meets at least once a quarter, approves the strategic objectives and governance arrangements, the resources required for risk management, the risk profile in the event of significant changes, prudential communications and the portfolio of key projects. It is responsible for ensuring compliance with prudential requirements.

It entrusts the following committees with the responsibility of preparing its work:

- The **Audit Committees**, which meet four times a year, are chaired by an independent director who reports on their work to the Board of Directors. Their main tasks are to review the accounts and the statutory auditors' report, to examine and recommend the internal audit plan and to monitor the recommendations of the internal audit function.

- **The Risk Committees,** which meet four times a year, are chaired by an independent director who reports to the Board of Directors. Their main task is to examine the system for identifying, assessing, managing and controlling risks; they are also responsible for issuing an opinion on the risk strategies and policies proposed by Executive Management

  In addition, the **ALM Committee**[1] meets four times a year. Its role is to examine the ALM and asset management policy and monitor its application within the company.

  In 2024, the Board of Directors was chaired by Olivier Jaillon, Chairman of the Board, and comprised four directors, two of whom were independent. Two senior executives of Wakam SA also sit on the Board: Alexandre Morillon, Managing Director, and Anouk Bara, Deputy Managing Director.

  The Executive Board relies on internal committees to oversee all aspects of the company's operations:

  » **The Executive Committee,** chaired by the Managing Director, brings together the Deputy Managing Director and representatives of Wakam SA's other operational and functional departments on a weekly basis (with the participation of Wakam SA's key functions once a month). This is Wakam SA's operational steering body, and in particular it takes the decisions needed to ensure that operations and the budget are carried out properly.

  » **The Insurance, Reinsurance, Operational Risks and Internal Control Committee** is chaired by the Chief Executive Officer and led by the VP in charge of Risk, Compliance & Supervisory Relations. Its work is carried out with the systematic participation of the four Key Functions and the heads of the departments responsible for the main risks (Information Systems, Data, Finance, Technical, Reinsurance, Partnerships, etc.). This Committee meets 4 times a year and its tasks are detailed in section B.3.

  » **The Strategic Information Systems Security Committee** is chaired by the VP in charge of Risk, Compliance & Supervisory Relations. Its role is to monitor and follow the company's physical and IT security risks, and to validate the implementation and development of control measures.

  »

1 *Asset/Liability Management*

- **The Monthly Underwriting Performance Report** is chaired every month by the VP Underwriting and brings together all the functions responsible for the company's main risks. The purpose of this committee is to steer underwriting activity and monitor portfolio performance.
- **The Data Management Committee** is chaired by the VP Data and brings together the Data teams on a quarterly basis, as well as the functions involved in partner data (delegated management). The purpose of this committee is to monitor the reporting of partner data.

In addition, a Mission Committee is chaired by an independent director of Wakam SA and comprises 8 members, 4 external and 4 salaried, appointed by management with the approval of the Board of Directors. This committee is independent of the various corporate bodies and is exclusively responsible for monitoring the execution of the mission that the company has set itself. As such, it must present its assessment of the progress of the mission in an annual report, which is attached to the management report.

Key functions

All the key functions have been in place since 2016 in accordance with Article 268 of the Delegated Acts. They are placed under the authority of the General Management and operate under the ultimate responsibility of the Board of Directors, to which they report. This organization ensures their independence from operational management.

Each key function holder has direct access to the Board of Directors and/or its specialist committees, enabling them to communicate all relevant information.

The key functions holders may request a hearing with the Board of Directors or its specialist committees at any time if they consider it necessary.
They regularly attend meetings of the Board's specialist committees. Meetings are held at least once a year between the independent directors on the Board of Directors and each key function holder, without the Executive Board being present.
Les responsables des fonctions clés peuvent solliciter une audition auprès du Conseil d'Administration ou de ses comités spécialisés à tout moment s'ils l'estiment nécessaire.

These key functions have the necessary authority, resources and operational independence to carry out their duties. Each key function manager meets the competence and good repute requirements defined by internal policy and the regulations in force.

- **The Risk Management function** is responsible for overseeing the adequacy and effectiveness of the risk management system. It helps the company's Board of Directors and Executive Management to define risk management strategies and the tools needed to assess and monitor them, in particular by providing, via an appropriate reporting system, the information needed to assess the performance of the risk management system as a whole. It presents the main points of its work, in particular to the Risk Committee.

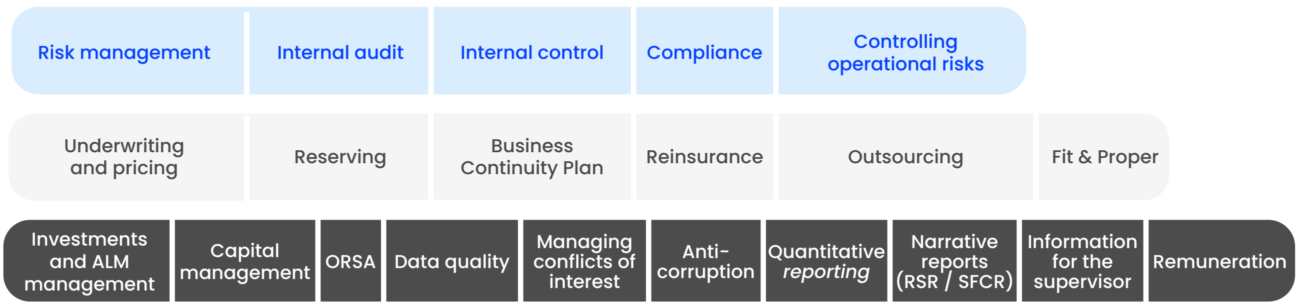
- **The Actuarial function** is responsible for coordinating the process of calculating technical provisions. It is also responsible for recommending the appropriate assumptions for this calculation. It assesses the adequacy of the quality of the data used in this process. The Actuarial function issues an independent opinion on the underwriting policy and on the consistency between reinsurance treaties and the risk profile. It contributes to the effective implementation of the risk management system. Finally, the Actuarial function informs the Board of Directors of the reliability and adequacy of the calculation of technical provisions.

- **The Compliance function** determines whether the internal organization and procedures are adequate to prevent the risk of legal or administrative sanctions, loss of assets or damage to reputation arising from a breach of laws, regulations or provisions established by the supervisory authorities. It focuses 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 the financing of terrorism, etc.

- **The Internal Audit function** is responsible for the independent assessment of the effectiveness of the internal control and risk management system and the proper operation of controls designed to ensure the fluidity and reliability of key processes. It communicates any conclusions and recommendations to the Audit Committee and the Board of Directors, which determine what actions need to be taken and ensure that they are implemented. Its independence is guaranteed by a direct link with the Audit Committee and the Board of Directors. Internal audit assignments are carried out in accordance with the audit plan, on the basis of reviews with the operational departments or on the basis of the analysis of internal or external reports on the risks and controls carried out within the company.

Politiques de Wakam SA

Wakam SA policy framework as at December, 31st 2024



Remuneration of members of administrative and supervisory bodies

Directors sitting on the Board of Directors of Wakam SA receive remuneration («jetons de présence»). The members of the administrative and supervisory bodies and the holders of key positions do not benefit from any supplementary or early retirement schemes other than those in force for all employees or categories of employees to which they belong. In this respect, members of the administrative and supervisory bodies or key functions who are employees benefit from the supplementary pension scheme managed by AXA.

Employee remuneration

- **Remuneration policy:** Remuneration policy and practices are established, implemented and maintained in a manner consistent 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 SA provides for individual salary increases and has implemented a three-year incentive plan for employees based on the achievement of the company's financial and strategic objectives. The remuneration policy applies to Wakam SA as a whole. Remuneration is subject to clear, transparent and effective governance, particularly with regard to the supervision of the remuneration policy, which is made known to every member of staff in the company.

- **Relative importance of the variable component:** For the vast majority of employees, remuneration is made up of a fixed salary and a variable component. For the latter, the variable component represents between 10% and 40% of their total remuneration. The components of remuneration are thus balanced so that the fixed component represents a sufficiently high proportion of total remuneration.

- **Criteria for awarding variable remuneration:** The variable part of remuneration is linked to the employee's performance, assessed on the basis of the achievement of individual and sometimes collective objectives agreed in advance with his or her direct manager and reviewed at the end of each period, and on the basis of the assessment of the achievement of objectives carried out during the annual performance review.

Significant transactions with shareholders and directors

See Section **A.5 Significant intra-group transactions.**

B.2. Fit and proper requirements

Requirements for executives and key functions

When a person is appointed to a senior management position or a position responsible for a key function, the Vice-President People & Culture ensures that the person is suitable for the position.

The provisions of Chapter IV of Title V of Book III of the Insurance Code generally specify the rules of governance of insurance undertakings. They include fit and proper requirements applicable to the persons who actually manage the undertaking or occupy key functions within it, which must be notified to the ACPR.

Process for assessing fit and proper

- **Individual skills assessment process :** Vice-President People & Culture assesses the skills of an effective manager and a key function on the basis of experience, training and qualifications acquired or training received or to be received.

- **Process for assessing good repute:** A person's good repute is assessed on the basis of his honesty and experience as a director, executive officer or person in charge of a key function. This assessment is based, on the one hand, on concrete elements concerning his character, personal behaviour and professional conduct, including any elements of a criminal, financial or prudential nature that are relevant for the purposes of this assessment. Secondly, past experience makes it possible to ascertain whether the person has not previously held a position of effective manager or head of a key function in a company at a time when that company would have gone bankrupt. When a person occupies or wishes to occupy a position as director, executive officer or head of a key function, the company assesses the person's good repute by ensuring that the person has a good reputation and integrity, based on documents attesting to the person's good repute and on the answers given in the questionnaire on the form for the appointment or renewal of a position as executive officer or a key function holder proposed by the ACPR.

Every year, directors submit a certificate of good repute to confirm that they are still fit to carry out their responsibilities. In addition, directors, executive officers and key functions must notify the company of any change in their circumstances that could affect the assessment of their good repute.

The «Fit and proper» policy describes all the measures put in place by Wakam SA.

The key functions holders within Wakam SA are:

- Risk Management: Aurélie Giry, VP Risk, Compliance & Supervisory Relations;
- Internal Audit: Olivier Djerahian, Chief of Internal Audit;
- Compliance audit: Lisa Boulanger, Chief of Compliance and DPO;
- Actuarial: Anthony Fauchon, Actuarial Function.

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

Risk management policies

The Risk Management Policy has been drawn up in compliance with all the regulatory provisions applicable to the insurance sector and in particular those of Order no. 2015-378 of 2 April 2015 transposing the 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 the implementation of clearly defined risk management governance and strategy, consistent with the company's overall strategy and policies defining material risks and approved risk tolerance limits.

The Risk Management Policy in place at Wakam SA sets out the strategies, principles and processes for identifying, measuring, managing and monitoring the risks to which the activities of Wakam SA and its UK branch are exposed, including those entrusted to its partners and delegates.

In particular, the Risk Management Policy defines:

- The governance system in place, including the roles and responsibilities of the various parties involved in risk management;
- The categories of risk to which Wakam SA is exposed and the processes put in place to identify and analyze them, as well as the methods used to measure and assess the risks in question;
- The framework for defining risk strategy;
- Processes and procedures to ensure effective risk management and implementation of appropriate risk mitigation measures;
- Internal and external reporting obligations;
- The company's risk culture and its integration into key decisions.

The aim of this policy is to ensure that Wakam SA's risk management systems meet the applicable sectoral requirements.

The key risk management function is responsible for defining and implementing the risk management, control and monitoring system for Wakam SA's insurance activities.

Governance bodies reporting to the Board of Directors

During the 2024 financial year, the **Audit and Risk Committee** was split into two separate committees: the **Audit Committee** and the **Risk Committee**.

