

## Solvency and Financial Condition Report ("SFCR")

EMANI continues to believe that an efficient Corporate Governance is extremely useful and effective in stimulating the use of best governance practices as recorded in the Solvency and Financial Condition Report ("SFCR"). Yearly, The Executive Committee and the Board of Directors are issuing a statement to the public that the Mutual has complied with, and will continue to comply with, Corporate Governance Code that contains both nationally and internationally recognised standards of good and responsible enterprise management.

The SFCR covers the Business and Performance of EMANI and the Swiss Branch, its system of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. EMANI is always required to hold sufficient assets to match its liabilities while at the same time be committed to high governance standards. A primary responsibility of the Board is to ensure that eligible capital is adequate to cover the required solvency for the nature and scale of the business.

01/04/2025

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## Summary

### *a) Business and performance*

The Association is incorporated under the name “EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE”. It may also use the shortened name “EMANI”. The registered office is in 1140 Brussels, Avenue Jules Bordet, 166 b 4. In 2013, EMANI opened a Swiss branch as required by the Swiss Regulator FINMA. EMANI’s activities in Switzerland are allowed via the EMANI Swiss Branch which was registered in the Commercial Register of the Canton Zug in 07/06/2013 under the number CH 170.9.001.579- 1 and received its license from the Swiss regulator FINMA on 30/09/2014.

At 31 December 2024, the actual Gross Contribution (before rebates and brokerage) was recorded at € 58.371.161, compared to € 50.004.839 in Q4 2023. The Net Premiums Earned for 2024 also increased to € 30.584.852 from € 28.283.013, despite the increased Reinsurance Costs of € 4.718.763. The actual financial result at 31 December 2024 is a profit of € 4.429.143 which represents only the realized gains. In the absence of any major claims, the net result for 2024 was budgeted at € 16.760.003 compares to the actual result at 31 December 2024 of € 17.541.095.

The Solvency II result of 162.88% is higher at the end of 2024 than the previous year's result of just 157.86% and also higher than the Board’s target of minimum 125%.

### *b) system of governance*

The structure of EMANI is organized around the Board of Directors (BoD) and the Executive Committee (MC). The BoD has established two specialized advisory committees, namely the Audit Committee and the Risk Committee.

Operational management is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis within the first line of defence. EMANI has also established four independent control functions (Internal Audit, Compliance, Risk Management and Actuarial), which form the 2nd and 3rd of its “three lines of defence” organization.

EMANI has established the Risk Policy Framework (RPF), which is a set of policies, standards and guide-lines overarching our risk management system. The Own Risk and Solvency Assessment (ORSA) is a set of processes that assess the overall solvency requirements over the planning horizon. The ORSA report based on the figures for the fourth quarter of the previous year and is reported to BoD and the NBB every year.

### *c) Risk profile*

The resulting risk profile provides an overview of how risks are distributed over different categories and determines the regulatory capital requirements in accordance with SII and the Standard SII formula.

The risk log identifies EMANI’s key risks. The management then crosschecks the type of risk with existing control measures to see how they are currently mitigated. This exercise is performed at the end of each year and in preparation for the year to come. In order to quantify

each individual risk, EMANI combines two parameters which are the probability of occurrence and the (financial) loss impact.

There are and the end of 2024, 47 material risks identified for 9 categories of risks, which are monitored on a daily basis. Major risks are submitted to stress-testing to test their resilience and ensure smooth recovery.

#### ***d) Valuation for solvency purposes***

EMANI's assets and liabilities are presented and reconciled on a Market Value Balance Sheet (MVBS) and local Belgian Generally Accepted Accounting Principles (BeGAAP) basis.

Total SII-assets at the end of 2024 amounted to EUR 543,50 M on an MVBS basis. Assets have been invested in alignment with the prudent person principle.

Total Capital requirements at the end of 2024 amounted to EUR 333,67 M on an MVBS basis, of which Technical Provisions (TP) constituted EUR 57,28 M.

#### ***e) Capital management***

EMANI's own funds are composed of basic own funds and the possibility call for supplementary contribution of its Members. The supplementary members calls are considered to be ancillary own funds and thus are restricted to 50% of the SCR.

The SII own funds are composed of 70% of Tier 1 unrestricted. The rest of the own funds is classified as ancillary Tier 2. EMANI asks yearly approval for the supplementary members calls and complies with the National Bank of Belgium (NBB) regulatory requirements.

The Minimum Capital Requirement (MCR) ratio stands at 451,54 % and the SCR ratio at 162,88%.

## 1. Business and performance

This Association has legal personality by virtue of Article 146 of the Belgian Act of June 25th 1992 on terrestrial insurance contracts. (Moniteur Belge, 20th August 1992).

The Association is incorporated under the name “EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE”. It may also use the shortened name “EMANI”. The registered office is in 1140 Brussels, Avenue Jules Bordet, 166 b 4.

EMANI has several identification numbers as a legal moral person. The most important are:

- Company number 418.660.710
- VAT number BE 0418.660.710
- NACEBEL code 65121
- Legal Entity Identifier 549300TBCFE2I7S0DI08

In 2013, EMANI opened a Swiss branch as required by the Swiss Regulator FINMA. EMANI's activities in Switzerland are allowed via the EMANI Swiss Branch which was registered in the Commercial Register of the Canton Zug in 07/06/2013 under the number CH 170.9.001.579-1 and received its license from the Swiss regulator FINMA on 30/09/2014. The Swiss branch is not a separate legal company from its parent and therefore EMANI carries full liability for the branches operations.

In Belgium, the supervision of insurance companies is primarily handled by the National Bank of Belgium (NBB), Boulevard de Berlaimont 14, 1000 Brussels, Belgium. Specific areas of supervision are also handled by the Financial Services and Markets Authority (FSMA), Rue du Congrès 12-14, 1000 Brussels. The Swiss Financial Market Supervisory Authority (FINMA) with address Laupenstrasse 27. CH-3003 Bern, oversees our Branch operating in Switzerland.

The accounts of the Association are audited by a recognised Statutory Auditor in agreement with the Belgian authority. The Statutory Auditor and his remuneration are to be appointed by the AGM for a period of at least three years. Currently the mandate has been given to KPMG, Luchthaven Brussel Nationaal 1K. 1930 Zaventem.

The object of the Association is to indemnify its Insured Members against material damages and business interruption due to fire, nuclear risks and natural forces (insurance class 8) and other damage to property (insurance class 9) to their nuclear installations and associated real-estate and movables adjacent to these installations. EMANI still has a license to insure third-party liability (insurance class 13) but the license is currently dormant.

To this end the Association may participate in promoting and carrying out any study or activity directly related to the objects mentioned above. The activities of the Association cover Belgium as well as any other country in which the Association has Members and/or where these Members have their activities. The Association may engage in insurance, in co-insurance and reinsurance within the scope of its objects as established by the Articles of Association. The Association shall not have a profit motive and shall not be allowed to make a profit.

### Role of EMANI

- ✓ help Members to get the insurance cover they need for their nuclear operations.
- ✓ offer alternative capacity on mutual basis outside the pooling system.

- ✓ reduce cost of insurance of Members
- ✓ provide supplementary insurance capacity based on its own funds and reinsurance.

The objectives of EMANI are the followings:

- ✓ retain surpluses in the mutual in order to strengthen the mutual's funds.
- ✓ allocate the capacity to the EMANI programs.
- ✓ participate in underwriting of insurance and reinsurance of EMANI members.
- ✓ prudent investment policy in order to maintain the mutual's funds.

#### ***a) Underwriting & financial performance***

EMANI is a Mutual Insurance Association which offers cover for a wide range of insurance risks relating to nuclear power stations and other companies in the nuclear industry. At present, EMANI offers cover for its Members in Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Hungary, Italy, Romania, The Netherlands, Slovak Republic, South-Africa, Sweden, United Kingdom and USA. For the Swiss Members, cover is provided by the Branch in Switzerland.

The capacity provided by EMANI is independent of that provided by the various nuclear pools. EMANI's current portfolio is principally based on property damage cover (Lines of Business 8: fire and other damages), but our underwriting team is always looking for new ways to support the needs of our Members.

EMANI purchases reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate. The Reinsurance Panel is well diversified and of good quality.

At 31 December 2024, the actual Gross Contribution (before rebates and brokerage) was recorded at € 58.371.161, compared to € 50.004.839 in Q4 2023. The Net Premiums Earned for 2024 also increased to € 30.584.852 from € 28.283.013, despite the increased Reinsurance Costs of € 4.718.763.

The actual claim costs at 31 December 2024 amount to € 11.610.120 net of foreign exchange differences. Furthermore, EMANI opened 7 precautionary 2024 claim reserves, but also prior year claims settled lower than provisioned.

The actual 2024 operating expenses including taxes (see income statement number 3,7b and 15) are € 5.744.730 compared to € 5.415.642 in 2023.

The actual financial result at 31 December 2024 is a profit of € 4.429.143 which represents only the realized gains (see income statement : number 2bis minus number 7bis).

In the absence of any major claims, the net result for 2024 was budgeted at € 16.760.003 compares to the actual result at 31 December 2024 of € 17.541.095.

The table below shows an overview of the performance at 31 December 2024.

**INCOME STATEMENT AS OF 31 DECEMBER 2024**  
(Currency - Euro)

		<b>31 December 2024</b>
<b>1. Earned premiums net of reinsurance</b>		
a) Gross premiums		57.088.268,93
• Premiums written	58.371.161,19	
• Rebates to members	-1.282.892,26	
b) Reinsurance premiums		-24.807.539,02
c) Variation of the reserve for unearned premiums and unexpired risks.		-1.971.439,74
d) Variation of the reserve for unearned premiums and unexpired risks.		275.562,00
		<b>30.584.852,17</b>
<b>2bis. Investment income</b>		
b) Income from other investments		1.256.619,44
c) Write-back of adjustments on investments		623.204,62
d) Realized capital gains		3.429.671,70
		<b>5.309.495,76</b>
<b>3. Other technical income net of reinsurance</b>		96.966,28
		<b>96.966,28</b>
<b>4. Costs of claims. net of reinsurance (-)</b>		
a) Net amount paid		-835.034,13
aa) gross amount	-5.904.630,73	
bb) part of reinsurers	5.069.596,60	
b) Variation of the claims services reserve net of reinsurance		-10.775.085,58
aa) variation of the reserve for claims gross of reinsurance (incr. -, decr. +)	-8.914.659,09	
bb) variation of the reserve for claims part of reinsurance (incr. +, decr. -)	-1.860.426,49	
		<b>-11.610.119,71</b>
<b>6. Cost of refund of contribution. net of reinsurance (-)</b>		
a) Net amount paid		0,00
b) Variation of the refunds reserve. net of reinsurance (incr - decr +)		0,00
		<b>0,00</b>
<b>7. Net operating expenses (-)</b>		
a) Acquisition expenses		-199.255,58
b) Administrative expenses		-5.760.490,85
		<b>-5.959.746,43</b>
<b>7bis. Expenses relating to investments (-)</b>		
a) Expenses for managing investments		-755.574,26
b) Adjustments to investment values		0,00
c) Realized less values		-124.778,95
		<b>-880.353,21</b>
<b>8. Other re-insurance charges</b>		<b>0,00</b>
<b>SURPLUS / (DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR</b>		<b>17.541.094,86</b>
<b>9. Variation in the reserve for equalisation and catastrophies. net of reinsurance</b>		<b>-12.727.799,48</b>
<b>Surplus / (Deficit)</b>		<b>4.813.295,38</b>
<b>15. Impots</b>		<b>-81.205,85</b>
<b>Surplus / (deficit) of the period available for distribution</b>		<b>4.732.089,53</b>

**b) subsequent event**

The mutual received new information subsequent the closing of the year in relation to further developments on the outstanding claim reserves which could lead to an increase in the claims reserves but without material impact..



Further no significant event has occurred subsequent the closing of the Financial Statements at 31 December 2024 and to this date that could compromise the financial position or liquidity of EMANI.

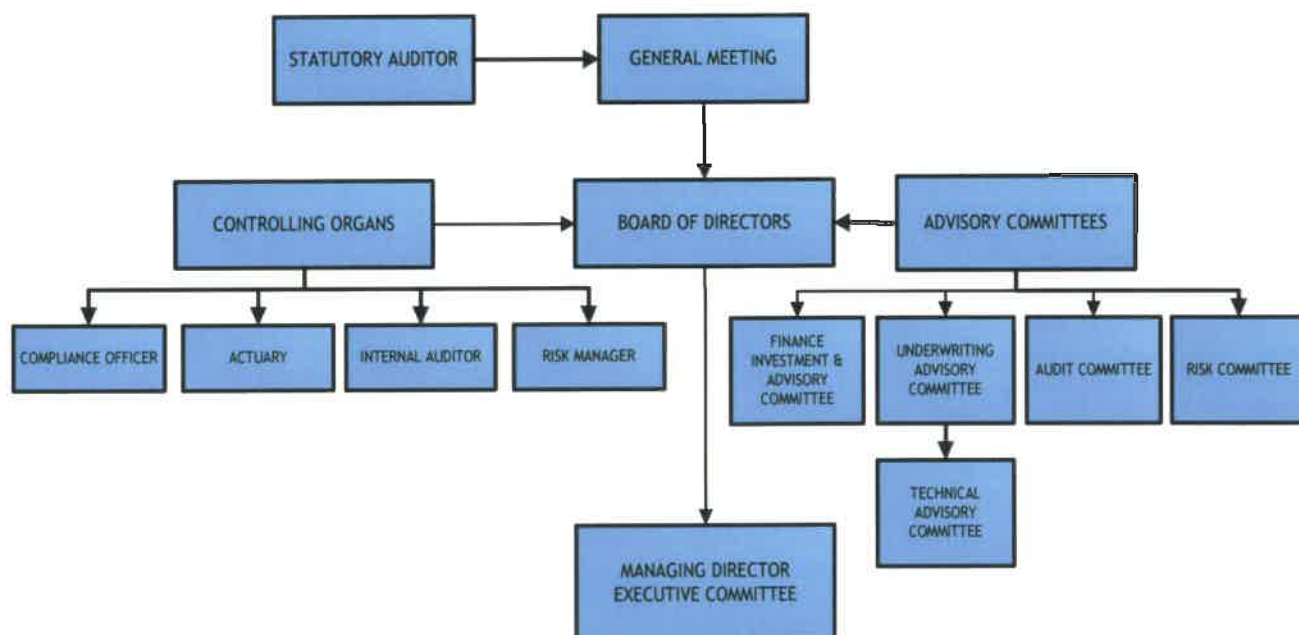
In respect of the Russia's war on Ukraine and the armed Israeli-Palestinian conflict we also have no direct exposure.

As to regards of the assets, EMANI closely monitors the financial situation of its investment portfolio. EMANI always provides a margin to absorb exceptional shocks. Further the financial strength of our members remains sufficient to ensure the call for additional funds of the Members embedded in the Mutual's Articles of Association.

We therefore do not foresee any complications over the next 12 months on the liabilities side of our balance sheet nor on the premium income.

## 2. Management structure, remuneration and Membership

### 2.1 Management structure



#### ***a) Board of Directors (composition, duties)***

The General Meeting nominates the Board of Directors for a three-year period but can dismiss them at any given time. On completion of their three years period of office, Directors shall be eligible for re-appointment.

EMANI is responsible to select and maintain competent and professional reliable persons for the functions within the Board. The (re)nomination of members of the Board of Directors is therefore subject to prior written approval by the Belgian supervisor who assesses the candidates in accordance with the principles included in the circular on Fit & Proper requirements. The Board is responsible to install an appropriate recruitment-, evaluation- and education policy and will therefore perform an assessment of the candidate on fit- and properness at the moment of selection. The NBB will receive a copy of the fit and proper assessment.

The composition of the Board will be balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments. The validation process is therefore also in line with the fit & proper expectations of the NBB. To protect the interest of the Association, every Director is requested to sign a confidentiality agreement.

The Board of Directors is a management body who jointly oversees the activities of the Association and decides on the Risk Appetite of EMANI. The Board of Directors has following main tasks in accordance with article 44 and 77 of the Solvency Law:

a) Determining the general company strategy, risk policy and integrity policy in accordance with Article 44 of the Solvency II Law.

As regards the company's strategy and objectives, the Board of Directors determine and validate:

- EMANI objectives
- the organisational structure and internal control structure
- the governance system supported by the Fit & Proper policy, the remuneration principles, the outsourcing policy, the IT security and continuity plan as well as the policies of the independent control functions,
- reporting intended for the public particularly the Solvency and Financial Condition Report.

As regards the risk policy, the Board of Directors specifically:

- determine the risk appetite and general risk tolerance limits.
- approve the general risk management policy such as the policy relating to the management of underwriting and reserve risk, capital management policy, the investment policy, the liquidity policy, the operational risk policy, the ORSA policy.
- be the first line as regards risk-based strategic decisions and be closely involved in the ongoing supervision of the development of the risk profile.
- approve the Regular Supervisory Report (RSR) and the Own Risk and Solvency Assessment (ORSA).

Finally, the Board of Directors also approve the integrity policy, which establishes the company's fundamental ethical principles and includes at least the following: rules on conflicts of interest, rules on whistleblowing, codes of conduct, etc. The integrity policy is an integral part of the memorandum corporate governance.

b) Supervision of activities and regularly assessing the effectiveness of the governance system. This supervision is exercised through reporting by the independent control functions, effective use of the investigative powers of the Board of Directors and reporting by the Executive Committee as well as Advisory Committees.

In line with Article 77 of the Solvency Law, the Board of directors:

- assess the effectiveness of the company's governance system at least once a year and ensure that the management committee take the necessary measures to tackle any non-conformity;
- at least once a year assess the proper functioning of the four independent control functions. Apart from the assessments, it submits in particular for compliance annually a report on the assessment of the proper functioning of the compliance function to the Supervisor.
- determine which measures must be taken as a result of the findings and recommendations in the internal audit.

- at least once a year assess the general principles of the remuneration is responsible for the supervision of the implementation thereof. This is performed in particular by the Chairman of the Board.
- bears the responsibility for the integrity of the accounting and financial reporting systems, including the rules for operational and financial control, and ensure that these systems offer a reasonable degree of certainty as to the reliability of the financial reporting process.

The Board of Directors appoints among its members a Chairman and two Vice-Chairmen with the criteria that they can't be member of the Executive Committee. Their mandate stands for a period of three years but is re-eligible. The Chairman of the Board of Directors supervises the division of the powers and diligences between the Board of Directors and the Executive Committee. The NBB shall be consulted before appointing or dismissing a Board member.

Besides the cases stated in the Articles of Association, all decisions of the Board of Directors are taken by simple majority vote wherein each member is entitled to one vote.

Minutes, of the conclusions as well as of the measures taken in order to improve the efficiency of the governance structure, are recorded of every meeting. After approval the original minutes and extracts are signed by the Chairman of the Board of Directors. Copies and extracts of the minutes shall be signed by the Chairman or by one of the members of the Executive Committee.

The non-executive and the external Directors may be remunerated for their mandate. Their remuneration is fixed by the General Assembly of the Association and reported to the NBB.

In line with the fit and proper requirements applicable the fit and proper policy, the Board of Directors performs annually a self-assessment.

#### **Board members**

- |                     |                                         |
|---------------------|-----------------------------------------|
| • A. Russell        | Chairman                                |
| • P. Sätmark        | Vice-Chairman                           |
| • B-P. Jobse        | Vice-Chairman                           |
| • P. Vandekerckhove | Executive Director & Managing Director  |
| • M. Vercammen      | Executive Director & Finance Manager    |
| • T. Houben         | Executive Director & Chief Risk Officer |
| • C. White          | External Director                       |
| • M. Blair          | External Director                       |
| • J. French         |                                         |
| • K. Kelly          |                                         |

#### ***b) Executive Committee (composition, functions)***

To the Executive Committee are delegated all the management powers of the legal administrative body, excluded the determination of the general policy, acts reserved for the legal administrative body by the Companies Code or by the law of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies. The management of the Association is delegated to the Executive Committee within the framework of the general

policy of the Association and in accordance with the laws and regulations in force. They are responsible for the execution and management of the outcome of all Board decisions.

The Board of Directors and Executive Committee shall cooperate appropriately, both with each other and with all Committees set up by them, as well as with those responsible for the independent control functions of EMANI.

The Board of Directors appoints or dismisses among its Directors and after informing the NBB, the members of the Executive Committee. The Board of Directors appoints the Chairman of the Executive Committee, establishes rules for its powers in accordance with the NBB regulations and decides on the remuneration of the members of the Executive Committee.

Three members of the Executive Committee are member of the Board of Directors. The members of the Executive Committee cannot become the majority in the Board of Directors.

Special powers can be determined and granted by the Board of Directors to the members of the Executive Committee or to certain members of personnel. These powers relate to financial and administrative matters and are published in the annexes of the 'Moniteur Belge'.

The Members of the Executive Committee act jointly and are jointly and severally liable but this does not prevent that various tasks, specific areas of responsibility and lines of reporting are delegated amongst its members.

An Executive Committee meeting is organized every second Monday of each month. According to the provisions of the articles of association of EMANI, all decisions of the Executive Committee shall be taken by simple majority vote. All Members of the Executive Committee are entitled to one vote. In case the Executive Committee cannot come to a decision – for whatever reason - , the decision shall be lifted to the Board of Directors where the decision shall be taken in accordance with the provisions of the articles of association of EMANI.

Members of the Executive Committee receive no additional compensation for their engagement and are just remunerated for their operational tasks. The position of member of the Executive Committee cannot be exercised under an employment contract.

Following tasks come under the responsibility of the Executive Committee:

- Implementing the strategy developed and approved by the Board of Directors and Members;
- undertaking the management of EMANI in accordance with the strategic goals established and with due regard to the risk tolerance limits laid down by the Board of Directors;
- supervising line management and compliance with responsibilities and regulatory processes;
- making proposals and giving advice to the Board of Directors for determining the general policy and strategy;
- Implementing the risk management system;
- translating the risk appetite framework and its governance policies into procedures and processes;
- supervising the development of the risk profile and overseeing the risk management system;

- implementing the necessary measures to control risks;
- making sure, based on the reports of the independent control functions, that all relevant risks to which EMANI is exposed (financial risks, insurance risks, operational and other risks) are appropriately identified, measured, management, controlled and reported;
- Introducing, monitoring and assessing the organisational and operational structure;
- setting up an organisational and operational structure to support the strategic goals by determining the powers and responsibilities of each department and specifying the reporting and procedures;
- setting up appropriate internal control mechanisms at every level of the company and assessing the appropriateness of those mechanisms,
- implementing the necessary framework for the organisation and the proper functioning of the independent control functions, assessing the effectiveness and efficiency of the policies on risk management, internal control and governance established;
- supervising the correct implementation of the remuneration principles;
- setting up an internal reporting system that gives a reasonable degree of certainty as to the integrity of the financial information and prudential reporting;
- Implementing the integrity policy and memorandum corporate governance by translating them into concrete procedures and processes;
- supervise reporting to the Board of Directors, Supervisor and other stakeholders;
- communicating the relevant information and data to the Board of Directors and/or where applicable to one of its sub-committees, to allow them to monitor the company's activity;
- implementing the policy established by the Board of Directors for reporting (Article 77, § 7 of the Solvency II Law) and, in this context, submitting the expected prudential information to the Supervisor. The Executive Committee will therefore approve the reporting on the annual and quarterly Quantitative Reporting Templates (QRTs) in accordance with Articles 80, § 5, and 202 of the Solvency II Law. Moreover, the Executive Committee shall formally declare annually and half-yearly that the information provided to it in accordance with Articles 312 to 316 of the Solvency II Law (i) is complete, (ii) accurately reflects the situation of the company, taking into account its risk profile, and (iii) is established in accordance with the legal rules and the instructions of the Bank;
- providing a report at least once a year to the Board of Directors, the accredited statutory auditor and the Supervisor on the effectiveness of the intern control system;
- supervising the Swiss Branch activities in dialogue with the Swiss Branch Manager.

#### **Members of the Executive Committee**

- P. Vandekerckhove (Chief Executive Officer)
- M. Vercammen (Chief Finance Officer)
- T. Houben (Chief Risk Officer)
- I. Maciulis (Chief Underwriting Officer)

#### ***c) Advisory Committees of the Board of Directors (composition, functions)***

The Board appoints and dismisses the delegated members of the specialized Board Committees in charge of advising the Board: the Executive Committee (EC), the Finance Committee (FC), the Audit Committee (AC), the Underwriting Advisory Committee (UAC) and the Risk

Committee (RC). The existence of the Committees doesn't decline the overall responsibility of the Board. Board Committees provide advice and support in their field of expertise by making recommendations towards the Board of Directors.

EMANI is not obliged to set up an Audit Committee because it only meets one of the three criteria imposed by article 52, § 1 of the Insurance Supervision Act of 13 December 2016. However, for good governance purposes EMANI has put an Audit Committee in place but the composition of the Committee on the principle of independent is not as defined as in article 48 of the Insurance Supervision Act.

The Audit Committee reports to and assists the Board in fulfilling its oversight responsibilities in the areas of corporate finance, risk management, corporate controls, financial communication and all other related areas as deemed appropriate. It is also authorized to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the Statutory Auditor, including reports with recommendations on how to improve the Mutual's control processes.

The Finance Committee makes recommendations for approval by the Board to review strategies, plans, policies and actions related to the financing of its assets and liabilities. In particular, the Finance Committee proposes, monitors and recommends changes to/of:

- Investment policy
- Investment guidelines
- Investment manager
- Accounts, annual financial accounts

The purposes of the Underwriting Advisory Committee are to review and evaluate EMANI's policies, guidelines, performance, processes and procedures relating to the underwriting of risks undertaken by the Mutual as well as to discuss, monitor and oversee the guidelines and policies that govern the process.

The Risk Committee is comprised of the members of the Board and as secretary the risk management function. The Risk Committee will assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite, risk management and compliance framework, and the governance structure that supports it.

All Advisory Board Committees have charters that explain their purpose and their role including the responsibilities of the Committee towards the Board of Directors as advisory body. Each Charter is regularly evaluated and when necessary suggestions on amendments to the Committee's Charter are made to the Board for approval.

Committee members are nominated by the Board of Directors for their experience in the specific areas of the Committee they take part in. Every Committee consists of a mix of Board members, other members and even staff to ensure execution and communication on every level of the Association. Every Committee has a personalised charter explaining its rights and duties.

Committee members are nominated by the Board of Directors to the term of the Board of Directors being 3 years. Each member of the Committee must at least participate in person or

by conference call in  $\frac{1}{4}$  of the meetings over the period of 3 years. Non-compliance will lead to not being eligible for the next 3-year period.

Decisions are taken by simple majority with casting vote by the Chairman except in the Underwriting Advisory Committee where there is a vote weighting system. A quorum for voting exists if half of the members of the Committee are present.

After each meeting, the Board of Directors is informed of discussions through the circulation of minutes. The Board also receives in the minutes the Committee's recommendations for approval. Committee members, travelling on EMANI business will be reimbursed for travel expenses according to the Advisory Committee expense policy. Members of an Advisory Committee receive no additional compensation for their engagement.

In line with the fit and proper requirements, every Committee performs annually a self-assessment. Each of the members of Committees must sign a confidentiality agreement.

## 2.2. Remuneration

In accordance with Delegated Regulation 2015/35 and inspired by the Financial Stability Board principles for sound compensation practices, EMANI shall take all the following principles into consideration:

- The remuneration policy and remuneration practices are established, implemented and enforced in accordance with the risk management strategy, the risk profile, the objectives, the risk management practices and the long-term interests and performance as a whole, and include measures focused on avoiding conflicts of interest;
- the remuneration policy contributes to a sound and effective risk management and discourages risk-taking that exceeds the level of tolerated risk;
- the remuneration policy applies as a whole and provides for specific rules taking into account the tasks and performance of the members of the Board of Directors and the Executive Committee, of the persons responsible for independent control functions, and of the other categories of staff whose work has material consequences for the risk profile of EMANI;
- the remuneration policy is designed to take into account the internal organisation of EMANI and the nature, scale and complexity of the risks inherent to its business model and activity.
- The remuneration policy include both a fixed and variable component, both components are distributed evenly, so that the share of the fixed or guaranteed component in the overall remuneration package is enough to avoid staff being too dependent on the variable component, and to enable EMANI to operate an entirely flexible bonus policy, including the option of not paying out any variable component at all.

EMANI has determined the requirements for sound remuneration practices to be observed by staff receiving variable remuneration:

- where the variable remuneration is performance-based, the total amount of the variable compensation is based on a combination of an assessment of the performance of the person in question, the business unit in question and the total results of the Mutual;



- when evaluating personal performance, both financial and non-financial criteria can be used;
- when evaluating performance as a basis for the variable compensation, a downwards correction can be applied for exposure to current and future risks and account is taken of the Mutual's risk profile and capital costs;
- EMANI may grant an annual bonus/variable remuneration. The payment of a bonus/variable remuneration for any year does not entitle to any payment in a subsequent year.
- compensation for dismissal is in line with the performance during the whole period of active service and designed in such a way that failures are not remunerated;
- for persons to whom the remuneration policy applies, it is required that they make no use of personal hedging strategies or insurance linked to a remuneration or liability, which would undermine the risk control effects embedded in their remuneration policies;
- the variable part of the remuneration of staff involved in the independent control functions is separate from the performance of the business units and areas on which they exercise control.
- Specific complementary pension schemes or early retirement schemes for governing bodies are not foreseen.
- No loans/credits are granted to governing bodies and Members in the event of transactions.

Furthermore, EMANI ensures in its remuneration policy that :

- the remuneration granted does not jeopardise the ability of the Mutual to maintain a sufficient capital basis;
- remuneration contracts with service providers do not encourage the taking of excessive risks, taking into account the Mutual's risk management strategy.

Board Members representing a Member, Committee Members as well as Executive Directors, receive no specific remuneration. Board Members not representing a Member receive a fixed and modest cash amount per year which is approved by the General Meeting for the current financial year. No variable nor incentive programs are included for any Board Member.

Individual board members may take on specific ad hoc tasks outside their normal duties assigned by the Board of Directors such as key functions or critical functions. In each such case, the Board of Directors shall determine a fixed remuneration for the work carried out in relation to those tasks.

Members of Advisory Committees receive no additional compensation, fixed or variable, for their contribution to the Mutual. In each such case, the Board of Directors shall determine a fixed remuneration for the work carried out in relation to those tasks.

Members of the Executive Committee receive no additional compensation, fixed or variable, for their contribution to the Mutual. