Intact Insurance (Europe) SA

Solvency and Financial Condition Report (SFCR) 2025

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Appendix 1. Abbreviations and Terms used in this Report

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Introduction

Intact Insurance (Europe) SA (the Company or Intact Europe), formerly known as RSA Luxembourg S.A., is a member of the Intact Financial Corporation Group of Companies (Intact), headed by Intact Financial Corporation (IFC or the Group). The Company's immediate parent company is Intact Insurance UK Limited, formerly known as Royal & Sun Alliance Insurance Limited (the Parent or Intact UK).

The purpose of the Solvency and Financial Condition Report (SFCR) is to provide information required by the Solvency II (SII) regulatory framework and sets out the solvency and financial condition of the Company as at 31 December 2025, as required by SII regulations. These regulations prescribe the structure of this document and indicate the nature of the information that must be reported under a series of headings and sub-headings. Where information is not applicable to the Company, for completeness, the report still contains the heading, but with an appropriate note.

The principal activity of the Company is the transaction of non-life insurance and related financial services for customers via regulated branches across Europe. It has branches in Belgium, France, Germany, Spain, the Netherlands, and underwrites on a freedom of services basis in the remaining member states of the European Union. The branch in Germany is currently in run-off and has been closed to new business since 2019. The Company also has a branch in the United Kingdom, which is unregulated and provides operational support.

In April 2025 the Parent announced the rebrand of its RSA brand to Intact Insurance, with the Parent renaming on 19 August 2025 and the Company renaming on 6 October 2025.

On 19 December 2025, Intact Europe received regulatory authorisation to operate as an insurance undertaking in France. Following this approval, Intact Europe transferred its registered office, principal place of business and central administration/place of effective management from Luxembourg to France under the cross-border mobility mechanism set out in the EU Mobility Directive 2019/2121. This became effective on 1 January 2026.

The Company renewed the quota share reinsurance agreement with its Parent, under which a significant proportion of insurance risk of the Company’s business is transferred to the Parent. The Company receives a reinsurance commission in relation to the quota share agreement which covers changes in prior year’s results as well as any new business underwritten in the Company and is net of inuring reinsurance. During 2025, the reinsurance commission rate received by the Company increased from 31.5% to 32.5%.

The quota share reinsurance arrangement covers all lines of business equally and is structured to ensure capital is optimised in the most efficient manner possible.

This document makes reference to the Company’s 2025 Annual Report and Accounts which can be accessed from the Company’s head office in Paris. Information in the Annual Report and Accounts is prepared according to statutory accounting rules, whereas information in this SFCR is governed by SII regulations. Important differences include valuation methodologies for assets, technical provisions and other liabilities, definitions of asset and liability categories, and definitions of underwriting lines of business. Therefore the figures, including financials, in this SFCR will not always correspond to the numbers in the Annual Report and Accounts.

As a general insurance business, the Company does not place any reliance on transitional measures for technical provisions as referred to in Articles 308c and 308d of Directive 2009/138/EC. Consequently, there will be no information regarding these measures in this report.

The only long-term guarantee measure that is applied is the volatility adjustment as referred to in Article 77d of Directive 2009/138/EC. Further information relating to this measure is shown in Section D.2.4 of this report.

Relocation of Head Office

On 1 January 2026, the registered head office of the Company was moved from Luxembourg to Paris, France.

Accordingly, this SFCR is published in 2026 by Intact Europe, however it relates to facts and circumstances in the period from 1 January 2025 to 31 December 2025 when the Company operated as a company based in Luxembourg and references to the "Company" in this SFCR should be read in this context.

On 1 January 2026, prudential regulation of the Company changed from the Commissariat aux Assurances (CAA) to the Autorité de contrôle prudentiel et de résolution (ACPR).

See Section A.5 Any Other Information for more detail.

Summary

The strategy for the Company is to ensure it delivers consistent and sustainable profitable growth at an attractive return of capital, in line with Intact's external financial commitments. In order to achieve this, the Company has launched several new products over the past two years to drive growth opportunities. They include, the launching of a Technology and Management Liability product, as well as providing a Cyber offering through its relationship with Resilience Cyber Insurance Solutions, a Managing General Agent. In 2024, the Company also rolled out a new underwriting workbench tool, Specialty 360, to leverage greater underwriting efficiency. The 5-year growth ambition remains to significantly grow net written premiums from current levels to protect the balance sheet and manage its exposure to large losses, while maintaining attractive margins. This would be underpinned by targeted opportunities, including launching new product opportunities as well as building on a culture of data-led decision making.

The long-term opportunities for the Company are aligned with IFC as outlined in their 2025 Annual Report and Accounts.

Business and performance

Underwriting result

The underwriting result of the Company shows a profit of €5.0m (2024: €5.1m).

Investment result

The investment result was €0.4m (2024: €0.9m).

Operating result

The Company's ordinary operating profit before tax was €3.7m (2024: €7.0m)

For further details of the Company's business and performance, see Section A.

Extraordinary charges

The results for the financial year also reflect the process of the rebrand and relocation of the Company and include €4.0m of extraordinary integration and restructuring costs.

System of governance

The Company maintains a robust system of governance. Details about this are provided in Section B.

Risk profile

The Company operates under a common Group-wide risk management framework through which risk management and control are embedded in each business area. Business areas follow consistent processes to identify, measure, manage, monitor and report risks, in line with a consistent and comprehensive set of risk management policies.

See Section B.3.1 for further details of the risk management system.

The Company is exposed to the following main categories of risk:

- Underwriting risk
- Reserving risk
- Financial risk, including market, credit and liquidity risks
- Operational risk

The Company quantifies its exposure to different types of risk as part of its Solvency Capital Requirement (SCR) calculation, details of which can be seen in QRT S.25.01 in Appendix 2.

The Company recognises there remains considerable macroeconomic uncertainty characterised by higher levels of inflation and elevated interest rates in many of the largest global economies. The threat and implementation of tariffs from the United States, has put further pressure on global supply chains and international trade. This persists at a time where the war in Ukraine continues, and current hostilities in the Middle East have escalated in recent weeks. Management continues to closely monitor the evolving tensions and its possible macroeconomic and financial market impacts. The potential impacts on the Company could include higher claims and repair costs and increased insurance liabilities.

The EU Digital Operational Resilience Act (DORA) became effective on 17 January 2025, introducing harmonised requirements to strengthen Information and Communication Technology (ICT) risk management, incident reporting and resilience testing across the financial sector, including insurers. The Company advanced its preparedness during 2025 by enhancing ICT governance, strengthening incident detection and reporting processes, and updating oversight of critical technology providers in line with DORA expectations. The Board of Directors of Intact Insurance (Europe) SA (the Board) continues to oversee implementation as detailed Regulatory Technical Standards are phased in throughout the year.

See Section C for further details regarding the Company's risk profile.

Valuation for solvency purposes

Section D sets out details regarding the basis of preparation and assumptions used in the valuation of assets, technical provisions and other liabilities for SII, as well as a description of the differences between these and local GAAP, being Luxembourg Generally Accepted Accounting Principles (Lux GAAP) for the year ended 31 December 2025. From 1 January 2026, the basis used will be French Generally Accepted Accounting Principles (French GAAP).

As at 31 December 2025, the Company's excess of assets over liabilities on an SII basis was €104,596k, and on a local GAAP basis this was €104,488k. The most significant movement between SII and local GAAP valuation is due to the difference in valuation of technical provisions.

There have been no material changes to the valuation methods used by the Company for SII during the year.

Capital Position

Section E provides information behind the capital management of the Company, including detail surrounding the Solvency Capital Requirement (SCR), Minimum Capital Requirement (MCR), use of the duration-based equity risk sub-module in the calculation of the SCR, and any differences between the standard formula and any internal model used.

The below is a summary of the SII position for the current and prior year.

Solvency II position	Requirement (SCR) €'000	Eligible Own Funds €'000	Surplus €'000	Coverage %
31 December 2025	**88,383**	**139,596**	**51,213**	**158**
31 December 2024	91,674	143,074	51,400	156

A. Business and performance

In this section

A.1 Business

A.2 Underwriting performance

A.3 Investment performance

A.4 Performance of other activities

A.5 Any other information

This section of the report provides information about the business and performance of the Company, covering in particular, the performance of underwriting and investment activities.

The quantitative analysis in Section A has been extracted from the Company's statutory financial statements which have been prepared in accordance with Lux GAAP. The annual accounts have been prepared in accordance with the modified Luxembourg Insurance Accounts Law of 8 December 1994, as amended from time to time, on the annual accounts of insurance and reinsurance companies, and with the accounting policies generally accepted and applied within the insurance and reinsurance industry in the Grand Duchy of Luxembourg.

There are some differences in presentation between the SII profit and loss account and the Lux GAAP financial statements; however, the aggregate result for the year ended 31 December 2025 is unchanged.

From 1 January 2026, the Company's statutory financial statements are prepared in accordance with French GAAP.

A.1 Business

A.1.1 Company name & legal form

The specific entity covered by this SFCR is Intact Insurance (Europe) SA, a société anonyme incorporated in the Grand Duchy of Luxembourg as at 31 December 2025.

As at 1 January 2026, the country of incorporation changed to France as a result of the head office relocation outlined in Section A.1.9 and Section A.5.

A.1.2 Supervisory authority

The CAA was the authority responsible for regulatory supervision of the Company as at 31 December 2025. The contact details of the CAA are as follows:

11, Rue Robert Stumper
L-2557 Luxembourg
GD de Luxembourg

Telephone: (+352) 22 69 11 1

With effect from 1 January 2026, prudential regulation of the Company changed from the CAA to the ACPR following the relocation of the Company's head office from Luxembourg to France.

The contact details of the ACPR are as follows:

4 Place de Budapest
CS 92459
75436 Paris Cedex 09
France

Telephone: (+33) 01 49 95 40 00

A.1.3 Réviseur d'Entreprises agréé

The Réviseur d'Entreprises agréé of Intact Insurance (Europe) SA and of this report is:

Ernst & Young
35E Avenue John F. Kennedy
L-1855 Luxembourg
GD de Luxembourg

Telephone: (+352) 42 12 41

A.1.4 Holders of qualifying holdings

Intact Insurance UK Limited holds the majority of the issued share capital of the Company.

	Number of ordinary	% Total voting	Nature of Holding
Intact Insurance UK Limited	**799,999**	**99.999875%**	**Ordinary shares**
Royal International Insurance Holdings Limited	**1**	**0.000125%**	**Ordinary shares**

A.1.5 Position within the Group legal structure

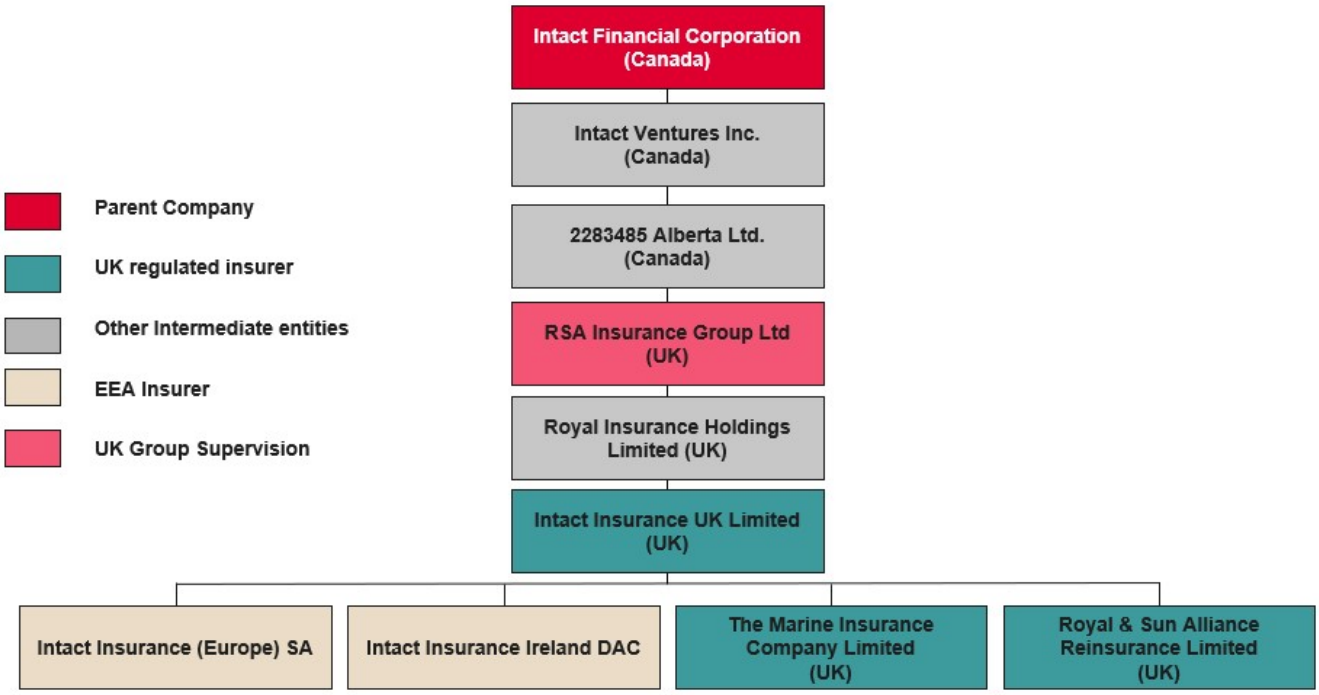
The Company's immediate parent undertaking and majority shareholder is Intact Insurance UK Limited, a company incorporated in England and Wales, regulated by the Financial Conduct Authority (FCA) and subject to prudential supervision by the Prudential Regulation Authority (PRA). Pursuant to a capital increase effected on 18 June 2025, Intact Insurance UK acquired 749,992 Ordinary shares and Royal International Insurance Holdings Limited was admitted as an additional shareholder with 1 Ordinary share. The Company's ultimate parent undertaking is IFC, a company incorporated in Canada and listed on the Toronto Stock Exchange (TSE:IFC).

A.1.6 Material related undertakings

Intact Financial Corporation (IFC) is the ultimate parent entity of the Company.

Refer to Note 29.4 of IFC's Consolidated financial statements for significant operating entities.

A.1.7 Simplified Group structure



A simplified diagram of how Intact Europe fits into the IFC structure is shown above.

A.1.8 Business lines and geographical areas

The Company primarily provides speciality Property & Casualty insurance for mid-market, large and multinational customers and risks from regulated branches across Europe. The Company's material geographical areas and material lines of business are detailed below.

Geographic regions
Belgium
France
Netherlands
Spain
Germany (Run-off)

Line of business: non-life
Fire and other damage to property
General liability
Marine, Aviation and Transport

A.1.9 Significant events

Quota share reinsurance arrangements

The Company renewed the quota share reinsurance agreement with its Parent, under which a significant proportion of insurance risk of the Company's business is transferred to the Parent. The Company receives a reinsurance commission in relation to the quota share agreement which covers changes in prior year's results as well as any new business underwritten in the Company and is net of inuring reinsurance. During 2025, the reinsurance commission rate received by the Company increased from 31.5% to 32.5%.

The quota share reinsurance arrangement covers all lines of business equally and is structured to ensure capital is optimised in the most efficient manner possible.

Relocation of Head Office

On 1 January 2026, the registered head office of the Company was moved from Luxembourg to Paris, France.

As a result of the relocation, prudential regulation of the Company changed from the CAA to the ACPR. See Section A.5 for more detail.

Rebranding to Intact Insurance

During 2025, the Group completed a rebrand to Intact Insurance across, the UK, Ireland and mainland Europe, replacing the RSA brand. This transition unified the organisation under a single global identity, strengthening brand consistency and simplifying our market presence while combining deep local expertise with the wider Intact Group's global capabilities. The Board considers the rebrand to be a strategically important step in supporting long-term growth, improving customer clarity and reinforcing a cohesive culture. As a result of the rebrand, RSA Luxembourg S.A. was renamed Intact Insurance (Europe) SA effective 6 October 2025.

A.2 Underwriting Performance

This section contains an analysis of the underwriting profit of the Company for the year ended 31 December 2025.

A.2.1 Aggregate performance

INTACT INSURANCE (EUROPE) SA
PROFIT AND LOSS ACCOUNT FOR SFCR PURPOSES

	2025 €'000	2024 €'000
Gross written premiums	488,729	469,181
Net written premiums	55,174	51,975
Net earned premiums	54,729	51,799
Net incurred claims	(34,564)	(37,189)
Allocated investment return transferred from the non-technical account	3,603	1,233
Other technical income, net of reinsurance	14,698	12,947
Acquisition costs incurred	(78,165)	(64,682)
Reinsurance commissions and profit participation	79,913	75,070
Administrative expenses	(35,226)	(34,111)
Underwriting Profit	**4,988**	**5,067**
Investment income	4,091	3,093
Investment expenses and charges	(88)	(951)
Allocated investment return transferred to the technical account	(3,603)	(1,233)
Investment result	**400**	**909**
Other Income	1	2,650
Other charges, including value adjustments	(1,664)	(1,605)
Operating result	**3,725**	**7,021**
Profit before tax	**3,725**	**7,021**
Tax on profit on ordinary activities	(1,804)	(1,901)
Profit on ordinary activities after tax	**1,921**	**5,120**
Extraordinary charges	(4,041)	-
Profit/(loss) after tax	**(2,120)**	**5,120**

The underwriting profit for the year ended 31 December 2025 amounted to €4,988k, with gross written premiums of €488,729k.

The quota share arrangement has a material impact on reported financial performance. The arrangement aligns with the Group's strategy to optimise capital allocation and usage across its territories and results in a transfer of risk from Intact Europe to its immediate parent entity, Intact UK (the reinsurer). The transfer of risk to the reinsurer also materially reduces the Company's SCR – see Section E.

The effect of the quota share agreement is to cede a portion of premiums and claims to the reinsurer. The Company receives a commission set on an arm's-length basis and is based on the Board approved Operational Plan.

The quota share contract in force during 2025 resulted in outward reinsurance premiums amounting to €219,287k on a Lux GAAP basis.

A.2.2 Underwriting result by geographical area

An analysis of underwriting performance for the Company for the year ended 31 December 2025 by geographical area is detailed below:

	Belgium 2025 €'000	France 2025 €'000	Germany 2025 €'000	Netherlands 2025 €'000	Spain 2025 €'000	Luxembourg 2025 €'000	Total 2025 €'000
Gross written premium	73,447	129,968	2	94,730	190,582	-	488,729
Net earned premium	10,083	18,284	1	11,022	15,339	-	54,729
Net incurred claims	(8,285)	(7,376)	73	(10,136)	(8,840)	-	(34,564)
Underwriting expenses	(9,325)	(8,649)	(804)	(4,162)	(9,951)	(587)	(33,478)
Allocated investment return transferred from the non-technical account	650	848	-	1,112	993	-	3,603
Other technical income, net of reinsurance	3,145	2,133	33	1,740	7,647	-	14,698
Underwriting Profit/(Loss)	(3,732)	5,240	(697)	(424)	5,188	(587)	4,988

	Belgium 2024 €'000	France 2024 €'000	Germany 2024 €'000	Netherlands 2024 €'000	Spain 2024 €'000	Luxembourg 2024 €'000	Total 2024 €'000
Gross written premium	68,834	119,564	(192)	92,692	188,283	-	469,181
Net earned premium	9,384	17,130	(35)	11,034	14,286	-	51,799
Net incurred claims	(6,509)	(11,429)	75	(6,811)	(12,515)	-	(37,189)
Underwriting expenses	(5,127)	(5,402)	(797)	(3,430)	(8,504)	(463)	(23,723)
Allocated investment return transferred from the non-technical account	223	290	-	380	340	-	1,233
Other technical income, net of reinsurance	1,386	2,040	1	2,472	7,048	-	12,947
Underwriting Profit/(Loss)	(643)	2,629	(756)	3,645	655	(463)	5,067

A.2.3 Performance by material line of business

An analysis of underwriting performance for the Company for the year ended 31 December 2025 by material line of business is detailed below:

	Net written premium		Underwriting result	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Fire and other damage to property	28,084	26,011	3,398	3,360
General liability	11,330	12,590	3,137	2,080
Marine, Aviation and Transport	15,760	13,374	(1,547)	(373)
Total	**55,174**	**51,975**	**4,988**	**5,067**

The Company generated solid underwriting profitability but was slightly adverse to expectations in our Operational Plan. In 2025, natural catastrophe losses were benign, both man-made and weather related. On its ordinary activities, the business had a challenging year with an uptick in large losses. However, this was partly offset by a favorable prior year run off.

Fire and other damage to property performed well, driven by benign natural catastrophe losses and strong favorable run off of prior years. On its current year's ordinary activity, the result was adverse to our expectations, but roughly in line with historical averages.

In 2025, after a number of strong performing years, Marine, Aviation and Transport had a challenging year. This was mainly driven by a number of large losses incurred and adverse development on prior years.

The General liability result landed poorly, driven by adverse development on prior year and a shortfall on expected topline. The current year performance, excluding the topline shortfall, was roughly in line with our plan expectations.

A.3 Investment Performance

The information in this section of the report is taken from the Company's Annual Report.

A.3.1 Income and expenses by class

Investment Income

Income from investments during the year was €3,691k (2024: €2,184k), and gains on the realisation of derivative financial instruments and investments were €400k (2024: €909k). Valuation losses on investments were €(21)k (2024: €(248)k).

Investment Expenses

The Company incurred investment management expenses of €(93)k in 2025 (2024: €(31)k).

A.3.2 Gains and losses recognised in equity

Nothing to report.

A.3.3 Investments in securitisation

The Company has no exposure to securitised investments.

A.4 Performance of other activities

A.4.1 Other material income & expenses

Finance costs

The Company incurred no external finance costs from either loans or any other form of debt.

The Company utilised the intra-group loan facility it has in place with the Parent in Q1 25 and drew down €29.5m to pay a large claim whilst reinsurance recoveries were collected. The loan was settled in full by 4 March with total interest payable for the period of the loan of €84k.

Employee expenses

Staff costs for all employees comprise:

	2025	2024
	€'000	€'000
Wages and salaries	**22,026**	19,893
Social security costs	**5,771**	5,024
Of which those related to pension costs	***119***	*93*

The change in wages and salaries is driven by wage inflation and an increase in the number of employees.

A.4.2 Operating and finance leasing arrangements

The Company leases various outlets and offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments in respect of non-cancellable operating leases are €2,377k (2024: €2,221k).

Finance leases

Under Lux GAAP, the Company has no material finance leases.

A.5 Any other information

Subsequent Events

On 1 January 2026, the Company completed a cross-border migration of the Company to France in accordance with Articles 1062-1 et seq. of the Luxembourg Law of 1915 and Articles L. 236-50 to L. 236-53 and R. 236-39 to R. 236-40 of the French Commercial Code (Code de commerce). As a result:

a) The Company's registered office, principal place of business, and central administration/place of effective management have been transferred to France; and

b) The Company has been converted into a French limited liability company (société anonyme), effective 1 January 2026. The Company's registered office has since been located at 21, rue de la Paix, 75002 Paris, France.

On 18 June 2025, the Company increased its share capital from 50,007 shares to 800,000 to meet French legal requirements. As part of this increase, the Parent subscribed for 749,992 shares, and a new shareholder, Royal International Insurance Holdings Limited, subscribed for 1 share.

The migration did not interrupt the Company's legal nature or existence; all obligations remain fully in force. The Company continues its activities without any transfer of assets, dissolution, or winding-up.

Accordingly, this SFCR covers the period from 1 January 2025 to 31 December 2025, during which the Company operated under Luxembourg law. References to the Company in these documents pertain to this period.

The cross-border migration had no material impact on the Company's organisational structure, customer-facing operations, or business activities in its local markets. Local regulators continue to oversee the Company's conduct in those markets. However, as of 1 January 2026, prudential supervision has shifted from the Commissariat aux Assurances (CAA) to the Autorité de contrôle prudentiel et de résolution (ACPR).

B. Systems of governance

In this section

B.1 General Information on the system

B.2 Fit and proper requirements

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

B.4 Internal control system

B.5 Internal audit function

B.6 Actuarial function

B.7 Outsourcing

B.8 Any other information

B. System of Governance

B.1 General information on the system of governance

B.1.1 Board structure

During 2025, the Company was overseen by a Board of six directors (the Board of Directors or the Board), comprising five non-executive directors (of which two were independent) and one executive director.

The Company intends to maintain the size of the Board and ensures that the Board and its Committees are chaired by a non-executive director of the Company.

The Board is responsible, among others, for determining the business conducted within the Company, i.e. the strategy and objectives of the Company, and is accountable to stakeholders for the creation and delivery of strong sustainable performance and long-term shareholder value.

The Board meets at least four times per year. The Board is responsible for organising and directing the affairs of the Company in a manner that is most likely to promote success for the benefit of its stakeholders and customers consistent with the Articles of Association of the Company and corporate governance good practice.

The Board promotes high standards of corporate governance within the Company and has a solid governance framework in place. Specific duties of the Board are clearly set out in the Terms of Reference, which can only be amended by the Board itself, and which is reviewed at least annually.

The Board sets annual objectives for the business in line with the current Company strategy and monitors the achievement of the Company's objectives through regular reports, which include updates from the Company Chief Executive Officer (CEO) on all material business matters. The directors are responsible for monitoring Company performance and need to regularly attend Board meetings to evidence this.

The Board consisted of the Company CEO and Non-Executive Directors (NEDs) (including independent NEDs). The Board is required to have an appropriate balance of skills, knowledge, experience and independence. Each Director of the Company must undergo a fit and proper assessment prior to appointment and periodically thereafter (at least annually).

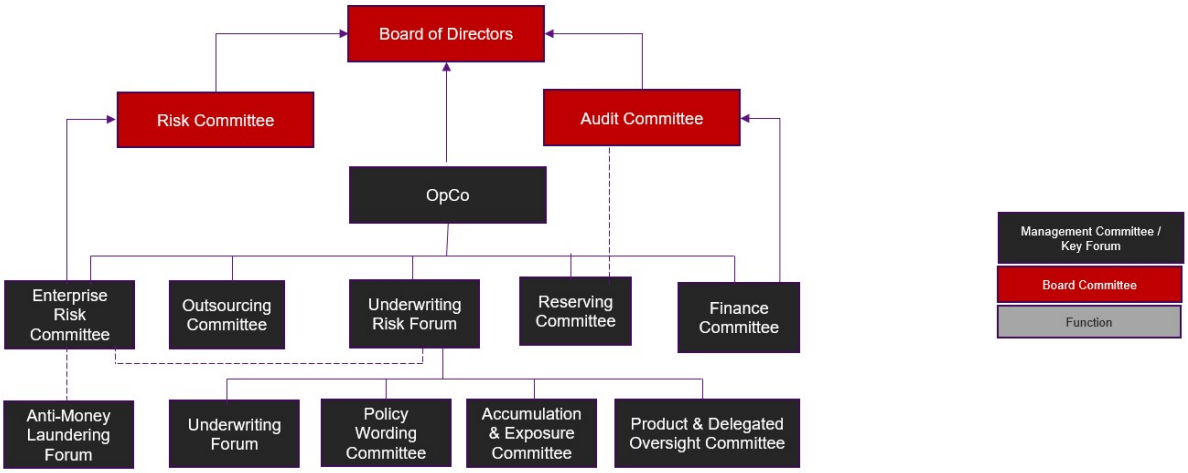
Directors have access to the services and advice of the Company Secretariat, Head of Legal, Internal Audit, Compliance, Actuarial and Risk functions and in addition may take independent professional advice at the expense of the Company in furtherance of their duties.

The Board operates in strict accordance with the Intact Insurance Europe Conflicts of Interest guidance, which sets out the process and procedures to be followed in the event that a conflict has been identified. At the start of each Board meeting, the Chair formally requests that any potential or actual conflicts of interest be declared (which is recorded in the minutes) and any director impacted then participates as allowed for in the policy. If, during the meeting, any further potential or actual conflicts arise, it is the responsibility of the director to declare such potential or actual conflict.

The Company's Delegated Authority Framework (DAF) sets out how the Board's authority is cascaded to the Company´s CEO, and further to the management team within the Company.

Management committees are in place to support the Operating Committee (OpCo), but these committees do not formally report to the Board or a Board Committee, albeit they may provide updates where appropriate. The Board has access to the minutes of these Committees if requested.

A summary of the Committee structure is shown below:



B.1.1.1 Board Committees

The Board focuses on strategy, performance, and approval of material transactions. It therefore delegates authority and oversight to its committees in certain areas. The Board has delegated authority to two board level committees:

- Audit Committee
- Board Risk Committee

The Board Committees are comprised of the Board, with management invited to attend when appropriate. Each of its Board committees has written terms of reference defining their role and the authority delegated to them. The terms of reference for each Board committee are reviewed and approved annually and any changes are made as appropriate. A summary of the purpose of each can be found below.

The Board Risk Committee

The primary role of the Board Risk Committee (BRC) is to:

- Advise the Board on risk management issues.
- Recommend the risk limits and risk appetite to the Board for approval.
- Oversee the risk management arrangements of the Company generally.

The Committee ensures that the material risks facing the Company have been identified and that appropriate arrangements are in place to manage and mitigate those risks effectively.

The Audit Committee

The purpose of the Audit Committee includes:

- Assisting the Board in discharging its responsibilities.
- Co-ordinating and challenging the integrity of the Company's financial statements and financial reporting process.
- Monitoring the effectiveness and objectivity of the internal and external auditors.

B.1.2 Independent key functions

The key functions and the implementation of their tasks are aligned to the SII Directive, European Insurance and Occupational Pensions Authority (EIOPA) guidelines and good governance practices.

The four key functions of Risk, Compliance, Actuarial and Internal Audit report to the Board, BRC and Audit Committee as appropriate, in addition to updating the Company CEO and Management Committees regularly.

Those working in these key functions are subject to the provisions of the Fitness and Propriety policy (described in Section B.2) which requires them to have the necessary skills, knowledge, and experience to fulfil their position. This is assessed both on initial appointment and through regular performance appraisals.

B.1.3 Changes in system of governance

The following director resignations took place during the year:

- Matthew Harrington (on 1 April 2025)

The following director appointments took place during the year:

- Louis Marcotte (effective from 10 March 2025)
- Frédéric Cotnoir (effective from 1 April 2025)

With effect from 2 January 2026, the Board's composition has been updated, with Nadia Côté appointed to replace Lynn O'Leary as Director. Consistent with the French regulatory regime, following relocation from Luxembourg to France, the company has appointed Louis Marcotte and Nadia Côté to be the two Dirigeants Effectifs and are responsible for the management of the company.

B.1.4 Principles of remuneration policy

The Company ensures that it has appropriate remuneration arrangements through the adoption of a remuneration policy. The remuneration policy outlines the Company's approach to remuneration, and also the governance framework for making remuneration decisions.

The policy is designed to support the business strategy by appropriately rewarding performance and promoting sound and effective risk management, compliance with external regulatory requirements and alignment to the long-term interests of the Company and its shareholders.

The policy establishes over-arching principles and standards to guide local remuneration decision-making, which is aligned to local market norms and regulations. These principles are based around alignment to long-term Company success, pay-for-performance and risk alignment. A total reward approach is used to support talent attraction and retention, such that the reward framework includes both fixed remuneration elements (reflecting an employee's professional experience and responsibility, and can include elements such as base salary, benefits and pension), and variable remuneration elements (which can be awarded to eligible employees, reflecting performance).

The policy establishes specific remuneration provisions for jobholders whose professional activities have a material impact on the risk profile or have accountability for Key Functions. These provisions are intended to promote effective risk management and include:

- The balancing of fixed and variable remuneration to enable a fully flexible approach to incentives (including the possibility of paying no variable remuneration).
- The design of incentive plans to encourage performance within the Company's risk appetite, including the consideration of material risk factors in incentive award decisions, the operation of deferral and malus adjustment and the operation of clawback provisions for Executive Directors and Solvency II Material Risk Takers, and customised arrangements for those accountable for Key Functions to preserve the independence of their roles.
- Arrangements to avoid reward for failure in termination payments, and to exclude personal hedging strategy usage.

Governance measures aimed at avoiding conflicts of interest are incorporated.

The policy is reviewed regularly, to ensure that it complies with the principles of good risk management and reward governance, taking into account regulatory requirements and the nature of the business.

The Company applies additional country-specific regulations where needed.

B.1.5 Variable remuneration performance criteria

Incentive plans encourage performance in line with the business strategy and within the Company's risk appetite. They also take into account material risk factors and the Company's ability to maintain an adequate capital base.

Incentive plan performance measures:

- Reflect the Company's priority to create shareholder value through sustained growth and profitability, based on its risk profiles. Measures can include for example, profit, underwriting performance, capital strength, strategic and shareholder value measures and personal objectives.
- Are quantified on an 'underlying' basis where appropriate, to provide an undistorted view of business performance and avoid the creation of adverse incentives.

For jobholders whose professional activities have a material impact on the Company's risk profile, a number of mechanisms are included to ensure remuneration does not encourage excessive risk taking:

- Total performance-related variable remuneration is based on a combination of the assessment of the performance of the individual, and the overall result of the Company or Group.
- Targets take account of the Company's operating plan which is set with reference to the risk appetite with input from the Risk function.
- Incentive award funding is subject to risk adjustment for exposure to current and future risks, taking into account the Company risk profile and cost of capital. An adjustment can take place prior to the payment of Annual Bonus awards, and prior to the vesting of long-term incentive award cycles.
- Individual performance assessments take account of financial and non-financial criteria, and are based on consideration of what is delivered and also how goals are achieved.

- A portion of variable remuneration is subject to deferral to ensure it is aligned with longer-term risk management. The percentage that is deferred, the type of deferred award(s) and the length of the deferral period are determined by taking into account regulatory requirements, the level of the jobholder and the business context.

There are provisions to apply malus adjustments and clawback.

Variable remuneration arrangements for those accountable for Key Functions are designed to be independent from the performance of the operational units and areas submitted to their control.

B.1.6 Supplementary pensions

No supplementary pensions are operated for the members of the administrative, management or supervisory body and other Key Function Holders. The Company's defined benefit pension plans are closed to all new entrants, but some employees have historic benefits accumulated which are insured (other than indexation which takes place in accordance with current Intact Europe policies and scheme rules).

B.1.7 Shareholder / Board Transactions

The Company had the following significant transactions with the Parent:

- Quota share reinsurance arrangements
- Ancillary Own Funds facility
- The provision by Intact UK of services to the Company under outsourcing arrangements
- Intra-group loan facility with Intact UK

Key management transactions

Information regarding transactions that were carried out with the Board of Directors can be found in Note 17 of the Company's 2025 Annual Reports and Accounts.

Dividends

The Company did not pay a dividend during the year and the directors have not recommended a payment of dividend in respect of the year ended 31 December 2025.

B.2 Fit and proper requirements

B.2.1 Specific fit & proper requirements

The Fitness and Propriety Policy together with supplementary documentation provide a framework for assessment of fitness and propriety for persons effectively running the undertaking or performing other key functions, such as:

- Members of the Intact Europe Board of Directors
- Dirigeant Agréé (the Dirigeants Effectifs with effect from 1 January 2026, following relocation)
- The four Key Function Holders under SII
- Intact Europe Branch Managers

The Board is responsible for defining the criteria of competence and "good repute" applicable to its members and has a continuous obligation to assess that it has the appropriate balance of skills, experience, and knowledge to enable it, and its committees, to discharge their duties and responsibilities effectively. The Board considers the skills, experience, independence, and knowledge already represented when making decisions in case of new appointments. One of the key responsibilities of the Board is to keep under review skills available within the Board to effectively manage and oversee the undertaking, as well as succession planning to ensure that the balance remains appropriate.

The Board is able to discharge its oversight responsibilities relating to Key Functions, by ensuring those functions are exercised in an informed, objective and independent manner; that they are adequately resourced; and that the competence and integrity of Key Function Holders had been assessed prior to their notification to the regulator.

B.2.2 Assessment process

The Policy outlines the minimum requirements to ensure that all roles within its scope are fit and proper to perform their specific function(s) within the undertaking. The Policy is complemented by a Control Framework that includes the governance over roles and responsibilities to ensure compliance.

Responsibility for complying with local regulatory rules and requirements rests with the Board of Directors.

Fit requirements

The assessment of whether an individual is "fit" for their role must include an assessment of the person's professional qualifications, knowledge and relevant experience to enable sound and prudent management including an assessment of relevant experience in the insurance sector, other financial sectors, or other businesses. The fitness assessment shall also take into account the respective duties allocated to that person, and, where appropriate, the accounting, actuarial, audit, compliance and management skills and/or background of said person.

These requirements apply equally to internal promotions and moves.

The Board of Directors fitness requirements are considered on a collective basis, including knowledge and experience in the following areas:

- Insurance and financial markets
- Business strategy and business model knowledge
- System of governance
- Financial and actuarial analysis knowledge
- Regulatory framework and requirements

Proper requirements

The assessment of whether an individual is “proper” for their role must include an assessment of the person’s honesty and financial soundness, based on evidence regarding their character, personal behaviour and business conduct including any relevant criminal, financial and supervisory aspects. At the minimum, a review of the following aspects is recommended:

- Identification information
- Declaration of honour
- Recent criminal record extract (less than 3 months old)
- Laws on money laundering, market manipulation, or insider dealing
- Criminal offences under legislation relating to companies, bankruptcy, insolvency, or consumer protection

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

B.3.1 Description of the Risk Management System (RMS)

The three lines of defence

The Intact Europe risk management system is underpinned by the Three Lines of Defence model and governed by the Intact Europe Risk Management and Internal Controls policy, which sets out the principles to support the Enterprise Risk Management (ERM) Framework.

- **First line of defence**: Intact Europe's first line of defence is the **business units and operating functions**. These functions are responsible for their activities, for ensuring their risks are identified and managed to within appetite, for ensuring procedures for effective controls are in place, including in respect of compliance with regulatory requirements, and for the implementation and compliance with policies and standards. Line 1 management designs and operates appropriate governance, control and validation processes, regardless of second and third-line activities.

- **Second line of defence**: Intact Europe's second line of defence is comprised of the **Risk Management Function and Compliance Function**. These functions provide independent advice, review and challenge of the first line activities with a focus on key subject areas: risk identification, management and reporting; adherence to risk appetite and policies; compliance with conduct (e.g. market conduct and fair treatment of customers) and prudential (e.g. capital) requirements; addressing changes in regulation; underwriting policy; adequacy of reserves and reinsurance arrangements. Second line advice, review and challenge are not a substitute for first line management of risks and controls, or third line activities.

- **Third line of defence**: Intact Europe's third line of defence is **Corporate Audit Services (CAS)**. This function is responsible for the evaluation of the effectiveness of the risk management, control and governance processes; assessing whether both first line control and second line activities are effective and appropriate. The third line assurance activities are cyclical and take a risk-based approach to the selection of areas for review, and as such are not a substitute for first or second-line activities.

Risk appetite and strategy

Risk appetite refers to the level of risk that the Company is willing to pursue, retain or take in achieving strategic objectives and business priorities. Risk appetite is expressed using qualitative statements and supporting **Key Risk Indicators (KRIs)** with targets and risk tolerances.

The Intact Europe Risk Appetite Framework has been designed as an integral part of our **ERM Framework** and developed as a tool to guide the risk-taking activities of the company. It contains the Risk Appetite by Risk Category, Key Risk metrics, Board Level – Risk Appetite Statements and KRIs, Business Level – Risk Appetite Statements and KRIs.

Risk Appetite Framework is a key element of the **ERM Framework**. It informs how we manage risks and supports strategic decision-making by defining "tolerable" and "optimal" (i.e. target) risk positions in pursuit of our strategic objectives.

The Risk Appetite Framework comprises **Board and Business Risk Appetite Statements** and **KRIs**.

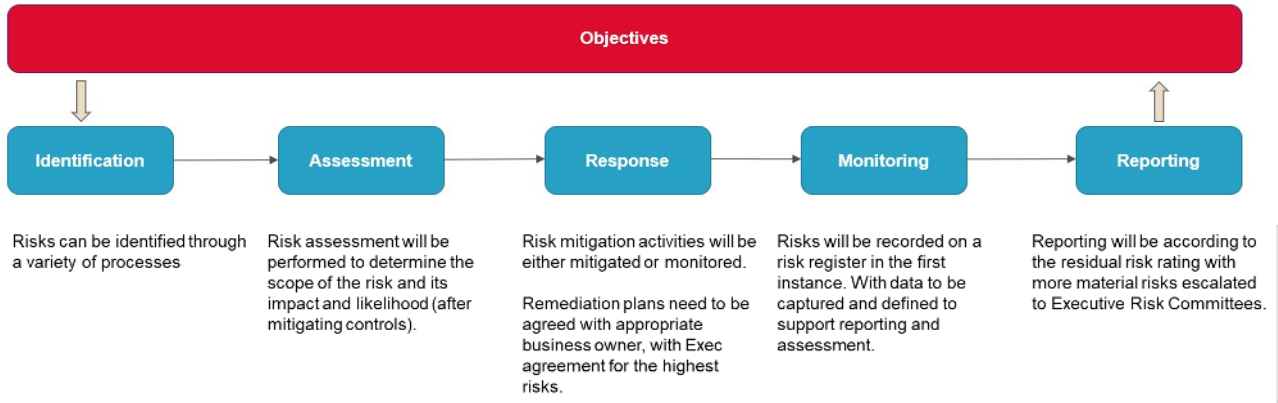
The **Board approves the Risk appetite Statements and KRIs annually** for each of the principal risks (Financial, Insurance, Operational) on the recommendation of the Board Risk Committee.

Business also defines statements and KRIs for secondary risks (e.g. Systems Risk; People Risk). These align to business priorities, informing appetite position, escalation and risk response.

Board level risk appetite statements and KRIs are reported to both the Intact Europe Enterprise Risk Committee and Board Risk Committee quarterly. Business level KRIs are escalated to those committees if they exceed tolerance.

Risk Management Process

The **Intact Europe Risk Management process** consists of the following workflow: risk identification, risk assessment, risk response, risk monitoring and risk reporting. This process identifies the risks that pose the biggest threats, fosters discussion on mitigation measures, and enables management to make appropriate decisions to help the company achieve its objectives.



The ***Three Lines of Defence Model***, as described in the Risk Management System section, attributes accountability for compliance and risk management across the Company. This policy outlines the overall requirements for each key process and sets out the roles and responsibilities of each line of defence in implementing the risk management process.

Risk identification (new and emerging risks)

Risk identification is the process of understanding and capturing any material threats or opportunities that could have a significant impact on the achievement of business objectives. Risk can be identified from various sources using a range of techniques. Sources may include internal and external insights, senior management functions, stress and scenario testing, risk incidents, risk appetite reporting, and controls testing. Every member of the organisation is trained to be continually evaluating the risks to their business area.

Risk identification should be understood by every employee at Intact Europe.

The risk identification process should use IFC Risk Taxonomy (Insurance risk, Financial risk, Operational risk and Strategic risk) to ensure that a comprehensive set of risks are considered.

Risk identification should employ both top-down and bottom-up approaches.

Risk assessment

Once risks have been identified, the Company captures relevant information in a risk register and assesses the inherent, residual and target risk exposures using an impact and likelihood matrix. The residual risk exposure (i.e. after considering effectiveness of controls and risk mitigations at a point in time) is used when reporting at functional and legal entity level, and when escalating at a regional level.

The impact and likelihood should be given across all scales – financial, regulatory, operational and customer impact.

Assessment of all material risks identified is required to determine their significance to our organisation.

Response, Monitoring, Reporting

All significant risks are assessed and monitored. For risks that are outside of target risk exposure, a risk response is required. The response may be to either mitigate (i.e. take action to reduce the potential likelihood and/or impact) or monitor (e.g. using metrics, etc.).

Risk mitigation may involve the enhancement of existing controls or the design and implementation of new controls.

Risk monitoring activities should ensure that the risk response (Mitigate, Monitor) in place is effective and the risk exposures remain within the established risk appetite and tolerance.

Once the risk has been identified, assessed and a risk response determined (as appropriate), the Risk Owner must manage the risk on an ongoing basis. Owners should be responsible for actioning the risk remediation plans, including reporting on the status of the risks.

Once the residual risk has been determined, the action plan is reviewed for risks that are outside of target. This is to assess whether it is complete and there is sufficient progress on the actions to achieve the target risk level in an acceptable timeframe.

Risk owners must agree the risk response and due date, and track action plans through to completion. Progress against plans is reported at least quarterly.

Risk reporting at the Company level is presented to the Intact Europe Enterprise Risk Committee (ERC) and BRC.

B.3.2 Implementation and integration

Risk Management System – Overview

The Company's risk management system aligns with IFC's Enterprise Risk Management Framework. This is designed to ensure effective management and monitoring of the risks that the Company is exposed to protect the business, clients, employees and stakeholders, while delivering on promises to our stakeholders. Risk management programmes aim to mitigate risks that could materially impair the Company's financial position, accepting risks that contribute to sustainable earnings and growth and disclosing these risks in a full and complete manner. The risk model is based on four main categories: Strategic Risk; Insurance Risk; Financial Risk and Operational Risk.

The Intact Europe Risk Management & Internal Controls Policy establishes the principles and guidelines by which Intact Europe manages risk on an enterprise-wide basis, including the Risk Appetite Framework and Risk Management Process – both of which are supported by underlying procedures documents.

The Intact Europe Risk Management & Internal Controls Policy establishes the principles and guidelines by which Intact Europe manages risk on an enterprise-wide basis, including the Risk Appetite Framework and Risk Management Process – both of which are supported by underlying procedures documents.

B.3.2.1 Intact Europe Capital model governance & assurance

The Company uses the Standard Formula to determine its regulatory SCR.

B.3.3 Own risk and solvency assessment (ORSA)

B.3.3.1 ORSA process

The objective of capital management is to ensure the Company has sufficient capital to meet its obligations, which is fundamental to maintaining customer and stakeholder confidence. Intact Europe uses the Standard Formula for the calculation of its regulatory capital requirements under the SII directive. Capital management is closely linked to the ORSA, so Intact Europe has a Capital & ORSA Policy which sets out the requirements and framework for both aspects.

The ORSA process is a continuous process that takes input throughout the year, to assess how the risks of the business change over time and the consequential impact on the solvency needs of the business. A final report is presented to the BRC and Board for review and approval. This summarises papers and associated decisions taken during the period and highlights key areas of action needed over the forthcoming year. The ORSA is supported by Stress & Scenario Testing (SAST) which quantifies the impact on own funds of stresses and scenarios and is coordinated by the Risk function with input from other functions, mainly Finance and Actuarial.

Capital management activity is undertaken by Intact UK through the Master Services Agreement (MSA) and overseen by the Intact Europe Lead Actuary. The ORSA process is managed by the Intact Europe Chief Risk Officer (CRO).

B.3.3.2 ORSA review and approval

Papers are presented to the Board and BRC throughout the year dealing with individual elements of the ORSA.

The ORSA report is ultimately presented for approval to the Board each year.

B.3.3.3 Own Solvency needs

The level of risk exposure based on the projected risk profile is assessed by the Company as part of the ORSA process.

The level of capital required, including buffers to allow for adverse events, is compared against the amount of current and projected capital that the Company expects to hold based on the current or latest version of the Operational Plan. This takes into account strategy and risks and forms a key part of the ORSA process.

Actual and projected capital shortfalls are reported in line with the requirements of the Capital Appetite so that corrective action can be taken.

To ensure that the Company holds appropriate levels of capital in line with its overall risk profile the overall capital appetite is reviewed on an annual basis and proposed to the Board for approval. Any capital shortfalls will be reported in line with the requirements of the Capital Appetite so that corrective action can be taken.

B.4 Internal control system

B.4.1 Description of the internal control system

The Company has an internal control system which contains administrative and accounting procedures, an internal control framework, with appropriate testing (Financial Control Framework and Control Validation), compliance assurance and reporting arrangements, a delegated authority framework, and a compliance framework. The internal control system is underpinned by the three lines of defence model.

The internal control system comprises three key elements:

- **Internal control framework** - whereby key policies establish standard requirements and controls, which are implemented and operated by the business. The internal control framework includes financial controllership which is subject to assurance through the Financial Control Framework and its independent Quality Assurance (QA) process.

- **Delegated authority framework** - whereby authority to undertake activities is cascaded down from the Board to the business.

- **Compliance framework** - sets out the standard control processes to minimise and/or prevent the risk of material loss, reputational damage or liability arising from the failure to comply with regulatory requirements. Ultimate responsibility for compliance with the relevant rules and regulations rests with the Board, and the senior management in the business. Advice, challenge, interpretation and assurance are provided to these bodies by the Compliance Function.

The Internal Control Framework

The **Intact Europe Internal Control Framework** is an important element of the company's system of governance. The components of this framework include:

- ERM Framework
- Policies & Procedures, including control frameworks where appropriate
- Compliance Framework
- Delegated Authority Framework
- Financial Control Framework
- Three Lines of Defence Model
- Living Our Values

These components are covered in more detail in separate policies, governance documents and methodology/procedures documents. This includes the Intact Europe Policy Management Procedure. To provide reasonable assurance that the organisation is operating in a manner that will achieve its objectives while maintaining its risk management focus, an **internal control framework** consisting of policies, procedures, guidelines and frameworks that outline the operations, reporting and compliance objectives exists within Intact Europe. Relevant controls are divided between legal and regulatory controls, financial controls, and operational controls. Certain policies or frameworks are subject to control testing with outcomes reported to management.

In support of the risk strategy and to ensure the achievement of our ERM objectives, Risk Management Function is structured to follow our operating model for managing our key risk categories: **Insurance Risk, Financial Risk, Operational Risk and Strategic Risk**.

Delegated Authority Framework

The DAF specifies how and what executive authority is delegated from the Board to the Dirigeant Agréé (DA) (now Dirigeants Effectifs), and onwards to senior management within the Company. The DA and senior management across the Company receive an executive license setting out their specific limits of authority in terms of entering into financial, underwriting, claims and other business commitments. Each executive is responsible for ensuring a similar process of delegation is in place within his or her area of responsibility.

The powers of the Board, and the extent to which these powers may be delegated or must be retained, are set out in detail in the Matters Reserved for the Board or Terms of Reference for the Board Committees.

Compliance Framework

The Compliance Framework is owned by Intact Europe Compliance Function. Its purpose is to safeguard the Company, its customers, reputation and assets by promoting identification, understanding and compliance with all applicable conduct and regulatory risks and requirements. It does this through its mandate and relevant policies, templates, methodologies, effective communications, guidance and horizon scanning so supporting the business to promote a compliant culture throughout the organisation.

The Intact Europe Compliance Policy documents the requirements that a Compliance Function must have in place in order to provide advice, guidance and assurance to the business, and operate as an effective Line 2 function within the governance model.

The business is responsible for implementing controls to comply with all applicable regulatory requirements and ensuring these controls remain effective with ultimate responsibility resting with the Intact Europe Board and senior management.

B.4.2. Compliance function

The purpose of the Compliance function is to ensure that Intact Europe meets relevant regulatory requirements. It uses, where possible, similar tools to other Compliance functions within the IFC Group. The Compliance function:

- Ensures that there is a strong regulatory compliance culture and that mechanisms are in place to identify, report and resolve issues to avoid or minimise business impact and surprises.
- Manages and develops the relationship with the regulator.
- Provides advice and assurance to the business on compliance with insurance related services legislation and the requirements of the regulator on both consumer and prudential matters.
- Supports the business in assessing, monitoring and mitigating regulatory risk.

Intact Europe has a Legal & Compliance Officer (LCO) role in each of the branches who supports the Head of Compliance and Head of Legal in overseeing regulatory and legal risk at a branch level. The LCO provides advice and guidance to the local management team and supports the Head of Compliance with the delivery of the annual Compliance Monitoring Plan. The Head of Compliance is also the Anti Money Laundering (AML) Compliance Officer, as notified to the CAA (now ACPR), and owns the localised policies that are designed to prevent the occurrence of financial crime. In addition, the Company also notified the CAA of which Director was responsible for AML Compliance at Board level for the year ended 31 December 2025.

The Intact Europe Head of Compliance was based in Luxembourg during the year ended 31 December 2025, and was notified to the CAA as the Key Function Holder for Compliance. They report to the Board Risk Committee on a quarterly basis; with reporting lines to the Intact Europe Chief Risk Officer, the DA and Group Chief Compliance Officer.

B.5 Internal audit function

B.5.1 Implementation

The internal audit function is also known as Corporate Audit Services (CAS). The primary purpose of the CAS function is "to keep the company safe and improving". Specifically, it helps the Board and Executive management to protect the assets, reputation and sustainability of the Company.

CAS does this by assessing whether all significant risks are identified and appropriately reported by management and the second line of defence to the Board and Executive management; assessing whether they are adequately controlled; and by challenging Executive management to improve the effectiveness of governance, risk management and internal controls.

CAS is an independent and objective function reporting to the Board. The Intact Europe Head of Audit has primary reporting lines to the Chairman of the Intact Europe Audit Committee and the Audit Director, Global Specialty Lines, with a secondary line to the Intact Europe CEO. The Audit Director, Global Specialty Lines reports to the Intact Group Chief Auditor. The Intact Europe Head of Audit is notified to the CAA under the regulatory regime.

CAS's scope of activities is unrestricted and its audit universe extends to all legal entities, joint-ventures and other business partnerships, outsourcing and reinsurance arrangements. Its scope includes first line control validation, second line control assurance and the system of governance as set out under SII. While it is not the role of CAS to second-guess any decisions made by the Board and its Committees, its scope does include information presented to the Board and its Committees.

On a semi-annual basis the Intact Europe Head of Audit submits a six-monthly rolling risk-based audit plan (i.e. a detailed plan for the upcoming six months, together with an outlook for the subsequent six months), including emerging and systemic risks to the Luxembourg Audit Committee for review and approval. The six-monthly rolling audit plan is developed based on CAS's independent risk assessment and a prioritisation of the audit universe, considering inputs from Executives, Senior Management and the Audit Committee, and CAS's assessment of key risk measurement criteria including financial, regulatory, strategic and fraud risks that could impact the organisation.

CAS coverage of the audit universe is based on the principles of a five year cycle, whereby the level of risk will continue to determine the audit frequency, during which it shall aim to cover very high risks every 1-2 years, high risks every 2-3 years and medium risks every 3-5 years. Low risk areas will be covered as needed. Any very high and high risk areas that are not covered within the desired timeframe will be transparently reported to the Audit Committee. Coverage shall be provided through Company specific audit reviews along with combined audit reviews with the wider CAS function.

The Intact Europe Head of Audit reviews and adjusts the plan, as necessary, in response to changes in the business, risks, operations, programmes, systems, controls and requirements. Any material changes from the Intact Europe CAS plan is communicated through quarterly reporting to the Audit Committee for approval. When necessary, CAS may conduct audit engagements which are not included in the audit plan; these may be carried out without notice.

The Intact Europe Head of Audit ensures that CAS has the appropriate budget and resources, and collectively has the knowledge, skills, and other competencies to meet the requirements of the Standards and fulfil the internal audit mandate.

This includes consideration of trends and emerging issues that could impact the Company. Where appropriate, independent internal or external co-sourced resources may be engaged to supplement the core team and deliver all or part of an audit engagement.

CAS operates an ongoing QA programme that is outsourced to an external provider. Annually, the external provider reports a summary of the QA results to the Audit Committee. The function is governed by an Internal Audit Charter which sets out the function's role, mandate and authority, and includes independence and objectivity criteria.

B.5.2 Independence and objectivity

CAS must be independent from management at all times in order to be effective in delivering on its purpose and mandate. Internal auditors shall have no operational responsibility or authority over any business activities, day-to-day risk management or control activities.

Internal auditors are expected to remain independent and objective in all assignments and do nothing that might prejudice or be perceived as prejudicing independence and objectivity. Impairments to independence and objectivity may include, but are not limited to:

- Auditing business areas for which an individual previously worked, was seconded to, or was previously responsible for (auditors must refrain for a period of at least 12 months); and
- Auditing an area where an individual has a close relationship with one of its staff (e.g. partner, family member).

Independence and objectivity may also be impaired if an individual is approached about, or receives, an offer of employment from an area that they will be, or are, auditing. To prevent undue influence, the Head of Audit must be advised of any approach and has the option to defer the offer for up to six months following completion of the audit.The Intact Europe Head of Audit will disclose impairments of independence or objectivity, in fact or appearance, to the Audit Committee and Senior Management. The Head of Audit will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function.

Audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mind-set.

The Head of Audit reports, at least annually, to the Audit Committee on the independence of the Function and its staff. This is supported by a formal assessment of independence and objectivity for long serving staff, together with an independence self-certification.The Head of Audit will disclose any interference and its implications to the Board via the Audit Committee.

Where the tenure of the Head of Audit exceeds seven years, the Audit Committee will discuss the Chairman of the Audit Committee's assessment of the Head of Audit's independence and objectivity. Thereafter the Audit Committee will consider the Head of Audit's independence and objectivity annually.

B.6 Actuarial function

The Actuarial Function Holder undertakes the duties and responsibilities set out for an Actuarial Function Holder per the Governance Requirements under SII.

The Actuarial Function Holder coordinates the calculation of technical provisions. It assures that the actuarial information to set technical provisions uses appropriate methods, models, and assumptions and it assesses the appropriateness, completeness, and accuracy of the underlying data. It also confirms that the SII technical provisions comply in all material respects with all relevant SII requirements and informs areas where experience is different and how this has influenced methods, models, and assumptions.

The Actuarial Function Holder provides an opinion on the underwriting policy and the adequacy of reinsurance arrangements. It also provides an opinion on the appropriateness of the stress tests and other assessments conducted during the ORSA and contributes to the effective implementation of the RMS. The key function holder produces an Actuarial Function Report describing the work performed during the year and the key conclusions. This report is presented to the Board of Directors.

The Actuarial Function holder has unrestricted access to all relevant information necessary for the exercise of their function and has independent access to the Audit Committee.

B.7 Outsourcing

B.7.1 Policy and key activities

Intact Europe's outsourcing arrangements are managed by the Intact Europe Procurement and Outsourcing policy (which also covers intra-group agreements). The policy has been reviewed against, and incorporates, the outsourcing policy requirements of the SII Directive and the associated Delegated Acts.

Additionally, Intact Europe has a "Procurement and Outsourcing Procedure" which has the objective to support the Intact Europe Procurement Policy with more details.

The content of this Procurement Procedure is:

- Key Performance Indicators
- Procurement Process Requirements
- Ongoing Supplier Management Requirements
- Additional requirements for Outsourcing relationships
- Procurement Process description

Intact Europe has a documented risk segmentation process (**Critical Services, Higher Risk Services, Lower Risk Services**), which sets out the relative level of risk for all in scope services. This model documents and incorporate an assessment of criticality, as defined by the Operational Resilience Policy.

Intact Europe has an Outsourcing Committee whose purpose is to oversee all in scope outsourcing arrangements, as defined by the Intact Europe Procurement and Outsourcing policy, as well as any other procurement/contracting arrangement at its discretion.

Every deal segmented as "Critical" by the Risk Assessment Model will need to be presented before the Outsourcing Committee and Board, for its approval, and before entering into a commercial relationship with a third party.

Intact Europe currently has three contractual arrangements which are deemed critical or important. These include a third-party arrangement with an investment management institution (the contracting entity of which changed from UK to the Netherlands following Intact Europe's relocation); intra-group outsourcing arrangements in place with both Intact UK in the UK (which includes critical services of IT, pricing support, reserving, finance and sanctions support) and Intact Investment Management in Canada (for investment reporting).

The Intact Europe Outsourcing Committee meets at least quarterly at appropriate times in the outsourcing cycle.

B.8 Any other information

B.8.1 Adequacy of system of governance

The adequacy of the system of governance is formally considered by the Board annually. This process considers both changes and recommendations made during the year (such as through Internal Audit, Risk and Compliance reporting) and any advice by other relevant functions based on their observations or regulatory change. Should it be deemed necessary, changes can also occur outside of this formal review. The Company's system of governance is effective and fit for purpose taking into account the nature, scale, and complexity of the risks inherent in its business.

B.8.2 Any other material information

Nothing to report.

C. Risk Profile

In this section

C.1 Underwriting risk

C.2 Market risk

C.3 Credit risk

C.4 Liquidity risk

C.5 Operational risk

C.6 Other material risks

C.7 Any other information

This section of the report provides information about the risk profile of the Company, covering in particular, underwriting and market risk.

C.1 Underwriting risk

C.1.1 Introduction

Underwriting, claims and reinsurance risks

The Company manages these risks through its underwriting strategy, reinsurance arrangements and proactive claims handling.

The Company's risk appetite statement sets the high-level appetite for insurance risk.

The underwriting strategy aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

In addition, the Company's Portfolio Strategy Statements set the appetite for the writing of individual risks, and the underwriting and claims policies define the controls implemented across the business to manage these risk categories.

Additionally, the Group has a number of centrally-managed forums to examine Group underwriting and claims issues, review and agree underwriting direction, promote collaboration and sharing of best practice and set policy, frameworks and directives where appropriate.

Reserve risk

The Company establishes technical provisions for claims to account for the anticipated ultimate cost of all claims and relevant expenses for claims that have already occurred. The Company establishes technical provisions for both reported and unreported claims. Technical provisions estimates are based on known facts and on interpretation of circumstances including the Company's experience with similar cases and historical claims payment trends. The Company also considers the development of claims payment trends, levels of unpaid claims, judicial decisions and economic conditions.

C.1.2 Measures used to assess risk

Underwriting and claims risk

The Company's underwriting strategy and risk appetite are reviewed, challenged and approved by the Board annually.

KRIs assess risk against the Board risk appetite, and these are reported at the quarterly BRC. Underwriting risk indicators include measures for exposure control, pricing, the control environment and licences.

The portfolio strategy is reviewed on a regular basis in "Hot Topics" and monthly renewal discussions. This enables ongoing, proactive management of the implementation of portfolio strategies together with the facilitation of forward-looking portfolio risk assessments against measured key risk indicators. Risks and issues are escalated to the BRC.

Claims risks are monitored separately to facilitate management within appetite. The scope of claims risk indicators covers financial control, technical quality, case reserving, fraud, and control of delegated authorities.

Scenario and Stress testing as well as Risk Profiling are undertaken and reported to the BRC.

The Company benefits from the pricing tools and process established at Intact Europe level. Effectiveness and robustness of pricing is regularly reviewed and measured. The review includes an assessment of the pricing components, i.e. use of historical claims frequencies and severity averages, adjusted for inflation and modelled catastrophes trended forward to recognise anticipated changes in claims patterns and allowance in the pricing procedures for acquisition expenses, administration expenses, the cost of reinsurance, and for a profit loading that adequately covers the cost of capital.

Underwriting and Claims Validation Reviews are held periodically to test the effectiveness of the processes and controls in the risk management frameworks. Where gaps are identified, appropriate action is taken to either remediate, monitor or risk accept based on the materiality. Breaches of controls are reported and escalated to the Risk function. Oversight is provided by the Intact Europe ERC with escalation to BRC depending on materiality.

Reserve risk

The Company has a Reserving Committee chaired by the Intact Europe Chief Actuary.

The Reserving Committee monitors the decisions and judgements made by the actuarial team on the level of reserves to be held and recommends to the Board, via the Audit Committee, on the level of reserves to be included within the financial statements. In forming its collective judgement, the Committee considers the following information:

- An actuarial indication of ultimate losses together with an assessment of risks and possible favourable or adverse developments that may not have been fully reflected in calculating these indications.
- Input from internal peer reviewers of the reserves and of other parties such as actuaries, legal representatives, risk directors, underwriters and claims managers.
- How previous actuarial indications have developed.

C.1.3 Material risks

Material risks identified during the reporting period include:

- **Catastrophe (CAT) Risk** - Covers the risk that a single event or series of events of major magnitude, usually over a short period, leads to a significant increase in actual claims compared to total expected claims. Losses can arise from either natural perils, for example hurricane, windstorm, flood and earthquake, or from man-made perils, for example fire/explosion.
- **Pricing Risk** - The risk that portfolio pricing strategies, monitoring and rating are insufficient to generate sufficient returns in key portfolios to maintain profitability and pay claims.
- **Reserving Risk** - The risk that case reserves are insufficient, untimely or inaccurate leading to unforeseen adverse development. The risk that more claims are reported in future than anticipated. The risk that legislative changes have a retrospective effect on claim settlements.
- **Underwriting Risk Selection** - Covers the risk that claims arising on exposures after the valuation date are higher (or lower) than assumed in the pricing other than those due to catastrophes. This can arise as the result of bad experience, third party interventions, ineffective portfolio management, poor pricing, poor risk selection or failure to underwrite effectively.
- **Claims Management Risk** - Financial losses through ineffective claims management processes, due to management information or process deficiencies (claims leakage).

C.1.4 Application of the prudent person principle

The prudent person principle is not applicable to underwriting risk.

C.1.5 Material risk concentrations

As a European insurer, the Company has most of its exposures in Continental Europe, concentrated in countries where its branches are located. This is assessed when the Group purchases reinsurance protection.

Large individual risks, especially with international exposures to natural CAT Risk, are closely monitored via the risk management system. The Company is protected against these large risks by the Global Property Risk treaty and, in a multiple loss scenario, by the Global CAT treaty; both these reinsurance programs are shared with other Intact operations.

C.1.6 Risk mitigation

The Company operates a comprehensive Risk Management system by the Intact Europe Risk Management and Internal Control Policy. This system includes policies which govern key activities such as Underwriting, Claims and Reinsurance. The policies introduce a system of mandatory controls which stipulate a system of minimum requirements and KRIs which are used to measure the effectiveness of these controls in mitigating risk.

The Underwriting and Claims governance and control framework spans a number of key activities, including (but not limited to):

- The Delegation of Technical Authority (Internal and External) including Licensing and Referrals
- Portfolio Strategy and Performance
- Underwriting Product Development
- Pricing
- Accumulation and Exposure Management
- Monitoring of Inflation Risks
- Multi-National Risks
- Risk Control/Inspection
- Underwriting and Claims File Review/Validation
- Claims Management Processes
- Case Reserving

The management and mitigation of credit risk for reinsurance are described in Section C.3.6 Risk Mitigation.

In the ordinary course of business, we reinsure certain risks with other reinsurers to limit our maximum loss in the event of catastrophic events or other significant losses. Our objectives related to ceded reinsurance are primarily capital protection and are not intended to manage quarter to quarter volatility of results. These reinsurance arrangements mean that both the Company and the Group's net retention (including reinstatement premiums and co-participations) are within agreed risk appetite metrics.

The placement of ceded reinsurance is mainly on an excess-of-loss basis (per event or per risk), but some proportional cessions are made for specific portfolios. Treaty reinsurance protection is centrally managed by the Intact Head Office Reinsurance Team, with regular checkpoints with Intact UK and Intact Europe to ensure alignment with business needs. The Company arranges additional facultative reinsurance protection where it is felt necessary.

In addition to the Company's share of externally purchased Group protection, the Company has additional intra group reinsurance in place, which comprises a CAT buydown and a Quota Share agreement with Intact UK. The Quota Share arrangement covers prior year as well as any new business underwritten by the Company.

C.1.7 Risk sensitivity

See Section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.2 Market risk

C.2.1 Introduction

Market risk is the risk of potential losses from adverse movements in market prices including those of public debt & fixed income, public equity securities, property, exchange rates and derivatives as well as credit rating downgrade risk, credit spread risk, credit default risk and asset-liability matching risk.

C.2.2 Measures used to assess risk

Market risk exposures can be assessed through a number of factors including exposure by asset class, credit rating of counterparties, asset liability mismatch due to divergence in duration and currency exposures and concentration exposures.

Exposures are controlled by setting of investment limits and managing asset liability matching in line with the Company's risk appetite.

The Board is responsible for reviewing and approving the investment strategy for the Company's investment portfolio. It provides approval for all major changes in investment strategy.

For market risk the Company is mainly exposed to interest rate risk, currency risk and credit risk.

C.2.3 Material risks

The Company is exposed to the following material market risks:

Interest rate risk

The fair value of the Company's portfolio of public debt & fixed income securities is inversely correlated to changes in market interest rates. Thus, if interest rates fall, the fair value of the portfolio would tend to rise and vice versa.

In assessing this risk, the Company will have reference to the interest rate exposures of its liabilities with risk being the difference between asset and liability exposures.

Currency risk

The Company trades mainly in euro, pounds sterling and US dollar. The Company's net assets are subject to foreign exchange rate movements mainly linked to movements in the euro/sterling exchange rate. If the value of the euro strengthens then the value of non-euro net assets will decline when translated into euros and consolidated.

The Company mitigates currency risk by matching cash assets and liabilities by currency at a Company level with any residual risk outside of appetite covered by foreign currency derivatives entered into with the Parent on an arm's-length basis.

Credit risk

The Company invests in public debt & fixed interest securities issued by governments, government agency and corporate issuer counterparties. The Company expects to receive incremental income through assuming credit rating downgrade risk, credit spread risk, credit default risk. Credit risk appetite is controlled through the investment strategy and investment limits, reviewed and approved by the Board.

C.2.4 Application of the prudent person principle

The Company applies an Investment Policy that set out the minimum requirements for the identification, measurement, monitoring and reporting of market risk, liquidity risk and credit risk arising from investments for the Company's investment portfolio. A set of key risk indicators in the form of an investment limits framework has been developed alongside the policy. The policy refers to this for investment risk management and reporting purposes.

In particular, the prudent person principle requires the Company to exercise prudence in relation to the investment portfolio and to ensure assets are appropriate to the nature and duration of its liabilities (assets and liabilities management). It must also be able to show that it has appropriate systems and controls to hold and manage any such investments.

The Company's investment portfolio focuses on high quality investment grade allocation to public debt & fixed income securities and cash & cash equivalents.

At 31 December 2025, the Company held 60% of its allocation to public debt & fixed income and cash & cash equivalent instruments in:

- Government bonds and government guaranteed bonds
- AAA-rated corporate or government agency bonds
- Euro denominated treasury bills (Euro-bills)
- AAA-rated money market funds
- Cash

Liquidity risk is therefore minimised by holding and ensuring that a sufficient liquidity ratio of assets is maintained to meet the Company expected cash flow requirements, including stressed scenario conditions.

The credit quality of the public debt & fixed income securities portfolio for the Company is predominantly investment grade with circa 99% rated BBB- or higher.

C.2.5 Material risk concentrations

The Company holds a large proportion of its cash at one main key syndicate bank, creating a concentration of cash assets with one counterparty. However, this has been mitigated, somewhat, by investments in Euro-denominated Treasury issuer Bills and AAA-rated Money Market Funds to provide diversification.

C.2.6 Risk mitigation

The Company supports the liabilities of its general insurance business with a low risk, high quality investment grade portfolio with exposure to public debt and fixed income securities, cash & cash equivalents. Surplus assets are invested in public debt & fixed income securities. Credit risk exposure is mitigated by the high-quality nature of the public debt & fixed income securities portfolio with circa 99% investment grade and circa 37% rated AA- or above.

Counterparty concentration risk is limited through limits placed on aggregate exposure by credit rating and single counterparties reflecting a number of criteria including the counterparties' credit rating, industry and geography. Interest rate risk is limited through the Company maintaining a broad match of its asset duration to underlying liabilities. Credit spread risk and credit downgrade risk are mitigated through having a portfolio of high-quality investment grade corporate debt & fixed income securities.

The company monitors and manages the amount of cash held with its syndicate bank and ensures that this does not breach the limits agreed by the Board.

The Company together with Intact UK considers Economic, Social and Governance (ESG) factors in the management of its market and credit exposures. When reviewing or considering the appointment of investment managers, account is taken of their approach with respect to sustainable investing, including voting policies and engagement.

Climate change is not an issue isolated to the insurance industry – it's a societal one and the Company believes it is essential that everyone adapts to climate change. Corporations and governments should work together on building a low emissions and climate resilient economy.

The Company has adopted and implemented positions on Coal, Oil & Gas investments in line with those followed by the investment operations of its ultimate parent company. This involves active engagement with high emitting investees, focused on emissions disclosure, net zero ambitions and strategies, and climate governance.

C.2.7 Risk sensitivity

See Section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.3 Credit risk

C.3.1 Introduction

Credit risk is defined as the risk of loss resulting from a counterparty failing to fulfil its contractual obligations to the Company or failing to do so in a timely manner. The Company is exposed to credit risk in respect of its reinsurance contracts, insurance operations (where counterparties include brokers, policy holders and suppliers), investments (where counterparties include governments and corporate bonds issuers), and cash held (where counterparties are banks).

C.3.2 Measures used to assess risk

Credit risk arises any time the Company's funds are extended, committed, invested or otherwise exposed through actual and/or implied contractual agreements with counterparties whether reflected on or off-balance sheet.

The Board Risk Committee is responsible for ensuring that the Board approved credit risk appetite is not exceeded. This is done through the setting and imposition of the Company's policies, procedures and limits.

In defining its appetite for counterparty credit risk, the Company distinguishes between credit risks incurred as a result of offsetting insurance risks or operating in the insurance market (e.g. reinsurance credit risks and risks to receiving premiums due from policyholders and intermediaries) and credit risks incurred for the purposes of generating a return (e.g. invested assets credit risk).

Limits are set at both a portfolio and counterparty level based on likelihood of default, derived from the rating of the counterparty, to ensure that the Company's overall credit profile and specific concentrations are managed and controlled within risk appetite.

Financial assets are graded, using a credit score, according to company standards. Investment grade financial assets are classified within the range of AAA to BBB ratings. AAA is the highest possible rating. For invested assets, restrictions are placed on each of the Company's investment managers as to the level of exposure to various rating categories including unrated securities.

The Company assesses and monitors the creditworthiness of its counterparties (e.g. policyholders, brokers, and third-party suppliers). Reinsurer counterparty credit risk is assessed and monitored at a Group level by the Intact Reinsurance Credit Committee.

The Company also has a significant counterparty Credit risk exposure to its immediate Parent. This is monitored on a quarterly basis by the Company within its risk appetite scorecard mainly through a look through to the solvency position of Intact UK.

The Company has a fixed income investment portfolio administered by Goldman Sachs Asset Management and continues to maintain a high-quality investment portfolio, regularly monitoring developments in the performance of its assets.

C.3.3 Material risks

The Company is mainly exposed to the following types of credit risk:

- **Counterparty risk -** defined to be the risk that a counterparty fails to fulfil its contractual obligations and/or fails to do so in a timely manner. This includes all types of counterparties such as agents, brokers, reinsurers including intra-group and other third parties.
- **Credit concentration risk -** defined to be an uneven distribution of exposure to counterparties, single-name or related entity credit concentration, and/or in industry and/or services sectors and/or geographical regions.
- **Credit downgrade risk -** defined to be the loss or gain from a change in an investment's credit rating agency rating and/or an analyst buy, sell, hold opinion.
- **Credit spread risk -** defined as the spread in returns between Treasury and/or Government securities and/or any non-Treasury security that are identical in all respects except for the quality of the credit rating of the non-Treasury security's counterparty

The Company has processes in order to identify its outstanding debt and the aging of that debt.

In cases where collection is delayed or is not possible, the Company is required to record a provision or write off of the debt according to local and Group Financial Reporting Standards.

C.3.3.1 Reinsurance credit risk

Reinsurance Credit risk is defined as the credit risk arising from the purchase of all Group treaty reinsurance and at the local level for the purchase of treaty reinsurance and facultative reinsurance. This includes business ceded through Intact's Global Network.

In the case of the Company, it also includes the risk of default of Intact UK. This is particularly relevant to the Company given the internal reinsurance structures and intra-group support that is in place - see Section C.1.

C.3.3.2 Invested assets credit risk and credit downgrade risk

Invested assets credit risk is defined as the non-performance of contractual payment obligations on invested assets, and adverse changes in credit worthiness of invested assets including exposures to issuers or counterparties for bonds, loans, equities, deposits and derivatives etc. Credit downgrade risk is defined to be the loss or gain from a change in the credit rating provided by a credit rating agency and/or an analyst's buy, sell, hold opinion. Spread risk is defined as the risk arising from negative movement in price in a sector relative to the market resulting for example from the changes in the market's perceived view of risk generally or the industry sector specifically.

The Company has credit risk against intermediaries and brokers.

C.3.3.3 Credit risk arising from insurance operations

Insurance Operations Credit Risk (IOCR) is defined as credit risk arising from carrying out daily insurance business operations. This includes loss of principal or financial reward resulting from counterparty's failure to pay or fulfil all or part of its contractual obligations. For example, if the Company trades with an insolvent broker there is a risk that the Company will not receive all the premiums due from that broker.

The Company has credit risk against intermediaries and brokers.

C.3.4 Application of the prudent person principle

See Section C.2.4 for the application of the prudent person principle to credit risk arising from investments. The prudent person principle is not applicable to credit risk in relation to reinsurance and insurance operations.

C.3.5 Material risk concentrations

The Company is exposed to the following types of credit risk concentrations:

- Reinsurance counterparties (including the Company's parent, Intact UK).
- Off-balance sheet capital structures. The main off-balance sheet facility the Company has in place is €35m Tier 2 capital in the form of an Ancillary Own Funds (AOF) facility. This was approved in 2018 and is subject to eligibility criteria in line with SII rules. The facility increases the Company's reliance on its parent Intact UK, and this is monitored through the Company's risk appetite statement on a quarterly basis.

C.3.6 Risk mitigation

The Company employs the following mitigating techniques and monitoring procedures in order to manage the different types of credit risk.

C.3.6.1 Reinsurance credit risk management

The Company is protected by treaty reinsurance, facultative reinsurance and the intragroup reinsurance (quota share).

Mitigation techniques

Group:

- **Intact Reinsurance Credit Committee** – The Committee is responsible for the oversight of the Group's reinsurance counterparty credit risk.
- **Approved Reinsurance Counterparties** – Group Reinsurance assess and approve all reinsurance counterparties. Group Reinsurance maintain information on all reinsurance counterparties used across the Group.
- **Approved Reinsurance Counterparties meet Corporate Standards** – Due diligence is performed, Group Reinsurance monitor and maintain the Approved Reinsurance Counterparties lists as part of an ongoing risk assessment of reinsurance counterparties. Where a reinsurance counterparty credit risk metric is approached or breached, risk response actions must be affected and reported to the Intact Reinsurance Credit Committee.
- **Appropriate Metrics** – Group Reinsurance establish metrics which are appropriate for quantifying reinsurance counterparty credit risk across the Group.

Company requirements:

- **Contract initiation** – Before entering into an outward reinsurance contract the Company must ensure and document that it has followed all the requirements of the Reinsurance Policy.
- **Exposure approval** – The Company must seek approval for reinsurance exposures with counterparties outside the approved reinsurance counterparty list prior to binding by following the appeals process.

- **Risk mitigation techniques** – Where risk mitigation techniques, such as the acceptance of collateral, are used they should be well understood by the business and appropriate processes and procedures must be established to operate the mitigant. The use of off-balance sheet guarantees or Letters of Credit are approved on an individual basis. The principal risk to the Company is its credit risk exposure to Intact UK, and in the event of the failure of Intact UK, the negation of the reinsurance protection and ceded insurance.

Monitoring process

- **Credit Risk Profile** – Group Reinsurance review the reinsurance counterparty credit risk and monitor reinsurance counterparty exposure against maximum probable exposure limits.
- **Breaches** – Where a reinsurance counterparty credit risk metric is approached or breached, risk response actions are affected and reported to the Intact Reinsurance Credit Committee, the Company's ERC and BRC.
- **Ongoing information on counterparties** – Group Reinsurance must maintain information on all reinsurance counterparties used across the Group.
- **Quarterly Reporting** – The Company produces regular reinsurance counterparty credit risk reports covering their relevant counterparties, and notifying all known breaches of policy or appetite immediately to the BRC. The Company also monitors its exposure to Group companies within its quarterly risk appetite reporting.

C.3.6.2 Investment credit risk

Mitigation techniques

See Section C.2.6.

Monitoring process

The Company reviews its investment exposure against limits agreed by the Board and reports against these on a quarterly basis. Separately, external fund managers, monitor investment exposures against limits stipulated within the Investment Management Agreements.

C.3.6.3 Insurance operations credit risk

Mitigation techniques

- **Finance Committee** – the Company through its Finance Committee is responsible for identifying, assessing, maintaining, monitoring and reporting on IOCR exposures, including oversight of debt and associated credit risk.
- **Debt reconciliations –** Outstanding balances from the general ledger have to be agreed to supporting documentation and overdue payments are chased.
- **Completion of due diligence activities** – on-boarding due diligence requires the completion of external independent financial credit checks which includes the analysis of several financial inputs. Ongoing monitoring is undertaken on existing counterparties with any credit rating downgrades identified and reported.
- **Credit terms are set for each counterparty** – the Company must set credit terms prescribed by Group according to the nature and credit standing of each counterparty. These criteria and the acceptable credit terms are documented in the Insurance Operation Credit Risk policy (approved by the Board and Board Risk Committee).

Monitoring process

Examples of regular management information monitored by the Company include:

- Aged debtors and balances
- Breakdown of debtors
- Major counterparty debt exposure
- Bad debt provision

C.3.6.4 Credit concentration risk

Mitigation techniques

The monitoring of the financial strength of Intact Europe is embedded within local procedures and includes reviews of solvency, credit rating and liquidity positions.

C.3.7 Risk sensitivity

See Section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.4 Liquidity risk

C.4.1 Introduction

Liquidity risk refers to the risk of loss to the Company as a result of assets not being available in a form that can immediately be converted into cash or the securing of such assets at excessive cost (whether through borrowing or overdraft arrangements for example), and therefore the consequence of not being able to pay its obligations when due.

C.4.2 Measures used to assess risk

The Company breaks down liquidity risk into three subcategories:

- **Funding liquidity risk** – the risk that the Company may suffer any or all of the following: be unable to liquidate assets, secure funding or contingency funding arrangements, free from excessive or prohibitive clauses. Additionally, the risk of withdrawal or curtailment of funding facilities by third parties.
- **Foreign currency liquidity risk** – the risk that actual or potential future outflows in a particular currency are unable to be met from likely available inflows in that currency or purchased in the foreign exchange market.
- **Intra-day liquidity risk** – the risk that liquidity requirements increase during the course of a business day due to delays in settlement proceeds being received and/or problems in the workings of banking or other settlement systems.

Suitable monitoring processes are in place to assess all of the above including:

- Creation and maintenance of short-term cash flow forecasts, including by non-functional currency.
- Regular dialogue with the Company's operational bankers, where applicable and relevant.
- Use of liquidity Key Performance Indicators (KPIs) to measure the proportion of assets and sources of liquidity that can be accessed within specified time periods such as overnight and within 20 working days.

There have been no material changes to the measures used to assess risks during 2025.

C.4.3 Material risks

The Company considers that there are currently no material liquidity risks.

C.4.4 Application of the prudent person principle

See section C.2.4 for information on the prudent person principle.

C.4.5 Material risk concentrations

The Company maintains a strong and liquid portfolio of cash and investment assets which are established by type and duration in order to provide a broad match against its liabilities. A minimum of 25% of the Company's assets can be liquidated within 20 days.

The Company considers that there are currently no material liquidity risk concentrations.

C.4.6 Risk mitigation

The Company minimises liquidity risk by operating a high quality, low risk investment strategy which matches a relatively short liability duration, and through holding a material proportion of its assets in cash and cash equivalents.

The Company produces a regular cash flow forecast to manage working capital requirements.

The UK & International (UK&I) Treasury team within the Intact UK sub-group maintains a contingency funding plan that considers access to a range of funding options and sources under normal and stressed scenarios.

The Company has a €50m credit facility with its Parent which it could draw down on if needed. The Company does not believe that it has a material risk relating to liquidity and does not believe that it needs any further mechanisms or facilities to manage this risk.

C.4.7 Expected profit in future premiums

The Expected Profit in Future Premiums (EPIFP) is the profit relating to existing in-force contracts with premium amounts due in the future and not yet received at the valuation date. The Company has assessed its EPIFP and, on a gross basis has aggregated this as circa €18.4m. This value has been disclosed on the Company's annual QRT S.23.01.01; see Appendix 2 – Quantitative Reporting Templates.

C.4.8 Risk sensitivity

See Section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

The Company does not currently consider liquidity risk as a material risk. This decision is reviewed on a regular basis.

Notwithstanding this, a range of liquidity stress tests are carried out on a quarterly basis.

C.5 Operational risk

C.5.1 Introduction

Operational risk covers the risks of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in the Company's operations and are typical of any large enterprise.

C.5.2 Measures used to assess risk

Operational risk exists in almost every aspect of business within the Company, and the effective management of operational risk plays a significant role in enabling the business to meet its strategic objectives and to deliver good customer outcomes.

The Risk Management and Internal Control Policy sets out the requirements to identify, assess, respond, monitor and report risk.

The Risk Management and Internal Controls policy provides a framework for managing risk across the Group and Intact Europe. The key components of the **ERM Framework** are the **Risk Strategy**, **Risk Management Process**, **Risk Appetite Framework**, and **Policy Management Process**.

A **Risk Taxonomy** is maintained to ensure a consistent approach to risk identification, assessment and reporting across all jurisdictions in which we operate, and to determine application of the Risk Appetite Framework. The taxonomy is arranged in a hierarchy with more granular risk types grouped into the following main risk categories: Insurance Risk, Financial Risk, Operational Risk and Strategic Risk.

The Risk Taxonomy for Operational Risk includes the following sub-categories:

- Internal Fraud
- External Fraud
- People
- Business Disruption
- Systems
- Information
- Physical Security and Safety
- Third Party
- Legal and Compliance
- Project and Change
- Business Process Deficiencies

The Business is responsible for identifying and capturing risks in a risk register. Several sources may be used to support risk identification. These include:

- Internal and external insights
- Stress and scenario testing
- Risk incidents
- Risk appetite and key risk indicators
- Control testing
- Emerging risk assessments

Risk registers document key functional risks, the taxonomy allows us to identify risks that link to policies across a risk category.

Once risks have been identified the Business must assess inherent and residual risk exposure:

- **Inherent Risk Exposure** – Assumes no controls are in place but the people have experience.
- **Residual Risk Exposure** – Exposure based upon an analysis of the effectiveness of the controls in place at a point in time.

Intact Europe uses risk assessment based on residual risk, which means the risk impact and likelihood after considering existing controls, but before considering further actions.

Risks are assessed using a likelihood and impact scale to drive an overall risk intensity view (from Low – Green, to Very high – Red). The likelihood scale (Very Low to Very High) is based on a 12-month time horizon probability (<1% Probability to >50% Probability). The impact scale (Very Low to Very High) considers financial, regulatory, operational, and customer impact.

The outputs of the risk assessment process and risk responses (i.e. action plans) are reviewed and challenged by the Risk function and at the Company's ERC and BRC.

C.5.3 Material risks

There are no material operational risks that the Company is exposed to.

C.5.4 Application of the prudent person principle

The prudent person principle is not applicable to operational risk.

C.5.5 Material risk concentrations

Whilst there are many inter-dependencies between operational risks there are no material risk concentrations.

C.5.6 Risk mitigation

The operational risk management strategy is achieved through the following:

- Risk Management and Internal Controls Policy
- Intact Europe Risk Appetite Procedure
- Intact Europe Policy Management Procedure
- Intact Europe Risk Management Procedure
- Operational Risk Incident Procedure

The Risk Management and Internal Controls Policy is supported by a number of procedures and several regional policies that set out principles and expected controls. The effective operation of the controls, control testing and assurance outlined in policies helps to ensure that the company operates within risk appetite.

For risks that are outside of Target Risk Exposure, a risk response is required. The following two risk responses (treatments) are acceptable:

- **Risk mitigation** - taking action to reduce the potential impact or likelihood of a risk to target risk exposure, through the enhancement of existing controls or the design and implementation of new controls.
- **Risk monitoring** - where a risk is mitigated to target risk exposure or further risk mitigation is not possible, and no further action will be taken. The risk will be monitored to ensure sustained performance at this level of risk exposure.

Risk response action plans are reviewed and challenged at Intact Europe ERC and BRC. Action plans must include an action owner and due date(s).

Additionally, Risk Function (2nd Line) has periodic meetings with business areas (1st Line) where provide independent advice, review and challenge of the first line activities as:

- Consider the impact of internal and external factors on risk identification (new risks) and risk exposure (existing risks).
- Review key risk indicators that breach operating target or exceed tolerance to assess whether risk response is sufficient and appropriate.
- Consider the impact of control findings/issues and assurance reports on risk exposure.
- Assess risk incident trends (including operational losses and near misses) to identify any further actions needed.
- Monitor the status of action plans to identify risks to delivery and/or respond to issues.
- Consider the impact of any emerging risk reviews, scenario tests or other deep dives on risk identification and risk exposure.

C.5.7 Risk sensitivity

See Section C.7 for information on stress testing and sensitivity analysis for all categories of material risk.

C.6 Other material risks

C.6.1 Other material risks

There are no other material risks identified for the Company.

C.7 Any other information

Other risks

In addition to the risks covered above, the Company is exposed to risk arising from climate change.

Physical climate change risk manifests as heightened global catastrophe risk and is a material part of Intact Europe's risk profile. Intact Europe monitors locations of its exposures and potential for accumulation in regions susceptible to weather events, enabling pricing of risks accordingly.

Intact Europe has a proven ability to manage climate risks in its operations and continues to take actions to protect its business and customers. Risk management strategies are in place to mitigate climate risk, reducing financial impact while capturing potential opportunities.

Intact Europe's risk and operational teams regularly review the emerging risk landscape, which includes existing and emerging regulatory requirements related to climate change and ESG factors. Climate risk is then managed through the Company's operational policies and standards, categorising mitigation into pricing and selection, including product innovation, monitoring supply chains, claims and investments.

Intact Europe is committed to reducing greenhouse gas (GHG) emissions and accelerate the transition to a low GHG and resilient future.

Stress and scenario testing

Once a year, the Company performs a stress and scenario testing exercise aimed at quantifying the impact on own funds of different scenarios. The exercise is led by the Risk function with input from other functions.

The stress and scenario testing activities may cover all material risk classes to which the Company has exposure, with the purpose of evaluating the Company's vulnerabilities to exceptional but plausible events. It is an opportunity to demonstrate that solid risk management processes are in place that would allow the Company to perform under mild and extreme circumstances.

The scenarios and process to be followed for quantifying their impacts are reviewed and approved by the senior management, along with possible mitigating actions. Furthermore, the results of the exercise are reported to the Board.

In 2025, the key scenarios considered reinsurer default, windstorm event and market shock.

Intact Europe's own funds were above the capital requirements in each scenario tested.

D. Valuation for Solvency Purposes

In this section

SII Balance sheet

D.1 Assets

D.2 Technical provisions

D.3 Other liabilities

D.4 Alternative methods for valuation

D.5 Any other information

This section sets out the basis of preparation and assumptions used in the valuation under SII of the assets, technical provisions and other liabilities of the Company for each material class.

SII requires assets and liabilities to be valued on the basis that reflects their fair value (described as “economic valuation”) with the exception that liabilities should not be adjusted to take account of changes in an insurer’s own credit standing. Fair value reflects the amount that the Company would receive if an asset was sold, or would have to pay to settle a liability in an arm’s-length transaction between knowledgeable and willing parties.

The financial statements of Intact Insurance (Europe) SA have been prepared in compliance with the amended law of 8 December 1994 on financial statements with respect to insurance and reinsurance undertakings and with the significant accounting policies generally accepted within the insurance and reinsurance industry in the Grand Duchy of Luxembourg (Lux GAAP or local GAAP).

The valuation of assets and liabilities for SII purposes begins with the values from the financial statements. Adjustments are made for specific differences in valuation between Lux GAAP and SII.

For further details of the accounting policies adopted for the purposes of preparing statutory accounts, see the accounting policies section of the financial statements of the Company.

Note that with effect from 1 January 2026, the Company’s country of incorporation migrated from Luxembourg to Paris, as outlined in Section A.1.9. As a result, from that date, the Company is subject to the supervision of the ACPR and prepares its financial statements under accounting policies generally accepted within the insurance and reinsurance industry in France.

SII Balance Sheet

The table below shows the local GAAP financial statements values, compared to the SII balance sheet. The differences between the statutory account values and SII values are due to:

- Reclassifications of the local GAAP balance sheet items into the appropriate SII categories.
- Revaluation adjustments for areas where the local GAAP valuation techniques are not considered to be consistent with SII requirements.

	Financial statements note	Statutory accounts value	Solvency II value	Variance	SFCR section
		€'000	€'000	€'000	
Deferred acquisition costs	3.2.14	29,915	-	(29,915)	D.1.1.1
Deferred tax assets		-	2,163	2,163	D.1.1.2
Property, plant and equipment held for own use	3.2.3 7	1,148	4,457	3,309	D.1.1.3
Investments (other than assets held for index-linked and unit-linked contracts)	4	133,347	133,784	437	
Bonds	3.2.2	123,471	123,891	420	D.1.1.4
Collective investments undertakings	3.2.2	9,876	9,893	17	D.1.1.4
Reinsurance recoverables	3.2.7	672,184	497,886	(174,298)	D.2
Insurance and intermediaries receivables		107,045	14,827	(92,218)	D.1.1.4
Reinsurance receivables	10	30,459	15,407	(15,052)	D.1.1.4
Receivables (trade, not insurance)	10	60,947	59,337	(1,610)	D.1.1.4
Cash and cash equivalents	3.2.6	19,911	19,861	(50)	D.1.1.4
Any other assets, not elsewhere shown		23,987	565	(23,422)	D.1.1.4
Total assets		1,078,943	748,287	(330,656)	
Technical provisions	3.2.7	793,018	580,565	(212,453)	D.2
Provisions other than technical provisions		806	801	(5)	D.3.1.3
Insurance & intermediaries payables		10,024	8,221	(1,803)	D.3.1.1
Reinsurance payables	10	97,054	30,673	(66,381)	D.3.1.1
Payables (trade, not insurance)	10	8,098	10,445	2,347	D.3.1.1
Any other liabilities, not elsewhere shown		65,455	12,986	(52,469)	D.3.1.1
Total liabilities		974,455	643,691	(330,764)	
Excess of assets over liabilities		104,488	104,596	108	

D.1 Assets

D.1.1 Valuation of assets

The assets of the Company are valued in accordance with Article 75 of the SII Directive, related articles of the Delegated Act, i.e. SII Delegated Regulation 2015/35 and the guidelines issued by EIOPA on the valuation of assets and liabilities other than technical provisions.

This section describes, for each material class of assets:

- The bases, methods and main assumptions used in valuing those assets for SII purposes.
- Where relevant, details of estimation techniques, risks and uncertainties relating to these valuations.
- An explanation of any material differences in SII valuations compared to local GAAP.

There were no changes made to the recognition and valuation bases used or to estimation approaches during the period.

D.1.1.1 Deferred acquisition costs

Deferred acquisition costs (DAC) recognised in local GAAP comprises the direct and indirect costs of obtaining and processing new insurance business. DAC is valued at €nil under SII, and acquisition costs not incurred by the reporting date are included in the calculation of technical provisions.

D.1.1.2 Deferred tax assets and liabilities

The valuation method for deferred tax balances is the same under IFRS and SII, whereas under local GAAP the recognition of deferred tax balances is disallowed. Deferred tax is provided in full using the IAS 12 liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts on the SII balance sheet. Local GAAP to SII valuation adjustments are therefore considered in assessing the temporary differences upon which the deferred taxes are derived.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the related deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax losses and temporary differences can be utilised.

See Section D.1.2 for more information on deferred tax.

D.1.1.3 Property, plant and equipment

Property, plant and equipment is included in the SII balance sheet at fair value, and comprises:

- Company occupied land and buildings
- Fixtures, fittings and equipment (including computer hardware)

Under local GAAP reporting, property, plant and equipment is stated at cost, or open market valuation, less accumulated depreciation and accumulated impairment expense. Cost includes the original price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs. Tangible assets are capitalised and depreciated on a straight-line basis over their estimated useful lives.

On the SII balance sheet, property and equipment local GAAP values (depreciated cost) are assumed to approximate fair value, except in specific instances where an adjustment is deemed necessary.

Under SII, an adjustment is made to recognise lease assets in accordance with the provisions of IFRS 16, which are not recognised under local GAAP. IFRS values (amortised cost) are assumed to approximate fair value.

D.1.1.4 Financial assets

Financial assets are valued at fair value for both local GAAP and SII, except where otherwise stated. The methods and assumptions used by the Company in estimating the fair value of financial assets are:

- Debt securities and other Fixed income transferable securities are valued at historical acquisition cost for local GAAP, which includes expenses incidental to the purchase, or redemption value, taking into account the following elements:
    - A positive difference between the acquisition cost and the redemption value is written off in instalments over the duration of the holding of the security.
    - A negative difference between the acquisition cost and the redemption value is released to income in instalments over the period remaining to repayment.

  Fair value for SII is determined on a market basis by reference to underlying interest rate, foreign exchange rate, equity or commodity instrument or indices.

- Cash and deposits: local GAAP carrying amounts approximate to fair values. For SII reporting, except for cash in hand, accrued interest is added to the relevant instruments and balances, reclassified from other assets. Cash and cash equivalents include cash in hand, cash held as part of the tripartite agreement between the Company, CAA and the Company's principal banking partner to cover the policyholder liabilities and other short-term cash held within the branches.

- Receivables and other assets: local GAAP carrying amounts approximate to fair values. Premium debtors and recoveries falling due for payment after the balance sheet date are reclassified from receivables to technical provisions if within the contract boundary; else removed entirely. See Section D.2 for more details.

- Prepayments: prepaid expenses that are considered to have no future economic value are valued at €nil under SII.

Reinsurance recoverables

The sub-categories in the SII balance sheet of reinsurers' share of technical provisions mirror those of the gross balances and the same mapping of SII lines of business is to be used. See Section D.2 for more details.

D.1.2 Analysis of deferred tax

An analysis of deferred tax is detailed below:

	Asset €'000	Liability €'000
Deferred tax assets/liabilities	**2,163**	**-**

The following table sets out the deferred tax assets and liabilities recognised by the Company, split by main categories:

	€'000
Tax losses	**3,183**
Technical Provisions	**(1,207)**
Other	**187**
Net deferred tax position at 31 December	**2,163**

Of the total deferred tax asset of €2,163k recognised by the Company, €1,364k relates to a tax jurisdiction in which the Company has suffered a tax loss in either the current or preceding period.

Deferred tax assets have been recognised on the basis that management consider it probable that future taxable profits will be available against which these deferred tax assets can be utilised. The evidence for the future taxable profits is a three-year forecast based on the three-year operational plans. The operational plans are subject to internal review and challenge, by senior management and the Board.

At the end of the reporting period, the Company had the following unrecognised tax assets:

	Gross amount €'000	Tax effect €'000
Trading tax losses	61,892	15,752
Deductible temporary differences	2,718	716
Unrecognised tax assets as at 31 December	64,610	16,468

€5,231k of the gross trading tax losses relate to Luxembourg where losses can be carried forward for a maximum of seventeen years. The losses will expire on the following dates:

Gross loss €'000	Expiry date
700	31/12/2036
649	31/12/2037
263	31/12/2039
2,014	31/12/2040
1,605	31/12/2042
5,231	

Following the relocation of the Company from Luxembourg to France on 1 January 2026, the losses in Luxembourg are unlikely to be utilised.

The procedure for calculating SII deferred tax figures for the Company utilises a walkthrough bridge from the statutory account values calculated on an IFRS basis. A tax analysis is performed of valuation adjustments made to the IFRS balances to arrive at the SII balance sheet. Where these adjustments give rise to a temporary difference under IAS12, a deferred tax asset or liability is recognised in accordance with IFRS principles and SII guidance.

D.2 Technical provisions

D.2.1 Valuation and comparison of local GAAP to SII

Technical provisions are valued using the methods and assumptions described in Section D.2.2.

SII technical provisions are expected to be on a fair value basis, whereas local GAAP technical provisions are expected to be on a prudent basis. The main differences between SII technical provisions and the local GAAP equivalent are:

- Local GAAP provisions include a margin for prudence; whereas SII technical provisions include a risk margin calculated on a different basis (Article 37 of the Delegated Regulations).
- Differences in discounting. In SII all technical provision cash flows are discounted using EIOPA yield curves. In local GAAP there is no discounting.
- Inclusion of an allowance for Events Not In Data (ENIDs) in SII, covering estimates of low frequency events that are not captured in historical data sets.
- SII technical provisions are net of future premium cash flows where premium income due in the future is covered within the bound contract terms and conditions.
- For future exposures, SII considers only the best estimate of liability cash flows (allowing for reinsurance treaty renewal) and not an unearned premium reserve (as is covered in local GAAP). As a result, profit relating to future exposures (after allowance for ENIDs) will come through as a difference in the liability valuation.
- Profit allocated to Unearned Premium Reserve (UPR) under local GAAP is released in SII. This applies for all classes.
- Within SII, an allowance for the risk of reinsurer default is calculated.
- Under local GAAP the provision for salvage and subrogation is grossed up as the subrogation receivable by another insurer cannot be netted off against the salvage value. Under SII, salvage and subrogation are netted off.

The following table quantifies the differences in the SII net technical provisions and the equivalent local GAAP provisions (gross of deferred acquisition costs) for each SII line of business. The table is followed by notes explaining how the different valuation approaches set out above contribute to the differences observed for each line of business.

Amounts in €'000		SII Net Technical Provisions Best Estimate	SII Net Technical Provisions Risk Margin	Statutory Accounts Value (including Salvage and Subrogation)	Difference
Direct Business and Accepted Proportional Reinsurance	Marine, Aviation and Transport	**11,124**	**1,334**	**28,867**	**(16,409)**
	Fire and Other Damage to Property	**31,387**	**4,234**	**46,536**	**(10,915)**
	General Liability	**29,712**	**4,843**	**40,918**	**(6,363)**
	Miscellaneous financial loss	**36**	**9**	**-**	**45**
TOTAL		**72,259**	**10,420**	**116,321**	**(33,642)**

D.2.2 Basis of preparation of technical provisions

Under SII, the technical provisions are made up of:

Claims provision + Premium provision + Risk margin

The claims provision is the discounted best estimate of all future cash flows (e.g. claim payments, expenses, future premiums) relating to claim events.

The premium provision is the discounted best estimate of all future cash flows (e.g. claim payments, expenses, future premiums due) relating to future exposure arising from policies that the Company has written, or bound but not incepted, at the valuation date.

The risk margin calculation is based on the cost of capital required to hold future SCRs over the life of the technical provisions as they run off.

The valuation of the best estimate for claims provisions and for premium provisions are carried out separately. Claims and premium provisions are calculated both gross of outwards reinsurance and for outwards reinsurance. The risk margin is only calculated net of reinsurance.

D.2.2.1 Bases, methods and assumptions used for valuation

The claims provision comprises the estimated cost of claims incurred but not paid at the end of the reporting period. The provisions are calculated by valuing future cash flows (e.g. claims payments, future premiums due). The provision is determined using the best information available of claims settlement patterns, forecast inflation and estimated claims settlement amounts.

Future claims cash flows include an allowance for ENIDs.

The premium provision comprises estimated cost of future claims and associated expenses for unearned business on a best estimate basis, offset by future premiums due. The cash flows also include profit commissions and the costs of policy administration.

All expenses that would be incurred in running-off the existing business, including a share of the relevant overhead expenses are taken into account. This share is assessed on the basis that the Company continues to write new business. The expense provision includes items such as administrative expenses, investment management expenses, claims management expenses and acquisition expenses.

Future claims cash flows are generally determined by considering how past claims payments have materialised, with separate explicit cash flows determined for gross of reinsurance and net of reinsurance.

Cash flows are discounted for the time value of money using yield curves prescribed by EIOPA.

The risk margin is based on the following: determining the present value of the cost of holding the SCR necessary to support the Company's insurance obligations over their lifetime. This approach is intended to reflect the costs incurred by a notional (re)insurer, the Reference Undertaking, of holding the capital to accept a transfer of liabilities.

D.2.2.2 Significant simplified methods

For the premium provision, under the legal obligation basis of SII, all existing bound contracts are to be valued, whether the contracts have incepted or not. This includes future premium and claims cash flows for policies not yet incepted by the valuation date, but already forming part of contractual obligations (Bound But Not Incepted (BBNI) business).

For the risk margin, the future SCRs of the Reference Undertaking are estimated by considering the remaining claims at each future valuation date. As claims run off, a higher proportion of long tail claims (e.g. liability) remain which require a proportionally higher level of capital to support them. The method used reflects the proportionally increasing levels of capital required in the future. Finally, the risk margin calculation is based on historical risk margin calculated as per the above methodology.

D.2.3 Uncertainties and contingencies

There is an inherent uncertainty in estimating claims provisions at the end of the reporting period for the eventual outcome of outstanding notified claims as well as estimating the number and value of claims that are still to be notified. In particular, the estimation of the provisions for the ultimate costs of claims for liability exposures is subject to a range of uncertainties that is generally greater than those encountered for other classes of business due to the slower emergence and longer settlement period for these claims.

Other uncertainties include the possibility of future legislative change having retrospective effect on open claims; changes in claims handling and settlement procedures potentially leading to future claims payment patterns differing from historical experience; the possibility of new types of claim, such as disease claims, emerging from business written several years ago; general uncertainty in the claims environment; the emergence of latent exposures such as asbestos; the outcome of litigation on claims received; failure to recover reinsurance and unanticipated changes in claims inflation.

The Company recognises there remains macroeconomic uncertainty characterised by higher levels of inflation and elevated interest rates in many of the largest global economies. The threat and implementation of tariffs from the United States, has put further pressure on global supply chains and international trade. This persists at a time where the war in Ukraine continues, and current hostilities in the Middle East have escalated in recent weeks. Management continues to closely monitor the evolving tensions and its potential macroeconomic and financial market impacts. The potential impacts on the Company could include higher claims and repair costs and increased insurance liabilities.

These uncertainties also impact the assumed loss ratios which then bring in increased uncertainty in premium provisions as ultimate claims costs need to be estimated for future events. The ultimate level of future claims costs is largely mitigated by reinsurance.

D.2.4 Use of adjustments

The Company applies the Volatility Adjustment (VA), as referred to in Article 77d of the SII Directive. For quantification of the impact of the VA on the Company's technical provisions and capital position, see QRT S.22.01, included in Appendix 2.

D.2.5 Recoverables from reinsurance contracts and SPVs

The Company enters into reinsurance contracts which include treaty and facultative covers. The Company's treaty reinsurance is largely excess of loss protection for individual risks or from claims following catastrophe events. The Company also reinsures business on a quota share basis. At any balance sheet date, the Company will expect to recover under these treaties. See Section C.1.6 (Underwriting Risk – Risk Mitigation) for further details of the Company's reinsurance contracts and the Company SII Balance Sheet (Section D) for the reinsurance recoverables amounts.

D.2.6 Changes in assumptions

The Group routinely adjusts the assumptions underlying the calculation of technical provisions in light of emerging risks or trends in the data and any other relevant information. Whilst some assumptions have a material impact on our reported estimates of technical provisions, many of the assumptions only have a minor impact. The main changes in assumptions during 2025 were: reacting to evolving economic, weather and geopolitical uncertainty; updating our inflation trends; allowing for changes in our mix of claims; and allowing for development as per the latest experience following weather events across the UK, Europe and North America. There were no other material changes to assumptions during the year.

D.3 Other liabilities

D.3.1. Valuation of other liabilities

The liabilities of the Company are valued in accordance with Article 75 of the SII Directive, related articles of the Delegated Act, i.e. SII Delegated Regulation 2015/35 (as amended) and the guidelines issued by EIOPA on the valuation of assets and liabilities other than technical provisions.

This section describes, for each material class of liabilities (other than technical provisions):

- The bases, methods and main assumptions used in valuing those liabilities for SII purposes.
- Where relevant, details of estimation techniques, risks and uncertainties relating to these valuations.
- An explanation of any material differences in SII valuations compared to local GAAP.

There were no changes made to the recognition and valuation bases used or to estimation approaches during the period.

D.3.1.1 Financial liabilities

Financial liabilities are valued at amortised cost under local GAAP and fair value for SII balance sheet valuation purposes. The methods and assumptions used by the Company in estimating the fair value of financial liabilities are:

- Payables, other liabilities and accruals: carrying amounts approximate to fair values as they are short term liabilities

Upon subsequent measurement of financial liabilities, any changes in own credit risk are not reflected in the fair value.

Under local GAAP, debtors and payables relating to future premiums not yet due at the balance sheet date are included within insurance and reinsurance debtors and payables; however, under SII future premiums are included within SII technical provisions as future cash flows.

As per the principle of correspondence, the only insurance business to be recognised as ceded is bound business, i.e. business recognised within gross technical provisions. Reinsurance payables are adjusted for amounts that do not meet this criterion, unless the cost is sunk, in which case it must be recognised in full.

D.3.1.2 Contingent liabilities

Material contingent liabilities (those where information about the current or potential size or nature of those liabilities could influence decision-making or judgement) are recorded on the SII balance sheet and are valued at the expected present value of future cash flows to settle the obligation liability over the lifetime of that contingent liability, using the relevant risk-free interest rate term structure.

This applies to non-insurance risks only, as insurance risks are captured by the best estimate component of technical provisions.

Contingent liabilities acquired in a business combination are valued on a basis consistent with that used for local GAAP reporting.

D.3.1.3 Provisions other than technical provisions

Provisions are valued in the same way under both local GAAP and SII.

Provisions for other risks and charges are intended to cover losses or debts, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which they will arise.

D.3.2 Lease liabilities

Under SII, an adjustment is made to recognise lease liabilities under operating leases in accordance with the provisions of IFRS 16, which are not recognised under local GAAP. IFRS values are assumed to approximate fair value.

See Section A.4.2 for information on leases.

D.4 Alternative methods for valuation

Nothing to report.

D.5 Any other information

Nothing to report.

E. Capital Management

In this section

E.1 Own funds

E.2 SCR and MCR

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

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

E.5 Non-compliance with the MCR and non-compliance with the SCR

E.6 Any other information

E.1 Own Funds

E.1.1 Objectives, policies, processes and material changes

Capital management - Policies and processes for managing own funds

The primary objective of the Company's capital management function is to ensure that the business has sufficient capital to meet its obligations. This is achieved by optimising the balance between return and risk, while maintaining economic and regulatory capital in accordance with the Company's risk appetite.

The Company's Capital Policy identifies the roles and responsibility to govern, monitor and oversee capital resources, ensuring that these are within risk appetite and meet appropriate regulatory/accounting rules and guidelines. This includes the calculation, estimation and forecasting of capital resources and capital requirements such as SII Available and Eligible Own Funds and the SII SCR and MCR.

Own Funds are comprised of items on the SII Balance Sheet (Basic Own Funds) and items that may be called upon to absorb losses (off-balance sheet items referred to as AOF). The main constituent of Basic Own Funds is the excess of assets over liabilities, as valued on a SII regulatory basis.

Business planning

Consistent with the Intact UK planning protocol, the Company operates a three-year time horizon for business planning. Plans are refreshed and reviewed annually at local, regional and Intact UK executive level.

Material changes over the reporting period

No material changes to the objectives, policies or processes for managing own funds were made over the period.

E.1.2 Structure, amount and quality of own funds

Classification and eligibility of capital

The Company's own funds are classified per SII requirements as follows:

Solvency II Tier	Capital Item
Tier 1	Paid in ordinary share capital, and the related share premium Reconciliation reserve
Tier 1 Restricted	Not applicable
Tier 2	Approved Ancillary Own Funds in the form of unpaid and uncalled ordinary share capital callable on demand
Tier 3	Net deferred tax assets

Tier 1 own funds include the SII reconciliation reserve, the key elements of which are as follows:

- Excess of assets over liabilities as presented in the SII balance sheet.
- A deduction for amounts already included in Basic Own Funds, including ordinary share capital and share premium account.

Further information in relation to the derivation of the Company's own funds is provided in Section D.

Capital composition

The Company's SII balance sheet is derived from the Luxembourg GAAP balance sheet (French GAAP from 1 January 2026) by making suitable adjustments in accordance with the detailed rules specified under the SII Directive (2009/138/EC). The resultant SII Basic Own Funds are then used to derive the Company's Eligible Own Funds for assessing coverage of its SCR and MCR.

The Company's capital structure by tier as at 31 December 2025 is as per the table below.

		2025 **€'000**	2024 €'000
Tier 1 Unrestricted	Equity capital (including Share Premium)	92,913	90,797
	Reconciliation reserve	9,520	14,595
		102,433	105,392
Tier 1 Restricted	Not applicable		
Tier 2	Unpaid and uncalled ordinary share capital callable on demand	**35,000**	35,000
Tier 3	Net deferred tax assets	**2,163**	2,682
	Total Available Own Funds	**139,596**	143,074

Analysis of significant changes in own funds

During the year, the Company received a capital injection of c.€750k from its immediate parent undertaking, Intact UK. The Company also received a capital injection of €1 (one euro) from Royal International Insurance Holdings Limited, a wholly owned, non-regulated insurance subsidiary of Intact UK, domiciled in the UK. The capital injections were required to meet minimum capitalisation and shareholder requirements as set by French Company Law in order to proceed with the relocation of the Company's head office from Luxembourg to France.

The reconciliation reserve has decreased in value versus year end 2024, this is largely driven by large losses over 2025 which impacted the underwriting performance of the business.

Tier 3 capital is broadly unchanged over the year.

E.1.3 Eligible own funds to cover the SCR

Basic own funds to eligible own funds

SII requires that Basic Own Funds are first considered against availability rules, and then subjected to eligibility criteria based on both the SCR and capital structure. Eligible Own Funds are considered available to cover the SCR.

The Company's Basic Own Funds are reconciled to Eligible Own Funds below:

	Basic Own Funds €'000	Ancillary Own Funds €'000	Availability restrictions €'000	Available Own Funds €'000	Eligibility restrictions €'000	Eligible Own Funds €'000	Eligibility Capacity €'000	Eligibility rule
Tier 1	102,433	-	-	102,433	-	102,433		
Tier 1 (R)	-	-	-	-	-	-	25,608	**25% of total Tier 1**
Tier 2	-	35,000	-	35,000	-	35,000	44,192	**Tier 2 + Tier 3 up to 50% of SCR**
Tier 3	2,163	-	-	2,163	-	2,163		
Total	**104,596**	**35,000**	**-**	**139,596**	**-**	**139,596**		
					SCR	**88,383**		
					Surplus	**51,213**		
					SCR Coverage	**158%**		

Capital not available to cover the SCR

All of the Company's capital is available to meet the SCR.

Ineligible capital to cover the SCR

The Delegated Act (SII Delegated Regulation 2015/35 - as amended) requires that limits are imposed upon the eligible amounts of restricted Tier 1, Tier 2 and Tier 3 capital, according to the calculation of the SCR:

- Eligible Tier 1 items shall be at least 50% of the SCR.
- Eligible Tier 3 items shall be less than 15% of the SCR.
- The sum of eligible Tier 2 and eligible Tier 3 items shall be no more than 50% of the SCR.

E.1.4 Eligible own funds to cover the MCR

SII requires that Basic Own Funds are first considered against availability rules and then subjected to eligibility criteria based on both the MCR and capital structure. Eligible Own Funds are considered available to cover the MCR.

	Basic Own Funds €'000	Ancillary Own Funds €'000	Availability restrictions €'000	Available Own Funds €'000	Eligibility restrictions €'000	Eligible Own Funds €'000	Eligibility Capacity €'000	Eligibility rule
Tier 1	102,433	-	-	102,433	-	102,433		
Tier 1 (R)	-		-	-	-	-	25,608	**25% of total Tier 1**
Tier 2	-	35,000	(35,000)	-	-	-	4,419	**Tier 2 up to 20% of SCR**
Tier 3	2,163	-	(2,613)	-	-	-		
Total	**104,596**	**35,000**	**(37,613)**	**102,433**	**-**	**102,433**		

MCR	**22,096**
Surplus	**80,337**
MCR Coverage	**464%**

Refer to Section E.2.7 for further information.

Capital not available to cover the MCR

Ancillary Own Funds items do not form a part of Basic Own Funds and therefore cannot form a part of available own funds to meet the MCR. Tier 3 items are not available to cover the MCR.

Total eligible own funds to meet the MCR

The Delegated Act requires that limits are imposed upon the eligible amounts of Restricted Tier 1, Tier 2 and Tier 3 capital, according to the calculation of the MCR:

- Eligible Tier 1 items shall be at least 80% of the MCR.
- Eligible Tier 2 items shall be no more than 20% of the MCR.
- Any restricted Tier 1 items shall represent no more than 20% of the total amount of Tier 1 items. Items exceeding this limit are reclassified to Tier 2.

E.1.5 Differences between equity and net assets

Comparison between local GAAP net equity and SII Basic Own Funds

The comparison between the Company's local GAAP net equity and its Basic Own Funds (excess of assets over liabilities as calculated for solvency purposes) is set out in Section D, with valuation of assets, technical provisions and other liabilities on a SII basis set out in Section D.1, D.2 and D.3 respectively.

	€'000
Excess of assets over liabilities (see Section D)	**104,596**
Own shares (held directly and indirectly)	**-**
Foreseeable dividends, distributions and charges	**-**
Other non-available own funds items	**-**
	104,596
Subordinated debt	**-**
SII Basic Own Funds	**104,596**

Foreseeable dividends

The Company did not pay a dividend during the period being reported on and the directors do not recommend that a dividend should be paid.

E.1.6 Transitional arrangements

The Company has no own funds items which are subject to transitional arrangements.

E.1.7 Ancillary Own Funds

On 29 August 2018 and following receipt of approval from the CAA, the Company executed an Ancillary Own Funds transaction within the meaning of the SII Directive (2009/138/EC). This took the form of issued but unpaid share capital callable on demand and the counterparty was Intact UK.

This AOF facility remained available to the Company throughout the 2025 financial year and had the effect of increasing the Company's Available Own Funds under SII by €35m. These shares represent an off-balance sheet arrangement.

With effect from 1 January 2026, the €35m AOF item was approved for use by the ACPR as part of the relocation of the Company's head office from Luxembourg to France.

The Ancillary Own Funds represent Tier 2 capital and are subject to eligibility rules in terms of SCR coverage. They are not available for use against the Company's MCR.

E.1.8 Deductions and restrictions

See Sections E.1.3 and E.1.4 for a description of the nature and amount of restrictions on Own Funds, including the availability and eligibility of deferred tax assets.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR

The Company has elected to use the Standard Formula to calculate its SCR. The Company's SCR and MCR at 31 December 2025 are as follows:

	SCR	MCR
	€'000	€'000
Total	**88,383**	**22,096**

E.2.2 SCR split by risk

The aggregate SCR split by Standard Formula risk modules is provided in Appendix 2 - QRT S.25.01.21.

E.2.3 Standard formula simplifications

Standard Formula simplifications are not used.

E.2.4 Standard formula undertaking specific parameters

Standard Formula undertaking specific parameters (USPs) are not used.

E.2.5 Capital add-on and undertaking specific parameters non-disclosure

No capital add-ons were in place during the reporting period. USPs are not utilised.

E.2.6 Capital add-on and undertaking specific parameters impact

No capital add-ons were in place during the reporting period. USPs are not utilised.

E.2.7 MCR calculation inputs

The SII MCR is the lower threshold on the "ladder of regulatory intervention" and was originally calibrated to provide an 85% probability of capital adequacy over the one-year horizon. Bounded between 25% and 45% of the latest calculated SCR it represents the absolute minimum capital required under the SII Directive.

Capital eligibility for the MCR is restricted beyond the restrictions applied to the SCR, see Section E.1.4.

The principal inputs to the MCR calculation are net technical provisions and net written premiums by SII line of business.

E.2.8 Movements in the SCR and MCR

E.2.8.1 Movements in the SCR

The SCR has decreased over 2025 predominantly driven by a reduction in counterparty default risk due to a reduction in debtors which have been due for more than 3 months, and reduction in reinsurance recoverables, partially offset set by an increase in market risk.

E.2.8.2 Movements in the MCR

The movement in MCR over the year is driven by the reduction in the SCR given that the Company's MCR is bound by the 25% limit described in Section E.2.7 above.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The duration-based equity risk sub-module is not used.

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

The Company has elected to use the Standard Formula to calculate its SCR.

E.5 Non-compliance with the MCR and non-compliance with the SCR

Intact Europe has been fully compliant with the SCR and the MCR during the reporting period.

E.6 Any other information

Nothing to report.

Appendix 1. Abbreviations and Terms used in this Report

Abbreviation	Description
ACPR	Autorité de contrôle prudentiel et de résolution
AML	Anti Money Laundering
AOF	Ancillary Own Funds
BBNI	Bound But Not Incepted
BRC	Board Risk Committee
The Board	The Board of Directors of Intact Insurance (Europe) SA
The Board of Directors	The Board of Directors of Intact Insurance (Europe) SA
CAA	Commissariat aux Assurances
CAS	Corporate Audit Services
CAT	Catastrophe
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRO	Chief Risk Officer
the Company	Intact Insurance (Europe) SA
C&E	Construction & Engineering
DA	Dirigeant Agréé
DAC	Deferred Acquisition Costs
DAF	Delegated Authority Framework
DORA	Digital Operational Resilience Act
EIOPA	European Insurance and Occupational Pensions Authority
ELT	Executive Leadership Team
ENIDs	Events Not In Data
EPIFP	Expected Profit in Future Premiums
ERC	Enterprise Risk Committee
ERM	Enterprise Risk Management

Abbreviation	Description
ESG	Economic, Social and Governance
EU	European Union
FCA	Financial Conduct Authority
French GAAP	French Generally Accepted Accounting Principles
GHG	Greenhouse Gas
the Group	The Group headed by Intact Financial Corporation
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFC	Intact Financial Corporation
IFRS	International Financial Reporting Standards
Intact	Intact Financial Corporation Group of Companies
Intact Europe	Intact Insurance (Europe) SA
Intact UK	Intact Insurance UK Limited
IOCR	Insurance Operations Credit Risk
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
LCO	Legal and Compliance Officer
Lux GAAP	Luxembourg Generally Accepted Accounting Principles
MCR	Minimum Capital Requirement
MD	Managing Director
MSA	Master Services Agreement
NED	Non-Executive Director
OpCo	Operating Committee
ORSA	Own Risk and Solvency Assessment
PRA	Prudential Regulation Authority
the Parent	Intact Insurance UK Limited
QA	Quality Assurance
QRT	Quantitative Reporting Template
RAS	Risk Appetite Statement
RMS	Risk Management System

Abbreviation	Description
SAST	Stress & Scenario Testing
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SII	Solvency II
SPV	A distinct legal company used to transfer financial or underwriting risk
UK&I	UK & International
UPR	Unearned Premium Reserve
USPs	Undertaking Specific Parameters
VA	Volatility Adjustment

The terms financial statement, balance sheet and profit and loss account used in this report refer to information presented in the Annual Reports and Accounts of the Company.

Appendix 2. Quantitative Reporting Templates (QRTs)

The Company is required to disclose the following templates as set out in the Commission Implementing Regulation (EU) 2023/894 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC of the European Parliament and the Council with regard to the templates for the submission by insurance and reinsurance undertakings to their supervisory authorities of information necessary for their supervision and repealing Implementing Regulation (EU) 2015/2450.

Template Code	Template Name
S.02.01.02	Balance sheet
S.04.05.21	Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
S.05.01.02	Premiums, claims and expenses by line of business
S.17.01.02	Non-life Technical Provisions
S.19.01.21	Non-life insurance claims
S.22.01.21	Impact of long-term guarantees and transitional measures
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement - only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	2,163
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	4,457
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	133,784
R0080	*Property (other than for own use)*	
R0090	*Holdings in related undertakings, including participations*	
R0100	*Equities*	
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	123,891
R0140	*Government Bonds*	42,779
R0150	*Corporate Bonds*	81,112
R0160	*Structured notes*	
R0170	*Collateralised securities*	
R0180	*Collective Investments Undertakings*	9,893
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	
R0210	*Other investments*	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	497,886
R0280	*Non-life and health similar to non-life*	497,886
R0290	*Non-life excluding health*	497,886
R0300	*Health similar to non-life*	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	14,827
R0370	Reinsurance receivables	15,407
R0380	Receivables (trade, not insurance)	59,337
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	19,861
R0420	Any other assets, not elsewhere shown	565
R0500	**Total assets**	748,286

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	580,565
R0520	*Technical provisions - non-life (excluding health)*	580,565
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	570,146
R0550	*Risk margin*	10,419
R0560	*Technical provisions - health (similar to non-life)*	
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	
R0590	*Risk margin*	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	
R0610	*Technical provisions - health (similar to life)*	
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	801
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	196
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	8,221
R0830	Reinsurance payables	30,673
R0840	Payables (trade, not insurance)	10,445
R0850	Subordinated liabilities	
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	
R0880	Any other liabilities, not elsewhere shown	12,790
R0900	**Total liabilities**	643,689
R1000	**Excess of assets over liabilities**	104,596

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

R0010		Home Country	Top 5 countries (by amount of gross premiums written): non-life				
			FR	ES	GB	NL	BE
		C0010	C0020	C0021	C0022	C0023	C0024
	Premiums written (gross)						
R0020	*Gross Written Premium (direct)*	1,075,062.01	103,228,244.56	85,450,632.52	14,460,163.00	77,403,297.54	49,721,886.82
R0021	*Gross Written Premium (proportional reinsurance)*	0.01	0.00	0.01	68,542,134.75	0.01	0.01
R0022	*Gross Written Premium (non-proportional reinsurance)*	0.01	0.00	0.01	0.00	0.01	0.01
	Premiums earned (gross)						
R0030	*Gross Earned Premium (direct)*	2,141,151.01	105,246,402.00	84,655,309.07	14,089,213.00	70,947,684.38	45,288,518.01
R0031	*Gross Earned Premium (proportional reinsurance)*	0.01	0.00	0.01	70,105,943.07	0.01	0.01
R0032	*Gross Earned Premium (non-proportional reinsurance)*	0.01	0.00	0.01	0.00	0.01	0.01
	Claims incurred (gross)						
R0040	*Claims incurred (direct)*	311,106.22	28,845,224.95	24,399,324.04	22,128,334.52	38,400,622.66	25,880,437.27
R0041	*Claims incurred (proportional reinsurance)*	0.01	0.00	0.01	29,207,293.45	0.01	0.01
R0042	*Claims incurred (non-proportional reinsurance)*	0.01	0.00	0.01	0.00	0.01	0.01
	Expenses incurred (gross)						
R0050	*Gross Expenses Incurred (direct)*	175,803.38	19,476,588.71	22,241,482.43	10,429,731.58	17,595,714.09	18,434,284.78
R0051	*Gross Expenses Incurred (proportional reinsurance)*	0.01	0.00	0.01	9,269,371.33	0.01	0.01
R0052	*Gross Expenses Incurred (non-proportional reinsurance)*	0.01	0.00	0.01	0.00	0.01	0.01

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						109,571	211,501	98,282				833					420,187
R0120	Gross - Proportional reinsurance accepted						5,009	54,514	9,019									68,542
R0130	Gross - Non-proportional reinsurance accepted																	
R0140	Reinsurers' share						98,781	238,972	95,008				794					433,555
R0200	Net						15,799	27,043	12,294				39					55,174
	Premiums earned																	
R0210	Gross - Direct Business						106,395	208,582	100,436				786					416,198
R0220	Gross - Proportional reinsurance accepted						5,426	55,867	8,814									70,106
R0230	Gross - Non-proportional reinsurance accepted																	
R0240	Reinsurers' share						96,741	236,965	97,121				747					431,574
R0300	Net						15,079	27,483	12,128				39					54,730
	Claims incurred																	
R0310	Gross - Direct Business						55,454	72,325	54,233				99					182,111
R0320	Gross - Proportional reinsurance accepted						4,639	15,694	8,874									29,207
R0330	Gross - Non-proportional reinsurance accepted																	
R0340	Reinsurers' share						50,090	74,506	55,220				97					179,913
R0400	Net						10,004	13,513	7,887				2					31,406
R0550	**Expenses incurred**						10,255	10,920	4,880				7					26,062
R1210	**Balance - other technical expenses/income**																	-7,725
R1300	**Total technical expenses**																	18,337

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						-1,001	1,931	751				177					1,858
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						1,530	6,610	4,859				141					13,140
R0150	**Net Best Estimate of Premium Provisions**						-2,532	-4,679	-4,108				36					-11,282
	Claims provisions																	
R0160	Gross						98,011	249,285	220,938				52					568,287
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						84,356	213,219	187,118				52					484,746
R0250	**Net Best Estimate of Claims Provisions**						13,655	36,066	33,820				0					83,541
R0260	**Total best estimate - gross**						97,010	251,217	221,689				229					570,146
R0270	**Total best estimate - net**						11,124	31,387	29,712				36					72,259
R0280	**Risk margin**						1,334	4,234	4,843				9					10,419
R0320	**Technical provisions - total**						98,344	255,450	226,532				238					580,565
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						85,886	219,829	191,977				193					497,886
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						12,458	35,621	34,555				45					82,678

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											6,433	6,433	6,433
R0160	-9	30,118	91,603	47,053	14,302	8,222	9,569	3,181	800	2,856	3,609		3,609	211,312
R0170	-8	60,012	117,430	71,760	28,460	10,526	11,244	1,769	22,066	4,635			4,635	327,902
R0180	-7	46,012	155,892	51,061	21,223	7,743	10,790	15,776	7,364				7,364	315,862
R0190	-6	46,235	83,587	38,243	20,445	13,873	4,117	6,531					6,531	213,031
R0200	-5	26,961	74,852	23,162	34,033	17,375	34,732						34,732	211,115
R0210	-4	30,666	56,006	32,424	24,315	16,516							16,516	159,927
R0220	-3	25,648	67,795	44,857	18,560								18,560	156,860
R0230	-2	30,277	254,577	50,700									50,700	335,554
R0240	-1	17,608	60,445										60,445	78,054
R0250	0	19,620											19,620	19,620
R0260												Total	229,146	2,035,670

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											22,120	21,136
R0160	-9	156,408	92,007	32,587	20,932	13,826	6,757	6,825	8,239	7,990	4,115		3,900
R0170	-8	186,084	159,636	48,703	27,592	19,146	20,749	16,782	15,959	13,306			12,623
R0180	-7	200,170	126,563	59,811	41,025	42,408	39,064	35,921	24,888				23,645
R0190	-6	146,260	137,461	62,512	53,549	34,609	26,182	20,371					19,380
R0200	-5	173,254	140,511	84,728	71,085	59,021	28,350						26,922
R0210	-4	178,965	98,911	74,009	48,980	30,985							29,479
R0220	-3	167,178	137,578	75,055	54,176								51,839
R0230	-2	358,698	106,792	85,098									81,362
R0240	-1	204,773	130,832										125,961
R0250	0	179,002											172,041
R0260												Total	568,287

S.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
R0010	Technical provisions	580,565	0	0	2,094	0
R0020	Basic own funds	104,597	0	0	-359	0
R0050	Eligible own funds to meet Solvency Capital Requirement	139,597	0	0	-359	0
R0090	Solvency Capital Requirement	88,383	0	0	0	0
R0100	Eligible own funds to meet Minimum Capital Requirement	102,435	0	0	-434	0
R0110	Minimum Capital Requirement	22,096	0	0	0	0

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	800	800			
R0030	Share premium account related to ordinary share capital	92,113	92,113			
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings					
R0050	Subordinated mutual member accounts					
R0070	Surplus funds					
R0090	Preference shares					
R0110	Share premium account related to preference shares					
R0130	Reconciliation reserve	9,522	9,522			
R0140	Subordinated liabilities					
R0160	An amount equal to the value of net deferred tax assets	2,163				2,163
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above					
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0230	**Deductions for participations in financial and credit institutions**					
R0290	**Total basic own funds after deductions**	104,597	102,435			2,163
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand					
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand					
R0320	Unpaid and uncalled preference shares callable on demand					
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand					
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC					
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC					
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC					
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC					
R0390	Other ancillary own funds	35,000			35,000	
R0400	**Total ancillary own funds**	35,000			35,000	
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	139,597	102,435		35,000	2,163
R0510	Total available own funds to meet the MCR	102,435	102,435			
R0540	Total eligible own funds to meet the SCR	139,597	102,435		35,000	2,163
R0550	Total eligible own funds to meet the MCR	102,435	102,435			
R0580	**SCR**	88,383				
R0600	**MCR**	22,096				
R0620	**Ratio of Eligible own funds to SCR**	157.95%				
R0640	**Ratio of Eligible own funds to MCR**	463.59%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	104,597				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	95,076				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds					
R0760	**Reconciliation reserve**	9,522				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	18,430				
R0790	**Total Expected profits included in future premiums (EPIFP)**	18,430				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	10,179		
R0020	Counterparty default risk	41,137		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	36,967		
R0060	Diversification	-17,004		
R0070	Intangible asset risk			
R0100	**Basic Solvency Capital Requirement**	71,279		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	17,104
R0140	Loss-absorbing capacity of technical provisions	
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
R0200	**Solvency Capital Requirement excluding capital add-on**	88,383
R0210	Capital add-ons already set	
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	
R0220	**Solvency capital requirement**	88,383

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	88,383
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	

	Approach to tax rate	Yes/No
		C0109
R0590	Approach based on average tax rate	

	Calculation of loss absorbing capacity of deferred taxes	**LAC DT**
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	
R0660	LAC DT justified by reference to probable future taxable economic profit	
R0670	LAC DT justified by carry back, current year	
R0680	LAC DT justified by carry back, future years	
R0690	Maximum LAC DT	

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	13,018

		Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance		
R0030	Income protection insurance and proportional reinsurance		
R0040	Workers' compensation insurance and proportional reinsurance		
R0050	Motor vehicle liability insurance and proportional reinsurance		
R0060	Other motor insurance and proportional reinsurance		
R0070	Marine, aviation and transport insurance and proportional reinsurance	11,124	15,799
R0080	Fire and other damage to property insurance and proportional reinsurance	31,387	27,043
R0090	General liability insurance and proportional reinsurance	29,712	12,294
R0100	Credit and suretyship insurance and proportional reinsurance		
R0110	Legal expenses insurance and proportional reinsurance		
R0120	Assistance and proportional reinsurance		
R0130	Miscellaneous financial loss insurance and proportional reinsurance	36	39
R0140	Non-proportional health reinsurance		
R0150	Non-proportional casualty reinsurance		
R0160	Non-proportional marine, aviation and transport reinsurance		
R0170	Non-proportional property reinsurance		

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	

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

	Overall MCR calculation	C0070
R0300	Linear MCR	13,018
R0310	SCR	88,383
R0320	MCR cap	39,773
R0330	MCR floor	22,096
R0340	Combined MCR	22,096
R0350	Absolute floor of the MCR	4,000
R0400	**Minimum Capital Requirement**	22,096