- **The Audit Committee,** which reports to the Board of Directors, is responsible for:
  - » To monitor the process of preparing the Company's financial information and, where necessary, make recommendations to ensure its integrity;
  - » To monitor the effectiveness of the internal control and related risk management systems and, where appropriate, the internal audit system;
  - » Steering the selection process for statutory auditors;
  - » To monitor the performance by the Statutory Auditors of their task of auditing the Company's accounts, to ensure that the conditions governing their independence are met, and to approve services other than the certification of accounts;
  - » Giving its opinion on the organization of the Company's internal audit, ensuring that the conditions for its independence are met,
  - » To review and approve the audit plan and its objectives, to ensure that internal audit covers all risks on a multi-year basis, and to review the activity report;
  - » Monitoring the Company's regulated agreements;
  - » Monitoring non-financial issues;
  - » Monitoring the management of the Company's capital requirements, in conjunction with the Risk Committee.
- **The Risk Committee,** which reports to the Board of Directors, is responsible for:
  - » Monitoring the implementation of the Company's risk management policy, procedures and system;
  - » Monitoring the management of the Company's capital requirements, in conjunction with the Audit Committee;
  - » Examine the impact on capital and solvency at Company level of the main guidelines and limits of the Asset/Liability Management policy;
  - » Examine the results concerning the solvency ratio and its components (SCR and shareholders' equity) as well as the major risks to which the Company is exposed, on both the assets and liabilities sides, and ensure that the means of monitoring and controlling these risks have been put in place (in particular outsourcing risk, underwriting risk, climate risk, provisioning risk, market risk, concentration risk

(assets and liabilities), counterparty risk, asset/liability management risk, liquidity risk, operational risk, non-compliance risk and changes in prudential regulations);

» Proposing and monitoring the Company's risk strategy and risk appetite Examining the risk management strategy and risk appetite proposals for recommendation to the Board of Directors in respect of financial, insurance, re-insurance and operational exposures; and monitoring changes in exposures in relation to the limits set;

» Examine business continuity and crisis management plans;

» Review documents drawn up in the context of Solvency II regulations, in particular the Company's written policies and regulatory reports (RSR/SFCR), the Company's ORSA report and actuarial reports;

» Review the reinsurance program and the Company's exposure to counterparty risk on all reinsurers;

» Examine the results of internal control ;

» Review the compliance plan and monitor the Company's compliance activities;

» Examine the results of certification of compliance with Group standards and monitor mitigation plans;

» Examine external reviews such as ACPR or independent actuarial reviews;

» Review the multi-annual trajectory.

Operational governance bodies

- **The Insurance, Reinsurance, Operational Risk and Internal Control Risk Committee** (formerly the Operational Risk Committee) reports to the VP Risk, Compliance & Supervisory Relations and is responsible for providing support to the Executive Board:

  » Regularly reviews the Committee's governance and risk policies;

  » Leads and implements the overall risk management framework;

  » Ensures that technical, financial, operational and compliance risks are identified and assessed in a timely manner;

  » Discusses and validates the entity's consolidated risk map;

  » Monitors and validates risk assessment results and the risk profile of entities;

  » Monitors and evaluates the effectiveness of risk mitigation strategies;

  » Reviews the reinsurance strategy and reinsurance renewal structures, also on the basis of recommendations from the actuarial function and risk management. Monitors reinsurance results;

- Examines and monitors risk appetite limits;
- Reports the results of 2nd level permanent controls;
- Validates the entity's permanent control plan;
- Makes the necessary choices in terms of corrective action or reinforcement;
- Validates and monitors the compliance plan;
- Monitors the implementation of recommendations arising from 2nd and 3rd level controls, as well as those of the ACPR;
- Monitors regulatory developments and their impact on the entity.

Integration into the organizational structure and decision-making procedures

The target for integrating the risk management system into the company's decision-making processes and culture can be described at several levels:

- **The Company's senior managers** ensure that a risk culture appropriate to the different types of business is disseminated and that employees are fully aware of this.
- **The risk appetite framework** is integrated into the budgeting and planning process and the strategic asset allocation process.
- **The capital allocations resulting from the planning work** are translated into operational limits, which are integrated into the day-to-day management of the business.
- **Appropriate risk measurement indicators** are integrated into the Company's performance management system.
- **Risk preferences** guide the development of partnerships and products in line with risk appetite and tolerances.

Changes made to the governance system over the period

The following changes have been made to Wakam SA's system of governance as part of the overhaul of the Group's and subsidiaries' committee structure following the approval of the UK subsidiary Wakam UK Ltd:

- Separation of the Audit and Risk Committee into two separate committees: the Audit Committee and the Risk Committee.

- Conversion of the Operational Risk Committee into the Insurance, Reinsurance, Operational Risk and Internal Control Committee.
- Changes to the Wakam SA Management Board.

Internal risk assessment

Description, documentation and analysis of internal risk assessments

In accordance with the Solvency 2 Directive and as part of its risk management system, Wakam SA carries out an internal risk and solvency assessment, also known as ORSA (Own Risk and Solvency Assessment).
This assessment covers the following elements in particular:

- The overall solvency requirement, taking into account the company's specific risk profile, approved risk tolerance limits and business strategy;
- 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.

The Own Risk and Solvency Assessment (ORSA) is an annual process during which Wakam SA analyses and assesses its overall risk and solvency situation.

The ORSA distinguishes between :

- The annual ORSA, which aims to produce the ORSA report, summarizing an annual risk and solvency assessment process carried out under the responsibility of the Board of Directors. This process also includes budget planning (3-year results projection) and strategic risk planning (risk tolerance and limits).
- An exceptional ORSA may also be drawn up on the decision of the Risk Committee.

As the ORSA is prospective, Wakam SA validates that its strategic and financial planning options are consistent with both the risk appetite and risk limits of Wakam SA considered in isolation.

Frequency of review by administrative, risk or control bodies

The ORSA is approved at least once a year by the Board of Directors, after review by the Risk Committee.

B.4. Internal control system

Description of the internal control system

Wakam SA's internal control system comprises all the resources, behaviours, procedures and actions:

- Contributing to the control of its activities, including outsourced activities, the effectiveness of its operations and the efficient use of resources; and
- Allowing us to take appropriate account of significant financial, technical, operational and compliance risks.

More specifically, it aims to ensure compliance with laws and regulations, the application of instructions and guidelines issued by the Management Board and the Board of Directors, the smooth running of the company's internal processes, particularly those designed to safeguard its assets, and the reliability of financial information.

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

- **Level 1 controls** are integrated by operational managers into business processes in order to measure, monitor and control the risks relevant to their area of activity.
- The purpose of **2nd level controls** is to ensure that 1st level controls are properly performed, relevant and reliable, by people who are independent of the operational activity:
    - » The control plan is drawn up on the basis of the risk analysis and after taking into account existing first-level controls within the business. Level 2 controls provide assurance that processes are under control and, where necessary, identify areas for continuous improvement.
    - » Each control is described in detail, including the function responsible for carrying out the controls, the frequency of occurrence, the applicable control methodology, the documentation to be collected and the formalization of the results.
- **Incident monitoring** helps to strengthen internal control by identifying and correcting shortcomings both in the company's processes and in the control plan where necessary.

Description of the compliance verification system

The Compliance function advises employees, senior management and directors on issues relating to compliance with the legislative and regulatory provisions applicable to insurance activities. It carries out regulatory monitoring to anticipate the impact of regulatory changes. It forms part of the second line of defense and carries out its duties independently (without involvement in operational activities).

As an integral part of the permanent control system, the Compliance Review system set up by Wakam SA comprises all the resources, behaviours, procedures and actions aimed at:

- Knowing the laws and regulations to which the company is subject;
- Contributing to the regular monitoring of amendments to these laws and regulations;
- Incorporating the applicable regulations into its internal policies;
- Ensuring that the staff concerned are properly informed and trained;
- Checking that policies are translated into operational procedures and processes and that they are properly applied;
- Identifying compliance risks and assess Wakam SA's level of exposure to them;
- Producing reports within the scope of the function's activities;
- And ensuring that the management and administrative bodies are properly informed about compliance risks and any other matters relating to its business.

The compliance system includes a regulatory monitoring process aimed at anticipating regulatory changes and analyzing their impact on Wakam SA's business and processes. Awareness-raising and training initiatives are carried out by the Compliance function or external service providers to ensure that the business lines take full responsibility of the regulations.

B.5. Internal Audit function

The Internal Audit function carries out its activities in accordance with the Internal Audit Policy. This policy, which complies with the framework resulting from the Solvency 2 directive, is reviewed annually.

The operational procedures for implementing the policy are set out in an Audit Charter that complies with the international standards established by the Institute of Internal Audit (IIA).

Independence of the key Internal Audit function

The Internal Audit Director reports directly to Wakam SA's General Management and to the Chairman of the Audit Committee. He also has permanent access to the members of the Board of Directors, to whom he presents an annual report on the activities of the function.

B.6. Actuarial function

Missions

The Actuarial Function is part of the second line of defense. Its aim is to provide a second look at a technical scope defined by the Solvency 2 standard, in order to help identify areas for improvement and also to provide directors with a clear and objective view of the situation within this technical scope.

In practical terms, in accordance with the requirements set out in Article 48 of Directive 2009/138/EC and Article 272 of the European Commission's Delegated Regulation 2015/35, the Actuarial Function's tasks can be grouped under three headings:

- **Solvency 2 technical provisions :**
    - » Coordinating the calculation of Solvency 2 technical provisions.
    - » Guaranteeing the relevance of the methodologies, underlying models, level of granularity and assumptions used for this calculation.
    - » Assessing the sufficiency and quality of the data used for this calculation.
    - » Applying methods and procedures for assessing the adequacy of Solvency 2 technical provisions and the uncertainty associated with the estimates.
- **Underwriting :**
    - » Give an opinion on the overall underwriting policy.
- **Reinsurance :**
    - » Issue an opinion on the adequacy of reinsurance arrangements.

Through its work, the Actuarial Function must also contribute to the effective implementation of the risk management system.

Methods of implementation

The Wakam SA Actuarial Function holder reports directly to the VP Risk, Compliance & Supervisory Relations, who is part of the CEO Office. He has access to the executive management via his participation in Wakam SA's operational committees and via quarterly meetings, at least, with one of the executive managers. In addition, he has regular discussions with the independent directors.

In addition to these various exchanges, the Actuarial Function holder at Wakam SA circulates one or more actuarial reports to the effective managers and directors each year. This report or these reports highlight the conclusions relating to the aforementioned tasks.

The head of this key function is exclusively dedicated to the work of the Actuarial Function, with no hierarchical link to the operational teams. He therefore has organizational freedom and autonomy in his judgement, enabling him to meet the regulatory requirements.

They also have access to all the documents, tools and committees they need to carry out their duties.

B.7. Outsourcing

Definition of outsourcing

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

The qualification process for a service is based on an analysis grid that assesses the importance and criticality of outsourced activities within the meaning of article R.354-7, taking into account the financial, operational and regulatory impacts in the event of a default by the service provider.

The aim is to ensure that outsourcing does not give rise to any additional operational risk.

No key functions are outsourced.

In the case of outsourcing carried out in the context of insurance intermediation (delegation of contract management, collections, claims), a materiality threshold is defined in order to consider that the activity is critical

For the 2024 financial year, the following PIC[1] have been identified:

- A policy distributor and claims manager based in France ;
- A contract distributor and claims manager, based in the United Kingdom;
- A cloud hosting provider based in Luxembourg;
- A cloud hosting provider based in France;
- An asset manager based in France ;
- A provider of desktop publishing and dematerialization services based in France.

Outsourcing decision process

For all outsourcing relating to the insurance business, whether critical or not, Wakam SA assesses potential service providers beforehand using a due diligence questionnaire

A system for controlling delegations has been put in place, along with annual reporting to monitor these activities.

1 *PIC : Important or Critical Service Provider*

B.8. Other information

Adequacy of the corporate governance system

The governance arrangements described in the preceding paragraphs are supplemented as follows:

- **With regard to the risk of outsourcing**, the company carries out regular audits of its service providers by a dedicated team. It also regularly monitors key management indicators.
- **With regard to counterparty and reinsurance risk**, the company has continually strengthened its internal reinsurance team in recent years. In addition, the company systematically requests collateral from its reinsurers, mainly pledges, to guarantee their commitment to settle claims for their share.
- **Underwriting risk**, is at the heart of the company's governance through the 4 phases of the Bespoke process (Seek, Qualify, Achieve, Develop). Within this framework, a pre-audit of partners is carried out in the 'Seek' phase. Particular attention is paid to underwriting rules, pricing and expected claims ratios in the Qualify phase. The 'Achieve' phase is designed to ensure the quality of computerized exchanges and the mitigation of risks through reinsurance. Finally, during the 'Develop' phase, actuarial analyses are carried out on each partnership in order to implement the necessary portfolio adjustments or to proceed with the run-off of partnerships whose profitability has deteriorated too significantly

C. Risk profile

C.1. Underwriting risk

Definition of underwriting risk

Underwriting risk is the risk incurred by the insurer in distributing insurance policies to individuals or corporate entities as a result of market segments or risk categories that are not consistent with the company's risk profile and business strategies, complex risk categories that are difficult to assess, inadequate technical skills among internal staff and sales networks, or non-compliance with limits. In the case of Wakam SA, it includes the following categories:

- **The Lapses risk,** which arises from the loss of, or adverse change in the value of, insurance liabilities resulting from fluctuations in the level or volatility of termination, maturity or renewal rates of policies,
- **Premium and reserve risk** is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claims settlements,
- **Catastrophe risk** corresponds to the risk of loss, or of an unfavourable change in the value of insurance commitments, resulting from the significant uncertainty, linked to extreme or exceptional events, which weighs on the assumptions used for pricing and provisioning..

Exposure to underwriting risk

Measures used to assess risks and changes over the period

Unless otherwise stated, the quantitative elements of risk assessment are presented in section E of this report and correspond to the Solvency Capital Requirement (SCR) as at December, 31st 2024, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the company's net income of a shock of a magnitude that would occur only once every two hundred years.

Wakam SA's measures of exposure to underwriting risk are as follows:

- **The Lapses risk** is measured by the Lapse sub-module of the Non-Life Underwriting SCR.
- **Premium and reserve risk** is measured by the Premium 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 measures are presented in section E.2.

Concentration of underwriting risk

The company has identified a technical risk of concentration in its Property portfolio, more specifically in the Multirisk Buildings portfolio. 21% of the insured values in this portfolio are located in the department of Isère (38), which is known to be a seismic zone and whose main town, Grenoble, could be massively flooded if the dams in the region were to burst. This risk is controlled by the reinsurance arrangements described below.

Mitigation of underwriting risk

Description of the system for the reference period

Wakam SA cedes part of its risks to reinsurers. The reinsurance arrangements are tailored to each line of business, with a large proportion of the risk being ceded via Quote-Part treaties, supplemented by excess of loss treaties to protect the company against losses associated with large single claims, such as for Personal Liability risks, but also against losses associated with events.

The cession rates for 2024 were set as part of the work to develop the reinsurance program in line with risk appetite. These concluded:

- **maintaining the retention rate for European mobility portfolios** on traditional programs (20%);
- **maintaining the retention rate on mobility portfolios in Great Britain and Ireland (20%);**
- **and a reduction in the retention of the property damage quota (20%).**

Mitigation plan over the planning period

Wakam SA’s mitigation plan is centered on the following reinsurance plan:

In the case of quota-share treaties, the level of disposals per program depends on :

- the level of capital consumption by business line compared with the intrinsic profitability of each Product Line, so as to approach the optimum under the constraints of available Tier 1 capital;
- knowledge of the risks involved in partnerships, the size of which does not allow sufficient pooling;
- reinsurers’ appetite for a given year.

The XS reinsurance program meets the risk tolerance criteria set out in the reinsurance policy, which is examined by the Risk Committee and approved by the Board of Directors:

- **Natural Disaster Risks:** the company protects itself against loss scenarios with a period of return from ten to two hundred years.
- **Terrorism risks:** the protection sought is unlimited beyond a retention equivalent to the portfolio's maximum sum at risk within a 200m radius.
- **Other Property risks:** the reinsurance sought aims to limit the impact of a large claim to a net amount of 600,000 euros.
- **Motor Liability (European Mobility and Mobility Great Britain Branch) and Personal Life risks:** the reinsurance sought aims to limit the impact of a large claim to a net amount of 1,000,000 euros.

Finally, the panel of reinsurers is diversified for the 2025 financial year

Monitoring the effectiveness of mitigation techniques

The mitigation techniques presented are analyzed when programs are renewed in order to reassess coverage needs, and at the time of the Own Risk and Solvency Assessment (ORSA), in particular through the risk scenarios relating to reinsurance (see below).

Guarantees received

Although since 2008 there has been no regulatory requirement for reinsurers to pledge their commitments to cedants, in the majority of cases the reinsurance contracts covering Wakam SA's risks provide for a guarantee of the reinsurer's commitment, by means of a pledge with a bank, a letter of credit or a cash deposit. These guarantees reduce the counterparty risk.

The valuation of these guarantees must correspond at least to the amount of Provisions for Claims at the end of the accounting year, for each program and for each reinsurer's share.

Sensitivities to underwriting risk

Resistance testing and scenario analysis

Wakam SA carried out stress scenarios as part of the preparation of the 2024 ORSA report. The company complies with the MCR requirement in both the central scenario and the stress scenarios tested. With regard to ongoing compliance with SCR requirements, the results of the stress tests show that the level of capital generally appears to be sufficient.

Central scenario assumptions

The tests were based on the central scenario of the 2024 Annual ORSA prepared in November 2024. The changes observed between the assumptions of the central scenario and the actual scenario do not significantly affect the conclusions or the ranking of the scenarios in terms of their impact on the company's solvency ratio.

Methods and assumptions for stress tests and scenario analyses

The stress tests implemented as part of the ORSA 2024 report and their respective impacts in 2025, 2026 and 2027 are as follows:

- **Sc_WSA_1/** Adverse development of Wakam SA's business leading to an increase in premiums and a change in product mix;
- **Sc_WSA_2.b/** Default of a major partner ;
- **Sc_WSA_3/** Geopolitical tensions leading to unanticipated high inflation combined with a drift in future sinistrality;
- **Sc_WSA_4/** Significant delays in the knowledge and integration of data from partners in run-off, leading to the reloading of provisions;
- **Sc_WSA_5/** Tensions in the reinsurance market leading to an inability to place part of the treaties, resulting in an increase in the retention of quota share and excess of loss cover and a higher cost of excess of loss cover;
- **Sc_WSA_9/** Climate scenario incorporating the occurrence of medium-severity events (hailstorms), the bursting of a dam in Isère and the impact of tighter regulations on financial investments;
- **Sc_WSA_10/** Cyber scenario defined by a data leak perpetrated by a consultant resulting in resolution costs and the loss of part of the business.

The choice of these stress tests was based on the main risks identified by all risk owners and heads of key functions. The scenarios were also discussed with Executive Management and the Board of Directors.

Results of stress tests

Scenarios / (in pts of solvency ratio compared with the central scenario)	2025	2026	2027
Sc_WSA_1 - Increase in premiums and change in product mix	+15pts	+11pts	+12pts
Sc_WSA_2b - Default of a major partner	-34pts	-34pts	-30pts
Sc_WSA_3 - Inflation and rising claims experience	-30pts	-61pts	-91pts
Sc_WSA_4 - Reloading provisions	-23pts	-23pts	-19pts
Sc_WSA_5 - Tensions on the reinsurance market	-33pts	-60pts	-78pts
Sc_WSA_9 - Climate scenario	-6pts	-13pts	-7pts
Sc_WSA_10 - Cyber scenario	0pts	-2pts	-1pt

The severity of these scenarios can be explained:

- **For scenario 2b, which takes into account the loss of a partner,** by the reduction in net income and future profits included in prudential capital, partially offset by a reduced SCR.
- **For scenario 3, where the company faces an unfavourable external event** with repercussions on the development of its business, resulting in an immediate loss combined with difficulty in meeting profit targets in subsequent years, thereby reducing shareholders' equity.
- **For scenario 4, marked by an increase in provisions,** by the cumulative effects of a deterioration in results and an increase in the SCR.
- **For scenario 5, where the share of risk borne by Wakam SA increases** as a result of the immediate rise in the SCR, leading to a deterioration in the solvency ratio.

C.2. Market risk

Definition of market risk

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

- **Interest rate risk,** which arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the yield curve or interest rate volatility,
- **Equity risk** relates to the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or volatility of the market value of equities,
- **Property risk** arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or volatility of the market value of property assets,
- **Spread risk,** reflecting the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or volatility of credit spreads relative to the risk-free interest rate curve,
- **Foreign exchange risk** arising from fluctuations in the level or volatility of exchange rates between the currency of the asset and that of the liability,
- **Concentration risk,** resulting from a lack of diversification in the asset portfolio, or from significant exposure to the risk of default by a single issuer of transferable securities or a group of related issuers.

Exposure to market risk

Measures used to assess risks and changes over the period

Unless otherwise stated, the quantitative elements of risk assessment are presented in section E of this report and correspond to the Solvency Capital Requirement (SCR) at December, 31st 2024, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the company's net income of a shock of a magnitude that would occur only once every two hundred years.

Wakam SA's measures of exposure to market risk are as follows:

- **Interest rate risk** is measured by the interest rate sub-module of the Market SCR.
- **Equity risk** is measured by the equity sub-module of the Market SCR.
- **Property risk** is measured by the property 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 measures are presented in section E.2.

Concentration of market risks

The concentration of Wakam SA's market risks is measured via the Concentration sub-module of the Market SCR.

On Wakam SA's bond portfolio, this risk measure represents an amount of €0.2m (see section E.2).

Mitigating market risk

Description of the system for the reference period

Wakam SA has put in place an investment strategy that aims to match assets and technical liabilities. Thus, the assets representing the technical liabilities must necessarily be chosen from sovereign and corporate bonds rated at least BB, whose duration and currency must be consistent with these same technical liabilities. This makes it possible to limit market risk both by taking intrinsic risk and by neutralizing the effects between assets and liabilities.

Monitoring the effectiveness of mitigation techniques:

The match between technical assets and liabilities is presented quarterly to each ALM committee and is partly used for decision-making by each Investment Committee.

In addition, the mitigation techniques presented are analyzed at the time of the Own Risk and Solvency Assessment (ORSA), in particular through the risk scenarios relating to financial risks (see below).

Sensitivities to market risk

Resistance testing and scenario analysis

Wakam SA carried out stress scenarios as part of the preparation of the 2024 ORSA report. The company complies with the MCR requirement in both the central scenario and the stress scenarios tested. With regard to ongoing compliance with SCR requirements, the results of the stress tests show that the level of capital generally appears to be sufficient.

Central scenario assumptions

Les hypothèses du scénario central sont détaillées en section C.1.

Methods and assumptions for stress tests and scenario analyses

The stress tests implemented as part of the ORSA 2024 report and their respective impacts in 2025, 2026 and 2027 are as follows:

- **Sc_WSA_2.a/** Tensions on the financial markets manifested by a significant rise in interest rates and a downgrading of the ratings of financial counterparties;
- **Sc_WSA_9/** Climate scenario incorporating the occurrence of medium-severity events (hailstorms), the bursting of a dam in Isère and the impact of tighter regulations on financial investments;

The choice of these stress tests was based on the main risks identified by all risk owners and heads of key functions. The scenarios were also discussed with Executive Management and the Board of Directors.

Résultats des stress tests

Scenarios / (in pts of solvency ratio compared with the central scenario)	2025	2026	2027
Sc_WSA_2.a - Tensions on financial markets	-7pts	-14pts	-17pts
Sc_WSA_9 - Climate scenario	-6pts	-13pts	-7pts

The severity of these scenarios can be explained:

- **For scenario 2.a, in which tensions on the financial markets lead to a rise in interest rates and a downgrading of the ratings of financial counterparties,** by a permanently lower level of own funds for a higher level of SCR, mainly on market risk.
- **For scenario 9, in which the company faces an unfavourable external event with repercussions on the development of its business against a backdrop of an upsurge in weather-related claims,** through a fall in the market value of investments from 2026. This decline will result in a loss of economic equity.

Application of the prudent person principle

As stipulated in Article 132 of the Solvency 2 Directive, Wakam's investments are made in accordance with the Prudent Person Principle, thanks to investment processes and the organisation of accompanying committees that guarantee knowledge of risks beforehand and the analysis, management and control of risk once the investment has been made.

The investment policy is based on three major processes:

- **Strategic asset allocation,** defined as a function of the company's appetite for financial risk and based on the macro-economic context and the results of the ALM studies carried out by the Finance Department and the Risk Department and supplemented as part of the preparation of the budget and the ORSA report on the consequences of this allocation on the company's market SCR and solvency ratio.
    - **The central scenario identifies** outgoing cash flows over the claims settlement period, and allocates the premium to investments, mainly bonds, backed by maturity brackets. This central scenario takes into account a portion of future premiums under the assumption of a conservative lapse rate.
    - **The stressed scenario,** based on the assumption of a 10% shock to the portfolio's cost of claims, enables us 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, property, etc.).
- **Tactical asset allocation,** which allows the strategic allocation to be adjusted on the basis of short-term expectations in interaction with the asset management agent (see below),
- **Day-to-day management of investments,** including the selection of securities by the asset management agent in accordance with the constraints defined in the management mandate.

While the Board of Directors remains the ultimate decision-making body in terms of investment policy and financial risk management, it has given a mandate to the **ALM Committee**, whose role is to examine investment strategies and risk policies, to implement the investment strategy. This is achieved by means of the monthly **Investment Committees** described in section B.1.

C.3. Credit risk

Definition of credit risk

Credit risk is the risk of loss, or of an adverse change in the financial position, resulting directly or indirectly from fluctuations in the creditworthiness or credit quality of the company's counterparties. They include :

- **Spread risk,** which reflects the sensitivity of the value of assets, liabilities and financial instruments to changes in 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 arise from the unexpected default, or deterioration in the credit quality, of the company's counterparties and debtors. The scope of counterparty risk includes risk mitigation contracts such as reinsurance agreements, securitizations 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 changes over the period

Unless otherwise stated, the quantitative elements of risk assessment are presented in section E of this report and correspond to the Solvency Capital Requirement (SCR) at 31 December 2024, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the company's net income of a shock of a magnitude that would occur only once every two hundred years.

Wakam SA's exposure to credit risk is measured as follows:

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

These exposure measures are presented in section E.2.

Concentration of credit risk

Wakam SA's spread risk concentration is measured via the Concentration sub-module of the market SCR.

On Wakam SA's bond portfolio, this risk measure represents an amount of €0.2m (see section E.2).

Counterparty risk on receivables arises at Wakam SA through its relationships with its partners, reinsurers and banks. As regards the concentration of these risks, at the end of 2024 they will particularly affect the largest reinsurers and the main bank in which the cash is held.

Credit risk mitigation

The spread risk is mitigated by the provisions of the strategic asset allocation and by the overall governance structure governing investment decisions and the use of a fund manager.

Counterparty risk, and in particular the risk arising from the cession of business to reinsurers, is largely mitigated by the use of financial guarantees (cash deposits or pledges of securities) against ceded reserves during the contractualization process. In addition, the counterparty risk on reinsurers is mitigated by the high degree of diversification of the panel (28). Finally, it is verified that the rating of each reinsurer is in line with Wakam SA's reinsurance underwriting policy.

Sensitivities to credit risk

Resistance testing and scenario analysis

Wakam SA carried out stress scenarios as part of the preparation of the 2024 ORSA report. The company complies with the MCR requirement in both the central scenario and the stress scenarios tested. With regard to ongoing compliance with SCR requirements, the results of the stress tests show that the level of capital generally appears to be sufficient.

Central scenario assumptions

The assumptions of the central scenario are detailed in section C.1.

Methods and assumptions for stress tests and scenario analyses

The stress tests implemented as part of the ORSA 2024 report and their respective impacts in 2025, 2026 and 2027 are as follows:

- **Sc_WSA_2.a/** Tensions on the financial markets manifested by a significant rise in interest rates and a downgrading of the ratings of financial counterparties;
- **Sc_WSA_2.b/** Failure of a major partner;
- **Sc_WSA_5/** Tensions in the reinsurance market leading to an inability to place a proportion of treaties, resulting in an increase in the retention of quota share and excess loss cover and a higher cost of excess loss cover;
- **Sc_WSA_7/** Default by a major supplier to Wakam SA.

The choice of these stress tests was based on the main risks identified by all risk owners and heads of key functions. The scenarios were also discussed with Executive Management and the Board of Directors.

Results of stress tests

Scenarios / (in pts of solvency ratio compared with the central scenario)	2025	2026	2027
Sc_WSA_2.a - Tensions on financial markets	-7pts	-14pts	-17pts
Sc_WSA_2b - Default of a major partner	-34pts	-34pts	-30pts
Sc_WSA_5 - Tensions on the reinsurance market	-33pts	-60pts	-78pts
Sc_WSA_7 - Default by a major service provider of Wakam SA	-1pt	-1pt	-1pt

The severity of these scenarios can be explained:

- **For scenario 2.a, tensions on the financial markets lead to a rise in interest rates and a downgrading of the ratings of financial counterparties,** resulting in a higher level of SCR, mainly for market risk.
- **For scenario 2.b, which takes into account the loss of a partner,** by the reduction in net income and future profits included in prudential capital, partially offset by a reduced SCR.
- **For scenario 5, where the share of risk borne by Wakam SA** increases as a result of the immediate rise in the SCR, leading to a deterioration in the solvency ratio.
- **For scenario 7, which is marked by the default of a major service provider to Wakam SA,** by a slight but lasting fall in equity due to the impact of the costs of replacing the TPA.

C.4. Liquidity risk

Definition of liquidity risk

Liquidity risk is the risk that Wakam SA will not be able to realize investments and other assets to meet its financial commitments when they become due.

Exposure to liquidity risk

Measures used to assess risks and changes over the period

A project was initiated at the end of 2024 on the subject of cash flow projections. This first iteration of the cash flow projection model provided a view of Wakam SA's exposure to short-term liquidity risk.

Similarly, medium-term liquidity indicators are included in Wakam SA's KRI monitoring.

Concentration of liquidity risk

No concentration of liquidity risk has been identified in Wakam SA's risk profile at the end of 2024.

Mitigating liquidity risk

In 2024, Wakam SA strengthened the management of its liquidity risk by setting up a credit control department to collect receivables within contractual deadlines.

In addition, Wakam SA mitigates its liquidity risk through annual asset-liability allocation work aimed in particular at ensuring that maturities remain consistent.

Sensitivities to liquidity risk

Resistance testing and scenario analysis

Wakam SA carried out stress scenarios as part of the preparation of the 2024 ORSA report. The company complies with the MCR requirement in both the central scenario and the stress scenarios tested. With regard to ongoing compliance with SCR requirements, the results of the stress tests show that the level of capital generally appears to be sufficient.

Central scenario assumptions

The assumptions of the central scenario are detailed in section C.1.

Methods and assumptions for stress tests and scenario analyses

The stress tests implemented as part of the ORSA 2024 report and their respective impacts in 2025, 2026 and 2027 are as follows:

- **Sc_WSA_1/** Adverse development of Wakam SA's business leading to an increase in premiums and a change in product mix;
- **Sc_WSA_2.a/** Tensions on the financial markets manifested by a significant rise in interest rates and a downgrading of the ratings of financial counterparties;
- **Sc_WSA_2.b/** Default of a major partner;
- **Sc_WSA_3/** Geopolitical tensions leading to unanticipated high inflation combined with a drift in future claims;
- **Sc_WSA_4/** Significant delays in the knowledge and integration of data from partners in run-off, leading to the reloading of provisions;
- **Sc_WSA_5/** Tensions in the reinsurance market leading to an inability to place a proportion of treaties, resulting in an increase in the retention of quota share and excess loss cover and a higher cost of excess loss cover;
- **Sc_WSA_7/** Default by a major supplier to Wakam SA;
- **Sc_WSA_8/** Operational crisis scenario resulting from an accumulation of failures on the dimensions of people, processes and tools;
- **Sc_WSA_9/** Climate scenario incorporating the occurrence of medium-severity events (hailstorms), the bursting of a dam in Isère and the impact of tighter regulations on financial investments;
- **Sc_WSA_10/** Cyber scenario defined by a data leak perpetrated by a consultant resulting in resolution costs and the loss of part of the business.

The choice of these stress tests was based on the main risks identified by all risk owners and heads of key functions. The scenarios were also discussed with Executive Management and the Board of Directors.

Results of stress tests

Scenarios / (in pts of solvency ratio compared with the central scenario)	2025	2026	2027
Sc_WSA_1 - Increase in premiums and change in product mix	+15pts	+11pts	+12pts
Sc_WSA_2.a - Tensions on financial markets	-7pts	-14pts	-17pts
Sc_WSA_2b - Default of a major partner	-34pts	-34pts	-30pts
Sc_WSA_3 - Inflation and rising claims experience	-30pts	-61pts	-91pts
Sc_WSA_4 - Reloading provisions	-23pts	-23pts	-19pts
Sc_WSA_5 - Tensions on the reinsurance market	-33pts	-60pts	-78pts
Sc_WSA_7 - Default by a major service provider of Wakam SA	-1pt	-1pt	-1pt
Sc_WSA_8 - Operational crisis	-7pts	-6pts	-5pts
Sc_WSA_9 - Climate scenario	-6pts	-13pts	-7pts
Sc_WSA_10 - Cyber scenario	0pts	-2pts	-1pt

The severity of these scenarios can be explained:

- **For scenario 2.a, in which tensions on the financial markets lead to a rise in interest rates and a downgrading of the ratings of financial counterparties,** by a higher level of SCR, mainly on market risk.
- **For scenario 2.b, which takes account of the loss of a partner,** by the fall in net income and future profits incorporated into prudential capital, partially offset by a reduced SCR.
- **Scenario 3, where the company faces an unfavourable external event** with repercussions on the development of its business, resulting in an immediate loss combined with difficulty in achieving profit targets in subsequent years, thereby reducing shareholders' equity.
- **For scenario 4, marked by an increase in provisions,** by the cumulative effects of a deterioration in results and an increase in the SCR.
- **For scenario 5, where the share of risk borne by Wakam SA increases** as a result of the immediate rise in the SCR, leading to a deterioration in the solvency ratio.
- **For scenario 7, which is marked by the default of a major service provider to Wakam SA,** by a slight but lasting fall in equity as a result of the negative impact of the costs generated by this default.
- **For scenario 8, an operational crisis,** by a slight but lasting fall in equity due to the negative impact of the costs generated by this crisis.

- **For scenario 9, in which investment regulations are tightened from 2026 in a context of a resurgence of weather-related claims,** by a significant fall in the market value of investments from that year onwards. This decline also leads to a loss of economic equity.
- **For scenario 10, the cyber scenario,** by a reduction in shareholders' equity linked to the cost of crisis management following a cyber attack.

Expected benefits from future premiums

The expected profit on future premiums after application of reinsurance as recorded in the Best Estimate of Premium Provisions is 0.5m€. This is close to the estimate for 2023 (0.4m€).

C.5. Operational risk

Definition of operational risk

Operational and compliance risks are unexpected losses arising from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risks but excludes risks arising from strategic decisions and reputational risks. They include:

- **The risk of internal fraud,** the risk of losses resulting from unauthorized intentional acts or activities.
- **The risk of external fraud,** the risk of losses due to acts of fraud, misappropriation of assets or circumvention of legislation by a third party.
- **Risks relating to employment and safety practices in the workplace,** the risk of losses resulting on the one hand from actions that do not comply with legislation or agreements relating to employment, health or safety in the workplace and, on the other hand, from actions that do not comply with the rules and principles of employment and skills management.
- **Risks relating to customers,** products and business practices, the risk of loss resulting from unintentional or negligent breach of professional duty to specific customers (including trust and compliance requirements) or from the nature or design of the product.
- **The risk of damage to tangible assets,** destruction or damage resulting from natural disasters or other losses,
- **ICT risks,** including systems failure and cyber risk, which relate to the loss of availability, integrity, confidentiality and authenticity of information systems, in line with DORA Regulation (EU) 2022/2554 on the digital operational resilience of the financial sector;
- **Risks relating to execution, delivery and process management,** the risk of losses resulting from a problem in the processing of a transaction or in the management of processes or from non-compliance/non-implementation of legislation and/or regulations or suffered in the context of relations with commercial counterparties and suppliers

Exposure to operational risk

Measures used to assess risks and changes over the period

Unless otherwise stated, the quantitative elements of risk assessment are presented in section E of this report and correspond to the Solvency Capital Requirement (SCR) at December, 31st 2024, assessed in accordance with the standard formula, before diversification between risk modules. This represents the impact on the company's net income of a shock of a magnitude that would occur only once every two hundred years.

Wakam SA's measure of exposure to operational risk is the Operational SCR.

This exposure measurement is presented in section E.2.

Concentration of operational risks

No concentration of operational risk has been identified in Wakam SA's risk profile.

Mitigating operational risk

Operational risk is mitigated by the entire risk management system in place at Wakam SA, in particular through the construction and monitoring of risk mapping, the implementation of first- and second-level control plans, the reporting and monitoring of incidents, and the monitoring of action plans following the identification of each operational failure.

Sensitivities to operational risk

Resistance testing and scenario analysis

Wakam SA carried out stress scenarios as part of the preparation of the 2024 ORSA report. The company complies with the MCR requirement in both the central scenario and the stress scenarios tested. With regard to ongoing compliance with SCR requirements, the results of the stress tests show that the level of capital generally appears to be sufficient.

Central scenario assumptions

The assumptions of the central scenario are detailed in section C.1.

Methods and assumptions for stress tests and scenario analyses

The stress tests implemented as part of the ORSA 2024 report and their respective impacts in 2025, 2026 and 2027 are as follows:

- **Sc_WSA_7/** Default by a major supplier to Wakam SA;
- **Sc_WSA_8/** Operational crisis scenario resulting from an accumulation of failures on the dimensions of people, processes and tools;
- **Sc_WSA_10/** Cyber scenario defined by a data leak perpetrated by a consultant resulting in resolution costs and the loss of part of the business.

The choice of these stress tests was based on the main risks identified by all risk owners and heads of key functions. The scenarios were also discussed with Executive Management and the Board of Directors.

Results of stress tests

Scenarios / (in pts of solvency ratio compared with the central scenario)	2025	2026	2027
Sc_WSA_7 - Default by a major Wakam SA service provider	-1pt	-1pt	-1pt
Sc_WSA_8 - Operational crisis	-7pts	-6pts	-5pts
Sc_WSA_10 - Cyber scenario	0pts	-2pts	-1pt

The severity of these scenarios can be explained

- **For scenario 7, which is marked by the default of a major service provider to Wakam SA,** by a slight but lasting fall in equity as a result of the negative impact of the costs generated by this default.
- **For scenario 8, an operational crisis,** by a slight but lasting fall in equity due to the negative impact of the costs generated by this crisis.
- **For scenario 10, the cyber scenario,** by a reduction in shareholders' equity linked to the cost of crisis management following a cyber attack.

C.6. Other major risks

The other significant risks that the company may encounter are risks whose assessment is not covered by the standard formula set out in the Solvency 2 Directive. On the basis of the stress scenarios carried out for the ORSA (Own Risk and Solvency Assessment) exercise, these risks are considered to be under control:

- **The risk of dependence on a distribution partner** arises from the excessive relative weight that a single distribution partner would represent in Wakam SA's business. This risk is controlled by the number of partners in the portfolio, resulting in significant diversification.
- **The Risk relating to the quality of the data supplied by partners** concerns the risk of insufficient quality of the data supplied by partners or insufficient controls carried out on this data. Management information (contracts, receipts and claims) comes exclusively from files sent by broker partners. Incorrect data transmission may occasionally lead to errors in the quarterly accounts. The system for controlling the risk of errors in the monthly data sent by partners is based on technical and governance elements. The quality of the data supplied by partners is always the subject of particular and constant attention within Wakam SA.
- **Cyber risk** concerns the availability and integrity of information systems and the confidentiality, integrity and availability of data, which could be compromised as a result of malicious acts, computer attacks or technical failures. Faced with the intensification and growing sophistication of cyber threats, Wakam SA continued to strengthen its IT security arrangements in 2024, in particular by tightening protection against data leakage, improving level 1 and 2 controls and taking out cyber insurance. Wakam SA considers that the main risks of malicious intent are contained, while continuing to adapt to changing threats.
- **Key person risk** is the disappearance, incapacity or departure of a key person, resulting in a drop in sales or a major impact on the company's future. A key person is anyone who plays a decisive role in the operation and development of a company. This is a person with unique know-how, expertise, techniques and responsibilities that make him or her an indispensable part of the company. To reduce its exposure to this risk, in 2024 the company continued to strengthen its senior management team, reinforce its Vice-Presidents and Chiefs, continue to increase its workforce and automate certain processes. Against this backdrop, the key-person risk is considered to be under control.

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 type of asset

For all the items listed below, there have been no material changes in valuation since last year.

- **Valuation of investments :** At 31 December 2024, Wakam SA had a volume of investments at market value of 182.7m€ compared with a book value of 180.7m€ All of the company's investments are valued at market value in the Solvency 2 prudential balance sheet. Accrued interest is taken into account in the valuation. Accrued interest not yet due appearing on the parent company balance sheet is repositioned by nature in the various investment lines appearing at market value in the Solvency 2 prudential balance sheet, as is the premium/discount, so as to avoid double counting. Deposits and guarantees and the strategic investment in Lloyds' have the same value in the accounting balance sheet as in the Solvency 2 prudential balance sheet.

Comparative breakdown of Wakam SA investments
(Net book value excluding cash)

(in millions of euros)	31/12/2023	31/12/2024
Actions	0.0	0.3
Bonds	105.2	145.3
Private funds	29.4	31.2
Equity investments	-	-
Strategic participation	10.7	0.7
Deposits and guarantees	2.5	3.2
TOTAL	**147.9**	**180.7**

- **Valuation of intangible assets:** In the context of the valuation of the economic balance sheet, these assets do not generally represent material wealth available for solvency purposes. In the case of Wakam SA, the item is funded by internal IT developments. In accordance with Solvency 2 regulations, the value of intangible assets in the statutory accounts is entirely cancelled out in the Solvency 2 prudential balance sheet.

- **Valuation of receivables:** At December, 31st 2024, receivables break down as follows:
  - Receivables from insurance operations amount to 633.1m€ in the parent company balance sheet and have not been restated in the Solvency 2 prudential balance sheet.
  - Receivables from reinsurance operations amount to 150.9m€ in the parent company balance sheet and are not restated in the Solvency 2 prudential balance sheet.
  - The other receivables of 105.7m€, which relate to receivables arising from administrative operations with public organizations (tax, social security contributions, etc.) and suppliers, are not subject to any adjustment between the French GAAP balance sheet and the Solvency 2 prudential balance sheet.
  - In total, the amount of receivables in the statutory accounts and the Solvency 2 prudential balance sheet is 889.7m€.
- **Valuation of other assets:** the book value of other assets in the statutory balance sheet is 131.1m€, with an economic value of zero. These restatements result from the following effects:
  - **The cancellation of deferred acquisition costs (DAC) (-126.7m€),** DAC corresponding to amounts already paid by Wakam SA in respect of fixed partner commissions on premiums written but not earned at December, 31st 2024. In the accounts, the increase in this item enables the company's acquisition costs to be allocated to the correct accounting period. In contrast, Solvency 2 is based on a logic of future cash flows. As the DAC have already been disbursed by the company, and are not the subject of a future cash flow, they are entirely cancelled in the Solvency 2 prudential balance sheet. It should be noted that this operation does not generate a loss of wealth for Wakam SA, since these acquisition costs on existing contracts will not give rise to a cash flow on the part of the company and are not projected in the «Best Estimate of Premiums» in the Solvency 2 prudential balance sheet.
  - **The cancellation of Prepaid Expenses (-0.7m€),** in accordance with the same principle of allocation and independence of financial years, as these expenses had already been disbursed by the company. Given their relative low amounts, the basis used to calculate the Best Estimate of Expenses has not been adjusted for this favourable impact.
  - **The cancellation of accrued interest not yet due (-1.4m€) and discounts (-2.3m€),** the amounts of which are already included in the market value of the company's investments. In order to avoid any double counting of balance sheet items, this amount has been cancelled in its entirety in the company's Solvency 2 prudential balance sheet.

- **The value of «Current accounts and cash»** remains identical to the book value.

- **Valuation of deferred tax:** Deferred tax in the Solvency 2 regulatory balance sheet corresponds to the tax charge (liability) or credit (asset) applicable to the change in net assets resulting from restatements between the statutory balance sheet and the regulatory balance sheet. At December, 31st 2024, the value of deferred tax assets is zero.

Deviation from the Financial Statements

(in millions of euros)	Social Report	Solvency 2 prudential balance sheet	Differences
Intangible assets	11.9	-	-11.9
Tangible assets	3.0	3.0	-
Investments	180.7	182.7	+2.0
Reinsurers' share of technical provisions, of which :	1 156.5	914.9	-241.5
Unearned premium reserves / Best estimate of premium reserves	*272.4*	*147.5*	*-124.9*
Claims reserves / Best estimate of claims reserves	*788.1*	*709.5*	*-78.6*
Other technical provisions (PSNEM*, PCR**, Annuities)	96.0	58.0	-38.0
Receivables	889.7	889.7	-
Current accounts and cash	31.9	31.9	-
Other assets	131.1	-	-131.1
Deferred tax	-	-	-
Total assets	**2 405**	**2 022**	**-383**

*Construction Technical Provision
**Provision for Current Risk

In summary, the differences between the assets on the statutory balance sheet and those on the Solvency 2 prudential balance sheet break down as follows:

- Intangible assets (-11.9m€): Cancellation in the Solvency 2 prudential balance sheet
- Investments (+2.0m€): Transition to market value
- Reinsurers' share of technical provisions (-241.5m€): See Section D.2.
- Receivables: not restated
- Current accounts and cash: Not restated
- Other assets (-131.1m€): details above

The total value of assets in the Solvency 2 prudential balance sheet is 2,022m€, compared with 2,405m€ in the statutory financial statements.

D.2. Technical provisions

Value, methods and assumptions by type of provision

For all the items listed below, there have been no material changes in valuation since last year.

- The **segmentation** used to value technical provisions is based on homogeneous risk categories. For presentation purposes, these are then aggregated by Business Line, as described in the regulations.
  - » The company's commitments on 2 and 4-wheel products are mainly split between the «Motor Vehicle Liability» and «Other Motor» business lines.
  - » Commitments relating to property damage products (comprehensive home insurance, comprehensive building insurance, glass breakage and property breakage/theft) are mainly split the «Fire and other damage to property» and «General Liability» business lines.
  - » Commitments relating to mechanical breakdown, unpaid rent, extended property warranties and ticket cancellations are included in the «Miscellaneous financial loss» business line,
  - » The commitments relating to Dog and Cat products are split between the «Medical Expense» and «General Liability» business lines.
  - » Commitments relating to Construction products are included in the «General Liability» business line.
  - » Commitments relating to Individual Accident products are classified in the «Income Protection» Business Line.
  - » Commitments relating to healthcare products are included in the "Medical Expense" business line.
  - » Commitments relating to Rental deposit products are classified in the «Credit and Suretyship" business Line.
  - » The commitments relating to Legal Protection and Assistance cover are reflected in the Business Lines of the same name.
- **The Best Estimate of Gross Reinsurance Claims Reserves** is the sum of future cash flows related to claims already incurred, discounted using the regulatory yield curves (by currency) at 31/12/2024, without volatility adjustment. The liquidation patterns used have been calculated to take account of the differences in liquidation between large and attritional claims. In addition, the liquidation pattern used for affinity products are those anticipated when the products are priced.

- » **"Annuity" claims:** the valuation of annuity claims is based on the amount of compensation determined for each item of loss, using the mortality tables in force.

- **Recurring expenses relating to the claims management during their settlement period** are charged to future cash flows if they have not already been disbursed at the valuation date. They include expenses that can be directly allocated to claims management and indirect expenses allocated to claims management in the company's cost accounting:
  - » **Management costs for compensation for material claims** are not projected as they are fully borne by the Company's delegatees and have already been disbursed by the Company in the form of management fees paid in accordance with the delegation protocols.
  - » **Acquisition costs** are also excluded from the projection insofar as they have already been paid to the contributors in the form of distribution commissions paid in accordance with the distribution protocols.
  - » **Other general expenses relating to contract administration and investment management** are projected in proportion to future claims settlement flows in accordance with the company's analytical allocation rules and the business continuity scenario provided for in Article 31 of the Delegated Act.
  - » **Before discounting, the amount of expenses included in the Best Estimate of Claims Provisions for gross non-life reinsurance commitments amounts to 3.2m€ at December, 31st 2024.**

- **The Best Estimate of Ceded Reinsurance Claims Reserves,** represented as an asset, is the sum of future cash flows relating to claims already incurred, projected according to the same segmentation and methodology as the Best Estimate of Gross Reinsurance Claims Reserves, but ceded in accordance with the terms of the reinsurance Treaties in force within Wakam SA:
  - » **Proportional Treaties** are modelled by applying cession rates to gross future cash flows separately by Treaty, Reinsurer and Year of Occurrence.
  - » **Non-proportional Treaties** are taken into account individually for each claim or event involving this cover, by applying the indexation and reconstitution clauses.
  - » **A Probability of default of the reinsurers,** identical to that used to assess the Type 1 Counterparty SCR and based on the individual rating of each of the reinsurers, is applied to the future cash flows ceded in this way.

- **The Best Estimate of Gross Reinsurance Premium Reserves** is the discounted sum of future cash flows (Premiums, Settlements of claims not yet incurred net of recoveries received and associated expenses) that will be generated by contracts in the portfolio at the valuation date for the unearned portion of the risk or that will be renewed or underwritten in the following financial year in cases where the company cannot unilaterally withdraw from its commitment to the end insured or increase the contract rate. **The company thus includes the following contracts in its «Contract boundary»:**

» All individual contracts where Wakam SA cannot terminate within two months of the closing date. Depending on the period of validity of the renewal quotation, shorter time horizons have been used for the partnerships concerned. In certain rare cases where distribution agreements cover several years, with no possibility of unilateral changes to pricing, the contracts signed until the end of these agreements have been retained.

» The future cash flows of this perimeter are valued on the basis of premiums and commission rates as anticipated for 2025 and using Best Estimate claims assumptions. These cash flows also take into account future costs related to claims management.

- **The Ceded Best Estimate of Premiums,** represented as an asset, is the sum of future cash flows, projected according to the same segmentation and methodology as the Best Estimate of Gross Reinsurance Claims Reserves, but ceded in accordance with the terms of the Wakam SA Reinsurance Treaties in respect of the financial year 2025.

- **Valuation of the Provision for Current Risks (PCR):** by construction, the best estimate of premium provisions including the items making up the PCR, the latter is positioned at 0 in the Solvency 2 prudential balance sheet.

- **The Risk Margin i**s added to all the Best Estimates of Claims and Premium Provisions in order to constitute the technical provisions within the Solvency 2 Directive framework. It is calculated in such a way as to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would require to take over and honor the insurance and reinsurance commitments of Wakam SA. The risk margin is estimated as the discounted sum of future SCRs until the commitments are extinguished, multiplied by a cost of capital rate equal to 6% as provided for in Article 39 of the Delegated Act. For simplification purposes, the company has estimated the risk margin in the Solvency 2 prudential balance sheet on the basis of 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 the claims experience net of reinsurance relating to claims reserves and premium reserves. **The Risk Margin is therefore valued at 11.3m€** in the Solvency 2 prudential balance sheet.

Level of uncertainty

The valuation carried out by the company in accordance with regulatory requirements is subject to two types of uncertainty:

- **The insurance business is by nature 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 totally eliminated. The valuation, which is based on a deterministic projection in a central development scenario, does not reflect the volatility of operations.
- **Changes in Wakam SA's portfolio in 2024:** These changes combine the launch of new partnerships and the termination of several existing partnerships. This significantly alters the database, with partnerships in run-off and new partnerships for which the historical data is sometimes shallower. The valuation of claims is therefore based on observations of comparable portfolios, which cannot fully reflect the new risk borne by Wakam SA in this context, despite rigorous selection and increasing diversification of guarantees.

Deviations from the financial statements

Summary of technical reserve differences at December, 31st 2024

(in millions of euros)	Statutory Balance Sheet	Solvency 2 Prudential Balance Sheet	Differences
Technical provisions, of which:	1 360.2	1 104.9	-255.2
Unearned premium reserves / Best estimate of premium reserves	323.6	188.9	-134.7
Claims reserves / Best estimate of claims reserves	931.6	844.2	-87.4
Other technical provisions (Construction provision, PCR, Annuities)	105.0	60.4	-44.6
Risk margin	0.0	11.3	+11.3
Reinsurers' share of technical provisions, of which:	**1 156.5**	**914.9**	**-241.6**
Unearned premium reserves / Best estimate of premium reserves	272.4	147.5	-124.9
Claims reserves / Best estimate of claims reserves	788.1	709.5	-78.6
Other technical provisions (Construction provision, PCR, Annuities)	96.0	58.0	-38.0
Technical reserves net of reinsurance	**204**	**190**	**-14**

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

- **Net premium reserves (-9.7m€): inclusion of discounted profits on unearned premiums (-9.2m€),** inclusion of discounted profits on contracts not yet committed in 2024 but belonging to the contracts boundaries (-0.5m€).
- **Claims reserves and other net technical reserves (-15.3m€):** Cancellation of the Provision for Current Risks (-6.9m€) and integration of the claims provision including expenses and discounting (-8.5m€)
- **Risk margin (+11.3m€):** Inclusion of the prudence margin calculated using the standard formula.

The total value of net technical provisions in the Solvency 2 balance sheet is 190m€, compared with 204m€ in the statutory financial statements.

Technical provisions by line of business

The breakdown of technical reserves by major line of business shows that motor third-party liability predominates, due to the greater relative weight of large claims and a higher duration of claims than other lines of business. However, this segment is reinsured to a greater extent in order to hedge against the volatility of large claims.

Breakdown of technical reserves by line of business at December, 31st 2024 (in millions of euros)

(Amounts in m€)	Best Estimate of Provisions			Risk margin	Technical provisions
	Gross	Ceded	Net		Net S2
Medical expenses insurance	132,4	109,0	23,3	0,4	23,7
Income protection insurance	11,6	9,1	2,5	0,1	2,6
Motor third-party liability insurance	577,0	502,9	74,1	7,7	81,8
Other motor vehicle insurance	119,2	94,7	24,6	0,4	25,0
Fire and other property damage insurance	115,8	77,3	38,6	0,9	39,5
General liability insurance	78,6	77,3	1,4	0,0	1,4
Credit and suretyship insurance	2,1	1,7	0,4	0,0	0,4
Legal protection insurance	0,2	0,1	0,2	0,0	0,2
Assistance insurance	0,3	0,3	0,0	0,0	0,0
Miscellaneous financial loss insurance	43,7	32,5	11,2	0,5	11,7
Annuities from non-life insurance contracts	12,6	10,2	2,3	1,3	3,6
TOTAL	**1 094**	**915**	**179**	**11**	**190**

Equaliser adjustment

Wakam SA does not use this facility.

Correction for volatility

Wakam SA does not use this facility.

Transitional risk-free rate curve

Wakam SA does not use this facility.

Transitional deduction

Wakam SA does not use this facility.

Amounts recoverable from reinsurance

The amounts recoverable from reinsurance in the Solvency 2 prudential balance sheet are 914.9m€.

Changes in assumptions compared with the previous period

Compared with the previous financial year, the company has not made any methodological adjustments or changes to material assumptions other than those required by the standard (yield curve, review clause) or specific to changes in its business.

D.3. Other liabilities

Value, methods and assumptions by type for other liabilities

For all the items listed below, there have been no material changes in valuation since last year.

- **Valuation of liabilities arising from insurance and reinsurance transactions:** liabilities arising from insurance transactions correspond to the balances of claims settlements and commissions due to brokers at short notice, as well as the cash balances of treaties underwritten by Wakam SA. Reinsurance liabilities correspond to balances due to reinsurers.

  The economic value presented in the prudential balance sheet amounts to **676.0m€.**

- **Valuation of deferred reinsurance commissions:** deferred reinsurance commissions (DRC) correspond to the amount already received by Wakam SA in respect of reinsurance commissions on premiums written but not earned at December, 31st 2024. In the accounts, the increase in this item enables the company's reinsurance commissions to be allocated to the correct accounting period. In contrast, Solvency 2 is based on a logic of future cash flows. As the DRCs have already been collected by the company, and are not the subject of a future cash flow, they are entirely cancelled in the Solvency 2 prudential balance sheet. It should be noted that this operation does not generate a loss of wealth for Wakam SA, since these reinsurance commissions on existing contracts will not give rise to a future cash flow and are not projected in the Best Estimates of Net Provisions in the Solvency 2 prudential balance sheet. The DRC cancellation amounts to 109.3m€ in the regulatory balance sheet at December, 31st 2024.

- **Valuation of assignees' deposits:** these cash deposits are constituted in accordance with the contractual terms of certain reinsurance treaties and guarantee Wakam SA the reimbursement of claims by the reinsurer up to the amount of its share. The economic value in the Solvency 2 prudential balance sheet remains zero, identical to the value recorded in the statutory financial statements.

- **Valuation of the provision for risk and charges:** The provision for liabilities and charges comprises provisions for litigation and provisions for retirement indemnities. These provisions are not restated in the Solvency 2 prudential balance sheet.

- **Valuation of subordinated liabilities:** in accordance with Article 14 of Delegated Act 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 therefore valued in the balance sheet as the sum of coupons and repayment at maturity discounted at the risk-free rate curve at December, 31st 2024, to which is added Wakam SA's own credit risk premium. A new €25m super-subordinated liability was subscribed in December 2024.
- **Valuation of other liabilities :** Other liabilities correspond to amounts due to public bodies (taxes, social security contributions, etc.) and suppliers. The economic value remains identical to the book value in the prudential balance sheet for the following debts:
  - 60.1m€ in securities sold under repurchase agreements;
  - employee-related liabilities of 6.5m€;
  - taxes and duties of 27.6m€;
  - 32.6m€ in current accounts between Group entities;
  - other open trade payables of 13.2m€.
- **Valuation of accrued liabilities and deferred income:** The economic value of other liabilities is restated for the amortisation of premium surcharges in the Solvency 2 prudential balance sheet, as these items are included in the market value of investments shown under Assets. These restatements represent €0.7m at 31 December 2024.

Deviations from the financial statements

(in millions of euros)	Social Report	Solvency 2 prudential balance sheet	Differences
Technical provisions, of which :	1 360.1	1 104.9	-255.2
Unearned premium reserves / Best estimate of premium reserves	*323.5*	*188.9*	*-134.6*
Claims reserves / Best estimate of claims reserves	*931.6*	*844.2*	*-87.4*
Other technical provisions (PSNEM*, PRI**, Annuities)	*105.0*	*60.4*	*-44.6*
Risk margin	-	11.3	+11.3
Provision for risks and charges	1.2	1.2	-
Assignee deposits	-	-	-
Debts	816.0	816.0	-
Subordinated debt	44.0	44.0	-
Other liabilities	111.0	-	-111.0
Deferred tax	-	-	-
Total liabilities	**2 331.3**	**1 966.1**	**-365.3**
Subordinated debt, included in equity S2	-	44.0	+44.0
Shareholders' equity	**73.4**	**100.2**	**+26.7**

*Construction technical reserves
**Provision for Risk Incurring

In summary, the differences between the liabilities items in the statutory balance sheet and the Solvency 2 prudential balance sheet break down as follows:

- Gross technical provisions and other non-technical provisions **(-€255.3m)** : See Section D.2;
- Provisions for risks and charges: Not restated ;
- Transferee deposits: Not restated ;
- Other liabilities : Not restated ;
- Deferred reinsurance commissions (-109.3m€) : Restatement of deferred reinsurance commissions ;
- Subordinated debt: Not restated ;
- Other liabilities (-111.0.0m€): Restatement of deferred reinsurance commissions
- (-109.3m€) and retreatment of accruals and deferred income (-0.7m€).

The total value of liabilities in the Solvency 2 prudential balance sheet is 1,966m€, compared with 2,331m€ in the statutory financial statements.

D.4. Alternative valuation methods

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

D.5. Other information

All the values, methods and valuation assumptions used for all the Company's assets and liabilities are presented in full in sections D.1 to D.4.

E. Capital management

E.1. Shareholders' equity

Capital management objectives and policies

The capital management system takes account of regulatory constraints and Wakam SA's internal assessment of the amount of capital required to cover its risks. The company therefore identifies the various items of own funds that it is likely to hold in order to classify them according to the levels and characteristics presented in section 2 of chapter IV of the Delegated Acts.

	Core capital	Ancillary own funds
Level 1	Article 71	
Level 2	Article 73	Article 75
Level 3	Article 77	Article 78

- **The company must first establish a classification by type of equity :**
  - **Basic own funds** are made up of the following items: the excess of assets over liabilities, valued in accordance with Chapter II of Title I of the Delegated Acts, and any subordinated liabilities that Wakam SA may hold.
  - **Ancillary own funds** consist of items other than basic own funds that may be called upon to absorb losses. It may include the following items: The portion of the original fund that has not been called, letters of credit and guarantees or any other legally binding commitments received by Wakam SA. Once an item of ancillary own funds has been paid in or called, it is treated as an asset and ceases to form part of ancillary own funds.
- **Wakam SA must then classify its own funds according to three levels in order to assess the quality of the own funds it holds:** The classification of these items depends on their type (core capital or ancillary capital), their duration, which may or may not be fixed, and which is compared with the duration of commitments where applicable, and their permanent or subordinated availability.

	Type of equity	
Quality	**Core capital**	**Ancillary own funds**
High	Level 1	
Average	Level 2	Level 2
Low	Level 3	Level 3

- **Tier 1 capital,** including paid-up ordinary share capital and the related share premium account, has a number of characteristics listed in Article 71 of the Delegated Act, the most significant of which for Wakam SA are as follows:
  - **These own funds items do not permit distributions** where the Solvency Capital Requirement is not met or where a distribution in respect of that item would result in non-compliance, unless the supervisory authorities have exceptionally agreed that the distribution should not be cancelled, the distribution does not further weaken the solvency position of Wakam SA and the Minimum Solvency Capital Requirement (MCR) is met after the distribution
  - Wakam SA is under no obligation to make distributions.
- In the event that Wakam SA carries out a capital increase, the unpaid and uncalled ordinary share capital, which is callable on demand, is recognized as ancillary Tier 2 capital. When this capital is paid up, it is reclassified as core Tier 1 capital.
- In accordance with Article 73 of the Delegated Acts, subordinated debt subscribed by the company is recognized as Tier 2 capital.
- Super-subordinated debt of 25m€ was taken out at the end of 2024. This debt is classified as restricted Tier 1 capital within the regulatory limits and as Tier 2 capital for the remainder.
- In accordance with Article 76 of the Delegated Acts, the value of net deferred tax assets and preference shares could be recognized as core Tier 3 capital. Since the end of Q3 2024, no deferred tax asset has been recognized in Wakam SA's own funds.
- In the event that Wakam SA holds equity items with characteristics that are not included in the usual characteristics of level 1, 2 or 3 own funds, these items will only be valued if they have received the approval of the supervisory authorities for their valuation and classification.

Expected change in shareholders' equity

The Board of Directors has drawn up a medium-term capital management plan which takes into account :

- The maturity of the equity elements, including the contractual maturity and any previous opportunity to redeem or repurchase, linked to the company's equity elements,
- The results of projections carried out in connection with the strategic plan,
- The way in which the issue, repurchase or redemption, or any other change in the valuation of a capital item affects the application of the limits by tier.

This medium-term capital management plan (over a 3-year horizon) has resulted in the setting of a target solvency ratio of 150%. The Vice-President Risk, Compliance & Supervisory Relations ensures compliance with the medium-term capital management plan, under the supervision of the Executive Board.

Equity structure of Wakam SA

Eligibility of coverage by own funds defined by the Solvency 2 Directive

SCR	No more than 15% of Tier 3 elements
	Remaining part eligible for Tier 2
	At least 50% Tier 1 capital
MCR	Maximum 20% of Tier 2 elements
	At least 80% Tier 1 capital

The principles of eligibility and classification of coverage by own funds are defined in the Solvency 2 Directive. Each component of own funds has a different loss-absorption capacity. The value of the SCR and MCR can be compared with the amount of eligible items, and the ratio between the two corresponds to the solvency ratios that enable the company to position itself in relation to regulatory requirements and internal capital tolerance levels.

- **At December, 31st 2024, 70% of Wakam SA's own funds (70.2m€) is classified as Tier 1,** as the sum of the company's share capital, the net assets generated in the valuation of the Solvency 2 prudential balance sheet and part of the value of the new super-subordinated debt subscribed at the end of 2024, and 30% is classified as Tier 2, corresponding to the subordinated debt issued on 9 March 2017 and 28 September 2018 (valued at €19.0m in the economic balance sheet) and the portion of the new super-subordinated debt subscribed at the end of 2024 not classified as Restricted Tier 1.
- **Total economic own funds thus stand at 100.2m€** at December, 31st 2024, eligible for 100% SCR coverage and 80% MCR coverage.

Difference with the statutory Financial Statements

Difference between own funds in the statutory balance sheet and in the Solvency prudential balance sheet at December, 31st 2024

(in millions of euros)	Social report	Solvency 2 prudential balance sheet	Differences
Total assets	2 404.8	2 022.5	-382.5
Total liabilities	2 331.3	1 966.1	-365.3
Equity excluding subordinated debt	**73**	**56**	**-17**

The valuation of the Solvency 2 prudential balance sheet shows a reduction in economic equity before reclassification of subordinated liabilities of -17.3m€ (-11.3m€ at the end of 2023). This reflects all of the following items:

- cancellation of **intangible assets** for 11.9m€;
- -3.6m€ of **other restatements** (mainly prepaid expenses);
- the integration of the restatement in technical provisions net of **reinsurance, including risk margin** for +13.7m€;
- the mark-to-market of **financial assets** for +2.0m€;
- the cancellation of **DAC reduced by the DRC** for -17.4m€.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

Information by risk module

The SCR and MCR were calculated at December, 31st 2024 on the basis of the Standard Formula and its parameters as described in the Solvency 2 Directive, the Delegated Acts and the review clause. In addition, the elements of the review clause that came into force on January, 1st 2019 have been incorporated into the calculation, in particular the revisions concerning the shocks to premiums and reserves as well as the correlations, risk factors and weighting by region of the Catastrophe risk, or the evolution of certain shocks to the Market SCR.

- **The Market SCR** is assessed on a «simplified» transparent basis for funds, which represent 10% of total investments excluding cash at bank. **After aggregation and diversification of the various risks, the company's Market SCR comes to €14.8m**, up +1.8m€ on the previous year. This was mainly due to the increase in investments over the period.
- **The Counterparty SCR is 8.3m€,** down -3.4m€ on the previous year. This decrease is explained by a fall in receivables and payables on the balance sheet, reducing Wakam's exposure to the risk of counterparty default on insurance receivables (policyholders and brokers), and also by a lower level of cash accounts due to investments made during the year.
- **The Health underwriting SCR** reflects the company's underwriting and under-provisioning risk after geographical diversification, with Wakam SA's commitments spread across continental Europe, the United Kingdom, Ireland, Northern Europe and a zone comprising Reunion Island and the Caribbean. This SCR also includes the risk of collapse. After aggregation and diversification of the various sub-modules, the company's Health SCR at December, 31st 2024 is 10.5m€, up +2.1m€ on the previous year. This is due to a higher volume of business combined with an improved estimation of the basis of exposure to the risk of Lapse.
- **The Non-Life underwriting SCR** reflects the company's underwriting and under-provisioning risk after geographical diversification, Wakam SA's commitments having been divided between continental Europe, the United Kingdom, Ireland, Northern Europe and a zone comprising Reunion Island and the Caribbean. This SCR also includes the risk of falls as well as the risk of natural or man-made disasters. After aggregation and diversification of the various sub-modules, the company's Non-Life SCR at December, 31st 2024 is 36.6m€, up+0.4m€ on the previous year.

- After applying the risk correlation matrices provided for in the standard formula, the sum of the individual SCRs benefits from a diversification effect of 29%, giving **a BSCR of 49.9m€ at December, 31st 2024**, down -0.2m€ on the previous year. This change is mainly due to the reduction in counterparty risk and a greater diversification effect.

Total Solvency Capital Requirement and Minimum Capital Requirement

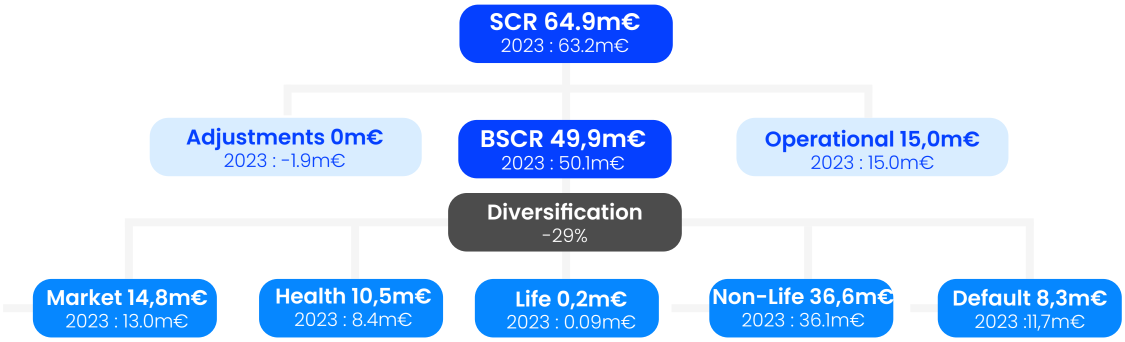
The total Solvency Capital Requirement (SCR) at December, 31st 2024, sum of the Basic SCR (BSCR), the Operational SCR and the adjustment by deferred taxes**, amounts to 64.9m€:** :

- **The Operational SCR** is a measure of the risk of loss resulting from inadequate or failed internal procedures, staff or systems, or from external events. It also includes legal risks, but excludes reputational risks and risks arising from strategic decisions. **At December, 31st 2024, Wakam SA's Operational SCR amounts to 15.0m€**, down -0.1m€ on the previous year due to the reduction in the BSCR explained above.

- **Amortization through deferred taxes** corresponds to the tax credits associated with the loss of the BSCR and the Operating SCR. **At December, 31st 2024, the adjustment SCR was zero, compared** with -1.9m€ at the previous year-end.

"Tree" of SCR modules at December, 31st 2024

(Amounts at December, 31st 2023 in brackets)



- **The Minimum Capital Requirement (MCR) at December, 31st 2024 is 24.8m€,** up +1.7m€ on the previous year. It corresponds to the linear MCR (estimated by applying two differentiated coefficients for each business line, one to net written premiums for the 2024 financial year, the other to the best estimate of net provisions).

E.3. Use of the duration-based equity risk sub-module in the calculation of 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», authorizes life insurance companies, under certain conditions and subject to the agreement of the supervisory authority, to replace the equity sub-module in the design of the standard formula with an equity sub-module based on duration.

Wakam SA does not use this option and calculates its Solvency Capital Requirement using 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», authorizes non-life insurance companies, under certain conditions and subject to the agreement of the supervisory authority, to use a partial or full internal model.

Wakam SA does not use this facility.

E.5. Non-compliance with the Minimum Capital Requirement and the Solvency Capital Requirement

SCR and MCR coverage ratios at December, 31st 2024

(en millions d'euros)	31/12/2023	31/12/2024
Economic own funds, of which :	**95.0**	**100.2**
Tier 1	71.2	70.2
Tier 2	19.8	30.0
Tier 3	3.9	0.0
Eligible own funds to cover the SCR	**95.0**	**100.2**
SCR	63.2	64.9
SCR coverage ratio	150%	154%
Eligible own funds to cover the MCR	**75.9**	**75.2**
MCR	23.1	24.8
MCR coverage ratio	328%	303%

- **Wakam SA complies with the regulatory capital requirement at December, 31st 2024 :**
  - **At that date, the SCR coverage ratio was 154%** and the MCR coverage ratio was 305%.
  - **The SCR coverage ratio** is up compared with 2023 (+4pts). This is explained by an increase in equity due to the subscription of super-subordinated debt, which absorbs net losses over the period, partly offset by the growth in the SCR, mainly on underwriting risk.
  - **The MCR coverage ratio** fell by -25pts, a trend consistent with the combined effects of the rise in the MCR and the fall in capital eligible for MCR coverage. This second effect is mainly due to a higher proportion of Tier 2 in economic capital, which is subject to an eligibility condition for MCR coverage..

E.6. Other information

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

Appendix

Public QRTs displayed in this Appendix
are related to annual closing 2024.
These include the following:

- S.02.01 – Balance sheet
- S.04.05 – Premiums, claims and expenses by country
- S.05.01 – Premiums, claims and expenses by line of business
- S.12.01 – Life and Health SLT Technical Provisions
- S.17.01 – Non-Life Technical Provisions
- S.19.01 – Non-life insurance claims
- S.23.01 – Own funds
- S.25.01 – Solvency Capital Requirement
- S.28.01 – Minimum Capital Requirement

Amounts displayed in the QRTs are reported in thousand of euros (€k).

S.02.01 - Balance sheet

Assets				Solvency II value
				C0010
Goodwill			R0010	
Deferred acquisition costs			R0020	
Intangible assets			R0030	0
Deferred tax assets			R0040	0
Pension benefit surplus			R0050	0
Property, plant & equipment held for own use			R0060	3 002
Investments (other than assets held for index-linked and unit-linked contracts)			R0070	182 680
Investments (other than assets held for index-linked and unit-linked contracts)	Property (other than for own use)		R0080	0
	Holdings in related undertakings, including participations		R0090	0
	Equities		R0100	268
	Equities	Equities - listed	R0110	0
		Equities - unlisted	R0120	268
	Bonds		R0130	145 266
	Bonds	Government Bonds	R0140	74 064
		Corporate Bonds	R0150	71 202
		Structured notes	R0160	0
		Collateralised securities	R0170	0
	Collective Investments Undertakings		R0180	33 908
	Derivatives		R0190	0
	Deposits other than cash equivalents		R0200	3 238
	Other investments		R0210	0
Assets held for index-linked and unit-linked contracts			R0220	0
Loans and mortgages			R0230	0
Loans and mortgages	Loans on policies		R0240	0
	Loans and mortgages to individuals		R0250	0
	Other loans and mortgages		R0260	0
Reinsurance recoverables from:			R0270	914 946
Reinsurance recoverables from:	Non-life and health similar to non-life		R0280	904 718
	Non-life and health similar to non-life	Non-life excluding health	R0290	786 587
		Health similar to non-life	R0300	118 131
	Life and health similar to life, excluding health and index-linked and unit-linked		R0310	10 228
	Life and health similar to life, excluding health and index-linked and unit-linked	Health similar to life	R0320	0
		Life excluding health and index-linked and unit-linked	R0330	10 228
	Life index-linked and unit-linked		R0340	0
Deposits to cedants			R0350	0
Insurance and intermediaries receivables			R0360	633 132
Reinsurance receivables			R0370	150 879
Receivables (trade, not insurance)			R0380	105 659
Own shares (held directly)			R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in			R0400	0
Cash and cash equivalents			R0410	31 925
Any other assets, not elsewhere shown			R0420	0
Total assets			**50500**	**2 022 222**

Liabilities				Solvency II value
				C0010
Technical provisions - non-life			R0510	1 091 030
Technical provisions - non-life	Technical provisions - non-life (excluding health)		R0520	946 585
	Technical provisions - non-life (excluding health)	Provisions techniques calculées comme un tout	R0530	0
		Meilleure estimation	R0540	937 055
		Marge de risque	R0550	9 530
	Technical provisions - health (similar to non-life)		R0560	144 445
	Technical provisions - health (similar to non-life)	Technical provisions calculated as a whole	R0570	0
		Best Estimate	R0580	143 960
		Risk margin	R0590	484
Technical provisions - life (excluding index-linked and unit-linked)			R0600	13 838
Technical provisions - life (excluding index-linked and unit-linked)	Technical provisions - health (similar to life)		R0610	0
	Technical provisions - health (similar to life)	Technical provisions calculated as a whole	R0620	0
		Best Estimate	R0630	0
		Risk margin	R0640	0
	Technical provisions - life (excluding health and index-linked and unit-linked)		R0650	13 838
	Technical provisions - life (excluding health and index-linked and unit-linked)	Technical provisions calculated as a whole	R0660	0
		Best Estimate	R0670	12 552
		Risk margin	R0680	1 285
Technical provisions - index-linked and unit-linked			R0690	0
Technical provisions - index-linked and unit-linked	Technical provisions calculated as a whole		R0700	0
	Best Estimate		R0710	0
	Risk margin		R0720	0
Other technical provisions			R0730	
Contingent liabilities			R0740	0
Provisions other than technical provisions			R0750	1 173
Pension benefit obligations			R0760	0
Deposits from reinsurers			R0770	0
Deferred tax liabilities			R0780	0
Derivatives			R0790	0
Debts owed to credit institutions			R0800	0
Financial liabilities other than debts owed to credit institutions			R0810	0
Insurance & intermediaries payables			R0820	217 221
Reinsurance payables			R0830	458 775
Payables (trade, not insurance)			R0840	140 028
Subordinated liabilities			R0850	44 000
Passifs subordonnés	Subordinated liabilities not in Basic Own Funds		R0860	0
	Subordinated liabilities in Basic Own Funds		R0870	44 000
Any other liabilities, not elsewhere shown			R0880	0
Total liabilities			**R0900**	**1 966 065**
Excess of assets over liabilities			**R1000**	**56 157**

S.04.05 – Primes, sinistres et dépenses par pays

Pays d'origine : Engagements d'assurance et de réassurance non-vie

			Home country
			C0010
Premiums earned (gross)	Gross Written Premium (direct)	R0020	294 955
	Gross Written Premium (proportional reinsurance)	R0021	
	Gross Written Premium (non-proportional reinsurance)	R0022	
Premiums earned (gross)	Gross Earned Premium (direct)	R0030	278 776
	Gross Earned Premium (proportional reinsurance)	R0031	
	Gross Earned Premium (non-proportional reinsurance)	R0032	
Claims incurred (gross)	Claims incurred (direct)	R0040	177 666
	Claims incurred (proportional reinsurance)	R0041	
	Claims incurred (non-proportional reinsurance)	R0042	
Expenses incurred (gross)	Gross Expenses Incurred (direct)	R0050	110 806
	Gross Expenses Incurred (proportional reinsurance)	R0051	
	Gross Expenses Incurred (non-proportional reinsurance)	R0052	

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

			UNITED KINGDOM	ITALY	POLAND	IRELAND	NETHERLANDS
			C0020	C0020	C0020	C0020	C0020
Premiums written (gross)	Gross Written Premium (direct)	R0020	386 011	39 120	29 628	25 079	16 368
	Gross Written Premium (proportional reinsurance)	R0021					
	Gross Written Premium (non-proportional reinsurance)	R0022					
Premiums earned (gross)	Gross Earned Premium (direct)	R0030	473 367	19 371	5 468	31 815	17 569
	Gross Earned Premium (proportional reinsurance)	R0031					
	Gross Earned Premium (non-proportional reinsurance)	R0032					
Claims incurred (gross)	Claims incurred (direct)	R0040	326 719	3 012	-2 150	22 233	11 715
	Claims incurred (proportional reinsurance)	R0041					
	Claims incurred (non-proportional reinsurance)	R0042					
Expenses incurred (gross)	Gross Expenses Incurred (direct)	R0050	109 713	21 453	5 921	5 627	4 758
	Gross Expenses Incurred (proportional reinsurance)	R0051					
	Gross Expenses Incurred (non-proportional reinsurance)	R0052					

Home country: Life insurance and reinsurance obligations

		Home country
		C0030
Gross Written Premium	R1020	
Gross Earned Premium	R1030	
Claims incurred	R1040	10 955
Gross Expenses Incurred	R1050	

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

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					
		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	215 632	13 170	0	199 534	183 968	0
Gross - Proportional reinsurance accepted	R0120						
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140	183 986	10 504	0	174 226	157 011	0
Net	R0200	31 646	2 666	0	25 308	26 957	0
Premiums earned							
Gross - Direct Business	R0210	226 477	13 973	0	256 040	192 972	0
Gross - Proportional reinsurance accepted	R0220						
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240	191 897	10 797	0	222 718	164 293	0
Net	R0300	34 579	3 175	0	33 322	28 679	0
Claims incurred							
Gross - Direct Business	R0310	161 243	1 619	0	227 111	88 654	0
Gross - Proportional reinsurance accepted	R0320						
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	125 527	1 377	0	173 787	67 873	0
Net	R0400	35 716	243	0	53 324	20 781	0
Expenses incurred		5 132	563	0	3 725	3 581	0
Balance - other technical expenses/income							
Total technical expenses							

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						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	85 887	41 656	1 051	1 536	117	66 939	809 490
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	80 493	38 851	997	1 364	96	45 965	693 493
Net	R0200	8 871	2 805	54	172	22	22 798	121 298
Premiums earned								
Gross - Direct Business	R0210	61 796	51 396	2 540	1 509	282	32 962	839 946
Gross - Proportional reinsurance accepted	R0220	3 876					3 876	7 752
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	59 353	44 202	890	1 364	238	33 995	729 748
Net	R0300	6 319	7 195	1 650	145	44	2 843	117 950
Claims incurred								
Gross - Direct Business	R0310	34 754	20 208	2 408	-26	-129	12 505	523 969
Gross - Proportional reinsurance accepted	R0320	2 024					2 459	4 484
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	32 727	17 122	1 978	46	66	10 817	411 001
Net	R0400	4 051	3 086	430	-73	-195	4 148	117 451
Expenses incurred		1 622	1 093	130	153	166	1 362	17 526
Balance - other technical expenses/income								4 421
Total technical expenses								21 948

Life

		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	10 955	35 332
Reinsurers' share	R1620	11 242	31 562
Net	R1700	-287	3 770
Expenses incurred	R1900		
Balance - other technical expenses/ income	R2510		
Total expenses	R2600		
Total amount of surrenders	2700		

S.12.01 – Life and Health SLT Technical Provisions

		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)
		C0090	
Technical provisions calculated as a whole	R0010		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020		
Technical provisions calculated as a sum of BE and RM			
Best Estimate			
Gross Best Estimate	R0030	12 552	**12 552**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	10 228	**10 228**
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	2 325	**2 325**
Risk Margin	R0100	1 285	**1 285**
Technical provisions - total	R0200	13 838	**13 838**

S.17.01 – Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0020	C0030	C0040	C0050	C0060	C0070
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050						
Technical provisions calculated as a sum of BE and RM							
Best estimate							
Premium provisions							
Gross	R0060	74 509	1 073	0	28 360	42 226	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	62 753	851	0	21 828	33 411	0
Net Best Estimate of Premium Provisions	R0150	11 756	223	0	6 532	8 815	0
Claims provisions							
Gross	R0160	57 879	10 499	0	548 611	77 016	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	46 293	8 235	0	481 023	61 241	0
Net Best Estimate of Claims Provisions	R0250	11 587	2 264	0	67 588	15 775	0
Total Best estimate - gross	R0260	**132 388**	**11 572**	**0**	**576 971**	**119 242**	**0**
Total Best estimate - net	R0270	**23 343**	**2 486**	**0**	**74 120**	**24 590**	**0**
Risk margin	R0280	**367**	**117**	**0**	**7 678**	**437**	**0**
Technical provisions - total							
Technical provisions - total	R0320	132 756	11 689	0	584 650	119 680	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	109 045	9 086	0	502 851	94 652	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	23 710	2 604	0	81 798	25 027	0

S.17.01 – Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	**Total Non-Life obligation**
		C0080	C0090	C0100	C0110	C0120	C0130	**C0180**
Technical provisions calculated as a whole	R0010							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050							
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	R0060	33 615	-3 129	325	36	50	11 870	**188 934**
Total recoverable from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	22 498	-1 840	253	44	43	7 626	**147 468**
Net Best Estimate of Premium Provisions	R0150	11 117	-1 289	71	-8	6	4 243	**41 466**
Claims provisions								
Gross	R0160	82 205	81 768	1 785	210	245	31 863	**892 081**
Total recoverable from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	54 764	79 113	1 427	32	223	24 900	**757 250**
Net Best Estimate of Claims Provisions	R0250	27 441	2 655	358	178	22	6 963	**134 831**
Total Best estimate - gross	R0260	**115 820**	**78 639**	**2 110**	**246**	**295**	**43 732**	**1 081 015**
Total Best estimate - net	R0270	**38 557**	**1 366**	**429**	**170**	**28**	**11 206**	**176 297**
Risk margin	R0280	**903**	**3**	**9**	**4**	**0**	**494**	**10 014**
Technical provisions - total								
Technical provisions - total	R0320	116 723	78 641	2 119	250	295	44 227	**1 091 030**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	77 263	77 273	1 680	76	266	32 526	**904 718**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	39 461	1 368	438	175	29	11 701	**186 311**

S.19.01 – Non-life insurance claims

		Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business											Gross Claims Paid (non-cumulative)	
		0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											4 207	1 350	180 215
N-9	R0160	15 215	9 502	5 249	6 656	624	3 619	972	2 253	485	105		105	44 680
N-8	R0170	16 549	18 399	16 071	69	13 940	-486	3 329	465	-1 189			-1 189	67 148
N-7	R0180	28 781	28 328	7 983	15 309	6 036	9 061	1 156	4 268				4 268	100 921
N-6	R0190	37 655	43 887	22 155	12 313	8 479	3 538	6 620					6 620	134 647
N-5	R0200	47 539	58 682	41 416	15 728	10 145	23 052						23 052	196 563
N-4	R0210	56 123	39 023	23 067	16 018	11 259							11 259	145 489
N-3	R0220	45 687	72 006	30 297	28 914								28 914	176 904
N-2	R0230	71 435	116 072	65 016									65 016	252 523
N-1	R0240	147 382	190 689										190 689	338 070
N	R0250	236 627											236 627	236 627
Total	R0260												**566 712**	**1 873 787**

		Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business											Gross discounted Best Estimate Claims Provisions
		0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											12 256	11 651
N-9	R0160	43 747	18 954	9 248	6 582	5 285	5 224	4 035	1 662	1 408	2 031		1 876
N-8	R0170	49 038	25 966	44 357	34 945	26 965	14 400	11 034	12 412	8 016			7 251
N-7	R0180	43 232	51 460	36 950	38 053	45 600	35 140	34 426	20 139				18 306
N-6	R0190	117 070	83 773	71 314	61 876	52 616	46 686	25 872					23 362
N-5	R0200	150 703	105 309	66 702	49 000	45 222	22 253						20 766
N-4	R0210	157 173	99 942	64 082	47 248	30 387							28 135
N-3	R0220	209 621	137 993	99 971	69 358								63 534
N-2	R0230	319 521	249 629	185 102									165 399
N-1	R0240	405 533	239 678										212 221
N	R0250	373 478											339 580
Total	R0260												**892 081**

S.23.01 – Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	5 433	5 433			
Share premium account related to ordinary share capital	R0030	82 423	82 423			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0			
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	-14 423	-14 423			
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	-17 275	-17 275			
Subordinated liabilities	R0140	44 000		14 039	29 961	
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	**100 157**	**56 157**	**14 039**	**29 961**	**0**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	100 157	56 157	14 039	29 961	0
Total available own funds to meet the MCR	R0510	100 157	56 157	14 039	29 961	
Total eligible own funds to meet the SCR	R0540	100 157	56 157	14 039	29 961	0
Total eligible own funds to meet the MCR	R0550	75 159	56 157	14 039	4 963	
SCR	R0580	**64 918**				
MCR	R0600	**24 813**				
Ratio of Eligible own funds to SCR	R0620	**154.3%**				
Ratio of Eligible own funds to MCR	R0640	**302.9%**				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	56 157
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	73 433
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	**-17 275**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	4 620
Total Expected profits included in future premiums (EPIFP)	R0790	**4 620**

S.25.01 – Solvency Capital Requirement

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	14 837	
Counterparty default risk	R0020	8 252	
Life underwriting risk	R0030	203	
Health underwriting risk	R0040	10 515	
Non-life underwriting risk	R0050	36 552	
Diversification	R0060	-20 422	
Intangible asset risk	R0070	0	
Basic Solvency Capital Requirement	R0100	**49 937**	

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	14 981
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	**64 918**
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	**64 918**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

S.28.01 – Minimum Capital Requirement

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	24 764

Background information		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	23 343	43 788
Income protection insurance and proportional reinsurance	R0030	2 486	1 725
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	74 120	25 165
Other motor insurance and proportional reinsurance	R0060	24 590	21 892
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	38 557	7 999
General liability insurance and proportional reinsurance	R0090	1 366	1 795
Credit and suretyship insurance and proportional reinsurance	R0100	429	700
Legal expenses insurance and proportional reinsurance	R0110	170	1 541
Assistance and proportional reinsurance	R0120	28	489
Miscellaneous financial loss insurance and proportional reinsurance	R0130	11 206	16 204
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		Result
		C0040
MCRL Result	R0200	49

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re) insurance obligations	R0240	2 325	
Total capital at risk for all life (re) insurance obligations	R0250		49

Overall MCR calculation

		C0070
Linear MCR	R0300	24 813
SCR	R0310	64 918
MCR cap	R0320	29 213
MCR floor	R0330	16 230
Combined MCR	R0340	24 813
Absolute floor of the MCR	R0350	2 500
Minimum Capital Requirement	R0400	**24 813**