AXÉRIA PRÉVOYANCE

SFCR

FOR FINANCIAL YEAR 2020

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1. Introduction

This report is the publicly disclosed Solvency and Financial Condition Report (SFCR) of Axéria Prévoyance for financial year 2020, in accordance with Article 51 of Directive 2009/138/EC and Articles 292 to 298 of Delegated Regulation 2015/35 (EU).

This report was submitted for approval to the Company's Board of Directors at its meeting of 31 March 2021.

2. Summary

2.1 BUSINESS

Axéria Prévoyance is a mixed-activity insurance company that specialises in personal insurance and focuses primarily on the markets for loan insurance, personal protection insurance (individual and group) and health insurance (supplemental or primary).
Axéria Prévoyance posted revenue of €448.6 million for the year ended 31 December 2020, an increase of €43.1 million compared with 2019, and had a solvency ratio (own funds / solvency capital requirement) of 206% at 31 December 2020.

Underwriting income for 2020 was €15.9 million. The investment policy, based on a cautious approach, led to a financial result of €4m, down by €3.2m compared with 2019 due to the COVID crisis, which strongly affected the financial markets in 2020. This fall was due to the absence of net capital gains and the loss of income on the real estate segment.

2.2 GOVERNANCE

The Company is managed by:

- A Board of Directors chaired by Mr Jean-François Ropelewski and composed of members of the April Group and independent directors.
- The two persons who effectively run the undertaking (*dirigeants effectifs*) are Mr Christian Martin, the Chief Executive Officer, and Ms Christine Pascal, the Deputy Chief Executive Officer.

Following its change of shareholding in 2019, the April group decided to withdraw from all its insurance activities in order to refocus on its brokerage activities - its core business.
This strategy therefore led April, in September 2020, to decide to sell Axéria Prévoyance to a risk-bearing partner.
It is in this context that on 18 December 2020, Holding Malakoff Humanis and April S.A. entered into a memorandum of understanding relating to the acquisition of all the shares in Axéria Prévoyance by Holding Malakoff Humanis subject to the completion of the information and consultation procedure with the purchaser's employee representative bodies.
A share sale agreement was signed on 1 February 2021.

Final completion of the acquisition project remains subject to the following conditions precedent being met:

- Decision of the competition authority authorising the transaction,
- Prior authorisation from the ACPR (Prudential Supervision and Resolution Authority) for the acquisition by Holding Malakoff Humanis of all Axéria Prévoyance holdings.

The transaction is expected to be completed in the second quarter of 2021.

2.3 RISK PROFILE

Underwriting risk

The underwriting risk profile changed little between 2019 and 2020 because there was no change in the Company's business model, with risk concentrated on loan products (long-term risk) and personal protection.

The company renewed its reinsurance coverage, put in place in 2018, in view of the frequency and peak risks.

At 31 December 2020, exposure to underwriting risk stood at €30.9 million in Life and €39.4 million in Health.

The Underwriting SCR thus declined sharply compared with 2019 (-€12.9 million) due to the inclusion of new lapse rules and biometric laws for recent Borrower products, making it possible to project claims on these portfolios more in accordance with best estimates, the weight of these portfolios being significant in the Company's business.

Market risk

Due to its insurance business and the management of its own funds, the Company is exposed to financial market risks. The Company has set up a framework to control these risks: application of the four-eyes principle, financial committee and prudent financial risk appetite.

Exposure to market risks in accordance with the standard formula increased between 2019 and 2020 (from €23.7 million to €27.2 million) on the one hand due to an improvement in the modelling of this risk and on the other hand due to an increase in exposure to equity risk (3.1% in 2019 versus 6.7% in 2020).

Credit and liquidity risk

Credit risk measures the loss associated with a default of creditors.
The Company's exposure to default risk declined from €9.5 million at 31 December 2019 to €7.2 million at 31 December 2020.

Liquidity risk measures the risk of the Company's being unable to meet its commitments due to a shortfall in available cash. Because investments primarily represent own funds without liquidity risk, this risk is limited for the Company.

Operational risk

Operational risk measures:

- Risks associated with internal dysfunctions within the Company in terms of internal control, key employees and fraud,
- The risks associated with failures resulting from the outsourcing of activities (delegation of management primarily for the Company).

Exposure to operational risk is measured using the standard formula and amounted to €15.2 million at year-end 2020.

2.4 VALUATION FOR SOLVENCY PURPOSES

The Company's Solvency II balance sheet was prepared as at 31 December in accordance with the Solvency II Directive.

Assets and liabilities are measured:

- Based on the going concern assumption;
- Including contracts in the portfolio, i.e. without taking into account business the effect of which was not known at 31 December 2020;
- At the amount for which they could be transferred to another insurance entity:
  - Financial investments are therefore recognised at fair value;
  - Technical provisions are measured at the amount the Company would have to pay to transfer its insurance liabilities to another insurance entity (or reinsurance entity in certain cases).

2.5 CAPITAL MANAGEMENT

The capital management principles are defined in the prudential balance sheet policy approved by senior management and submitted to the Board of Directors for approval each year.

Equity is valued at €158.5 million and is stable between 31 December 2019 and 31 December 2020.

The solvency capital requirement (SCR) is valued at €77.1 million at 31 December 2020, down by €4.2 million relative to 2019. This decrease is mainly linked to the adoption of more segmented projection assumptions to model the business of recent borrower products. This change in assumptions thus makes it possible to improve the best estimate approach for a part of the portfolio whose weight is significant.

The minimum capital requirement (MCR) is valued at €25.9 million at 31 December 2020 (compared with €20.3 million at the end of 2019).

3. Business and Performance

3.1 General information

Axéria Prévoyance is a mixed-activity insurance company that specialises in personal insurance and has been a wholly-owned subsidiary of the April Group since 2004. It is a French société anonyme (public limited company) governed by the French Insurance Code and is registered with the Lyon Trade and Companies Registry.
It has share capital of €31,000,000 and its registered office is located at 90 Avenue Félix Faure in Lyon (69439 Lyon Cedex 03).
The company is registered with the French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – "ACPR") under number 10340502 and its Legal Entity Identifier is 969500NTN2C482RC6G26.
Its activities are supervised by the ACPR, 4 Place de Budapest, 75 436 Paris Cedex 9.

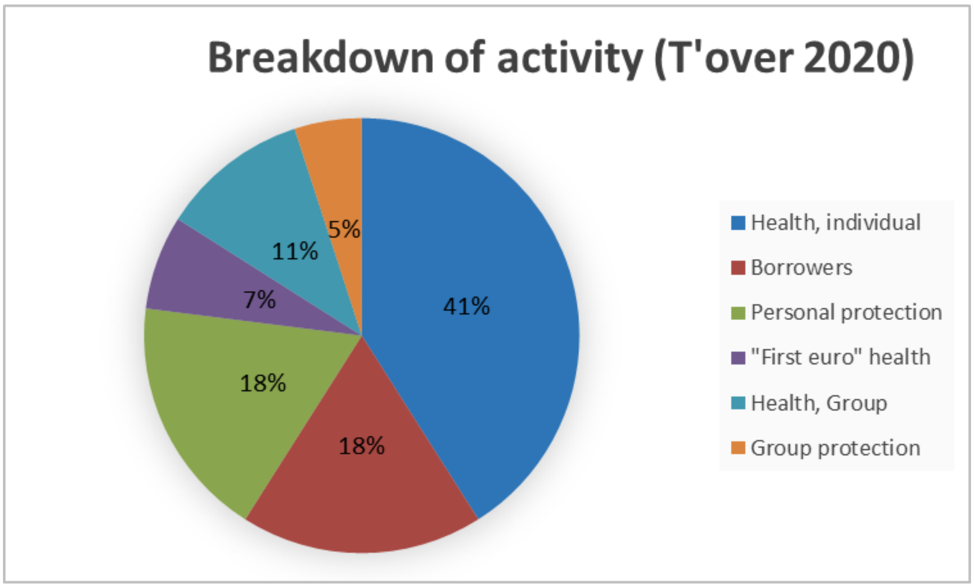
The responsible supervisor is Mr Rémi Dutoit, Remi.Dutoit@acpr.banque-france.fr in Brigade 4, which is headed by Olivier Desmettre, olivier.Desmettre@acpr.banque-france.fr.
KPMG, Paris La Défense, and, in particular, Francine Morelli (fmorelli@kpmg.com) audit the accuracy and fairness of the annual financial statements, thereby ensuring that they can be certified.

As regards its business activities in 2020, Axéria Prévoyance underwrote individual and group health and personal protection risks.
Axéria Prévoyance holds approvals for the following classes of insurance:

- 1- Accident
- 2- Health
- 20- Life/Death

The main markets in which it operates are:

- Supplemental health insurance (individual or group);
- Loan insurance (death and unemployment cover);
- Individual personal protection (death, accidental death and loss of employment cover);
- First euro health scheme
- Group personal protection (death, accidental death and loss of employment cover).



In 2020, Axéria Prévoyance carried out its activities under the Freedom to Provide Services (FPS) regime in Italy, Germany, Portugal and Spain and also has authorisations to carry out its activities in several countries of the European Economic Area.

However, the business is still essentially focused on France and, in 2020, the French portfolios generated approximately 97% of revenue.

3.2 HIGHLIGHTS OF THE YEAR

2020 was marked mainly by the health crisis linked to the COVID-19 virus: the company had to deal with the pandemic and the uncertainties concerning the personal insurance activity.
During periods of confinement, the vast majority of the Company's employees continued to work, remotely.
Business continuity was also implemented by its delegated managers in order to ensure monitoring of coverage of Axéria Prévoyance's policyholders, and by its reinsurers, which enabled ongoing projects to continue.

The impacts on claims experience vary depending on the markets, with however a limited effect on the overall portfolio given the reinsurance programmes: The "excess mortality" cover, which limits Axéria Prévoyance's exposure to a sharp increase in the number of deaths, was not triggered.
For Personal Protection (excluding Borrowers, in view of the longer excess periods) Axéria Prévoyance saw an increase in claims for leave due to illness, accident and hospitalisation, leave due to work stoppages being excluded. In contrast, the mortality risk was limited, notably due to the small proportion of policyholders in the portfolio aged over 65.
The Company does not offer fixed overhead or loss of employment coverage.
In terms of Health risks, Axéria Prévoyance saw a sharp decrease in benefits paid over the period March to May 2020 (linked to the first confinement) and then a resumption of benefits from June on, but no "catch-up", particularly for Hospitalisation items, except for Optical and Dental. The Company had to set aside provisions for the 2020 and 2021 "Covid Taxes" for a total amount of €9.2 million.

Axéria Prévoyance also saw a slight increase in unpaid premiums on its “Group” portfolio, which is mainly made up of very small enterprises.
The company is not aware of any company failures, significant redundancy plans or other events that would have required the creation of a provision to cover the risk of portability of rights in Health and Personal Protection in the 2020 accounts.

The Company’s 2020 profit is also affected by an exceptional charge of €0.5m (FFA (French Insurance Federation) contribution to the Solidarity Fund) and especially by a fall in the financial result (-€3.2m) due to the effects of the crisis, particularly on real estate income and other diversifications.

Despite the crisis, Axéria Prévoyance continued to benefit from the strong growth in its individual health and occupational protection portfolios. Growth in the company’s loan book continued, although it was limited by the lockdowns.

3.3 QUANTITATIVE AND QUALITATIVE DESCRIPTION OF UNDERWRITING INCOME

3.3.1 2020 INCOME BY LINE OF BUSINESS

The Company allocates its underwriting income to four lines of business:

- Two in Life (Life and Health Similar to Life),
- Two in non-Life (income protection and care costs).

The “Medical Expenses” line of business is the largest in terms of revenue (€265 million) and generates a significant proportion of net income (€7.9 million). The Life line of business generates the bulk of net income (€18.8 million). In contrast, the Health Similar to Life and Income Protection business lines reported net losses of €0.7 million and €10.4 million, respectively.

