28/07/2025

Elama Kindlustus AS Solvency and Financial Condition Report 2024

Summary

This is an unofficial translation of the original document

Elama Kindlustus AS (hereinafter Elama or the Company) is an insurance company engaged in non-life insurance in Estonia since 1992.

This report covers the reporting period of the Company from 01.01.2024 to 31.12.2024.

In 2024, the Company's ownership structure changed and an additional share issue was carried out in the third quarter of 2024. The company has set the goal of increasing sales volumes primarily through the addition of new insurance products. In 2024, in addition to the existing insurance products, the company started offering casco insurance, property insurance and financial loss insurance. The Company's general strategy is to provide insurance services through all sales channels in the market and the Company will shape its activities accordingly. In order to increase future opportunities, it is important for the Company to be ready to operate in projects related to different types of insurance.

As a whole, 2024 was a year of great changes for Elama. The main goal was to take the insurance services offered by Elama, including the speed and quality of claims handling, to a new level. Work organisation processes were re-organised, an open management culture was introduced and the working environment was improved. Additional activity licences were applied for from the Financial Supervision Authority to start offering new insurance products. In order to better provide insurance services, a 24/7 call centre was opened and customers are now also provided with assistance services, which ensures quick and appropriate assistance in the event of a loss event.

From June, Elama's operations were moved to a new office space located at Liivalaia 45, Tallinn. At the same time, the computers used by the entire team were modernized and replaced, and a more efficient cloud solution was introduced for data storage. A new central software for issuing and managing insurance contracts and a new financial reporting software were introduced. Elama`s claims handling and claims files were made fully electronic.

A separate product unit was created to bring products and services to the market. A clear framework was established for the organisation of product portfolio management, and systematic rules and limits were set for decision-making competences. In order to manage business risks, several routine procedures were initiated and the results of insurance activities and solvency indicators were analysed on a monthly basis.

In November, the name change of Elama was completed, a new business name Elama Kindlustus AS and a renewed brand design were introduced. At the same time, the Elama website was replaced and the updated insurance services were actively offered in a modern shopping environment. To support the introduction of the new brand and business name, a broad-based campaign was carried out in digital and outdoor media.

Five business areas with separate management were established – sales, technology, insurance, claims handling and finance. The persons responsible for organising key functions continued to be independent in separate roles from 2024. A new role was created to manage the finance department created by the Company, and a financial manager with long experience started working in the Company.

Following the Company's investment policy, in 2024 Elama diversified its investments into several asset classes by investing in term deposits, shares and bonds. The amount of Elama financial investments as of 31.12.2024 was 12,626 thousand euros (2023: 10,673 thousand euros). Interest income from investments amounted to 810 thousand euros in 2024. In the previous financial year, the corresponding figure was 316 thousand euros. In 2024, Elama started to manage the investment portfolio more actively than before, which enabled not only a more thorough analysis of risks, but also a better rate of return.

The Management Board of the Company has two members and the Supervisory Board has three members. Persons responsible for all key functions have been appointed in the Company.

The main risk of the company is the insurance risk of non-life insurance, the second significant risk is the market risk.

In 2024, the Company's minimum capital requirement was EUR 4.0 million, the solvency capital requirement was EUR 4.0 million and the Company's own funds were EUR 8.1 million. To cover the solvency capital, the Company uses only the first level of own funds. In 2024, the Company met all regulatory requirements and complied with the solvency and minimum capital guarantee requirements set out in the Act.

A. Business operations and results

A.1 Charts

Business name: Elama Kindlustus AS, registry code 10089395.

Supervisory authority: Financial Supervision Authority, Sakala 4, Tallinn, Estonia.

External auditor: Ernst & Young Baltic AS, Rävala puiestee 4, 10143 Tallinn.

Shareholders with significant holdings:

- OÜ R-Holding, shareholding 18.34%
- Tavid AS, shareholding 18.21%.

During the reporting period, no significant transactions were made with shareholders, persons having a significant influence on the insurer, and members of administrative, management or supervisory bodies.

The financial audit for 2024 was carried out by the audit firm Ernst & Young Baltic AS.

Results of economic activities in 2024

In 2024, the insurance premiums issued by Elama totalled 8,427 thousand euros, which is 23% more than in 2023 (2023: 6,866 thousand euros). Motor third party liability insurance (2023: 6,574 thousand euros), motor casco insurance (2023: 0 euros) accounted for 6,709 thousand euros of insurance premiums, travel insurance for 203 thousand euros (2023: 250 thousand euros) and carrier's liability for 140 thousand euros (2023: 142 thousand euros). Other insurance contracts such as home insurance, commercial property insurance, financial loss insurance and machinery breakdown insurance were concluded in the amount of 29 thousand euros.

Elama's goal of diversifying the product portfolio and diversifying the insurance risk has been successful, and the share of motor third party liability insurance in the portfolio is steadily decreasing at the expense of the new products offered. The volume of motor third party liability insurance grew organically at the same pace as the market.

A.2 Technical results

The company operates only in the Estonian insurance market. The table below illustrates the income received by the Company from insurance contracts by type of insurance:

Income from insurance contracts

	2024	Proportion	2023	Proportion
Motor third party liability insurance	6 146 525	87,82%	7 375 691	96.18%
Casco insurance	531 117	7,59%	0	0.00%
Travel insurance	161 521	2,31%	150 620	1.96%
Carriers liability insurance	152 821	2,18%	141 962	1.85%
Other lines of business	7242	0,10%	160	0.00%

During the financial year 2024, the Company indemnified losses in the total amount of EUR 4,099 thousand. In 2023, the Company paid out 5,045 thousand euros in losses. The gross loss ratio (the ratio of incurred losses and claims handling costs to insurance contract income) across all types of insurance in 2024 was 58.6% (2023: 86.5%).

The table below presents the most important financial indicators of the Company:

For the reporting period	**2024**
Written premiums	8 426 909
Insurance premiums received	6 822 622
Accrued losses and claims handling costs	-4 099 415
Accrued operating expenses	-3 194 613
Reinsurance premiums	-2 038 047
Reinsurance in incurred losses	1 124 892
Gross loss ratio	58,6%
Gross expense ratio	45,6%
Incl. acquisition cost ratio	7,9%
Reinsurance cost	13%
At the end of the reporting period	
Total assets	21 320 081
Financial assets	12 625 794
Share of investments in assets	59%

The gross loss ratio is calculated as the ratio of accrual-based losses and claims handling costs to income earned from insurance contracts.

The gross expense ratio is calculated as the ratio of all expenses incurred (excluding claims handling costs) to the income earned from insurance contracts.

The ratio of concluding costs is calculated as the ratio of accrual-based concluding costs to income earned from insurance contracts.

The cost of reinsurance is the ratio of the net cost of reinsurance to the income earned from insurance contracts.

The following are other important expenses and revenues of the Company:

Cost/Income	**2024**	**2023**
Financial income and expenses	786 038	315 514
Income from the sale of fixed assets	835 455	53 764
Expired liabilities	296 856	138 647
Membership fee of the Motor Insurance Guarantee Fund	-182 143	-231 812
Marketing costs	-132 595	-2898
Audit	-145 102	-63 991
Other income and expenses	-2113	-846 973

A.3 Investment performance

The amount of the Company's financial investments as of 31.12.2024 was EUR 12,625,794 (2023: EUR 10,673,000). Interest income from investments was 810,820 euros in 2024. In the previous financial year, the corresponding figure was 315,514 euros.

In accordance with the Company's investment policy, the Company's free funds continued to be diversified into several asset classes – term deposits, bonds and shares.

The breakdown of financial assets by the recognition method is presented in the following table:

	31.12.2024	**31.12.2023**
Assets recognised at amortized cost		
Deposits	7 056 178	9 111 142
Bonds	2 017 862	73 000
Total assets at adjusted acquisition cost	**9 074 040**	**9 184 142**
Assets recognised at fair value through profit or loss		
Bonds	2 757 310	1 600 000
Stocks and equity funds	794 444	0
Total assets at fair value	**3 551 754**	**1 600 000**
Total financial investments	**12 625 794**	**10 784 142**

The data has been adjusted for comparability purposes.

In 2024, Elama started to manage the investment portfolio more actively than before, which enabled not only a more thorough analysis of risks, but also a better rate of return. The following table shows the result of investing Elama assets:

	2024	**2023**
Interest income	457 001	315 514
Change in fair value	353 819	0
Change in estimated credit loss	-24 427	0
Investment costs	-356	0
Loss from changes in the exchange rate	0	-189 856
Total	**786 038**	**125 658**

All of the Company's investments will be in euros at the end of 2024, the Company has no currency risk.

The Company does not use any other investment methods.

A.4 Results of other activities

The Company is only engaged in insurance activities, the Company has no other activities.

A.5 Any other information

The Company has no other important information to add.

B. Management system

B.1 General information about the management system

The Company implements an effective management system, which is the basis for the sound and reliable management of the Company's business activities. The management system is in accordance with the nature, scope and complexity of the Company's business activities. The goal is to manage the company efficiently and implement the strategy in the best reasonable way.

The management system of the Company:

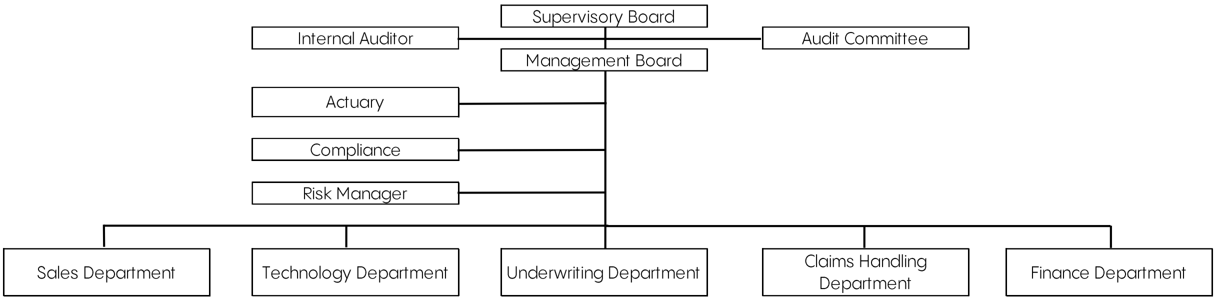
- creates, implements and supports effective cooperation, internal reporting and communication between all necessary levels of the company;
- has a clear and well-defined organisational structure with clear, consistent and documented responsibilities throughout the organisation;
- makes sure that the staff hired and the persons appointed or to be appointed possess the necessary skills, knowledge and experience to be able to properly carry out the duties assigned to them;
- makes sure that the staff hired and the persons appointed or to be appointed are aware of the rules necessary for the proper performance of their duties;
- establishes, implements and supports the decision-making process;
- makes sure that any action does not obstruct or is likely to prevent the persons involved in the action from carrying out the specific task in a reliable, honest and professional manner;
- establishes information systems that ensure adequate, reliable, consistent, timely and relevant information on all activities, commitments undertaken and exposed risks;
- keeps appropriate and organised registers of its business activities and internal rules;
- guarantees the security, integrity and confidentiality of the information, taking into account the content of the information in question;
- has put in place clear reporting lines that allow for the rapid transmission of information to all those who need it and in a way that allows them to recognise its importance; establishes and supports adequate risk management, compliance, internal audit and actuarial functions.

The Company has an organisational culture that enables and supports the efficient functioning of the management system.

In shaping the structure of the organisation, the Company proceeds from the aspect of proportionality adapted to the management system of the company. The organisational structure of the Company ensures a management system that is proportional to the nature, scope and degree of complexity of the Company's business risks.

The structure of the Company's organisation consists of the Company's governing bodies (Management Board and Supervisory Board), who are responsible for the compliance of the Company's activities with the existing legislation and regulations. The key functions of an insurance company are actuarial, risk management, compliance, and internal audit. In addition, the Company has an Audit Committee.

Management system and structure of the Company:



The following are the main tasks of the Supervisory Board, the Audit Committee and the Management Board in accordance with the Company's management system.

The Supervisory Board plays a strategic role in the Company. At the level of the Supervisory Board, the availability of resources and the approval of the strategy are ensured. The Supervisory Board plans the activities of the Company, organises the management of the Company and supervises the activities of the Management Board. In 2024, the Supervisory Board of the Company had three members.

The Management Board is the management body that represents and manages the daily economic activities of the Company. The division of responsibilities, rights and obligations is ensured at the level of the management board. The purpose of the Board's activities is the day-to-day management of the Company in order to implement the strategic goals set by the Supervisory Board. In 2024, the Board of Directors of the Company had two members.

The Audit Committee is an advisory body to the Supervisory Board of the Company in the field of accounting, auditing, risk management, internal control and auditing, exercising supervision and budgeting, and on the legality of activities. The Audit Committee has three members.

The governing bodies ensure regular and effective cooperation with key functions and committees.

Remuneration Policy

The remuneration of the members of the Management Board is determined by the Supervisory Board according to the responsibilities of the members of the Management Board, their knowledge, experience, workload and market practice. In determining the additional remuneration of the members of the Management Board, the Supervisory Board shall take into account the financial situation of the Company, the work of the member of the Management Board and the provisions of the Company's internal rules, the Insurance Activities Act and the legislation referred to in the Act. When determining the additional remuneration, it is kept in mind that the remuneration would not be determined on the basis of the growth of the Company's short-term profit.

The remuneration of key functions is determined by the Management Board of the Company. The remuneration is determined according to the responsibilities, workload, knowledge, experience, market practice of the key functioners. The Management Board has the right to assign additional remuneration to those performing key functions. When determining the additional remuneration, it is kept in mind that the remuneration would not be determined on the basis of the growth of short-term profit and that the provisions of the Company's internal rules, the Insurance Activities Act and the legislation referred to in the Act would be followed.

The remuneration of the Supervisory Board is decided by the general meeting of shareholders of the Company.

The remuneration of employees is determined by the management board according to the employee's responsibility, knowledge, experience, workload, market practice. The management board has the right to assign additional remuneration to employees in the event of work that is more productive than required. When determining the performance bonus, the provisions of the Company's internal rules, the Insurance Activities Act and the legislation referred to in the Act shall be taken into account.

B.2 Fit and Proper Requirements

The managers and responsible persons of the insurer must meet the requirements of fit and proper in accordance with the provisions of Article 273 of the European Commission Delegated Regulation (EU) 2015/35.

The Company's managers and persons responsible for key functions must have the education, knowledge and experience necessary to manage the insurer and perform a key function, as well as an impeccable business reputation. The fit and proper assessment shall be carried out before a person takes up the position for which the assessment is envisaged, during the annual appraisal or if there is any doubt as to the suitability of the person. To assess suitability, the person's previous work experience is assessed, documents certifying education and qualifications related to the position applied for are reviewed. The assessment of suitability is based on the determination of the knowledge, experience and qualifications required for the duties. The assessment of a person's professional competence takes into account the knowledge gained through his or her education and training, as well as practical experience gained in the course of previous professional activities.

The decisive factor in assessing the suitability of the supervisory board and the management board is the person's duties in the position and that the diversity of qualifications, knowledge and experience necessary for managing the company is ensured. In order to assess compliance, a person's honesty, economic reliability and security are also assessed. Consequently, there must be no circumstances that preclude the appointment of a person to the relevant position, including relevant offences.

Candidates must provide a declaration that there are no statutory circumstances that preclude their right to be the head of the insurer or the person responsible for organising a key function.

In the case of the transfer of key functions, the suitability and compliance of the performer shall be assessed with the same consideration.

The assessment of suitability and compliance is carried out in accordance with subsection 106 (1) of the Insurance Activities Act, Article 273 of the European Commission Delegated Regulation (EU) 2015/35 and the guidelines of the supervisory authority.

B.3 Risk management system, including Risk and Solvency Assessment (ORSA).

Risk management system

The risk management system sets out the strategies, processes and reporting procedures necessary for the continuous identification, assessment, management, monitoring and reporting of risks individually and in an aggregated manner, taking into account the risks or the possibilities of their occurrence and their interactions. The Company's risk management system is structured in such a way that it would support the implementation of the Company's business strategy. The purpose of the risk management system is to:

- risk prevention;
- rapid identification and mitigation of risks;
- Ensuring the solvency of the Company arising from capital regulations;
- Ensuring the internal goals of the Company.

The Company shall ensure that the risk management system is proportionate to the nature, extent and complexity of the risks related to the Company's business activities.

The risk management system covers at least the following areas:

- assessment of insurance risk and provisioning;
- management of assets and liabilities;
- investments, in particular derivatives and similar liabilities;

- liquidity and concentration risk management;
- operational risk management;
- reinsurance and other hedging methods.

The implementation of the risk management system is integrated into the Company's organisational structure and decision-making processes.

Three lines of defence have been implemented in the Company.

1. Most of the risks are routinely managed by the business departments subordinate to the Board, who are exposed to these risks on a daily basis and are responsible for risk-taking and day-to-day management (the first line of defence).

2. The next level is responsible for the supervision of routine risk management and methodological support, as well as for the control, analysis and aggregation of information on risks - the independent compliance, actuarial and risk management functions (second line of defence) under the Board.

3. The functionality of the processes and control mechanisms is supervised by independent internal and other auditors, the supervisory board, the audit committee (third line of defence).

Assessing your risks and solvency

The *Own Risk and Solvency Assessment* (hereinafter referred to as ORSA) is a key element of the second pillar of the Solvency II regulation. The main objective of ORSA is to ensure a sense of assurance that the Company's business strategy and business plans are feasible and do not involve significant risks for the Company that could cause a capital shortfall. Therefore, ORSA is closely involved in the business planning process of the Company.

ORSA takes into account the Company's business strategy, current and future risk assessments and the resulting solvency requirements. The ORSA is an integral part of the company's governance, providing a regular and comprehensive overview of the risks and (future) capital needs that are relevant to the realisation of the strategy. The ORSA should cover "material risks" rather than all the risks that the company faces.

One of the important outputs of the ORSA process is the ORSA report, which is prepared after each full-scale ORSA process. The ORSA report mainly contains the final results of the ORSA process, which demonstrate that the medium-term action plan is feasible and indicate the conditions necessary for it.

The Company conducts regular ORSA once a year. The frequency of regular ORSA is determined by the components of the ORSA process: Planning of the Company's strategies, identification and assessment of risks, determination of the risk profile (risk level), changes in capital requirements (in relation to capital position), possible changes in planning procedures, business development and other factors. During the same process, the principles of the ORSA process are reviewed at least once a year.

The results of the ORSA allow us to assess whether the above-mentioned processes are working well, do not pose significant risks and do not require adjustment. Thus, the results of ORSA are an informative output of the referred processes.

ORSA is integrated into the Company's organizational structure and decision-making processes. After approving the ORSA report, the Management Board of the Company will prepare a forward-looking business strategy based on the results of ORSA.

In the same process, ORSA's policies are reviewed at least once a year.

The ORSA report is approved by the Management Board of the Company, forwarded to the Supervisory Board of the Company and made public to the employees of the Company.

An emergency ORSA is made after a material change in the Company's risk profile or estimates.

B.4 Internal control system

The Supervisory Board of the Company ensures and the Management Board organises the functioning of an adequate and efficient internal control system.

An effective internal control system is a critical part of the Company's management and the basis for sound and reliable business operations. The purpose of internal control is to minimise the realisation of risks endangering the activities of the Company and to help the management board react as quickly as possible to possible changes in the operating environment of the Company and to adapt to changing environmental conditions.

The internal control system covers all levels of management and activity of the Company and is proportional to the nature, scope and level of complexity of the Company's business activities.

The purpose of the internal control system is to provide reasonable assurance in the achievement of the Company's objectives in the following areas:

- the effectiveness and efficiency of the activities, in the light of the objectives and risks associated with the activities;
- availability and reliability of financial and non-financial information;
- compliance with existing legislation and regulations (compliance function).

The effectiveness of the internal control system is assessed on the basis of the following:

- control environment: honesty and ethical values in the Company, competence of employees and application of knowledge in their daily work, management style of the board, organizational structure, etc.;
- risk management: defining, identifying, analysing, evaluating, measuring, monitoring, mitigating the risks related to the Company's activities and making decisions related to the above;
- control mechanisms: rules of procedure and guidelines of conduct that enable to ensure that the operations and methods established by the Management Board of the Company are actually monitored and carried out;
- information and communication: identifying, collecting and forwarding information that is important for carrying out the Company's activities and making decisions;
- Supervision: the entire process is supervised by the management board and changes are made if necessary.

The concept of the three lines of defence described in point B.2 of the report has been implemented in the Company.

An important part of the internal control system is the compliance function. The person performing the compliance function advises the Management Board, the Supervisory Board, the key functions of the Company and the employees regarding the compliance of the legislation and internal procedures applicable to the Company, as well as the compliance of the internal procedures. The activities of the Company are organised in such a way that in the case of the most important activities that may increase the risk level of the Company, the compliance officer participates as an advisor and compliance controller. Such cases include, among other things, the development of product conditions, the preparation of important cooperation agreements, and the preparation of internal guidelines and procedures.

No significant changes were made to the compliance policy during the current reporting period.

B.5 Internal audit function

The Supervisory Board of the Company ensures and the Management Board organises the functioning of the internal audit function in an adequate and efficient manner.

Internal auditing is an independent, objective assurance and advisory activity designed to add value and improve the organization's operations. It contributes to the achievement of the organisation's objectives by using a systematic and orderly approach to assess and improve the effectiveness of risk management, control and governance processes.

The internal auditor is functionally directly subordinate to the Supervisory Board of the Company. A specific authorisation for the performance of duties is provided by the internal audit work plan. The internal audit function is independent of the audited areas and the internal auditor is objective in carrying out his or her work. The internal auditor reports to the Supervisory Board and the Audit Committee.

The internal audit function is independent of other functions. The tasks of internal audit include, among other things, assessing the compliance and effectiveness of the internal control system and other elements of the management system, including assessing the efficiency and effectiveness of the functioning of the risk management function. The internal audit function of the Company is outsourced, which ensures greater independence of the persons performing the internal audit function. The Management Board of the Company is responsible for ensuring that the internal audit service provider provides the service prescribed in the contract in the agreed volume and quality. The company has appointed a person responsible for the internal audit function.

B.6 Actuarial function

Actuarial function of the Company:

- coordinates the calculation of technical provisions;
- ensures the adequacy of the assumptions for the calculation of technical provisions, as well as the methodology and underlying models;
- assesses the adequacy and quality of the data used in the calculation of technical provisions;
- compares the best ratings with experience;
- informs the Management Board of the Company of the reliability and regularity of the calculation of technical provisions, including the compliance of the quality of the data used in the calculation of technical provisions;
- monitors the calculation of technical provisions;
- expresses its views on the overall strategy for underwriting risk assessment;
- expresses its opinion on the appropriateness of reinsurance programmes;
- effectively implements the risk management system.

Actuarial function for the coordination of technical provisions:

- applies the methodology and procedures to assess the adequacy of the technical provisions made up and to ensure that their calculation is in line with the fundamental principles;
- takes into account the uncertainty associated with the assessments;
- provides expert judgement where appropriate, using relevant information and the experience of the people managing the function;
- makes sure that problems related to the calculation of technical provisions due to insufficient data quality are properly addressed and that in a situation where it should prove impractical to use commonly used methods for the calculation of technical provisions due to insufficient data quality, the best alternative to the standard method is found, taking into account the principle of proportionality;
- makes sure that homogeneous risk groups are identified in order to correctly assess the risks that exist;

- advises on specific market information and ensures that this information is integrated into the assessment of technical provisions;
- compares and justifies significant differences in assessments in different years;
- makes sure that the correct valuation of the options and warranties contained in the liabilities is ensured.

According to the Insurance Activities Act, the actuarial function is primarily obliged to confirm the adequacy of insurance premium rates, the correctness of technical provisions and financial liabilities, the compliance of the own funds norm with the requirements provided for by law, and to prepare the reporting required by law.

In 2024, the most important activities of the Actuarial function of the Company were the following:

- reviewing the calculation bases for personal injuries;
- reviewing the best estimate calculation methodology, assumptions and data quality;
- analysis of technical allocations and analysis of databases;
- analysis and improvement of the methodology of motor third party liability insurance prices;
- analysis of reinsurance programmes and risk management;
- updating internal rules
- capital calculations
- developing ORSA scenarios and performing ORSA calculations;
- analytical activities related to the change of ownership.

B.7 Outsourcing a function or activities

The Company has the right, taking into account the special requirements and restrictions provided by legislation, to use the services of a third party, the essence of which is the continuous performance of activities and operations that are necessary for the provision of services by the Company to clients and which in a normal situation would be performed by the Company itself.

The Management Board of the Company assesses the suitability and compliance of the service provider when selecting the service provider to be transferred, verifying, among other things, at least the compliance of the persons concerned with the requirements set out in the law, guidelines and guidelines, including that the education, knowledge, experience and reputation of the persons meet the requirements. The contract is concluded only with service providers that meet the requirements.

Upon outsourcing a key function, the Management Board shall appoint a person from the Company who meets the requirements of the law and who shall be responsible for the organisation of this key function.

The activities to be outsourced may not be activities prohibited by law, including the competence of the body of a legal person.

In 2024, the activities outsourced in the Company were:

- Internal audit service
- IT solution development and management service
- Call center and assistance service
- Recourse Collection Service
- Loss adjustment service up to a fixed amount limit

B.8 Any other information

The Company reviews the management system, including the internal rules regulating the management system, at least once a year.

C. Risk profile

Risk management includes the following activities:

- identifying risks;
- risk assessment;
- risk management;
- continuous monitoring of risks;
- organisation of reporting.

From the point of view of the company as an economic entity, risks are divided into external and internal risks. External risks are risks that arise outside the Company independently of the Company's own activities (e.g. the activities of competitors, legislation, financial risks). Internal risks are risks that arise within an entity (e.g. insurance risks, personnel risk, IT risk). The most important risks for the company are insurance risk and market risk.

The Company has established a risk management procedure that establishes the rules of procedure for identifying and managing existing risks and reducing possible negative impacts.

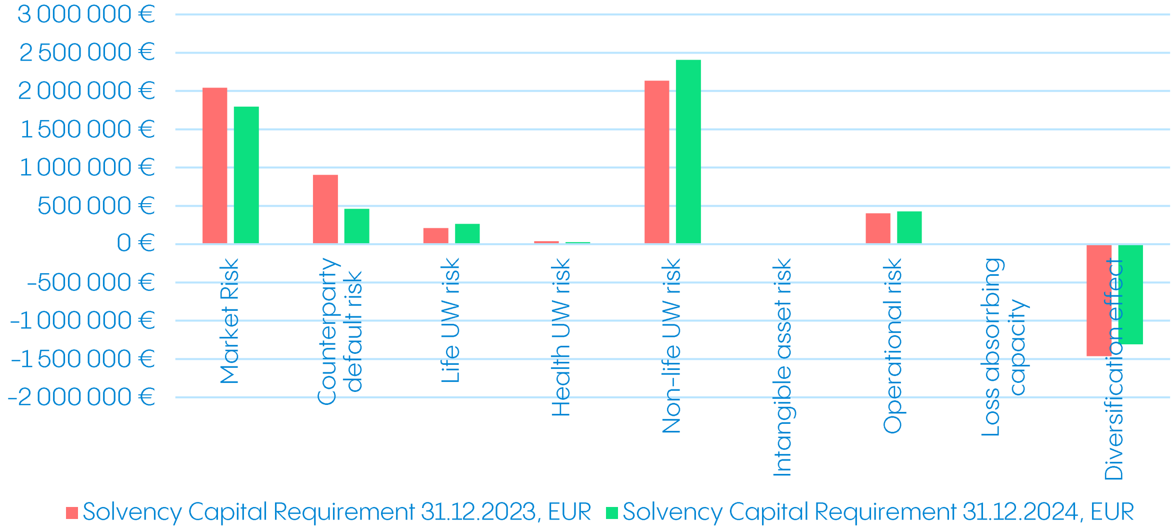
The methods of risk management are the reduction of insurance risk by adjusting the premium rates and the continuous control of reserves. In addition, liquidity and credit risk are kept low and operational risk is mitigated through periodic risk assessment and agreeing on mitigation measures. The process of risk management is continuous.

The Company also monitors investment risk. Investment risk is the risk of incurring losses when investing assets in financial instruments.

Various investment risks include credit risk, liquidity risk and market risk, with the latter being divided into currency risk, interest rate risk and other price risk. In order to fulfil the Company's investment objectives, the Company shall determine the tolerance limit for each risk.

In 2024, shares were also added to the investment portfolio, which is why the risk profile of the Company has changed slightly.

The total amount of own funds required to meet the regulatory solvency capital requirement increased to €8.2 million in 2024 (compared to €5.6 million in 2023). The minimum capital requirement remained at the same level as in 2023 at EUR 4.0 million. Additional information can be found on the report forms S.23.01.01 and S.25.01.21.



Below are the risks, their descriptions and measures to mitigate them.

C.1 Underwriting risk

An Underwriting risk is a risk of incurring damage due to unexpected events (insured events) as defined in the insurance cover.

The company's Underwriting risk covers the following areas of insurance:

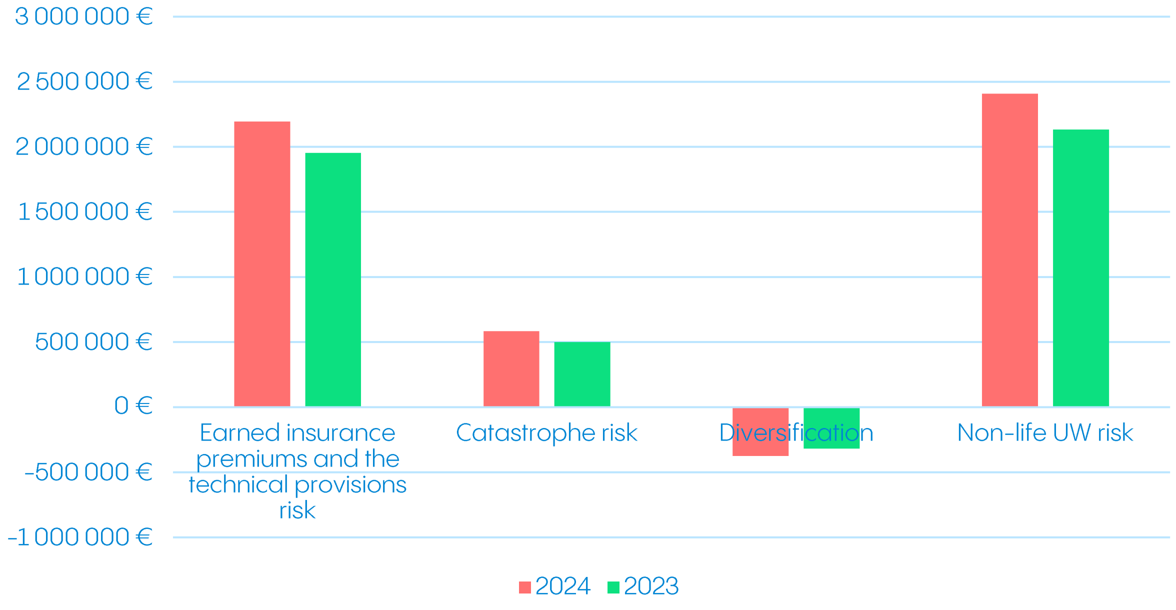
- motor third party liability insurance;
- travel insurance;
- liability insurance for the holder of a land vehicle;
- land vehicle insurance;
- insurance of transported goods;
- insurance against financial losses;
- property insurance.

Underwriting risk management mainly consists of three areas: the definition of adequate premium rates, insurance indemnities and provisions. Risk management also looks at product selection, development, risk selection, pricing, risk assessment at the level of individual risks and portfolios, regular monitoring of Underwriting risk and reporting by the management bodies of the Company. In addition, reinsurance is used to manage the Underwriting risk.

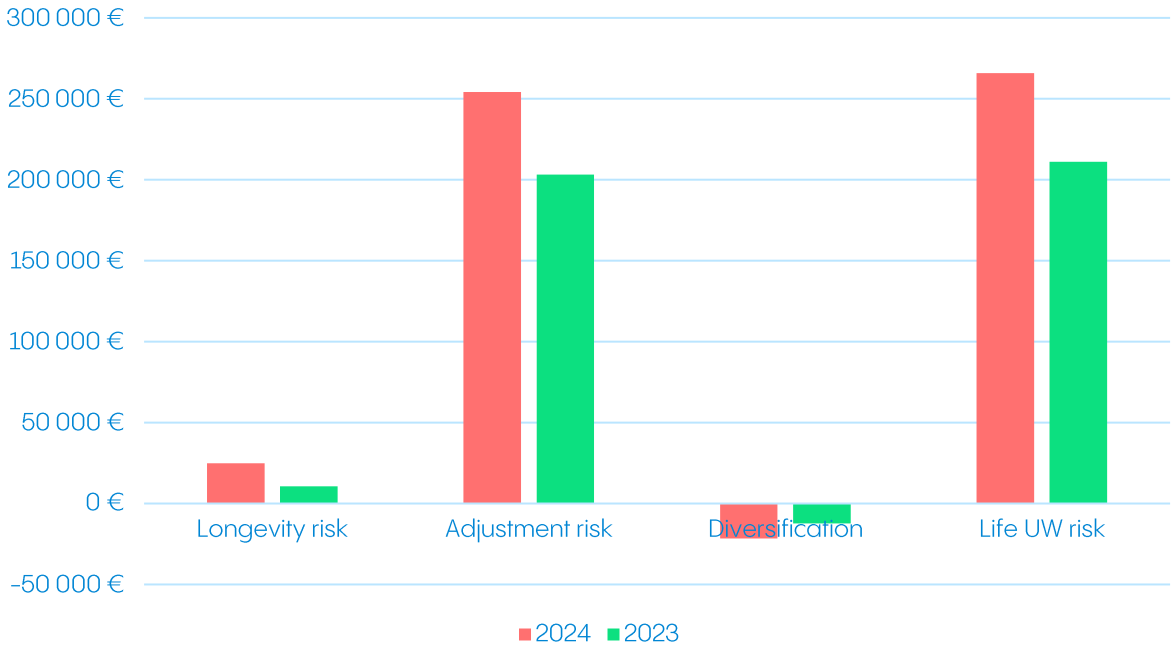
The insured risk is divided into the following in the Company:

- Non-life underwriting risk, which includes the risk related to the formation of insurance premiums and technical provisions, the catastrophe risk of non-life insurance, and the risk of interruption;
- Health Underwriting risk not similar to life insurance, which includes the risk related to the formation of health insurance premiums and technical provisions that are not similar to life insurance, disaster risk and lapse risk;
- Life underwriting risk, which arises from motor third party liability insurance annuities and includes the risk of survival, the risk of costs and the risk of revaluation.

The exposure of non-life underwriting risk is characterised by the following graph:



The capital requirement for life underwriting risk is calculated for motor insurance annuities and is characterised by the following graph:



Assortment of insurance products

In the selection of insurance products, the Company proceeds from its general business strategy – stability, efficiency and profitability.

The selection of insurance products is based on the principle that they are suitable for a large number of clients, that risks are as diversified as possible, and that there is no need for special knowledge (expert assessments) in assessing risks.

Before launching new products on the market, the risks contained in the product are assessed and the capital requirement of the respective product is determined.

In 2024, the sales of land vehicle insurance have been increased. The increase in Underwriting risk is related to an increase in business activity.

Objectives of loss

The Company regularly monitors the results of the product portfolio and the market situation and assesses the acceptable level of loss for each product separately. If the loss of a product exceeds the maximum acceptable level of loss, an action plan is drawn up to keep the loss below the maximum acceptable level.

Risks related to premium rates

The main source of underwriting risk is insufficient premium rates. The insurance premium rates have been determined on the principle: to take into account possible payouts, profitability and the competitiveness of the pricing policy. The level of premium rates is monitored and, if necessary, adjusted continuously. This activity also ensures the accumulation of insufficient insurance premium rates. In addition, a test of the adequacy of insurance premium rates is carried out regularly and major adjustments are made based on the results of the test. Additional adjustments are made on the basis of actuarial analyses and financial statements.

Selection of Underwriting risks

Considering the Company's objectives, the focus is not on individual customer segments. Risk selection in portfolio management is more about identifying loss-making segments and reducing their share in the portfolio. In addition, individual sub-quality risks are eliminated from the portfolio upon renewal of contracts.

Risks related to claims handling

The insured event to be indemnified is determined on the basis of the valid terms and conditions corresponding to the type of insurance. The methods of measuring and mitigating risks related to loss adjustment include monitoring the Company's and the market's loss statistics, compliance with legislation, and keeping up to date with the risks occurring in the market, including changes in legal practice.

It is important to follow the rules and norms in order to manage the risks arising from loss events. The rules of compensation are based on the requirements arising from legislative acts and the rules of treatment created on the basis of internal experience. Methods of risks mitigation include, for example, adjusting the price or conditions of products in the event of an increase in losses.

Risks related to insurance obligations

The most significant risks related to insurance obligations arise from liabilities from insurance activities, provisions from insurance contracts and liabilities from reinsurance contracts.

The Company handles the losses incurred as soon as possible and ensures that the loss amounts recorded in the technical provisions are up to date, corresponding to the best loss information at the moment. The technical provisions for losses are assessed by the Company's claims handling at the level of each individual loss.

The person responsible for the actuarial function shall assess the compliance of the claims relating to technical provisions. In assessing the Company's obligations, the main assumption is that the frequency and amount of future losses of the Company are similar to the Company's historical loss experience so far. Insurance technical provisions shall be made in accordance with the provisions of the relevant internal rules. Expert judgements, a chain-to-ladder method based on historical data, the Bornhutter-Fergusson method and, in the case of personal injury provisions, calculation methods related to cash flow forecasting are used. Damages, the length of which is not precisely known over time, in particular annuities related to personal injuries in motor third party liability insurance, include the risk of inflation, interest and survival.

With regard to liabilities arising from insurance activities, the size of the liabilities and their impact on liquidity are followed. The Company considers the risk arising from these obligations to be insignificant.

Sensitivity to Underwriting risk

Sensitivity to underwriting risk expresses the impact of changes in certain risk parameters in the insurer's activities, such as the impact on net profit, balance sheet, solvency position. At least once a year or in the event of a significant change in the risk profile of the Company, sensitivity analysis, stress tests and reverse stress tests are performed.

Parameter	Value 2024	Change in parameter	Effect	Impact on profit loss	Impact on equity
Claims incurred	4 107 355	1%	-41 074	-6.5%	-1.1%

Impact of the change in the inflation rate on net liabilities	9 048 193	0.5 pp	-31 661	-5.0%	-0.9%
Change in administrative expenses	2 643 942	5%	-132 197	-21.0%	-2.2%
Claims incurred	4 107 355	-1%	41 074	6.5%	1.1%
Impact of the change in the inflation rate on net liabilities	9 048 193	-0.5pp	29 889	4.8%	0.8%
Change in administrative expenses	2 643 942	-5%	132 197	21.0%	2.2%

A 1% increase in losses would reduce the Company's profit by 6.5% and reduce equity by 1.1%. A 5% increase in fixed costs would reduce the Company's profit by 21% and reduce equity by 2.2%.

Reinsurance

In order to mitigate the risk of unexpected very large losses and to meet the requirements arising from the law, XL reinsurance is used.

If necessary, in particular in motor third party liability and casco insurance, proportional reinsurance is used, for example in the case of a high concentration of risk or to ensure compliance with the requirements of the solvency ratio.

In order to diversify risks, reinsurance is divided between several reinsurers. Reinsurers are selected from among reliable and reputable reinsurers, preferring a conservative approach to a more profitable but riskier reinsurance contract, whereas the Company does not select reinsurers based solely on the rating of the reinsurer. Reinsurance contracts are designed to ensure that the time difference between the payment of claims and the receipt of the reinsurance amount is reasonable and does not pose a risk. The compliance of the reinsurance with the needs of the Company is monitored on an ongoing basis and adjusted if necessary.

When designing a new insurance product, the necessity of reinsurance is assessed, among other things, in order to mitigate risks.

C.2 Investment risk

Investment risk is the risk of incurring losses when investing assets in financial instruments.

When investing assets, the Management Board monitors that the optimal return and security of investments and the diversification of investments are ensured, and at the same time the Company's constant liquidity is maintained.

Various investment risks include credit risk, liquidity risk and market risk, with the latter being divided into currency risk, interest rate risk and other price risk. In order to fulfil the Company's investment objectives, the Company shall determine the tolerance limit for each risk.

C.3 Market risk

Market risk is related to general fluctuations in exchange rates, interest rates and the values of financial assets, affecting their values in an unfavourable direction.

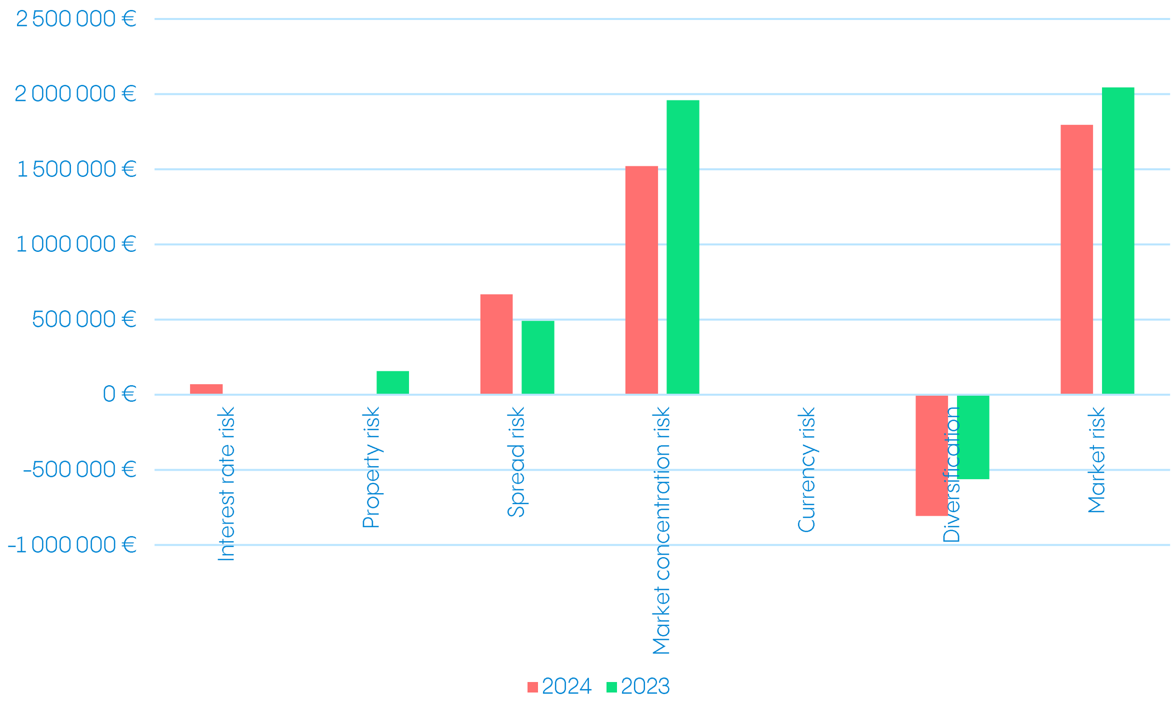
The interest rate risk is related to the change in the value of the financial instruments chosen by the Company in a direction that causes financial losses to the Company. In order to reduce the risk of the interest rate, the Company has invested its available funds in fixed-rate term or demand deposits and bonds, and by the end of 2024, the Company has also invested in shares. In the opinion of the company, the selection of financial products is optimal.

Currency risk is related to the change in the exchange rate of financial assets denominated in a foreign currency, affecting the future cash flows of assets denominated in a foreign currency. In order to reduce currency risks, changes in the exchange rate are closely followed when investing in foreign exchange. As of the end of 2024, the Company has no investments in foreign currencies.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

Hedging the market risk arising from insurance activities consists of maintaining the competitiveness of the institution. To maintain this, the Company adjusts prices, offers different types of insurance and monitors the dynamics of the rest of the insurance market.

The distribution of market risk between the different market risk components is characterised by the following graph:



C.4 Credit risk

Credit risk is the risk that one party to a financial instrument will incur a financial loss to the other because it is unable to meet its obligation. In order to mitigate credit risk, changes in the creditworthiness of the counterparty are constantly monitored, and creditworthiness is assessed on the basis of, among other things, credit ratings.

Deposits are broken down by credit rating as follows:

Rating	31.12.2024	Share	31.12.2023	Share
A-	5 041 778	71,5%	3 030 128	33,3%
BBB+	2 014 400	28,5%	6 081 014	66,7%
Total	**7 056 178**	**100%**	**9 111 142**	**100%**

The bonds are divided according to credit ratings as follows:

Rating	31.12.2024	Share	31.12.2023	Share
A+	504 073	9,1%	0	0%
A-	408 072	7,3%	73 000	3,8%
BBB+	1 140 063	20,5%	600 000	31,3%
BBB	1 092 761	19,6%	0	0,0%
BBB-	505 465	9,1%	0	0,0%
Unrated	1 919 182	34,5%	1 000 000	52,1%
Total	**5 569 616**	**100%**	**1 673 000**	**100%**

Demand deposits are broken down by credit rating as follows:

Rating	31.12.2024	Share	31.12.2023	Share
A+	707 225	35.7%	48 930	2.6%
A	853 470	43.1%	0	0.0%
A-	179 102	9.0%	297 607	15.5%
BBB+	214 756	10.8%	582 098	30.3%
Unrated	27 854	1.4%	989 946	51.6%
Total	**1 982 408**	**100.0%**	**1 918 581**	**100.0%**

Credit risk is a risk, the realisation of which may result in loss due to the insolvency of the other party. A company's credit risk is caused by non-payment of invoices by a customer, intermediary or reinsurer.

Intermediaries bear the credit risk of their clients. The credit risk of intermediaries is mitigated by regulations, such as the termination of a marketing authorisation. In order to mitigate the credit risk of reinsurers, the solvency and reliability of the reinsurance undertaking are analysed before each reinsurance contract is concluded.

Reinsurance receivables are divided by reinsurers' credit ratings as follows:

Rating	31.12.2024	Share	31.12.2023	Share
AA-	1 495 795	26.4%	996 880	16.7%
A+	2 066 192	36.4%	1 986 221	33.4%
A	305 661	5.4%	154 574	2.6%
A-	118 305	2.1%	901 327	15.1%
B++	54 887	1.0%	56 330	0.9%
Unrated	1 623 142	28.6%	1 852 348	31.1%

C.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to realise its investments and other assets in order to meet its financial obligations in a timely manner. In order to mitigate the liquidity risk, the Company's investment policy has established a minimum limit for demand deposits on the current account and when making investments, it is kept in mind that the Company has liquid assets continuously within a reasonable period of time.

	31.12.2024	31.12.2023
Investments and money and bank account	14 608 202	12 703 137
Liabilities from insurance contracts	14 717 845	14 988 778
Liquidity Ratio	99%	85%

The liquidity risk arising from insurance contracts is related to the obligations of the insurer. The main measure for the management of liabilities is the determination of the amounts of provisions for the correct outstanding claims. In order to fulfil its obligations, the Company keeps sufficient financial resources in term deposits and demand deposits, which allows funds to be obtained quickly enough.

The table below describes the company's liabilities by maturity. The years indicate how much of the provision is likely to be paid out in the next 12 months, 2 years, 3 years, etc. The last estimate is based on past events.

Years	1	2	3	4	5	6	Later	Total
Motor third party liability	2 759 497	462 606	352 651	299 373	355 318	262 186	9 743 896	14 235 526
Casco insurance	285 431	0	0	0	0	0	0	285 431
Liability insurance for the holder of a land vehicle	108 254	4 989	0	0	0	0	0	113 243
Travel insurance	72 515	5 052	0	0	0	0	0	77 568
Other types of insurance	6 078	0	0	0	0	0	0	6 078
Total	**3 231 775**	**472 647**	**352 651**	**299 373**	**355 318**	**262 186**	**9 743 896**	**14 717 845**

When designing a new insurance product, the specific impact on the liquidity situation, including the costs of IT solutions and possible unexpected costs, is kept in mind.

C.6 Operational risk

According to the Solvency II Technical Specification, operational risk is the risk of an insurance company incurring losses resulting from inadequate or non-functioning internal processes, employees, systems or external events. Operational risk includes legal risk, but does not include risk arising from strategic decisions or reputational risk.

The Company assesses all operational risks at least once a year. The Company pays special attention to significant and very significant risks. The main operational risks that the Company considers important for itself are changes in the economic environment and legislation, insurance fraud, outsourcing of activities, development and implementation of systems, and reinsurance.

To measure operational risk, the Company uses the volume of premiums earned under the Solvency II framework and the amount of technical provisions (sum of premium provisions and loss provisions).

	2024	2023
Volume of insurance premiums earned	4 718 664	6 746 427
Technical provisions for SII	14 275 022	13 467 183
Operational risk	428 251	404 015

The operating risk position has increased by 6.0% in 2024 compared to 2023 due to an increase in the volume of technical provisions, which is in line with the Company's strategic business plan. The amount of operational risk is determined for the Company on the basis of technical provisions, and thus the position of operational risk also increases as the technical provisions increase. In 2024, the Company did not have any significant operational risk incidents.

C.7 Other Significant Risks

Reputational and strategic risk

The main circumstances affecting the reputation of the company may be defamation, broad-based negative media coverage concerning a major loss event, the departure of customers caused by a decrease in quality due to the departure of key employees, etc. Reputational risk primarily affects underwriting risk and operational risk.

Strategic risk may be the higher loss of the products and the threat to liquidity and solvency of the Company in setting the goal of rapid growth, as well as the backlash of competitors following the aggressive market capture plan. Strategy risk affects all other risks in the risk profile. This risk has been mitigated by closely monitoring the implementation of the moderate growth plan and the strategic business plan.

One of the biggest risks of the company in previous years was excessive concentration on one type of insurance – motor third party liability insurance. In order to mitigate this risk, the Company has chosen a strategy oriented towards the growth of sales volumes at a reasonable pace, where the share of other insurance products in the Company's insurance portfolio has increased and thereby the share of motor third party liability insurance has decreased.

In the opinion of the company, strategy and reputation risk are covered under the non-life underwriting and operational risk modules.

In the opinion of the Company, other risks and risks that have not yet manifested are covered by the operational risk module. The Company constantly monitors risks and adds new risks to the risk profile as soon as they arise.

C.8 Any other information

Accumulation of risks

The accumulation of risks, i.e. the concentration of the risk, i.e. the catastrophic risk, determines the extent to which an event (or several events) can have a significant impact on the insurer's obligations – several insurance contracts that are similar in some way add up to one major risk. For example, natural disasters that occur in a certain area endanger all insured objects located there at the same time.

Looking at the insurance portfolio by type, mandatory motor third party liability insurance covers the largest part of it, where a large part of the company's insured objects are located in Estonia. According to the Company, natural disasters that cause great damage are not frequent. Since motor third party liability insurance is liability insurance, a natural disaster does not cause direct damage to property. In the case of other types, the possibility of insured events with high insurance coverage could occur at the same time is taken into account when taking, mitigating and avoiding risk. Investment risk may accumulate if investments that have been taken into account in the Company's investment strategy are not sufficiently diversified when investing assets.

Stress tests

At least once a year, sensitivity analysis and stress tests are carried out in the Company. In the case of sensitivity analysis, the impact of the most important input parameters on profits, balance sheets and solvency capital is determined. The stress tests are used to forecast the future solvency position and to calculate the SCR (Solvency Capital Requirement), MCR (Minimum Capital Requirement) and Own Funds under different stress scenarios. The results show how sensitive the Company's solvency position is to changes in significant risk factors and their combinations and how the selected stress scenarios may affect the structure of the limits.

The table below illustrates the impact of risk parameters on the company's net profit and equity. One parameter is taken into account at a time, leaving the other indicators unchanged. From the company's point of view, important indicators are claims for damages and compensations that affect the company's net profit. The latter is also affected by a number of different costs, such as administrative costs, contracting costs and other costs. The company has no reason to believe that claims for damages and indemnities could increase drastically in the short term without a sharp increase in sales. For the company, the impact of liabilities on equity is important. The Company's largest liabilities are provisions for insurance contracts, in addition to which there are liabilities from insurance activities and reinsurance contracts and other liabilities. The company considers a sharp increase in insurance contract provisions unlikely.

Parameter	**Value 2024**	**Change in parameter**	**Effect**	**Impact on outcome (%)**	**Impact on equity (%)**
Damages incurred	4 107 355	1%	-41 074	-6.5%	-1.1%
Impact of the change in the inflation rate on net liabilities	9 048 193	0.5 pp	-31 661	-5.0%	-0.9%
Change in fixed costs	2 643 942	5%	-132 197	-21.0%	-2.2%
Damages incurred	4 107 355	-1%	41 074	6.5%	1.1%
Impact of the change in the inflation rate on net liabilities	9 048 193	-0.5pp	29 889	4.8%	0.8%
Change in fixed costs	2 643 942	-5%	132 197	21.0%	2.2%

The Company also monitors sensitivity to changes in interest rates. The table below illustrates the Company's sensitivity to changes in interest rates:

	Base	**Effect**	**Effect**	**Impact on equity**
Interest rate change +0.5pp				
Insurance Contracts Liability Net Position	6 142 323	-440 389	63.27%	7.33%
Debt instruments	2 600 495	-114 833	-16.50%	-1.91%
Change in interest rate -0.5pp				
Obligation of insurance contracts	6 142 323	496 163	-71.28%	-8.26%
Debt instruments	2 600 495	126 180	18.13%	2.10%

In addition, additional stress tests will be carried out in the course of the Company's ORSA processes, where the Company's capital needs will be assessed in different scenarios. In the same process, reverse stress tests will also be conducted to identify scenarios that could lead to an increase in the Company's capital needs.
In the event of significant changes in the Company's risk profile, including in the design of a new insurance product, special stress tests are conducted. Once a year, a reverse stress test is also

carried out, i.e. a scenario is found in which the Company's set of risks exceeds the risk tolerance limit in a shorter time perspective. Such incidents are reported to the Board and the Board will keep these scenarios under constant attention.

D. Valuation for solvency purposes

In valuing assets, technical provisions and other liabilities for solvency purposes, the Company follows the principles of Directive 2009/138/EC of the European Parliament and of the Council. The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS EU). The following chapters present the differences between the bases, methods, main assumptions and valuation results used in IFRS EU and Solvency II.

In assessing solvency, the Company did not use the volatility adjustment, the transitional risk-free interest curve or the transitional deduction referred to in Articles 77d, 308c, 308d of Directive 2009/138/EC.

The management decisions made by the Company in the future take into account the moderate growth in line with the business strategy and the increase in the range of insurance services offered, but are not aimed at more risky behaviour, more aggressive market penetration or expansion. Policyholders' behaviour in choosing products is expected to remain similar over the next three years. More insurance products are purchased from online channels, customers are price-sensitive, and customers' interest in new insurance products and broader covers is increasing to a slight extent.

D.1 Assets

In accordance with Article 75 of Directive 2009/138/EC, assets are valued at a value at which they can be exchanged in a transaction between knowledgeable, interested and independent parties. The value of assets according to the 2024 Annual Report (IFRS 17) and Solvency II, together with a description of the method used to assess solvency, is presented in the table below:

Property	**31.12.2024 Solvency II balance sheet**	**31.12.2024 balance sheet of the annual report**	**Difference in value from the annual report**	**Solvency II framework**	**Comparison with IFRS EU valuation principles**
Intangible fixed assets	0	394 973	-394 973	Intangible assets, other than goodwill, are recognised under Solvency II at a non-zero value only if they can be sold separately from other assets and the insurance and reinsurance undertaking can prove that the same or similar assets have the same value in active markets	In the annual report, intangible fixed assets are recorded at acquisition cost with straight-line depreciation, but the corresponding value in the Solvency II balance sheet is 0

Property, plant and equipment for own use	0	284 948	-284 948	Only tangible assets in one's own use are shown	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC
Financial investments	12 420 642	12 625 794	-205 152	The Solvency II framework provides for the recognition of financial investments at a discounted basis with interest	Financial investments in the IFRS EU balance sheet Can be recognised using several methods. The company uses both the amortized acquisition cost method and the fair value through the income statement methodology for recording financial investments
Receivables from insurance activities	484 090	287 096	196 994	Receivables from insurance activities are recognised as improbable claims adjusted	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one of the components of insurance contract provisions
Other Require-ments and Prepayments	620 045	75 210	544 835	Other receivables and advances are recognised adjusted for improbable claims	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, non-own-use property, plant and equipment claims are disclosed as other requirements in the SII framework
On-Insurance Assets	9 275 488	5 669 652	3 605 836	Article 81 of Directive 2009/138/EC lays down a set of rules for the amounts to be recovered from the reinsurance	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one of the components of reinsurance assets

Money and cash equivalents	1 982 408	1 982 408	0	Cash and cash equivalents are recognised at fair value. Money and cash equivalents denominated in foreign currencies are converted using the exchange rate of the European Central Bank valid on the balance sheet date	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC
Other assets	62 892	0	62 892		
	24 845 565	**21 320 081**	**3 525 484**		

D.2 Technical provisions

The methodology for calculating Solvency II technical provisions is based on the requirements set out in the Insurance Activities Act and the Financial Supervision Authority's guidelines "Guidelines for the assessment of technical provisions" established by the Management Board of the Financial Supervision Authority in 13 March 2015, which in turn are based on the following:

- Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance - Solvency II Directive,
- Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

The amount of the technical provisions shall be equal to the sum of the best estimate of the insurer's liabilities arising from the insurance contracts and the risk margin. The best estimate and the risk margin are assessed separately. The best estimate is calculated as a gross amount, without deducting the reinsurance portion. The calculation principles of the best estimate have been developed separately for the following technical provisions:

- Award allocation
- RBNS allocation – provision for notified but unsatisfied claims
- IBNR Provision – Incidental but Unreported Claims Provision
- Allocation for handling costs

According to the homogeneity of risks, the types of insurance are segmented as follows:

- Medical expenses insurance (travel insurance in the annual accounts according to the annual report)
- Motor vehicle owner's liability insurance
  - Motor third party liability insurance (motor third party liability insurance in the annual accounts)
  - Carrier's liability insurance (in the annual accounts, according to the liability insurance of the holder of the land vehicle)
- Land vehicle insurance (in the annual accounts, respectively, land vehicle insurance)

- Fire and other property damage insurance (property insurance in the annual accounts according to the annual accounts)
- Maritime, aviation and transport insurance (insurance of transported goods in the annual accounts according to the annual accounts)
- Financial loss insurance (other types of insurance in the annual accounts according to other types of insurance)
- Annuities arising from non-life insurance contracts and related to obligations arising from insurance contracts (other than liabilities arising from health insurance contracts). Hereinafter motor third party liability insurance annuities (included in motor third party liability insurance in the annual accounts)

Technical provisions are calculated separately for each segmented type, i.e. provisions for motor third party liability insurance and carrier's liability insurance are also calculated separately. The methodology used to estimate technical provisions and the assumptions made depend on the type of insurance and the nature of the risks involved. Accordingly, the simplifications and actuarial methods permitted by law are selected for the assessment of technical provisions. In order to verify the adequacy of the methodologies, assumptions and bases used for the technical provisions, a validation of the technical provisions shall be carried out once a year. Compared to the previous reporting period, the assumptions and methods used in the calculation of technical provisions have not changed.

The difference between the calculation of Solvency II provisions and technical provisions calculated on the basis of IFRS EU principles is mainly that the IFRS EU principles do not calculate the risk margin (a risk adjustment is found), and there is also a difference in the valuation of premium provisions, handling costs and discounting.

The amounts of Solvency II technical provisions as at 31.12.2024 and the difference between the methods used to estimate technical provisions according to the annual report and Solvency II are presented in the table below:

Type of insurance	Best estimate as gross amount	Risk-margin	Gross technical provisions	Share of reinsu-rance in technical allo-cations	IFRS 17 Value to Reserve	Difference in gross liability
Medical expenses insurance	7 901	1 472	9 373	0	77 568	-68 194
Motor vehicle owner's liability insurance	10 958 235	278 826	11 237 061	6 110 316	14 348 770	-3 111 709
Land Vehicle Insurance	229 303	36 813	266 116	179 372	285 431	-19 315
Fire and other property damage insurance	76	32 422	32 497	0	2 797	29 700
Maritime, aviation and transport insurance	0	1 361	1 361	0	0	1 361
Motor third party liability insurance annuities	3 078 418	243 903	3 322 320	2 299 364	0	3 322 320
Various types of financial loss insurance	757	523	1 279	0	3 280	-2 001
	14 274 688	**595 320**	**14 870 009**	**8 589 052**	**14 717 845**	**152 163**

The following risk classes are used as homogeneous risk groups:

- Motor third party liability insurance and liability insurance for the holder of land vehicles;
- Travel insurance;
- Land vehicle insurance;
- Insurance of transported goods;
- Property insurance,
- Financial loss insurance.

Grouping of products in the calculation of technical provisions allows to ensure the highest possible statistical reliability of the calculation results. The grouping is mainly based on the nature of the losses and the expected pattern of damage. The same grouping is also used in the calculation of losses based on IFRS.

When calculating loss provisions for motor third party liability insurance, two types of losses are considered separately: motor third party liability pensions and other losses. Such a breakdown is appropriate as motor pensions and other losses have very different reporting and payment profiles.

As a general principle, Solvency II requires liabilities to be segmented at a minimum into business lines for the purpose of calculating technical provisions. The Company uses the following division of products into business lines (in accordance with Annex 1 to the Delegated Regulation):

Business line	**SPCI Product Group**
Medical expenses insurance	Travel insurance
Income Loss Insurance	-
Motor vehicle owner's liability insurance	Motor third party liability insurance
Land Vehicle Insurance	Vehicle Insurance
Fire and other property damage insurance	Property insurance
General liability insurance	-
Other financial losses	Financial non-life insurance

In accordance with Article 77 of the Regulation, the value of technical provisions according to Solvency II is equal to the sum of the best estimate and the risk margin. As a general rule, technical provisions are calculated on the basis of cash flows. In the projection of future cash flows, the SPCI takes into account that:

- cash flows should be calculated separately as gross from the amounts reimbursed under reinsurance contracts;
- cash flows should take into account the entire life of existing insurance contracts and reflect policyholders' behaviour and management measures;
- All cash inflows (e.g. premiums and receivables) and outgoing cash flows (e.g. indemnities, all expenses) must be taken into account.

The best estimate corresponds to the probability-weighted average of future cash flows, based on the appropriate risk-free interest rate curve for discounting. The technical provisions for the best rating are calculated in the Company as the following four groups:

Bonus Reserve (PP). The premium provision shall be calculated on the basis of the present value of the expected net cash flows of insurance policies applicable to all business lines. In order to estimate expected cash flows, assumptions are made about future loss ratios, expense ratios, discontinuation rates, loss factors, reinsurance, etc. . The calculation of the premium reserve takes into account the possibility that policyholders will be able to cancel their insurance contracts prematurely and the prepaid premiums will be refunded.

The loss provision (excl. motor third party liability pension) is calculated as the net present value of future loss payments and related loss handling costs that occurred before the balance sheet date. The final value of losses (net recourse payments and residual assets) is calculated using the chain-to-ladder method. After assessing the final losses according to the quarter of the accident, assumptions are made about the claims handling costs, reinsurance, loss payment pattern, etc. to derive the final loss provision. A risk-free interest rate curve is used to discount the cash flows of losses. The difference between the Solvency II methodology and the IFRS methodology is that recourse payments and residual assets are taken into account and discounted.

The loss provisions for reported motor pensions are calculated by directly designing the expected pension contributions (taking into account the compensating effect of indexation, other income and mortality) and discounting them at the risk-free rate. The methodology is the same as for the calculation of IFRS provisions.

IBNR for unreported traffic pensions is calculated by analysing the average annuity and the number of unreported annuity losses. The methodology used for Solvency II is the same as for IFRS, taking into account the amount of unreported motor pensions of the IBNR.

According to the regulation, liabilities are recognised only within the limits of the contract. In the case of most contracts, the limit of the contract is the date of its end, except for contracts where the Company has the right to unilaterally terminate the contract or change its terms and conditions. According to IFRS principles, the premium reserve is assessed according to the principle of calculating gross premiums, i.e. according to the premium instalments, and future instalments of existing contracts are not taken into account if they have not yet been calculated as gross premiums. Under Solvency II, the calculation of the bonus reserve takes into account all future cash flows according to the contract limit, i.e. all contributions to existing contracts.

Using the expert judgements of actuaries, assumptions have been selected that are expected to describe the future most accurately.

The assumptions for the drop-out rate have been made on the basis of historical information.

As the risk-free discount rate, the Company uses the risk-free discount rate set by EIOPA for the calculation of technical provisions.

The factors of the loss paid and the factors in the formation of the damage incurred have been found on the basis of the Company's experience and using expert assessments. Triangles have been used to find the factors of the formation of damages, from which the recoverable amounts have been deducted and the losses of the motor vehicle pension have not been taken into account.

The assumptions for the recovery rate have been made on the basis of historical information. With the expert assessment of actuaries, assumptions have been selected that are expected to describe the future most accurately.

According to Article 77, the risk margin must ensure that the value of technical provisions is equal to the amount that insurers could be expected to need to take over and meet insurance obligations. The risk margin is calculated using the cost of capital method. The future solvency capital (SCR) of the current insurance portfolio is designed based on the risk module of each SCR. Based on the resulting solvency capital requirement, the net present value of the future cost of capital has been calculated using the cost of capital ratio determined by Solvency II. The Company has not used approximated values within the meaning of Article 82 of the Solvency II Directive or has not encountered a situation where incomplete data would have prevented the use of standard actuarial techniques.

The main risk factors that can have a significant impact on the size of technical provisions:

- The development of damages may differ significantly from what was expected;
- The actual final loss ratio may differ significantly from the expected loss ratio.

Sensitivity tests have been performed for the following risk factors:

	Provision of insurance premiums	Loss provision
Solvency II value. 31.12.2024	**2 130 219**	**12 144 469**
Effect of the premise:		
loss ratio. +5%	171 414	0
loss ratio. -5%	-171 414	0
Increase in damages. +10%	0	1 153 824
reduction of losses. -10%	0	-1 153 824

The values of technical provisions calculated according to Solvency II and IFRS requirements are presented in the table below:

	Solvency II	IFRS	Difference
Technical provisions - non-life insurance	11 548 021	14 717 845	-3 169 824
Technical provisions - non-life insurance (excluding health insurance)	11 538 648	14 640 278	-3 101 630
Technical provisions calculated as a whole	0	-	
Best Rating	11 188 703	-	
Risk margin	349 945	-	
Technical Provisions - NSLT Health Insurance	9 373	77 568	-68 194
Technical provisions calculated as a whole	0	-	
Best Rating	7 901	-	
Risk margin	1 472	-	
Technical provisions - life insurance (except unit-linked life insurance)	3 322 320	0	3 322 320
Technical provisions - life insurance (except unit-linked life insurance)	3 322 320	0	3 322 320
Technical provisions calculated as a whole	0	-	
Best Rating	3 078 418	-	
Risk margin	243 903	-	

	Solvency II	IFRS
Recoverables from reinsurance contracts	8 589 052	5 669 652
Non-life insurance and NSLT health insurance	6 289 688	3 370 288
Non-life insurance, except health insurance	6 289 688	3 370 288
NSLT Health Insurance	0	0

Life insurance and SLT health insurance (excluding health insurance and unit-linked life insurance)	2 299 364	2 299 364
SUT Health Insurance	0	0
Life insurance (except health insurance and unit-linked life insurance)	2 299 364	2 299 364

The methodology for calculating technical provisions is different based on what is reflected in the financial statements and on the basis of the principles of Solvency II. The table below summarises the main reasons for differences in the values of technical provisions:

Solvency II	**Annual Report**
Premiums are calculated as the net present value of the current portfolio cash flow forecasts. In this way, the future profit of the current contracts is reflected.	The calculation of the future premium liability is based on:- The amount of premiums written - is calculated according to the terms and conditions of the insurance contracts and includes the total amount of all contracts issued during the period.- Changes in insurance contracts during the period - all changes that may affect the number of insurance contracts and their results (e.g. concluded and terminated contracts) are taken into account.- Conclusion costs (including the sum of commissions).
The best estimate of Solvency II losses has been calculated similarly to the liabilities in the annual report, but with the following changes: - Recourse payments and residual assets have been taken into account in the loss triangles. Therefore, a negative loss provision is allowed in some loss periods; - Different damage ratios and damage development factors have been used; - Discounting is used to calculate cash flow from losses. Different discount curves are used to recognise provisions for motor vehicle pensions.	When calculating the liability for past losses, known but unreported losses (RBNS), claims handling costs to be paid out in the future, and past but unreported losses (IBNR) are taken into account. According to IFRS 17 standards, liabilities for losses incurred must be assessed on the basis of cash flows. The Company uses cash flow discounting if the estimated payout period is longer than one year. Thus, the liability is calculated on the basis of:- losses paid and incurred - all losses in respect of which an event has taken place and payments have been made or a provision has been made (RBNS)- income from the disposal of residual assets - expected income from the sale of vehicles- amounts of recourse received - all possible repayments to compensate for claims- claims handling costs - all costs related to the handling of losses- administrative costs related to the management of contracts - costs incurred in order to administer and to monitor the life cycle of insurance contracts – other expenses allocated to insurance contracts – Other expenses that do not fall under any other category.
In addition to the best estimate of provisions, a risk margin has been calculated	In addition to the best estimate of provisions, a risk adjustment has been calculated

The share of reinsurance in technical provisions by business line is presented in the following table:

	Provision for insurance premiums (best estimate)	**Loss provision (best estimate. NSLT Health Insurance)**	**Loss provision (best estimate. SUT Health Insurance)**	**TOTAL**
Medical expenses insurance	-	-	-	-
Motor vehicle owner's liability insurance	1 178 669	4 933 099	2 299 364	8 411 133

Land Vehicle Insurance	122 919	56 453	–	179 372
Fire and other property damage insurance	–	–	–	–
Maritime, aviation and transport insurance	–	–	–	–
Motor third party liability insurance annuities	–	–	–	–
Financial loss insurance	–	–	–	–

The same methods and assumptions have been used to estimate the reinsurance part of technical provisions as for the calculation of the best estimate (gross) of technical provisions.

D.3 Other liabilities

Liabilities are assessed on the assumption that the insurer will continue to operate. Liabilities are recognised in accordance with international accounting standards adopted by the European Commission in accordance with Regulation (EC) No 1606/2002. Where those standards allow the use of more than one assessment method, only those assessment methods that are in accordance with Article 75 of Directive 2009/138/EC shall be used.

In accordance with Article 75 of Directive 2009/138/EC, liabilities are valued at the value at which they can be transferred or settled in a transaction between knowledgeable, interested and independent parties.

According to the Solvency II classification, other liabilities include claims on policyholders and intermediaries, amounts payable by other insurers and other insurance-related claims. Under the Solvency II principles, all incoming and outgoing claims must be taken into account. Thus, the amount of the claim, the due date of which has not yet been reached, is reflected in the best estimate. Receivables that have reached maturity are recognised in the Solvency II framework as equivalent to IFRS requirements – at adjusted cost.

Other liabilities assumed under the 2024 Annual Report and Solvency II, together with a description of the method used to assess solvency, are presented in the table below:

Liabilities	**31.12.2024 Solvency II balance sheet**	**31.12.2024 balance sheet of the annual report**	**Difference in value from annual reports**	**Solvency II framework**	**Comparison with IFRS EU valuation principles**
Liabilities from insurance activities	484 090	0	484 090	Liabilities from insurance activities are recognised at their nominal value, i.e. the amount payable	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one component of insurance contracts as a liability

Liabilities from reinsurance contracts	686 436	0	686 436	Liabilities from reinsurance contracts are recognised at their nominal value, i.e. the amount payable	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one of the components of reinsurance assets
Other liabilities	620 045	597 709	22 336	Other liabilities are recognised at their nominal value, i.e. the amount payable	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, liabilities directly related to insurance business from other liabilities are shown as one component of insurance contracts in the composition of provisions
Other liabilities not elsewhere recognised	62 892	0	62 892		
Total	**1 853 463**	**597 709**	**1 255 754**		

D.4 Alternative assessment methods

The Company does not use alternative valuation methods in the valuation of assets and liabilities in the calculation of solvency.

D.5 Any other information

The Company has no other important information to add.

E. Capital Management

The purpose of capital management is to ensure the sustainability and stability of the Company, thereby protecting the interests of policyholders and owners. Capital management is based on the management of the Company's assets, liabilities and related risks, and compliance with the capital requirements established in the Insurance Activities Act is regularly assessed.

The assessment of your own risk and solvency (ORSA) as described in Section 2.3.5 also sets out the objectives and principles of capital management. Based on the general business strategy and current business goals, the Company prepares a business plan for the next three years in accordance with the ORSA policy. During the ORSA process, an overview is given of all the risks that are significant for the realization of the strategy and the corresponding (future) capital needs.

The capital management strategy of the Company is determined in the planning process as described in the Company's business plan. Capital management involves looking at capital needs over the next three years from the perspective of regulatory and internal (economic) capital requirements:

- Capital indicators of the Company

As of 31.12.2024, the company has only first-level own funds.

During the ORSA process, it was established that the solvency capital requirement will increase in the future and the ratio of own funds to solvency capital requirement will decrease over the next three years, mainly due to the increase in business volumes, which is in line with the Company's strategic business plan.

- Internal risk capital requirements

The Company has determined risk tolerance limits, approaching which the Company will try to use risk mitigation methods to improve the result, but if they are not affected, a capital management plan will be implemented. The Company has not identified any risks that could have a significant impact on exceeding the risk tolerance limits or that would not be in accordance with the Company's strategic business plan.

E.1 Own funds

The Company's own funds consist only of capital that meets the Level 1 criteria:

- paid-up ordinary share capital;
- share premium;
- Adjustment Reserve.

The Company follows tactics to ensure that its own funds are quickly available. The criterion of the level of own funds and the control that the items are not encumbered are ensured by the Company's accounting and management board in accordance with the law and the guidelines of the Financial Supervision Authority. As an additional measure, the Company's external audit also assesses the compliance of own funds. The company does not have its own funds, which are subject to transitional measures.

The Company has determined the minimum amount of accepted own funds and risk appetite. If the Company's own funds decrease to the above tolerance limit and/or the risk tolerance has been exceeded, the Company will involve funds from outside. If, as a result of the forecasts made in the assessment of the Company's own risk and solvency, the Company's own funds decrease to the tolerance limit, the Management Board is obliged to prepare an action plan that would avoid the occurrence of this situation.

Finantsinspektsioon is notified in the event of a deterioration in the financial position of the Company in accordance with the rules prescribed by law, which are formalised in the form of internal rules.

In 2024, there was an increase in own funds, there were no changes in the structure and quality. As of 31.12.2024, the Company's first-level own funds amount to EUR 8,204,413, and as of 31.12.2023, the Company's own funds amounted to EUR 5,577,014. The amount of own funds has increased compared to the previous reporting period, as the share capital was increased in 2024, as well as the reserve capital was increased.

Own funds	31.12.2024 Solvency II	31.12.2023 Solvency II	Change in the reporting period	Characteristics of own resources
Excess assets section, which includes the following items				
Share capital	4 012 392	3 195 582	816 810	Share capital paid up by the shareholders. Can be used to cover losses if necessary.
Share premium	1 619	1 619	0	The difference between the nominal value of a share and its issue price. Can be used to cover losses if necessary.
Adjustment Reserve	4 190 403	2 379 872	1 810 530	All other equity items except share capital and share premium, including retained earnings recognised in the annual report, profit/loss for the reporting year and the difference between the annual report and the Solvency II measurement methods. Can be used to cover losses if necessary.
Total	**8 204 413**	**5 577 073**	**2 627 340**	

The adjustment reserve is calculated by subtracting the paid-in ordinary share capital and forecast allowances from the net assets of Solvency II.

The Company has sufficient own funds to cover the regulatory capital requirements: the solvency capital requirement is covered by 201% and the minimum capital requirement by 205%.

	Value
Assets at market value (MVA)	24 845 565
Liabilities at market value (MVL)	16 641 152
Own resources (OF)	8 204 413
Solvency Capital Requirement (SCR)	4 080 423
Minimum Capital Requirement (MCR)	4 000 000
Solvency Ratio (OF/SCR)	201%
First level own resources	8 204 413
Coverage of the minimum capital requirement from Tier 1 own funds	205%
Coverage of the Solvency Capital Requirement from Tier 1 Own Funds	201%

The amount of own funds according to Solvency II is 2,199,887 euros higher than the amount of own funds recorded in the annual report.

Own funds	31.12.2024 Solvency II	According to the annual report of 31.12.2024	Difference in value from the annual report	Comparison with IFRS EU valuation principles
Excess assets section, which includes the following items				
Share capital	4 012 392	4 012 392	0	Own funds item and value match
Share premium	1 619	1 619	0	Own funds item and value match
Adjustment reserve	4 190 403	1 990 516	2 199 887	In both cases, the retained earnings of the annual report are included here, loss for the accounting year, but according to Solvency II, there is also a difference between the measurement methods of the annual report and Solvency II
	8 204 413	**6 004 527**	**2 199 887**	

Own funds differ by exactly how much the Solvency II balance sheet differs from the balance sheet of the annual report due to the Solvency II valuation methods.

	Solvency II	Annual Report	Difference
Assets	**24 845 565**	**21 320 081**	3 525 484
Except for reinsurance assets	16 256 513	15 650 429	606 084
Reinsurance assets	8 589 052	5 669 652	2 919 400
Obligations	**16 641 152**	**15 315 555**	1 325 597
excl. technical provisions	1 770 810	597 709	1 173 101
technical provisions	14 870 342	14 717 845	152 496
Own funds	**8 204 413**	**6 004 527**	2 199 887

Due to the difference in accounting methods, the values of both technical provisions and reinsurance assets differ in the Solvency II and Annual Reports.

E.2 Solvency capital requirement and minimum capital requirement

Pursuant to the law, the Company must monitor that the Company has sufficient own funds at all times to meet the solvency capital requirement and the minimum capital requirement. The solvency capital requirement corresponds to the risk value of the Company's own funds, which takes into account all measurable risks that the insurer may be exposed to. The minimum capital requirement corresponds to the level of required Common Equity Tier 1 capital, below which the level of risk for policyholders and beneficiaries would be unacceptable if the insurer were allowed to continue operating. The amounts of the solvency capital requirement and the minimum capital requirement as of 31.12.2023 and 31.12.2024 are as follows:

Capital requirement	As of 31.12.2023	As of 31.12.2024	Change in the reporting period
Solvency capital requirement	4 279 359	4 080 423	-198 936
Minimum Capital Requirement	4 000 000	4 000 000	0

During the year, life underwriting risk, non-life underwriting risk, and operational risk increased, market risk, counterparty default risk, and health underwriting risk decreased.

The increase in non-life underwriting risk and operational risk is due to the increase in business volumes (increase in the provision for insurance premiums), as a result of which the amount of the loss provision has also increased. The decrease in the capital requirement for market risk is due to the diversification of the investment portfolio, while the increase in life underwriting risk is due to the increase in the provision due to the decrease in interest rates. The decrease in the capital requirement for counterparty default is due to the inclusion of a counterparty with a higher credit insolvency.

The solvency capital requirement shall be measured separately for each of the following risk categories:

Risk category	Solvency Capital claim 31.12.2023	Solvency capital requirement 31.12.2024	Change in the reporting period
Market risk	2 044 989	1 795 707	-249 282
Counterparty default risk	905 070	463 686	-441 384
Insurance risk of life insurance	211 072	265 884	54 812
Health insurance risk	41 080	26 887	-14 193
Insured risk of non-life insurance	2 134 298	2 407 950	273 652
Risk of intangible assets	0	0	0
Operational risk	404 015	428 251	24 235
Loss Coverage	0	0	0
The impact of taking into account the diversity of risks	-1 461 165	-1 307 941	153 224

For the calculation of capital requirements, the Company uses the standard formula set out in Directive 2009/138/EC for all risk categories. In accordance with Article 104(7) of Directive

2009/138/EC, the parameters of the insurance undertaking shall not be used in the calculation of capital requirements. In the calculation of the solvency capital requirement, simplifications are used in the calculation of the capital requirement for non-life insurance. The minimum capital requirement is the maximum of the absolute minimum equity ratio (EUR 4,000,000 in the case of a non-life insurance company) and the combined minimum capital requirement. The inputs for the calculation of the combined minimum capital requirement are:

- Written Premiums Net from Reinsurance
- Net technical provisions from reinsurance
- Pre-calculated solvency capital requirement.

The Company calculates its minimum capital requirement according to EIOPA's formula. The minimum capital requirement of the Company as of 31.12.2024 was, respectively:

	31.12.2024
Best Rated Net Worth (Non-Negative), Property Insurance	4 906 916
Net premium value for the last 12 months	8 089 497
Linear minimum capital requirement, property insurance	1 127 558
Net worth of the best rating (non-negative), life insurance	779 054
Linear minimum capital requirement, life insurance	16 360
Total linear minimum capital requirement	**1 143 918**
Absolute minimum capital requirement	4 000 000
Absolute minimum capital requirement	**4 000 000**
Proper own resources	8 204 413
Ratio of the required own funds to the minimum capital requirement	201%

The final minimum capital requirement shall be equal to the linear minimum capital requirement. As the linear minimum capital requirement is lower than the absolute minimum capital requirement, the Company's minimum capital requirement is the absolute minimum capital requirement.

E.3 Use of the duration-based equity risk sub-module for the calculation of the solvency capital requirement

The Company does not use the duration-based equity risk sub-module in the calculation of the solvency capital requirement.

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

The Company does not use a partial or full internal model for the calculation of the solvency capital requirement. If the Company decides to use a methodology that differs from the standard formula, permission will be obtained from the supervisory authority.

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

The Company's minimum capital requirement and solvency capital requirement must be met at all times. In the event of non-compliance with capital requirements, the supervisory authority is immediately informed and opportunities are found to improve the solvency position. The Company is obliged to provide an explanation of the cause and consequences of any non-compliance of the minimum capital requirement and a significant non-compliance of the solvency capital requirement during each period of non-compliance and the maximum amount of the reporting period, an explanation of its cause and consequences, any corrective measures taken and an explanation of the impact of the corrective measures.

In 2024, the Company met all regulatory and internal capital requirements. After deducting the liabilities and the solvency capital requirement, there will be EUR 4,068,946 left of own funds as at 31.12.2024.

E.6 Any other information

The Company has no other important information to add.

F. Appendices – quantitative reports

All the data in the annexes is presented in thousands of euros.

Appendix 1: S.02.01.02 Balance sheet

		Solvency II value	Value of the annual report
		C0010	C0020
Assets			
Capitalised contract expenses	R0020	0	0
Intangible assets	R0030	0	395
Deferred tax assets	R0040	0	0
Property, plant and equipment	R0060	0	0
Investments (excluding assets held for unit-linked life insurance contracts)	R0070	12 421	12 626
Corporate bonds	R0150	4 149	4 775
Deposits excluding cash equivalents	R0200	6 973	7 056
Recoverables from reinsurance contracts	R0270	8 589	5 670
Non-life insurance and NSLT health insurance	R0280	6 290	3 370
Non-life insurance, except health insurance	R0290	6 290	3 370
Life insurance and SLT health insurance (excluding health insurance and unit-linked life insurance)	R0310	2 299	2 299
Life insurance (except health insurance and unit-linked life insurance)	R0330	0	0
Receivables from insurance business	R0360	484	0
Other requirements	R0380	620	647
Cash and cash equivalents	R0410	1 982	1 982
Other assets	R0420	63	0
Total assets	R0500	23 546	21 320
Obligations			
Technical provisions – non-life insurance	R0510	11 548	14 718
Technical provisions – non-life insurance (excluding health insurance)	R0520	11 539	14 640
Best Rating	R0540	11 189	0
Risk margin	R0550	350	0
Technical Provisions – NSLT Health Insurance	R0560	9	78
Best Rating	R0580	8	0
Risk margin	R0590	1	0
Technical provisions – life insurance (except unit-linked life insurance)	R0600	3 322	0
Technical provisions – life insurance (except unit-linked life insurance)	R0650	3 322	0
Best Rating	R0670	3 078	0
Risk margin	R0680	244	0
Liabilities from insurance business	R0820	7	0
Liabilities from reinsurance contracts	R0830	1 173	0
Other liabilities (except insurance business)	R0840	590	598
Total liabilities	R0900	16 641	15 316
The amount by which assets exceed liabilities	R1000	6 905	6 005

Note 2: S.05.01.02 Premiums, receivables and expenses by business line

		Business line: liabilities arising from non-life insurance contracts and non-life insurance reinsurance contracts (direct insurance and accepted proportional reinsurance)						Total
		Medical expenses insurance	Motor vehicle owner's liability insurance	Land Vehicle Insurance	Marine, aviation and transport insurance	Fire and other property damage insurance	Various types of financial loss insurance	
		C0010	C0040	C0050	C0060	C0070	C0070	C0200
Insurance premiums								
Gross - Direct insurance business	R0110	180	6 413	1 325	0	6	12	7 936
Share of reinsurers	R0140	0	2 912	650	0	0	0	3 562
Net	R0200	180	3 501	675	0	6	12	4 374
Premiums earned								
Gross - Direct insurance business	R0210	172	6 407	439	0	2	10	7 030
Gross - Non-Proportional Accepted Reinsurance	R0230							
Share of reinsurers	R0240	0	2 144	321	0	0	0	2 465
Net	R0300	172	4 262	119	0	2	10	4 566
Claims that have arisen								
Gross - Direct insurance business	R0310	4	3 432	316	0	0	0	3 752
Gross - Non-Proportional Accepted Reinsurance	R0330							
Share of reinsurers	R0340	0	-103	167	0	0	0	64
Net	R0400	4	3 535	150	0	0	0	3 688
Costs incurred	R0550	97	2 938	353	0	47	1	3 436
Administrative costs								
Gross - Direct insurance business	R0610	86	2 244	253	0	47	1	2 630
Net	R0700	86	2 244	253	0	47	1	2 630
Claims handling costs								
Gross - Direct insurance business	R0810	4	287	15	0	0	0	306
Net	R0900	4	287	15	0	0	0	306
Contracting costs								
Gross - Direct insurance business	R0910	7	407	86	0	0	0	500
Net	R1000	7	231	64	0	0	0	302
Total costs	R1300							3 436

		Business line: obligations arising from life insurance contracts	Total
		Annuities related to non-life and non-health insurance liabilities	
		C0260	C0300
Insurance premiums			
Gross	R1410		
Share of reinsurers	R1420		
Net	R1500		
Insurance premiums earned			
Gross	R1510		
Share of reinsurers	R1520		
Net	R1600		
Claims that have arisen			
Gross	R1610	203	203
Share of reinsurers	R1620	211	211
Net	R1700	-8	-8
Changes in other technical provisions			
Gross	R1710		
Share of reinsurers	R1720		
Net	R1800		
Costs incurred	R1900	13	13
Administrative costs			
Gross	R1910		
Share of reinsurers	R1920		
Net	R2000		
Investment costs			
Gross	R2010		
Share of reinsurers	R2020		
Net	R2100		
Claims handling costs			
Gross	R2110	13	13
Share of reinsurers	R2120		
Net	R2200	13	13
Contracting costs			
Gross	R2210		
Share of reinsurers	R2220		
Net	R2300		
General costs			
Gross	R2310		
Share of reinsurers	R2320		
Net	R2400		
Other costs	R2500		
Total costs	R2600		13
Number of buybacks	R2700		

Annex 3: S.12.01.02 Technical provisions for life insurance and SLT health insurance

		Other life insurance	
		Non-liability-related annuities arising from non-life insurance contracts and non-health insurance contracts	Total (life insurance, except for unit-linked life insurance related to the health insurance, including rate of return of the investment fund)
		C0090	C0150
Technical provisions calculated as the sum of the best estimate and the risk margin			
Best Rating			
Gross Best Rating	R0030	3 078	3 078
Reinsurance contracts. amounts to be recovered from special purpose pools and limited reinsurance after adjustment for expected losses due to counterparty default	R0080	2 299	2 299
Best rating minus reinsurance contracts. amounts to be recovered from special purpose pools and limited reinsurance	R0090	779	779
Risk margin	R0100	244	244
Total technical provisions	R0200	3 322	3 322

Annex 4: S.17.01.02 Technical provisions for non-life insurance

		Direct insurance and accepted proportional reinsurance						
		Medical expenses insurance	Motor vehicle owner's liability insurance	Land Vehicle Insurance	Marine, aviation and transport insurance	Fire and other property damage insurance	Various types of financial loss insurance	Total liabilities arising from non-life insurance contracts
		C0020	C0050	C0060	C0070	C0080	C0080	C0180
Technical provisions calculated as the sum of the best estimate and the risk margin								
Best Rating								
Provisions for insurance premiums								
Gross	R0060	7	2 050	72	0	0	1	2 130
Amounts to be recovered from reinsurance contracts, special purpose pools and limited reinsurance after adjustment for expected losses due to a default of a counterparty	R0140		1 179	123				1 302

Total value of the best estimate of premium provisions	R0150	7	871	-51				829
Loss provisions								
Gross	R0160	1	8 908	157				9 066
Reinsurance contracts. amounts to be recovered from special purpose pools and limited reinsurance after adjustment for expected losses due to counterparty default	R0240		4 932	56				4 988
Net best estimate of loss provision	R0250	1	3 977	101	0	0	0	4 078
Total Best Rating - Gross	R0260	8	10 958	229	0	0	1	11 196
Total Best Rating - Net	R0270	8	4 848	50	0	0	1	4 907
Risk margin	R0280	1	279	37	1	32	1	351
Total technical provisions								
Total technical provisions	R0320	9	11 237	266	1	32	1	11 548
Reinsurance contracts. Amounts to be recovered from special purpose pools and limited reinsurance after adjustment for expected losses due to a default of a counterparty - total	R0330		6 110	179				6 290
Technical expenses minus reinsurance contracts. Total amounts to be recovered from special purpose pools and limited reinsurance	R0340	9	5 127	87	1	32	1	5 258

Annex 5: S.19.01.01 Losses paid by non-life insurance

Damages paid		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10&+**
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0150											133.87
N-9	R0160	635.68	305.17	38.71	-6.80	1.01	0.00	0.00	0.00	0.00	0.00	
N-8	R0170	2189.72	885.92	140.14	21.57	13.55	0.64	0.00	0.00	0.00		
N-7	R0180	3045.50	982.47	139.62	45.30	22.29	3.75	4.04	3.61			
N-6	R0190	3380.86	1399.71	81.54	31.66	27.95	27.45	23.95				
N-5	R0200	4165.76	1567.25	84.75	40.86	176.18	49.37					
N-4	R0210	3304.41	816.34	293.16	108.29	164.38						
N-3	R0220	3009.25	1001.36	61.83	56.86							
N-2	R0230	3545.37	1789.06	260.39								
N-1	R0240	3610.83	1148.59									
N	R0250	3089.41										

		Losses paid in 2024	Losses paid over the years (cumulative)
		C0170	C0180
Prior	R0100	127.07	18398.80
N-9	R0160	0.00	973.79
N-8	R0170	0.00	3251.54
N-7	R0180	3.61	4246.59
N-6	R0190	23.95	4973.12
N-5	R0200	49.37	6084.17
N-4	R0210	164.38	4686.58
N-3	R0220	56.86	4129.30
N-2	R0230	260.39	5594.81
N-1	R0240	1148.59	4759.42
N	R0250	3089.41	3089.41
Total	R0260	4923.64	60187.52

Undiscounted provisions		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0150											2728.13
N-9	R0160										0.00	
N-8	R0170									0.00		
N-7	R0180								408.16			
N-6	R0190							514.56				
N-5	R0200						902.16					
N-4	R0210					1083.68						
N-3	R0220				79.03							
N-2	R0230			499.53								
N-1	R0240		393.38									
N	R0250	726.24										

		Discounted provisions in 2024
		C0360
Prior	R0100	3827.08
N-9	R0160	0.00
N-8	R0170	0.00
N-7	R0180	484.23
N-6	R0190	597.19
N-5	R0200	1024.51
N-4	R0210	1204.51
N-3	R0220	86.00
N-2	R0230	532.31
N-1	R0240	410.59
N	R0250	899.63
Total	R0260	9066.05

Annex 6: S.23.01.01 Own resources

		Total	Unrestricted Tier 1 own resources
		C0010	C0020
Common equity (CET1) capital before deduction of significant holdings in other financial sector entities in accordance with Article 68 of Delegated Regulation (EU) 2015/35			
Ordinary share capital (incl. treasury shares)	R0010	4 012	4 012
Share premium related to ordinary share capital	R0030	2	2
Adjustment Reserve	R0130	4 190	4 190
Total Common Equity Tier 1 after deductions	**R0290**	**8 204**	**8 204**
Available and compliant own resources			
Total own funds available to meet the solvency capital requirement	R0500	8 204	8 204
Total own funds available to meet the minimum capital requirement	R0510	8 204	8 204
Total required own funds to meet the solvency capital requirement	R0540	8 204	8 204
Total own funds required to meet the minimum capital requirement	R0550	8 204	8 204
Solvency capital requirement	R0580	4 080	
Minimum Capital Requirement	R0600	4 000	
Ratio of regulatory own funds to the solvency capital requirement	R0620	201.07%	
Ratio of regulatory own funds to minimum capital requirement	R0640	205.11%	

Correction edge		C0060
The amount by which assets exceed liabilities	R0700	8 204
Other Common Equity Tier 1 items	R0730	4 014
Adjustment Reserve	R0760	4 190

Note 7: S.25.01.21 Solvency capital requirement for insurance and reinsurance undertakings using the standard formula

Principal Solvency Capital Requirement		**Net solvency capital requirement**
		C0030
Market risk	R0010	1 796
Counterparty default risk	R0020	464
Insurance risk of life insurance	R0030	266
Health insurance risk	R0040	27
Insured risk of non-life insurance	R0050	2 408
The effect of diversification	R0060	-1 308
Principal Solvency Capital Requirement	R0100	3 652

Note 8: S.28.01.01 Minimum capital requirement only life or non-life insurance activities or reinsurance activities

Part of the linear formula for liabilities arising from non-life insurance contracts and non-life reinsurance contracts		**C0010**
MCRNL result	R0010	1128

Part of the linear formula for liabilities arising from non-life insurance contracts and non-life reinsurance contracts		**Net sum of technical provisions and best estimate calculated as a whole (excluding reinsurance and special purpose pools)**	**Net premiums in the last 12 months (excluding reinsurance)**
		C0020	C0030
Medical expenses insurance	R0020	8	181
Motor vehicle owner's liability insurance	R0050	4 848	5 609
Land Vehicle Insurance	R0060	51	1 851
Marine, aviation and transport insurance	R0070	0	45
Fire and other property damage insurance	R0080	0	403
Various types of financial loss insurance	R0080	1	0

Part of the linear formula for liabilities arising from life insurance contracts and life reinsurance contracts		**C0040**
MCRL result	R0200	16

Part of the linear formula for liabilities arising from life insurance contracts and life reinsurance contracts		**Net sum of technical provisions and best estimate calculated as a whole (excluding reinsurance and special purpose pools)**	**Total net amount of risk capital (excluding reassurance and special purpose pools)**
		C0050	C0060
Liabilities arising from with-profits life insurance contracts - guaranteed benefits	R0210		
Liabilities arising from with-profits life insurance contracts - future indefinite benefits	R0220		
Liabilities arising from unit-linked life insurance contracts	R0230		
Other liabilities arising from life and health insurance contracts and related reinsurance contracts	R0240	779	
Total risk of liabilities arising from all life insurance contracts and related on-insurance contracts	R0250		

Total calculation of the minimum capital requirement		C0070
Linear minimum capital requirement	R0300	1 144
Solvency capital requirement	R0310	4 080
Minimum capital requirement ceiling	R0320	1 836
Minimum Capital Requirement	R0330	1 144
The combined minimum capital requirement	R0340	1 144
Absolute minimum capital requirement	R0350	4 000
Minimum Capital Requirement	R0400	4 000