Income statement	Life			Health similar to life		
€000s	Gross	Reins.	Net	Gross	Reins.	Net
Premiums	101,233	- 37,476	63,757	47,836	- 23,131	24,704
Commissions	- 43,651	18,349	- 25,302	- 19,160	8,111	- 11,049
Claims paid	- 25,825	6,188	- 19,636	- 26,721	12,328	- 14,392
Technical result	31,758	- 12,939	18,818	1,955	- 2,692	- 736

Income statement	Protection of revenue			Healthcare costs		
€000s	Gross	Reins.	Net	Gross	Reins.	Net
Premiums	34,669	- 15,221	19,448	264,834	- 176,142	88,691
Commissions	- 12,639	5,713	- 6,926	- 80,718	45,531	- 35,187
Claims paid	- 45,955	22,998	- 22,957	- 172,868	127,278	- 45,590
Technical result	- 23,925	13,490	- 10,435	11,249	- 3,334	7,915

Although the 2020 results show that Axéria Prévoyance is highly resilient to the health crisis, the company pays close attention to the medium-term consequences of this crisis on:

- its claims in health and personal protection (increased risk of sick leave, worsening of the state of health of French people following the deferral of non-vital care during confinement, portability in health and personal protection, etc.)
- income (impact of unemployment, worsening of premium payment default, less buoyancy of the real estate market, etc.)
- its financial markets (level of interest rates, market volatility, impairment of assets, etc.).

3.3.2 2020 INCOME BY REGION

The Company's underwriting income consists primarily of the income it generates in France. The Company also has a Freedom of Service business in Portugal, Germany and Italy.
In Germany and Italy this mainly concerns run-off portfolios. Only Portugal is a portfolio in development, mainly in the loan insurance market.

The other countries generate revenue of around €11 million.

€000s	France			Abroad		
	Gross	Reins.	Net	Gross	Reins.	Net
Premiums vested	**437,137**	**- 248,725**	**188,412**	**11,434**	**- 3,246**	**8,188**
Commissions	- 152,452	0,00	- 152,452	- 3,715	0,00	- 3,715
Claims paid	- 266,137	167,243	- 98,893	- 5,231	1,549	- 3,682
Reinsurance commission	*0%*	76,882	76,882	*0%*	821	821
Technical result	**18,548**	**- 4,599**	**13,949**	**2,489**	**- 876**	**1,613**

3.3.3 CHANGE IN REVENUE 2019/2020

In comparison with 2019, the Medical Expenses component grew considerably, with a €34 million increase in revenue, which accounts for close to 80% of the overall increase in all lines of business combined. This increase is mainly due to the strong growth of the Individual Health portfolio in 2020.

Turnover for the Life segment grew by only 1%, with the run-off on the historical loan portfolio barely offset by the new products.
As for the Health Similar to Life and Loss of Income business lines, they increased by 10% and 12% respectively as a result of the strong growth in professional protection products in 2020.

€000s		2020	2019	Delta
Life	Turnover	101,233	100,003	1,230
	Net result	18,818	14,985	3,833
Health similar to life	Turnover	47,836	43,567	4,269
	Net result	- 736	2,436	- 3,173
Loss of Income	Turnover	34,669	31,024	3,644
	Net result	- 10,435	- 6,096	- 4,338
Healthcare costs	Turnover	264,834	230,854	33,980
	Net result	7,915	5,678	2,236
TOTAL	Turnover	448,571	405,449	43,123
	Net result	15,562	17,003	- 1,441

3.4 QUANTITATIVE AND QUALITATIVE DESCRIPTION OF FINANCIAL INCOME

3.4.1 REVENUES AND EXPENSES

Axéria Prévoyance's net financial income totalled €4 million for the year ended 31 December 2020.

€000s	Actual 2020
Equity segment	675
Bond segment	2,332
Diversification segment	- 457
Real estate segment	982
Treasuy segment	557
Miscellaneous	- 76
Financial result	**4,013**

Income breaks down into €2.3 million from the bonds segment (which accounts for around 23% of the assets managed by the Company), €0.9 million from the real estate segment (dividends on property mainly), €0.7 million from the equities segment (realised capital gains) and €0.6 million from the liquid assets segment (interest received on term deposits).

The table below shows the changes in financial income between 2019 and 2020:

€000s	Actual	Actual	Variation
Equity segment	675	2,439	- 1,764
Bond segment	2,332	2,609	- 277
Diversification segment	- 457	- 70	- 387
Real estate segment	982	1,385	- 403
Treasuy segment	557	813	- 255
Miscellaneous	- 76	64	- 139
Financial result	**4,013**	**7,239**	- 3,225

Axéria Prévoyance's financial income was down by €3.2 million compared with 2019. This sharp fall is mainly explained by a falling market in 2020 in the context of the COVID-19 crisis, particularly in the real estate and diversifications segment, and by the absence of any large capital gains in the equities segment. The bond segment saw its income fall due to the decrease in outstandings, but also due to the reduction in the portfolio's average yield in connection with the fall in interest rates.

Expenses in connection with the Company's financial management (share of expenses of GIE Asset Management) totalled €469,000, i.e. 0.20% of assets under management and considerably more than in 2019 (€276,000).

3.4.2 GAINS AND LOSSES

At 31 December 2020, the Company did not recognise provisions for permanent impairment on its balance sheet (as in 2019).

3.4.3 SECURITISATION

Axéria Prévoyance does not make use of securitisation.

3.5 OTHER SIGNIFICANT EXPENSES

The 2020 result was affected by the exceptional expense related to the FFA contribution to the solidarity fund in the amount of €0.5 million.
The Company's net income after tax was €5.7 million.
In addition to underwriting and financial income, the Company incurred general operating expenses of €6.8 million.
The Company's net income was down by €4.7 million relative to the previous year. This difference is explained mainly by the decline in net financial income.

3.6 OTHER RELEVANT INFORMATION

Axéria Prévoyance has no other relevant information to report concerning the Company's performance.

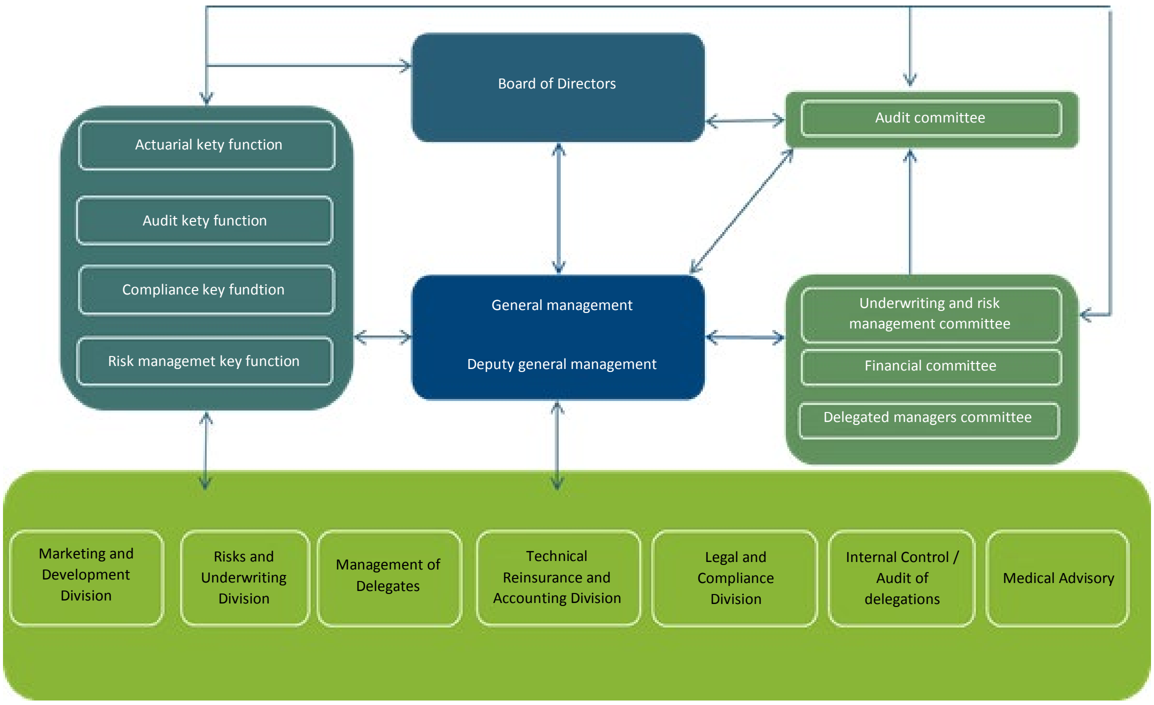
4. Governance system

The Company's governance system provides for an appropriate allocation of administrative and supervisory responsibilities, defines and limits the obligations, responsibilities and authority of managers, and protects the rights of shareholders and the interests of policyholders.

Axéria Prévoyance has set up a governance system that provides the Company with sound and prudent management that meets the requirements of Article L.354-1 of the French Insurance Code.

The Company's governance system is also in line with its strategy, size and shareholder structure.

A governance organisational chart is provided below:



4.1.1 DESCRIPTION OF THE ADMINISTRATIVE BODY

4.1.1.1 THE BOARD OF DIRECTORS

The Company is administered by a Board of Directors, which is composed of a minimum of three and a maximum of eighteen members, who are appointed for a term of office of six years, and who may be reappointed.
At 31 December 2020, the Company's Board of Directors comprised a Chairman, who is also a director, and seven directors.

The Board of Directors meets as often as required by the Company's interests. The members of the Board of Directors may be given notice of meetings by any means, including orally. All documents and information necessary for the directors to perform their duties are provided to them in a form and within a time period enabling them to deliberate under appropriate conditions.

Meetings of the Board of Directors are held by means of videoconferencing, in accordance with Order No. 2020-321 of 25 March 2020 on the adaptation of the rules for meeting and deliberating of shareholders and governing bodies of legal entities and entities without legal personality under private law due to the Covid-19 epidemic.

The Board of Directors determines the Company's business strategies and ensures that they are carried out. Subject to the powers expressly reserved by law to general meetings, and within the limits of the corporate object, the Board of Directors may consider any issue relating to the proper operation of the Company and, by its decisions, resolve matters that concern the Company.

The Chairman of the Board of Directors organises and directs the work of the Board, and reports thereon to the General Meeting of Shareholders. The Chairman ensures the satisfactory functioning of the Company's governing bodies and, in particular, ensures that the directors are able to perform their duties.

4.1.1.2 SENIOR MANAGEMENT

The Chief Executive Officer is appointed by the Board of Directors.

The Company's articles of association specify:

- The method of appointment (from one to five persons);
- His powers;
- His relations with third parties;
- His remuneration;
- His removal from office.

In accordance with Article L.322-3-2 of the French Insurance Code, Axéria Prévoyance applies the "four-eyes" principle and has appointed two persons to effectively run the undertaking (the *dirigeants effectifs*): the Chief Executive Officer and the Deputy Chief Executive Officer.

These persons who effectively run the undertaking must meet the fit and proper requirements of Article L.322-2 of the French Insurance Code.

The duties of the persons who effectively run the undertaking (the CEO and Deputy CEO) are defined below:

- Implementing the strategies, policies and decisions of the Board of Directors;
- Establishing a risk culture and structuring the control processes;
- Assessing and monitoring risks and the risk management and internal control systems;

- Setting up a reliable internal governance system (control functions, creating appropriate incentives and rewards, promoting effective HR management);
- Reporting regularly to the Board of Directors and the various committees of the Company, disclosing accurate information, documenting important issues and responding to information requests.

The Board of Directors grants the following powers to the Chairman and the Chief Executive Officer:

- The Chairman of the Board of Directors and the Chief Executive Officer hold the powers conferred on them by law.
- Subject to the powers that the law expressly reserves to general meetings and the specific powers of the Board of Directors, and within the limits of the corporate object, the Chief Executive Officer has the broadest possible powers to act in all circumstances in the name of the Company. These powers, which may be sub-delegated, must be exercised in accordance with the provisions of the articles of association, the general guidelines and instructions directives decided by the Board of Directors and in accordance with the management principles specific to the Company and the APRIL Group.
- The Chairman of the Board of Directors and the Chief Executive Officer represent the Company in its dealings with third parties.

4.1.1.3 KEY FUNCTIONS

The Company has created four key functions, in accordance with Articles L.322-3-2 and L.354-1 of the French Insurance Code.

The positioning of the key functions in the organisation guarantees that there are no conflicts of interest.

They report to Senior Management.

Furthermore, the Company ensures that persons responsible for key functions meet the fit and proper requirements mandated by the scope and nature of their function.

The main duties and responsibilities of the Key Functions are:

- **The compliance function:** the main duties of the compliance function are to identify and assess compliance risks, as well as the impact on the Company of all changes in the law.
- **The actuarial function:** its role is to oversee the calculation of technical provisions, ensure the quality of the data and determine the appropriate methodology for the assessments thereof. It also issues an opinion on the underwriting and reinsurance policy.
- **The Risk Management function:** its role is to identify the risks (technical and non-technical) to which the Company is exposed and to implement a risk management policy in order to control them.
- **The internal audit function:** it plays a prevention and detection role on behalf of the Board of Directors and Senior Management in order to protect the Company's assets, reputation and

viability by verifying that all significant risks are clearly identified, appropriately assessed and properly reported to the Board of Directors.

4.1.1.4 COMMITTEES

In connection with its governance, the Company has set up the following committees:

- **Financial Committee:** the Financial Committee monitors, updates and validates the investment policy.
  It makes strategic choices and decides on allocations of assets.
- **Underwriting and Risk Management Committee:** the Committee's duties consist of examining, assessing and monitoring the performance of the Company's risk underwriting and management activity.
- **Audit Committee:** the Audit Committee plays an active role in the Company's governance. It places particular emphasis on reviewing the financial reporting process, ensures the clarity of the financial information published, the appropriateness of accounting policies and the adequacy of technical provisions, and it monitors the effectiveness of the Company's internal control and risk management systems.

The Company has also set up internal committees dealing with its day-to-day activities:

- An Operational Committee, the objective of which is to define and approve operational decisions of the Company;
- A Delegate Steering Committee, the role of which is to strengthen the system for managing delegated managers by providing a cross-functional view of delegated activities and their level of control.
- A Portfolio Monitoring Committee whose purpose is to share the results of the Company's partners and product developments.
- An Unclaimed Benefits Committee which aims to verify that all possible actions to combat unclaimed benefits have been implemented, to recommend if necessary the measures to be put in place and to decide on any cases that cannot be resolved.
- A Product Design Committee set up from 2020 to meet the product governance and monitoring requirements.
- A Co-design Committee set up from 2020 with the main co-designers with a view to taking stock of the products designed or modified during the previous year and to monitor the products currently being marketed.

4.1.2 KEY EVENTS AFFECTING THE GOVERNANCE SYSTEM DURING THE REPORTING PERIOD

The Company is administered by a Board of Directors, which met five times in 2020.

During 2020 the Company's governance system was changed as follows:

- Mr Christian MARTIN was appointed Chief Executive Officer from 1 September 2020 to replace Mr Olivier BOUGAREL,

- Two new directors were appointed with effect from 1 September 2020: Messrs Olivier BOUGAREL and Marc-André DUPONT,
- APRIL PREVOYANCE SANTE resigned as director,
- The appointment of Mr David Dray to the new actuarial key function in October 2020.
- The appointment of Ms Valérie Kervazo to the new risk management key function in December 2020.
- The replacement of the Data Protection Officer by Ms Florence Samarati with effect from 1 January 2021.

4.1.3 REMUNERATION POLICY

The Company's remuneration policy defines the terms of remuneration for the Chairman of the Board of Directors and its independent members, the Chief Executive Officer and the Deputy Chief Executive Officer, the members of the Audit Committee, persons who hold key functions and all members of personnel.

The remuneration policy is a key element of the Company's strategy that aims, in particular, to integrate and retain human resources who possess the skills, knowledge and experience necessary for the conduct of its business. The remuneration policy defines the various components of remuneration in order to ensure a balance between the Company's strategy and its Risk Management policy.

If remuneration is linked to performance, the Company ensures that the objectives set do not generate conflicts of interest, particularly in terms of its Risk Management policy and its Compliance policy.

It is approved by the Board of Directors each year.

The Board of Directors defines the methods for determining the remuneration of the Chairman of the Board of Directors and its independent members, the members of the Audit Committee, the Chief Executive Officer, the Deputy Chief Executive Officer, and the Key Functions:

- The Chairman of the Board of Directors and the independent directors are remunerated by directors' fees.
- Pursuant to Article 4.2 of the Board of Directors' Internal Regulations, "*Members of the Audit Committee receive directors' fees for the performance of their duties, the amount of which is set by the Board of Directors*."
- The Chief Executive Officer's remuneration is set by the Board of Directors. His remuneration is defined in accordance with the principles set by the Group's General Management in order to ensure the consistency of the remuneration proposed (fixed and variable), taking into account the business and size of the Company and market conditions. Variable compensation is intended to reward performance in line with the Company's strategy. This remuneration is based on qualitative and quantitative criteria.
- These objectives are set annually by the Board of Directors.
- The remuneration of persons who hold key functions and of the Deputy CEO consists of a fixed component and a variable component. The variable component of the remuneration must not

create incentives that would encourage risky behaviour that could affect the Company's risk profile, but is intended to reward performance that is consistent with the Company's strategy. In order not to create conflicts of interest, the variable remuneration of persons who hold key functions is determined based on qualitative (and not quantitative) objectives. In addition, in December of each year, the Board of Directors validates the variable remuneration and the achievement of criteria for the persons who hold key functions.

Consistent with best practices, the Company's remuneration policy is reviewed annually by the Board of Directors.

This review evaluates the levels of remuneration, as well as the current and future risks related to the Company's remuneration policy, solvency and long-term objectives.

This review must also take into account:

- The Company's overall strategy;
- The limits set by the Risk Management policy;
- The risk control and governance mechanisms to manage potential conflicts of interest.

In addition, the Board of Directors ensures that the remuneration policy remains in line with any change in the Company's risk profile.

The remuneration policy also sets the general rules applied within the Company to reward the commitment and involvement of all employees and to encourage their long-term retention, while ensuring sound and prudent risk management.

The remuneration of the Company's employees consists of:

- A fixed component comprising the base salary and bonuses provided for by contract; and
- A variable component that is tied to the achievement of objectives. The percentage of this variable component is determined based on the position held and the base salary, while ensuring that the variable compensation has no impact on the Company's risk profile.

The Company has also set up an incentive scheme for all employees, as well as various group benefits.

In addition, the Company has a mandatory basic pension plan and supplemental pension cover for all employees and senior management.

4.1.4 INFORMATION ON MATERIAL TRANSACTIONS

A project to acquire Axéria Prévoyance by Holding Malakoff Humanis is under way, as detailed in paragraph 2.2.

4.2 FIT AND PROPER REQUIREMENTS

4.2.1 FIT AND PROPER REQUIREMENTS

Based on its "Fit and Proper" policy, the Company determines the fit and proper requirements for members of the Board of Directors, as well as for persons who hold control functions within the Company, i.e. the Chief Executive Officer, the Deputy Chief Executive Officer Manager and the persons holding key functions.

4.2.2 ASSESSMENT

Assessment of the proper requirement

Assessment of the proper requirement involves consideration of an individual's reputation and integrity. Honesty is a quality to consider; similarly, conflicts of interest can influence an individual's behaviour and must be avoided.
In addition, the company ensures compliance with ACPR position 2019-P-01 on assessing the integrity of members of its Board of Directors, issued on 19 December 2019. The purpose of this position is to reiterate the notion of good repute with regard to French and European regulatory requirements, and to present the methods by which organisations may carry out this assessment.

The proper requirement assessment is carried out by the Company. This assessment will check for the following points:

- Any criminal convictions, any prohibition against holding management positions, any administrative or disciplinary sanction imposed by a supervisory or professional authority, any suspension or exclusion from a professional organisation in France or abroad, or any pending proceedings in any of the cases below;
- Any dismissal for professional misconduct or revocation of a mandate for misconduct, or any pending proceedings in France or abroad;
- Any ongoing investigations, coercive measures, or sanctions for non-compliance with financial services legislation or imposed by a regulatory or professional body;
- If any company in which the person has held management or supervisory functions during the last ten years:
    - Has had an authorisation or approval in the insurance, banking or financial services field refused or withdrawn, in France or abroad, or has been subject to court-ordered administration or liquidation proceedings;

- Has had its statutory auditors in France or the statutory auditors for companies having their registered office abroad refuse to certify the financial statements or certify them with reservations;
- Has been the subject of a criminal conviction or an administrative or disciplinary sanction imposed by a supervisory authority or a professional organisation, in particular a suspension or exclusion from a professional organisation in France or abroad.

This approach does not mean that any prior offences will systematically preclude satisfying the requirements, but rather that they should be assessed on a case-by-case basis.

For the persons who effectively run the undertaking and the persons who hold key functions, the proper requirement assessment is carried out annually on the basis of a certificate of non-conviction, submitted with an excerpt from the national police records dated within the last three months.

For members of the Board of Directors, the proper requirement assessment is carried out at least every three years on the basis of a certificate of non-conviction, submitted with an excerpt from the national police records dated within the last three months.

Assessment of fitness

- Board of Directors

The Company takes into account the individual and collective expertise of its Board of Directors. When assessing each member, it also verifies the expertise, experience and authority of the other members.
It ensures that they collectively have the necessary knowledge and experience in the insurance and financial markets, the corporate strategy and business model, the governance system, financial and actuarial analysis and the legislative and regulatory requirements applicable to the Company. To ensure the Board of Directors collectively and individually meets the fitness requirement, the Company has developed a self-assessment questionnaire to evaluate the Board of Directors' fitness.

On this basis, a training programme enables directors to increase their skills and information on major regulatory changes.
The self-assessment questionnaire focuses on the following areas, which cover all insurance activities:

- Knowledge of the market;
- Strategy and business model;
- The governance system;
- Financial and actuarial analyses;
- The regulatory framework and its requirements.

It should be noted that each member of the Board of Directors is not required to possess complete expertise, skills and experience in all areas listed above.
However, the collective knowledge, expertise and experience of the Board of Directors as a whole must be sufficient to ensure the sound and prudent management of the Company. This collective knowledge

must be maintained at all times, and any change in the membership of the Board of Directors is considered with this factor in mind.

- Chief Executive Officer, Deputy Chief Executive Officer and Key Functions

The expertise, experience, reputation and integrity of the persons who effectively manage the Company and hold key functions are determined and verified by the Company in the following ways:

- A dated and signed curriculum vitae;
- A copy of the person's national identity card or passport;
- A copy of diplomas obtained;
- An excerpt from bulletin 3 of the national police records dated within the last three months;
- A certificate of non-conviction under Article L. 322-2(I) and (II) of the French Insurance Code;
- References; and
- Any other means necessary for the assessment.

This assessment will determine that the person has demonstrated, in the past, that he/she meets the fit and proper requirements to perform his/her future duties.
All relevant persons will be required to maintain their expertise for the position they hold through continuing education.

The Company has set up procedures to meet the fitness requirement at the time of recruitment, but has also set up a continuous professional training process to ensure that all of these persons keep abreast of developments related to their function.

Senior Management is responsible for coordinating professional training. Senior Management also ensures that a training budget is allocated as part of the Company's annual budgets.

Outsourcing of key functions

The requirements for the assessment of competence and propriety put in place by the Company apply equally to persons employed by a provider or sub-provider of services to perform a key outsourced function.

Where applicable, the Company appoints a person internally responsible for the outsourcing of a key outsourced function with the requisite skills and integrity.
In accordance with Article L 612-23-1 of the French Monetary and Financial Code, the designated person is considered to be the person responsible for the key function and notified to the ACPR.

4.2.3 SKILL AND INTEGRITY REQUIREMENTS OF CERTAIN COMPANY EMPLOYEES

Firstly, it is recalled that the company does not currently carry out direct distribution of insurance, as it works exclusively with insurance or reinsurance intermediaries and wholesale or retail brokers. The company does not therefore have personnel distributing insurance products in contact with customers.

However, should this situation change, in accordance with the Insurance Distribution Directive or IDD (Directive (EU) 2016/97), the company undertakes to comply with the new requirements set out below with regard to the competence and integrity of certain members of its personnel, the scope of the Directive having been extended to insurance companies.
Indeed, in accordance with Article R512-7 of the French Insurance Code, “Any person with authority over the employees mentioned in point 5 of section I of Article R. 511-2 is required to ensure that they meet the conditions of integrity and capability of this section that are applicable to them.”

Competence

In accordance with Article L511-2 of the French Insurance Code, the company’s employees “whose activities are to provide recommendations on insurance or reinsurance contracts and to present, propose or assist with concluding such contracts or carrying out other preparatory work on their conclusion, must possess, prior to the commencement of their activity, the appropriate knowledge and abilities to enable them to perform their functions and fulfil their obligations adequately.”

Such personnel must also comply with the requirements for continuous training and professional development, in order to maintain an adequate level of performance corresponding to the function they occupy and the market concerned. The company must be able to demonstrate by any means compliance with the continuous professional development and training requirements applicable to its staff. A decree of the Council of State sets out the terms of this.

In addition, individuals within the company management structure who are responsible for the distribution of insurance and reinsurance products and all other individuals directly involved in the distribution of insurance or reinsurance must have the knowledge and professional skills necessary to perform their duties.

Integrity

Pursuant to Article L511-3 of the French Insurance Code, employees of the company responsible for the insurance or reinsurance distribution activity, as well as staff directly involved in this activity, must possess the necessary integrity for the performance of their duties, this condition being verified with regard to such of the provisions of sections I to VI of Article L. 322-2 as are applicable to them.

4.3 Risk management system

4.3.1 Risk management system

The Company has implemented a risk management policy that operationally reflects the Company's risk appetite. This policy defines the risks the Company may take, whether in technical or financial terms.
Concretely, the covers that may be underwritten are listed with limits in terms of revenue, whether pursuant to a new partnership or in connection with specific products.
Furthermore, at the asset level, the Company grants a management mandate to its manager to establish the target exposure, as well as the minimum and maximum exposures, for each asset class.

To verify compliance with the rules laid down, the Company relies on its committees: the Underwriting and Risk Management Committee ensures the consistency of insurance risks (underwriting new products, adequacy of reinsurance, monitoring of portfolios and revaluation) while the Financial Committee focuses on market risks (types of investment, diversification constraints, etc.).

In addition, the Company produces a map of the major risks that it incurs (including strategic, compliance, insurance, financial and operational risks), and this map is updated at least once a year.

4.3.2 Integration of the risk management system and the risk management function into the Company's decisions

The Risk Management function identifies the risks (technical and non-technical) to which the Company is exposed and implements a risk management policy in order to control them (risk mapping, action plan, etc.).

For this purpose, the Risk Management Function attends Underwriting and Risk Management Committee meetings, either as a guest for underwriting issues (implementation of a new product or a new reinsurance treaty, revaluation policy, monitoring of a product or reinsurance), or by presenting information on Risk Management issues (preparing the risk map, updating policies, presenting the results of the Own Risk and Solvency Assessment (ORSA)).

To monitor financial risks, the Risk Management Function attends meetings of the Company's Financial Committee each quarter and receives monthly accounting reports from the asset manager.
Lastly, the Risk Management Function attends Board of Directors' meetings at least twice a year to present its work and provide alerts if necessary.

4.4 ORSA

4.4.1 Description of the ORSA process

The purpose of the ORSA process is to assess the risks specific to the Company in the short and medium term and to determine the appropriate level of capital to cover them.
The risk exposure analysis takes into account all risks in the standard formula, but is not limited thereto.
Risks are assessed based on their impact on the solvency ratio (as defined in the Solvency II framework).
This impact on the value is assessed through stress scenarios and, in the central scenario, it takes qualitative information into account.

The risk assessment carried out as part of the ORSA process takes into account Axéria Prévoyance's particular risk profile, and certain specific parameters are taken into account with respect to the calculations of the standard formula.
The assumptions, indicators and shocks applied for the purposes of the stress tests are documented in the ORSA report.

4.4.2 FREQUENCY OF THE ORSA PROCESS

The Administrative Management or Supervisory Body (AMSB), in agreement with the Risk Management Key Function, determines the schedule for the Company's regular ORSA.
Accordingly, it has been decided that the assessment is to be performed once a year and presented to the Board of Directors in December, when the strategy and business plan are discussed.

4.4.3 SOLVENCY NEEDS

To determine its overall solvency needs, the Company has chosen to use its solvency ratio with the standard formula and to make adjustments to the main risks.
For certain risks, the Company relies on the experience of its portfolio in order to make its own assessment (e.g. loss ratio history). For other risk, the Company relies on external studies carried out by partners.

4.5 INTERNAL CONTROL

4.5.1 DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

The Internal Control environment contributes to the risk management system.

In accordance with the regulations, the purpose of the Internal Control system is to provide reasonable assurance that:

- **Compliance with the statutes and regulations applicable to the Company:** the statutes and regulations set standards of conduct that the Company incorporates into its compliance objectives. The Company identifies the rules applicable to it and monitors changes thereto over time, includes these rules in its internal procedures, and informs and trains its employees on the rules that concern them. It also ensures that these rules are integrated into the agreements with its partners.
- **The application of instructions and guidelines established by the management bodies:** the instructions and guidelines of Senior Management are established in accordance with the objectives pursued by the Company and the risks to which it is exposed.
- **The proper functioning of the Company's internal processes and the preservation of its assets:** the Company strives to prevent and control risks generated by the Company's business and the risks of error or fraud. It also ensures that management actions and operations are carried out within the framework defined by the governance system. Moreover, it ensures that the operational activities of the various departments are secure and optimised, and enable achieving the Company's profitability and performance objectives.
- **The reliability of financial information:** the Company ensures that segregation of duties is implemented within processes, formalises job descriptions in order to identify the origin of the

information produced and its recipients, and ensures that transactions are recorded in such a way as to produce financial information that accurately reflects its business and situation.

However, it should be noted that, although the Internal Control system is comprehensive and efficient, it can only provide reasonable assurance, and not an absolute guarantee, that these risks are entirely eliminated.
The Internal Control system is defined and implemented under the responsibility of the Company's Senior Management.

Internal Control contributes to:

- The control over the Company's activities;
- The efficacy of operations;
- The efficient use of resources by taking into account significant risks, whether operational, financial or compliance-related.

The overall approach implemented by the Company is based on COSO standards and meets the requirements of Pillar 2 of Solvency II.
This system is supplemented by risk management and internal audit processes, each of which is covered by a written policy.

The fundamental stages of the system, which are carried out in a continuous improvement loop, include:

- Identification of key processes: the process of identifying and documenting the Company's key processes;
- Risk identification: process of investigation and description of risks,
- Risk analysis: process implemented to understand the nature of the risks, their potential causes and consequences,
- Risk assessment: an assessment process adapted to the culture of the organisation that prioritises and compares the results of the risk analysis with the risk criteria in order to determine whether the risks and/or their magnitude are acceptable or tolerable,
- Risk treatment: a process that acts on risks (reduces, eliminates, transfers or accepts risk).

Internal Control is implemented at all levels of the Company in order to achieve an integrated system within the Company's processes.

Two types of controls are in place:

- Permanent control, including level 1 controls and level 2 controls:
  - Level 1 controls are carried out solely by the process managers and operational staff and refers to the controls defined and performed to ensure compliance with all applicable external and internal rules and the required level of quality.
  - Level 2 controls are carried out by independent parties (internal control, legal, compliance, etc.), who ensure the consistency and effectiveness of the system by performing level 2 controls, which consist in regularly verifying the maintenance and effectiveness of level 1 controls.

- Periodic control, including level 3 controls. The objective of level 3 controls is to assess the effectiveness of the Internal Control system through periodic audits.

Tools such as process mapping, risk mapping, controls and the incident database are entered into a specific risk management and control tool that provides integrated management between risk management, internal control and incident management.

4.5.2 ACTIVITIES OF THE COMPLIANCE VERIFICATION FUNCTION

The Compliance Key Function reports hierarchically to Senior Management. It has direct access to the Board of Directors to guarantee its independence and its freedom of action and to raise alerts.

To perform its duties, the Compliance Function, as a key function of the risk governance system, must meet integrity, fitness, independence and accountability requirements.
Duties are segregated within the Company to ensure the Compliance Function avoids conflict of interest situations.

In addition, the Compliance Function has the necessary expertise, in particular knowledge of applicable legislation and standards and regulatory changes applicable to its activity.

The Compliance Function's role is to structure compliance within the Company, based on following approach:

- Identification of obligations and risks;
- Inventory and control of compliance risks;
- Formalising and carrying out controls.

Pursuant to Article R354-4-1 of the French Insurance Code, the Compliance Function's duties are:

- Conducting a regulatory watch and communicating the results thereof;
- Informing and alerting the management bodies;
- Providing training and raising employee awareness;
- Identifying and assessing compliance risks;
- Verifying compliance;
- Communicating with supervisory authorities.

The Compliance Function covers all of the Company's insurance activities and operations. Regulations applicable to all companies are excluded from its scope.
The scope of compliance control is consistent with the nature of the Company's activities and organisation.

The key areas covered are:

- Business practices;

- Customer protection;
- Contract/product compliance with applicable legislation;
- Combating money laundering and the financing of terrorism;
- Data protection and confidentiality;
- The regulations relating to the conduct of insurance activities;
- Ethics and professional conduct.

Related issues include:

- Internal and external fraud: detection and prevention;
- Human resources (remuneration policy, fit and proper requirements, etc.).

The Compliance Function has various tools at its disposal in order to perform its duties:

- The written policies of the Company's governance system, in particular the compliance policy;
- The mapping of strategic compliance risks;
- The annual compliance plan;
- The self-assessments of compliance controls;
- Group Compliance.

In addition, the Company has set up a committee system.

4.6 ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

4.6.1 IMPLEMENTATION

Axéria Prévoyance has adopted and implemented an internal audit policy that establishes a system, committees and a related key function.

The Board of Directors has thus appointed a person responsible for the internal audit key function, who reports directly to Senior Management. She liaises with the Company's other key functions and attends the meetings of the various governance committees set up.

She is responsible for:

- Establishing, implementing and operational maintenance of the audit plan that details the audit work to be carried out in future years, taking into account all activities and the entire governance system of the insurance company;
- Using a risk-based approach when setting priorities;
- Follow-up of the implementation of recommendations based on the results of the work carried out,
- Communicating the audit plan to the administrative, management or supervisory body;

- Verifying compliance with decisions adopted, in particular by the administrative, management or supervisory body, on the basis of recommendations made;
- Submitting, at least once a year, to the administrative, management or supervisory body a written report containing her findings and recommendations.

In addition, the internal audit function may, if necessary, plan audits that are not included in the audit plan.

4.6.2 INDEPENDENCE OF THE INTERNAL AUDIT FUNCTION

The Internal Audit Function has direct access to the Board of Directors and the Audit Committee to guarantee its independence and its freedom of action and to raise alerts.

Moreover, in order to preserve its independence and objectivity in relation to the activities it reviews, given the size of the Company, the performance of audit assignments is outsourced if they are likely to generate a conflict of interest.

Lastly, the absence of conflicts of interest is guaranteed by remuneration whose variable component is based solely on qualitative objectives, as provided in the Company's remuneration policy.

4.7 DESCRIPTION OF ACTUARIAL FUNCTION ACTIVITIES

The Actuarial Function reports directly to Senior Management to avoid any risk of conflict of interest.

The Actuarial Function's report was sent to the Board of Directors in September. It included a presentation on the valuation of the calculation of provisions and the quality of the data and an opinion on the Company's underwriting and reinsurance policies.

The Actuarial Function reports on the methods used to calculate the technical provisions for solvency purposes. It also assesses the sufficiency and quality of the data used for these provisions.

4.8 DESCRIPTION OF THE OUTSOURCED SERVICES POLICY

Under its business model, Axéria Prévoyance outsources certain insurance activities that require specific skills. Outsourcing is to expert entities in order to ensure greater efficiency and effectiveness.

However, outsourcing does not transfer risks and responsibilities to the service provider. In this respect and in accordance with Article L354-3 of the French Insurance Code, Axéria Prévoyance "retain[s] full responsibility for the fulfilment of the obligations incumbent upon it when it outsources insurance functions or activities".

In this context, Axéria Prévoyance has drawn up a policy in compliance with the requirements of the Solvency II Directive:

- Axéria Prévoyance retains full responsibility for the fulfilment of all the obligations incumbent upon it when it outsources functions or activities;
- Important or critical operational activities or functions (within the meaning of Article L. 354-1) are outsourced in accordance with the transposition of the Directive into French law (Decree R354-7), in order to protect against any of the following consequences:
  - Seriously compromising the quality of the governance system;
  - Unduly increasing financial, operational and reputational risk;
  - Compromising the Company's ability to meet regulatory requirements in the event of the default of a service provider;
  - Jeopardising the continuous provision of a satisfactory level of service to policyholders;
  - Experiencing difficulties in finding another service provider or taking over the activity directly.

The Company has classified the activities it outsources and in fact has classified its service providers. Three levels of criticality are used: "critical", "important" and "non-critical non-important".
The selection and monitoring processes are adapted to the level of criticality.

Critical and important outsourced activities as well as contract management activities form part of the Company's strategic risks, and as such, the Board of Directors plays an active role:
- It decides on any new outsourcing arrangements
- It decides on and/or is informed of the termination of partnerships
- It is informed annually of the audit plan and of the results of these audits
- It validates the policy on outsourced services on an annual basis

Lastly, the Company's business continuity plan incorporates the default of a provider into its scenarios.

Significant events of the year regarding outsourcing arrangements

A change of asset manager was agreed in 2020. As this activity was identified as critical for the Company, a selection process, risk analysis and ACPR notification were carried out in accordance with the Company's outsourcing policy.
The business was transferred to a company with expertise in asset management in January 2021.

4.9 SUITABILITY OF THE GOVERNANCE SYSTEM AND RISK MANAGEMENT SYSTEM

The Company has set up a risk management system consistent with its size, strategy and governance system, which provides the Company with sound and prudent management that meets the requirements of Article L.354-1 of the French Insurance Code.

In 2018, the Risk Management function participated in an analysis of the portfolio's risks, which led to changes in its main reinsurance programme. Coverage put in place at 1 January 2019 will enable Axéria Prévoyance to limit its frequency and peak risks.

4.10 OTHER MATERIAL INFORMATION

Axéria Prévoyance has no other relevant information to report concerning its governance system.

5. Risk profile

5.1 UNDERWRITING RISK

The Company has identified underwriting risks pursuant to its risk mapping process.

The Company is exposed to the risk of a spike in the frequency of claims, the risk of catastrophes (pandemic, terrorism) or to risks for significant amounts.
To protect itself against these risks, the Company uses reinsurance in order to reduce the liability that it retains and to reduce the impact on its balance sheet in the cases described above. Coverage was enhanced by the introduction of three-level protection for the company's retention, allowing a gradual capping of claims. Excess per Risk reinsurance, complemented by an Excess Catastrophe contract and an Abnormal Mortality Stop Loss agreement took effect on 1 January 2019. This reinsurance coverage was renewed in 2020 on almost identical terms.
Note that the 60% share covering the historical portfolio was abolished in 2020.

The Company relies on its Underwriting and Risk Management Committee to verify compliance with the Company's risk appetite and monitor risks over time.
In addition, the Company has put in place regular monitoring of a certain number of indicators such as the loss ratio (claims paid divided by earned premiums), lapse rates, levels of production and commissioning, enabling it to act quickly if any deviations are observed.

Lastly, the Company strives to avoid excessive concentration: its group contracts are therefore underwritten for VSEs and SMEs.

5.2 MARKET RISK

Market risks are also one of the main risks to which insurance companies are exposed. Axéria Prévoyance has adopted a prudent investment policy, in line with its risk appetite.
It therefore invests mainly in bonds with a satisfactory rating (A or higher) or in cash assets. It does hold higher-risk assets (equities, real estate, etc.), but always through funds and with investment restrictions that are specified in the management mandate.

To ensure compliance with these restrictions, the Company has set up a Finance Committee that monitors risk exposure on a quarterly basis (reporting by asset class, cost in terms of solvency, etc.) and that decides on future investments.
Lastly, the Company's Risk Management function verifies that the concentration of assets is in line with the Board of Directors' instructions.

5.3 CREDIT RISK

Axéria Prévoyance works with many partners for purposes of its business. To protect itself against defaults, it performs upstream audits of partners to ensure they are sufficiently creditworthy. It then ensures that its partnership runs smoothly by conducting regular audits. Lastly, Company has set up a Delegates Committee to monitor delegates.

For purposes of reinsurance, Axéria Prévoyance has chosen to establish new partnerships only with reinsurers with a satisfactory rating. It has also opted for a pool of reinsurers to reinsure its main treaty. Lastly, the Company requests that provisions be pledged in order to obtain additional security.

5.4 LIQUIDITY RISK

Axéria Prévoyance has low exposure to liquidity risk. The Company holds a very large segment of money-market assets (over 50% of assets), which includes term deposits and investments in money-market funds that can be recovered immediately.

In addition, in order to ensure liquidity at all times, the Company provides the manager with an annual cash flow plan (and updates it whenever necessary) to anticipate future cash flows.
If, in light of this cash flow plan, liquidity appears to be insufficient, the matter is discussed by the Finance Committee or directly by the Board of Directors in order to decide on an action plan.

It should be noted that at year-end 2020, the total expected profit included in future premiums was estimated at €23 million.

5.5 OPERATIONAL RISK

Operational risks under the standard formula are assessed using a simplified formula that focuses on current premiums, provisions and capital. This assessment does not perfectly reflect the diversity of the operational risks to which the Company may be exposed.
Operational risks are monitored by regularly assessing the robustness of the controls implemented to limit them (controls, procedures, segregation of duties, authorisations, dual approvals, etc.).

Lastly, the Company has adopted a business continuity plan that covers various situations that could have a critical impact on the Company.

5.6 OTHER MATERIAL RISKS

The Company does not consider that it is exposed to other major risks.

6. Valuation

6.1 ASSET VALUATION

6.1.1 DESCRIPTION OF THE S2 METHODOLOGY FOR MAJOR ASSET CLASSES

At market value, the default valuation method used for all listed securities is the last known Bloomberg price on the closing date.
Bloomberg also provides the net asset values of undertakings for collective investment.
Note that accrued interest is included in the valuation.

For real estate funds, the management company provides an expert's assessment of the net asset value.

The table below shows the market values of the Company's major asset classes at 31 December 2020 together with the valuation differences in S1 and S2:

Type of assets		Description	Market value	Carrying amount
R0080	Real estate	OPCIs and real estate funds	24,854	23,687
R0110	Listed equities			
R0120	Unlisted equities			
R0130	Government bonds	States and equivalent	8,040	7,714
R0150	Corporate bonds		60,131	58,648
R0160	Structured securities			-
R0170	Guaranteed securities	Secured bonds	7,211	7,198
R0180	UCIs		116,390	110,995
R0190	Derivatives			
R0200	Deposits other than cash equivalents	Term deposits	11,921	11,921
R0210	Other investments			
			228,545	**220,163**

For purposes of carrying amounts, all assets are measured at amortised cost.
The sole exception applies to bonds, which are valued by taking into account a premium or discount corresponding to amortisation and that is used to linearise the yield on the bond over its life.

6.2 VALUATION OF TECHNICAL PROVISIONS

To value technical provisions, the Company distinguishes between three provisioning models:

- The best estimate provisions based on the portfolio;
- The best estimate provisions based on future premiums (EPIFP);
- The risk margin.

6.2.1 AMOUNT OF PROVISIONS

6.2.1.1 "PORTFOLIO" BEST ESTIMATE CALCULATIONS

Life insurance covers within the meaning of Solvency II include:

- Death covers provided to insureds, i.e. temporary death contracts (loan insurance, individual personal protection, group personal protection), double indemnity policies, funeral expenses policies and covers exempting payment of death premiums in the event of a medical leave;
- Total and irreversible loss of autonomy covers for these same insureds;
- The Company's "savings" covers.

All of these contracts, excluding reinsurance accepted, are classified into the "Insurance with Profit Participation" line of business because the Company is required by law to constitute a policyholder profit-sharing provision.

The various acceptances of reinsurance are classified under "Reinsurance accepted".

Axéria Prévoyance has adopted the ACPR's position in its 2013 Additional National Guidelines to segment loss of employment cover between Health SLT and Health non-SLT for its individual, group and loan insurance portfolios. In the latter case, the Company's obligation is considered to be multi-year.

Thus, Health similar to life (Health SLT) covers within the meaning of Solvency II include:

- Disability covers (from the time the condition stabilises) under the individual and group personal protection portfolios;
- All medical leave covers in the loan insurance portfolios;
- Dependency covers (for which the Company has undertaken not to increase rates);
- Less significantly, the "loss of profession" covers.

In the same way as for the life insurance portfolio, Health SLT provisions are segmented between "no options and guarantees" health insurance contracts, in the case of contracts not accepted, and "Health insurance (reinsurance accepted)" in the case of other contracts.

Health not similar to life (Health non-SLT) covers in the "Income Protection" line of business, within the meaning of Solvency II, include:

- Pending incapacity and disability covers under the individual and group personal protection portfolios;
- Accidental death covers under these same portfolios.

Lastly, Health not similar to life covers in the "Medical Expenses' line of business, within the meaning of Solvency II, include:

- Health benefits covers (supplemental or primary);
- Hospitalisation daily allowance covers.

To value these technical provisions, the Company conducts statistical studies of its main portfolios in order to refine the calculation of technical provisions.

The Company's main restatement is due to the use of the experience table to value certain provisions, whereas under the Solvency 1 standard it is customary to use the regulatory tables.
For example, under the S1 standard, Axéria Prévoyance uses the BCAC tables to calculate "incapacity/disability" provisions, but calculates its "best estimate" provisions using:

- Certified experience tables in loan insurance on historical portfolios,
- More segmented and backtested experience tables in borrower insurance for recent borrower portfolios;
- The TARAT TNS study shared experience table for its individual personal protection portfolio;
- And by applying deductions to the BCAC tables for its group portfolio.

Ultimately, 95 % of technical provisions are valued on the basis of a specific valuation. However, for other provisions, the principle of proportionality or non-material change in valuation results in a simplified valuation: best estimate provision = Solvency 1 provision.

The table below shows the breakdown of technical provisions by type at year-end 2020:

	GROSS	REINS	NET
Health non SLT	€113.9 M	€58.6 M	€55.3 M
Health SLT	€106.0 M	€43.4 M	€62.6 M
LIFE	€61.1 M	€15.7 M	€46.0 M
TOTAL PROVISIONS	**€281.0 M**	**€117.7 M**	**€164.0 M**

To calculate the "best estimate" reinsurance provisions, the Company's methodology is based on future gross reinsurance flows per projection year to calculate the theoretical future reinsurance flows, based on the reinsurance treaty (proportional, surplus share or excess of loss).

The provision is then adjusted using the reinsurer's probability of default, based on its rating and the duration of the best estimate.

To calculate this adjustment, the Company applies the following simplification:

Adjustment = - Max (50% * PD / (1- PD) * Duration * Best Estimate; 0)

In which PD is the reinsurer's probability of default, based on its rating.

When gross reinsurance provisions are valued using the "Rest estimate provisions = S1 provisions" simplification, the reinsurer's probability of default is not taken into account in the valuation of ceded provisions.

6.2.1.2 BEST ESTIMATE "FUTURE PREMIUMS" PROVISIONS

The Company models future premiums to value its best estimate provision. Nevertheless, the projection horizon is not the same depending on the type of portfolio.

More specifically, Axéria Prévoyance projects its borrower portfolios and mixed contracts until they are extinguished (end of loan) taking into account the lapse assumptions, in contrast with the other portfolios for which the Company considers only one additional year of commitment.

To value its future obligations, the Company applies either a case-by-case methodology using statistical laws based on portfolio experience (the Company's main portfolio) or a methodology based on historical loss ratio by line of business.
Each of these valuations takes into account associated technical specificities: reinsurance, the reinsurance profit participation, the variable fees paid by Axéria Prévoyance to its wholesale brokers, the provisions for equalisation or general reserves and, lastly, the policyholder profit-sharing provision.

Ultimately, because the Company's portfolios are profitable, the technical provision calculated is negative.

Performing the same segmentation as for the "portfolio" provisions, the following results are obtained:

	GROSS	REINS	NET
Health non SLT	€27.5 M	€19.2 M	€8.3 M
Health SLT	€16.8 M	-€0.4 M	€17.2 M
LIFE	-€79.0 M	-€30.6 M	-€48.4 M
TOTAL PROVISIONS	**-€34.7 M**	**-€11.7 M**	**-€23.0 M**

6.2.1.3 RISK MARGIN

The risk margin is calculated using the so-called "cost of capital" method by estimating the Company's future solvency capital requirement (SCR).

To perform this calculation, Axéria Prévoyance applies a simplification defined in the technical specificities.
This is the simplified method based on a cost of capital approach, with an assessment of the company's future risks in proportion to its commitments. This methodology uses the following formula:

$$\text{Risk Margin} = 6\% * \sum_t \text{SCRcompagnie}\ (0) * \frac{Best\ Estimate(t)}{Best\ Estimate(0)} * \frac{1}{(1+taux(t))^t}$$

The calculation of the SCR described above does not take into account either the adjustment for deferred taxes (in accordance with the regulations) or market risk, which is deemed unnecessary.
To determine the risk margin by line of business, Axéria Prévoyance uses a ratio based on the branch's contribution to the final SCR.

The risk margin is estimated at €32.9 million.

6.2.2 Level of uncertainty

The experience tables constructed by the Company for its best estimate calculation are regularly updated. The input of additional data is used to constantly improve these tables.

6.2.3 S1/S2 changeover

S2 provisions are 23% lower than S1 provisions. The main reasons are:
- The use of experience tables instead of regulatory tables that overestimate the loss experience;
- The restatement of IBNR;
- The restatement of mathematical provisions and provisions for increasing risks, which are restated in the best estimate future premiums provisions.

6.2.4 Matching adjustment

No matching adjustment is made.

6.2.5 Volatility adjustment

No volatility adjustment was made.

6.2.6 Transitional yield curve

A transitional interest rate curve is not applied.

6.2.7 Transitional deduction

The transitional deduction is not applied.

6.2.8 Other information

6.2.8.1 Reinsurance and securitisation

The amounts recoverable under reinsurance contracts are shown in the tables above.
The recoverable amounts of the “Portfolio Best Estimate Provisions” component take into account the probability of default of the reinsurers, unlike the “Best Estimate Future Premiums Provisions” component, which is a more prudent approach because it estimates profits.

6.2.8.2 Change in assumptions used to calculate technical provisions

The risk margin is established using the simplified method based on a cost of capital approach with an assessment of the company’s future risks in proportion to its commitments, as detailed in paragraph 6.2.1.3.

6.3 MEASUREMENT OF OTHER LIABILITIES

Of the Company's other liabilities, only deferred taxes were measured differently than under Solvency 1. These deferred taxes are associated with three impacts:

- The market value of the assets;
- The use of prudential valuation for technical provisions,
- The inclusion of future premiums in the calculation of provisions.

To measure them, the Company determined for each balance sheet item (and not line by line) whether future gains or losses were anticipated.
Based on this information, the Company determines deferred tax assets or liabilities.

At 31 December 2020, deferred tax liabilities were measured at €26.1 million and deferred tax assets at €15.8 million.

6.4 ALTERNATIVE VALUATION METHODS

Axéria Prévoyance does not use alternative valuation methods in performing its valuations for solvency purposes.

6.5 OTHER MATERIAL INFORMATION

Axéria Prévoyance has no other material information to report concerning the measurement of its assets and liabilities for solvency purposes.

7. Capital management

7.1 OWN FUNDS

7.1.1 GENERAL INFORMATION POLICY

The Company's own funds consist solely of assets classified as Tier 1 (the most stable and solid capital). They consist of the Company's share capital of €31 million, the income for previous years and the reconciliation reserve (the Company's future income).
Accordingly, the Board of Directors' rule that the Company's Tier 1 capital must represent at least 75% of the Company's total Own Funds is complied with.

In its medium-term plan, the Company estimates its own funds based on the self-financing principle: increases in own funds are tied to the Company's results.

7.1.2 NATURE OF OWN FUNDS

The Company's own funds remained stable between 2019 and 2020.

Own funds (€000s)	2019	2020	*Diff.*
Tier 1	158,496	158,494	-2
Tier 1 restricted			
Tier 2			
Tier 3			
TOTAL	**158,496**	**158,494**	**-2**

7.1.3 AMOUNT OF OWN FUNDS ELIGIBLE TO COVER THE SCR

Due to fact that all of the Company's own funds are classified as Tier 1, all own funds are eligible to cover the SCR.

Level	Own funds (€000s)
Tier 1	158,494
Tier 1 restricted	
Tier 2	
Tier 3	
TOTAL	**158,494**

7.1.4 AMOUNT OF OWN FUNDS ELIGIBLE TO COVER THE MCR

Due to fact that all of the Company's own funds are classified as Tier 1, all own funds are eligible to cover the minimum capital requirement (MCR).

Level	**Own funds (€000s)**
Tier 1	158,494
Tier 1 restricted	
Tier 2	
Tier 3	
TOTAL	158,494

7.1.5 ANALYSIS OF S1/S2 DEVIATION

Own funds measured under Solvency II are €26 million higher than under Solvency 1, as shown in the table below:

€000s	Statutory own capital	Market valation of financial assets	Best Estimate of provisions and risk margin	Best Estimate of reinsurance	Deferred taxation	Dividends envisaged	Own funds H2
Own funds	132,297	8,366	85,703	-57,597	-10,274	0	158,494

It should be noted that, unlike 2019, no dividend increase is planned for 2020.

7.1.6 TRANSITIONAL MEASURE

None of Axéria Prévoyance's own funds are subject to the transitional measures set out in Article 380, paragraphs 9 and 10, of Directive 2009/138/EC.

7.1.7 ANCILLARY OWN FUNDS

Axéria Prévoyance does not have any ancillary own funds in its capital.

7.1.8 ITEMS DEDUCTED FROM OWN FUNDS

Axéria Prévoyance is not concerned by this section.

7.2 SCR AND MCR

7.2.1 CALCULATIONS

At the end of 2020, Axéria Prévoyance's SCR was calculated at €77.1 million, compared with €158.5 million of eligible own funds. The coverage ratio is thus 206%.

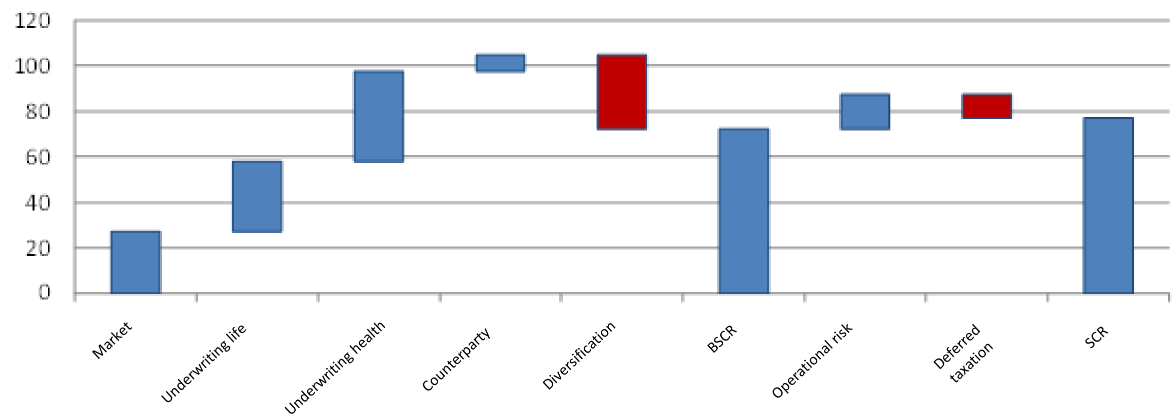
The MCR was calculated as €25.9 million, i.e. a coverage rate of 613%.

7.2.2 SOLVENCY CAPITAL REQUIREMENT BY MODULE

As regards own funds requirements, the life underwriting risk (€30.9 million) and the health underwriting risk (€39.4 million) are the main risks to which the Company is exposed, as shown in the figure below.

Market risk remains substantial (€27.2 million), while operational risk (€15.2 million) and counterparty risk (€7.2 million) are more moderate.

Breakdown of SCR (in € millions)



7.2.3 SIMPLIFIED CALCULATIONS

Axéria Prévoyance uses the proportionality principle to assess its risks and therefore uses simplified methods for small portfolios (partial look-through for certain assets, BE S2 provisions = S1 provisions, increase in loss experience via proxies using scenario-based approaches).

7.2.4 UNDERTAKING SPECIFIC PARAMETERS (USPS)

Axéria Prévoyance does not use specific parameters to assess its solvency and is therefore not concerned by this section.

7.2.5 CAPITAL ADD-ON

The ACPR has not requested Axéria Prévoyance to add additional capital to cover its solvency risks.

7.2.6 MINIMUM CAPITAL REQUIREMENT

Axéria Prévoyance is a mixed-activity insurance company. Thus, the linear MCR is calculated by adding together the components of the non-life MCR and of the life MCR.

The calculation method takes into account a percentage of best estimate (BE) provisions and non-life premiums net of reinsurance (the % depends on the risk) and a percentage of the BE provisions net of reinsurance and of capital at risk net of reinsurance in life.
The regulations provide that the final MCR must be between 25% and 45% of the overall SCR. The amount of Axéria Prévoyance's linear MCR is in this range.

7.2.7 MATERIAL CHANGES IN MCR OR SCR

The SCR and MCR calculation methodology remained unchanged between 2019 and 2020.
It should nevertheless be noted that the adoption of more segmented projection assumptions for modelling the business of recent borrower products and the use of more recent lapse rate assumptions for all borrower products had an impact on these indicators.

7.2.8 TIME-BASED "EQUITY RISK" SUB-MODULE

Axéria Prévoyance does not use this sub-module to calculate its solvency.

7.3 INTERNAL MODEL

Axéria Prévoyance uses the standard formula to calculate its solvency and is therefore not concerned by this section.

7.4 INSUFFICIENCY OF REQUIRED CAPITAL

At 31 December 2020, the Company's solvency ratio was significantly higher than 100%. It is therefore not concerned by this section.

7.5 OTHER MATERIAL INFORMATION

The Company has no other material information to report on the management of its capital.

8. QRT Appendices

All amounts included in the notes below are expressed in thousands of euros.

S.02.01.02 Balance Sheet

Assets		Solvency II value
		C0010
Goodwill	R0030	0
Deferred acquisition costs	R0040	15,839
Intangible assets	R0050	0
Deferred tax assets	R0060	63
Pension benefit surplus	R0070	229,937
Property, plant & equipment held for own use	R0080	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0090	0
Property (other than for own use)	R0100	0
Holdings in related undertakings, including associates	R0110	0
Equities	R0120	0
Equities - listed	R0130	76,646
Equities - unlisted	R0140	8,201
Bonds	R0150	60,979
Government Bonds	R0160	0
Corporate Bonds	R0170	7,467
Structured notes	R0180	141,244
Collateralised securities	R0190	0
Undertakings in Collective Investments	R0200	12,047
Derivatives	R0210	0
Deposits other than cash equivalents	R0220	0
Other investments	R0230	459
Assets held for index-linked and unit-linked contracts	R0240	459
Loans and mortgages	R0250	0
Loans on policies	R0260	0
Loans and mortgages to individuals	R0270	106,395
Other loans and mortgages	R0280	77,785
Reinsurance recoverable from:	R0290	0
Non-life and health similar to non-life	R0300	77,785
Non-life excluding health	R0310	28,610
Health similar to non-life	R0320	43,196
Life and health similar to life, excluding health and index-linked and unit-linked	R0330	- 14,586 k€
Health similar to life	R0340	0
Life excluding health and index-linked and unit-linked	R0350	5,384
Life index-linked and unit-linked	R0360	89,896
Deposits with ceding companies	R0370	13,252
Insurance and intermediaries receivables	R0380	342
Reinsurance receivables	R0390	0
Receivables (trade, not insurance)	R0400	0
Own shares (held directly)	R0410	91,067
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0420	51
Cash and cash equivalents	R0500	**552,687**

EUR thousands

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	153,825
Technical provisions – non-life (excluding health)	R0520	0
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk Margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	153,825
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	141,419
Risk Margin	R0590	12,406
Technical provisions - life (excluding index-linked and unit-linked)	R0600	132,107
Technical provisions - health (similar to life)	R0610	128,788
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	122,788
Risk Margin	R0640	6,000
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	3,319
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	- 11,216
Risk Margin	R0680	14,535
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk Margin	R0720	0
Other technical provisions	R0730	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	5,502
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	6,926
Deferred tax liabilities	R0780	26,114
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance and intermediaries payables	R0820	54,732
Reinsurance payables	R0830	215
Payables (trade, not insurance)	R0840	14,768
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	4
Total liabilities	R0900	**394,193**

EUR thousands

Excess of assets over liabilities	R1000	**158,494**

EUR thousands

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

		Line of activity for: **non-life insurance and reinsurance commitments (direct insurance and proportional reinsurance accepted)**								
		Medical expenses insurance	Income protection insurance	Workers compensation insurance	Motor third party liability insurance	Other motor vehicle insurance	Marine, air and land transport insurance	Fire and other property insurance	General third-party liability insurance	Credit insurance and surety bonds
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums issued										
Gross – direct insurance	R0110	250,921	33,876							
Gross – Proportional reinsurance accepted	R0120	22,892	34							
Gross – Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	176,661	15,235							
Net	R0200	97,152	18,675							
Earned premiums										
Gross – direct insurance	R0210	250,643	33,842							
Gross – Proportional reinsurance accepted	R0220	14,191	827							
Gross – Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	176,142	15,221							
Net	R0300	88,691	19,448							
Claims load										
Gross – direct insurance	R0310	164,794	45,463							
Gross – Proportional reinsurance accepted	R0320	8,520	332							
Gross – Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	127,278	23,005							
Net	R0400	46,036	22,790							
Change in other technical provisions										
Gross – direct insurance	R0410	- 536	- 184							
Gross – Proportional reinsurance accepted	R0420	116	27							
Gross – Non-proportional reinsurance accepted	R0430									
Reinsurers' share	R0440	0	- 7							
Net	R0500	- 420	- 150							
Expenses incurred	R0550	39,295	7,662							
Other expenses	R1200									
Total expenses	R1300									

Amounts in thousands of euros

		Line of activity for: **non-life insurance and reinsurance commitments (direct insurance and proportional reinsurance accepted)**			Line of activity for: **non-proportional reinsurance accepted**				**Total**
		Legal protection insurance	Assistance	Miscellaneous monetary losses	Health	Accidents	Marine, air and land transport insurance	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums issued									
Gross – direct insurance	R0110								284,797
Gross – Proportional reinsurance accepted	R0120								22,927
Gross – Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								191,896
Net	R0200								115,827
Earned premiums									
Gross – direct insurance	R0210								284,485
Gross – Proportional reinsurance accepted	R0220								15,018
Gross – Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								191,363
Net	R0300								108,139
Claims load									
Gross – direct insurance	R0310								210,257
Gross – Proportional reinsurance accepted	R0320								8,853
Gross – Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								150,283
Net	R0400								68,827
Change in other technical provisions									
Gross – direct insurance	R0410								- 720
Gross – Proportional reinsurance accepted	R0420								143
Gross – Non-proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								- 7
Net	R0500								- 570
Expenses incurred	R0550								46,956
Other expenses	R1200								
Total expenses	R1300								46,956

Amounts in thousands of euros

		Line of activity for: life insurance commitments						Life reinsurance commitments		Total
		Health insurance	Insurance with profit sharing	Index-linked and unit-of-account insurance	Other life insurance	Annuities from non-life insurance policies and related to health insurance commitments	Annuities from non-life insurance policies and related to insurance commitments other than health insurance commitments	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums issued										
Gross	R1410	44,993	96,430					3,161	4,775	**149,359**
Reinsurers' share	R1420	23,152	37,466					0	- 1	**60,617**
Net	R1500	21,841	58,963					3,161	4,777	**88,742**
Earned premiums										
Gross	R1510	44,955	96,567					2,880	4,665	**149,069**
Reinsurers' share	R1520	23,131	37,478					0	- 1	**60,608**
Net	R1600	21,824	59,090					2,880	4,667	**88,461**
Claims load										
Gross	R1610	24,809	25,052					1,235	689	**51,786**
Reinsurers' share	R1620	11,952	6,188					0	0	**18,141**
Net	R1700	12,857	18,864					1,235	689	**33,645**
Change in other technical provisions										
Gross	R1710	447	- 1					49	214	**709**
Reinsurers' share	R1720	376	0					0	0	**376**
Net	R1800	71	- 1					49	214	**334**
Expenses incurred	R1900	10,491	23,644					1,479	3,195	**38,810**
Other expenses	R2500									
Total expenses	R2600									**38,810**

Amounts in thousands of euros

S.05.02.01 Premiums, claims and expenses by country

		Country of origin	5 main countries (by amount of gross premiums issued) - **non-life commitments**					Total 5 main countries and countries of origin
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010	FRANCE	GERMANY	ITALY	SPAIN	MONACO		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums issued								
Gross – direct insurance	R0110	284,386	399					**284,785**
Gross – Proportional reinsurance accepted	R0120	22,927						**22,927**
Gross – Non-proportional reinsurance accepted	R0130	0						**0**
Reinsurers' share	R0140	191,632	260					**191,892**
Net	R0200	115,681	139					**115,820**
Earned premiums		0						
Gross – direct insurance	R0210	284,095	374					**284,469**
Gross – Proportional reinsurance accepted	R0220	15,018						**15,018**
Gross – Non-proportional reinsurance accepted	R0230	0						**0**
Reinsurers' share	R0240	191,115	244					**191,359**
Net	R0300	107,997	130					**108,128**
Claims load								
Gross – direct insurance	R0310	210,013	318					**210,331**
Gross – Proportional reinsurance accepted	R0320	8,853						**8,853**
Gross – Non-proportional reinsurance accepted	R0330	0						**0**
Reinsurers' share	R0340	150,126	168					**150,294**
Net	R0400	68,740	150					**68,889**
Change in other technical provisions								
Gross – direct insurance	R0410	- 720						**- 720**
Gross – Proportional reinsurance accepted	R0420	143						**143**
Gross – Non-proportional reinsurance accepted	R0430	0						**0**
Reinsurers' share	R0440	- 7						**- 7**
Net	R0500	- 570	0					**- 570**
Expenses incurred	R0550	46,868	80					**46,948**
Other expenses	R1200							
Total expenses	R1300							**46,948**

Amounts in thousands of euros

		Country of origin	5 main countries (by amount of gross premiums issued) - life commitments					Total 5 main countries and countries of origin
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R01400	FRANCE	PORTUGAL	GERMANY	MONACO	ITALY	SPAIN	TOTAL
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums issued								
Gross	R1410	138,270	10,076					**148,346**
Reinsurers' share	R1420	57,590	2,362					**59,952**
Net	R1500	80,680	7,713					**88,393**
Earned premiums								
Gross	R1510	138,025	10,076					**148,101**
Reinsurers' share	R1520	57,614	2,362					**59,976**
Net	R1600	80,412	7,713					**88,125**
Claims load								
Gross	R1610	46,471	4,087					**50,558**
Reinsurers' share	R1620	16,469	850					**17,318**
Net	R1700	30,002	3,238					**33,240**
Change in other technical provisions								
Gross	R1710	709	0					**709**
Reinsurers' share	R1720	376	0					**376**
Net	R1800	334	0					**334**
Expenses incurred	R1900	34,894	3,708					**38,602**
Other expenses	R2500							
Total expenses	R2600							**38,602**

Amounts in thousands of euros

S.12.01.02 Life and Health SLT Technical Provisions

		Insurance with profit sharing	Index-linked and unit-of-account insurance			Other life insurance			Annuities from non-life insurance policies and related to insurance commitments other than health insurance commitments	Reinsurance accepted	Total (life excluding health, including unit-of-account)
				Contracts without options or guarantees	Contracts with options or guarantees		Contracts without options or guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default, corresponding to the technical provisions calculated as a whole	R0020	0	0			0			0	0	0
Technical provisions calculated as the sum of the best estimate and the risk margin											
Best estimate											
Gross best estimate	R0030	- 7,626		0	0		0	0	0	- 3,590	- 11,216
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0080	- 14,586		0	0		0	0	0	0	- 14,586
Best estimate net of amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance	R0090	6,960		0	0		0	0	0	- 3,590	3,370
Risk margin	R0100	14,535	0			0			0	0	14,535
Amount of transitional deduction from technical provisions											
Technical provisions calculated as a whole	R0110	0	0			0			0	0	0
Best estimate	R0120	0		0	0		0	0	0	0	0
Risk margin	R0130	0	0			0			0	0	0
Technical provisions - Total	R0200	**6,909**	**0**			**0**			**0**	**- 3,590**	**3,319**

		Health insurance (direct insurance)			Annuities from non-life insurance policies and related to health insurance commitments	Health reinsurance (reinsurance accepted)	**Total (health similar to life (SLT))**
			Contracts without options or guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0			0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default, corresponding to the technical provisions calculated as a whole	R0020	0			0	0	0
Technical provisions calculated as the sum of the best estimate and the risk margin							
Best estimate							
Gross best estimate	R0030		122,951	0	0	- 163	122,788
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0080		43,196	0	0	0	43,196
Best estimate net of amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance	R0090		79,755	0	0	- 163	79,592
Risk margin	R0100	6,000			0	0	6,000
Amount of transitional deduction from technical provisions							
Technical provisions calculated as a whole	R0110	0			0	0	0
Best estimate	R0120		0	0	0	0	0
Risk margin	R0130	0			0	0	0
Technical provisions - Total	R0200	**128,951**			**0**	**- 163**	**128,788**

Amounts in thousands of euros

S.17.01.02 Non-life technical reserves

		Direct insurance and proportional reinsurance accepted					
		Medical expenses insurance	Income protection insurance	Workers compensation insurance	Motor third party liability insurance	Other motor vehicle insurance	Marine, air and land transport insurance
		C0020	C0030	C0040	C0050	C0060	C0070
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default, corresponding to the technical provisions calculated as a whole	R0050	0	0	0	0	0	0
Technical provisions calculated as the sum of the best estimate and the risk margin							
Best estimate							
Provisions for premiums							
Gross	R0060	9,035	18,476	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0140	5,641	13,585	0	0	0	0
Net best estimate of provisions for premiums	R0150	3,395	4,891	0	0	0	0
Provisions for claims							
Gross - total	R0160	50,355	63,552	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0240	21,761	36,799	0	0	0	0
Best estimate net of claims provisions	R0250	28,594	26,753	0	0	0	0
Total best estimate - gross	R0260	59,390	82,028	0	0	0	0
Total best estimate – net	R0270	31,989	31,644	0	0	0	0
Risk margin	R0280	6,720	5,687	0	0	0	0
Amount of transitional deduction from technical provisions							
Technical provisions calculated as a whole	R0290	0	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0	0
Technical provisions - Total							
Technical provisions - Total	R0320	**66,110**	**87,715**	**0**	**0**	**0**	**0**
Amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default – total	R0330	27,401	50,384	0	0	0	0
Technical provisions net of amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance	R0340	38,709	37,331	0	0	0	0

Amounts in thousands of euros

		Direct insurance and proportional reinsurance accepted					
		Fire and other property insurance	General third-party liability insurance	Credit insurance and surety bonds	Legal protection insurance	Assistance	Miscellaneous monetary losses
		C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default, corresponding to the technical provisions calculated as a whole	R0050	0	0	0	0	0	0
Technical provisions calculated as the sum of the best estimate and the risk margin							
Best estimate							
Provisions for premiums							
Gross	R0060	0	0	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0140	0	0	0	0	0	0
Net best estimate of provisions for premiums	R0150	0	0	0	0	0	0
Provisions for claims							
Gross - total	R0160	0	0	0	0	0	0
Total amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default	R0240	0	0	0	0	0	0
Best estimate net of claims provisions	R0250	0	0	0	0	0	0
Total best estimate - gross	R0260	0	0	0	0	0	0
Total best estimate – net	R0270	0	0	0	0	0	0
Risk margin	R0280	0	0	0	0	0	0
Amount of transitional deduction from technical provisions							
Technical provisions calculated as a whole	R0290	0	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0	0
Technical provisions - Total							
Technical provisions - Total	R0320	**0**	**0**	**0**	**0**	**0**	**0**
Amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance, after adjustment for probable losses for counterparty default – total	R0330	0	0	0	0	0	0
Technical provisions net of amounts recoverable from reinsurance/securitisation vehicles and finite reinsurance	R0340	0	0	0	0	0	0

Amounts in thousands of euros

S.19.01.21 Non-life claims

Non-life claims -- Total non-life activities

Year of accident

Year		Development Year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Previous	R0100											88
N-9	R0160	44,551	10,447	779	160	63	0	0	16	0	16	
N-8	R0170	41,856	10,976	835	110	38	0	3	2	23		
N-7	R0180	51,234	16,388	1,724	617	66	87	47	99			
N-6	R0190	62,110	19,950	2,042	491	165	54	20				
N-5	R0200	70,918	18,791	1,475	434	110	76					
N-4	R0210	87,094	20,528	1,497	506	168						
N-3	R0220	112,891	21,002	2,224	2,652							
N-2	R0230	117,557	28,197	9,396								
N-1	R0240	138,048	31,904									
N	R0250	156,980										

Amounts in thousands of euros

Year		For current year	Sum of years (cumulative)
		C0170	C0180
Previous	R0100	88	91,208
N-9	R0160	16	56,032
N-8	R0170	23	53,843
N-7	R0180	99	70,261
N-6	R0190	20	84,832
N-5	R0200	76	91,805
N-4	R0210	168	109,792
N-3	R0220	2,652	138,770
N-2	R0230	9,396	155,150
N-1	R0240	31,904	169,952
N	R0250	156,980	156,980
Total	R0260	**201,421**	**1,178,624**

Amounts in thousands of euros

Best estimate of provisions for gross claims not discounted to present value (absolute value)

Year		Development Year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Previous	R0100											0
N-9	R0160	0	0	0	0	0	0	0	0	0	0	
N-8	R0170	0	0	0	0	0	0	0	0	0		
N-7	R0180	0	0	0	0	0	0	0	0			
N-6	R0190	0	0	6,793	6,514	0	0	0				
N-5	R0200	0	13,356	12,218	1,330	75	87					
N-4	R0210	36,282	16,660	3,043	2,379	2,858						
N-3	R0220	36,651	14,025	5,812	6,738							
N-2	R0230	46,611	12,055	13,202								
N-1	R0240	36,910	24,523									
N	R0250	42,963										

Amounts in thousands of euros

Year		Year end (updated data)
		C0360
Previous	R0100	0
N-9	R0160	0
N-8	R0170	0
N-7	R0180	0
N-6	R0190	0
N-5	R0200	88
N-4	R0210	2,893
N-3	R0220	6,822
N-2	R0230	13,370
N-1	R0240	24,833
N	R0250	44,026
Total	R0260	**92,032**

Amounts in thousands of euros

S.23.01.01 Own Funds

		Total	Level 1 – unrestricted	Level 1 – restricted	Level 2	Level 3
		C0010	C0020	C0030	C0040	C0050
Core capital before deduction for investments in other financial sectors, as provided in Article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	31,000	31,000		0	
Share premium account related to ordinary share capital	R0030	57	57		0	
Initial funds, member contributions or equivalent core capital item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	127,437	127,437			
Subordinated liabilities	R0140	0		0	0	0
Amount equal to the value of net deferred tax assets	R0160	0				0
Other capital items approved by the supervisory authority as core capital not specified above	R0180	0	0	0	0	0
Capital from the financial statements which should not be included in the reconciliation reserve and which does not meet Solvency II capital criteria						
Capital from the financial statements which should not be included in the reconciliation reserve and which does not meet Solvency II capital criteria	R0220	0				
Deductions						
Deductions for investments in credit and financial institutions	R0230	0	0	0	0	0
Total core capital after deductions	R0290	**158,494**	**158,494**	**0**	**0**	**0**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid, uncalled and immediately callable initial funds, member contributions or equivalent core capital item for mutual and mutual-type undertakings	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
Legally binding commitments to underwrite and pay subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees not covered by Article 96(2) of Directive 2009/138/EC	R0350	0			0	0
Supplementary members' contribution calls under Article 96(3) of Directive 2009/138/EC	R0360	0			0	
Supplementary members' contribution calls not covered by Article 96(3) of Directive 2009/138/EC	R0370	0			0	0
Ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	**0**			**0**	**0**

Amounts in thousands of euros

		Total	Level 1 – unrestricted	Level 1 – restricted	Level 2	Level 3
		C0010	C0020	C0030	C0040	C0050
Eligible and available capital						
Total capital available to cover solvency capital requirement	R0500	158,494	158,494	0	0	0
Total capital available to cover the minimum capital requirement	R0510	158,494	158,494	0	0	
Total capital eligible to cover the solvency capital requirement	R0540	158,494	158,494	0	0	0
Total capital eligible to cover the minimum capital requirement	R0550	158,494	158,494	0	0	
Solvency capital requirement	R0580	**77,065**				
Minimum capital requirement	R0600	**25,851**				
Ratio of eligible capital to solvency capital requirement	R0620	**205.66%**				
Ratio of eligible capital to required minimum capital	R0640	**613.10%**				

Amounts in thousands of euros

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess assets over liabilities	R0700	158,494
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and expenses	R0720	0
Other core capital items	R0730	31,057
Adjustment for restricted capital items relating to matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	**127,437**
Expected profits		
Expected profits included in future premiums (EPIFP) – life business	R0770	31,242
Expected profits included in future premiums (EPIFP) – non-life activities	R0780	- 8,286
Total expected profits included in future premiums (EPIFP)	R0790	**22,956**

Amounts in thousands of euros

S.25.01.21 Solvency Capital Requirement - for companies using the standard formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	27,150	
Counterparty default risk	R0020	7,207	
Life underwriting risk	R0030	30,911	Life Disaster Risk
Health underwriting risk	R0040	39,374	
Non-life underwriting risk	R0050	0	
Diversification	R0060	- 32,471	
Risk associated with intangible assets	R0070	0	
Basic solvency capital requirement	R0100	**72,171**	

Amounts in thousands of euros

		Value
		C0100
Operational risk	R0130	15,168
Capacity for absorption of losses of technical provisions	R0140	0
Loss absorption capacity of deferred taxes	R0150	- 10,274
Capital required for activities carried out in accordance with Article 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding additional capital requirements	R0200	77,065
Additional capital requirements already defined	R0210	0
Solvency capital requirement	R0220	**77,065**
Other SCR information		
Capital required for the duration-based equity risk sub-module	R0400	0
Total notional solvency capital requirement for the remaining portion	R0410	0
Total notional solvency capital requirement for ring fenced funds	R0420	0
Total notional solvency capital requirement for matching adjustment portfolios	R0430	0
Diversification effects due to the aggregation of FC nSCRs under Article 304	R0440	0

Amounts in thousands of euros

S.28.02.01 Minimum Capital Requirement – Life and non-life insurance or reinsurance activities

		Non-life activities	Life Activities
		Result MCR(NL,NL)	Result MCR(NL,NL)
		C0010	C0020
Term of the linear formula for non-life insurance and reinsurance commitments	R0010	11,662	0

Amounts in thousands of euros

		Non-life activities		Life Activities	
		Best estimate and TPs calculated as a whole, net (of reinsurance / securitisation vehicles)	Premiums issued in the last 12 months, net (of reinsurance)	Best estimate and TPs calculated as a whole, net (of reinsurance / securitisation vehicles)	Premiums issued in the last 12 months, net (of reinsurance)
		C0030	C0040	C0050	C0060
Medical expenses insurance and related proportional reinsurance	R0020	31,989	97,144	0	0
Income protection insurance, including related proportional reinsurance	R0030	31,644	17,032	0	0
Workers' compensation insurance and related proportional reinsurance	R0040	0	0	0	0
Motor third party liability insurance and related proportional reinsurance	R0050	0	0	0	0
Other motor vehicle insurance and related proportional reinsurance	R0060	0	0	0	0
Marine, air and land transport insurance and related proportional reinsurance	R0070	0	0	0	0
Fire and other property damage insurance and related proportional reinsurance	R0080	0	0	0	0
General third-party liability insurance and related proportional reinsurance	R0090	0	0	0	0
Credit insurance and surety bonds and related proportional reinsurance	R0100	0	0	0	0
Legal protection insurance and related proportional reinsurance	R0110	0	0	0	0
Assistance insurance and related proportional reinsurance	R0120	0	0	0	0
Miscellaneous financial loss insurance and related proportional reinsurance	R0130	0	0	0	0
Non-proportional health reinsurance	R0140	0	0	0	0
Non-proportional accident reinsurance	R0150	0	0	0	0
Non-proportional marine, air and land transport reinsurance	R0160	0	0	0	0
Non-proportional general reinsurance	R0170	0	0	0	0

Amounts in thousands of euros

		Non-life activities	Life Activities
		Result MCR(NL,NL)	Result MCR(NL,NL)
Term of the linear formula for life insurance and reinsurance commitments	R0200	0	14,189

Amounts in thousands of euros

		Non-life activities		Life Activities	
		Best estimate and TPs calculated as a whole, net (of reinsurance / securitisation vehicles)	Premiums issued in the last 12 months, net (of reinsurance)	Best estimate and TPs calculated as a whole, net (of reinsurance / securitisation vehicles)	Premiums issued in the last 12 months, net (of reinsurance)
		C0090	C0100	C0110	C0120
Commitments with profit-sharing - Guaranteed benefits	R0210	0		3,370	
Commitments with profit sharing - Future discretionary benefits	R0220	0		0	
Insurance commitments with benefits indexed and in units of account	R0230	0		0	
Other life (re)insurance and health (re)insurance commitments	R0240	0		79,592	
Total amount of capital at risk for all life (re)insurance commitments	R0250		0		17,703,835

Amounts in thousands of euros

		C0130
Linear MCR	R0300	25,851
Solvency capital requirement	R0310	**77,065**
MCR Cap	R0320	34,679
MCR Floor	R0330	19,266
Combined MCR	R0340	25,851
Absolute floor threshold of the MCR	R0350	6,200

Amounts in thousands of euros

Minimum capital requirement	R0400	**25,851**

Amounts in thousands of euros

		Non-life activities	Life Activities
		C0140	C0150
Notional amount of the linear MCR	R0500	11,662	14,189
Notional amount of the SCR excluding additional capital (annual calculation or last calculation)	R0510	0	0
MCR Notional Amount Cap	R0520	0	0
MCR Notional Amount Floor	R0530	0	0
Notional amount of the combined MCR	R0540	0	0
Absolute floor threshold for the MCR notional amount	R0550	0	0
Notional amount of the MCR	R0560	0	0

Amounts in thousands of euros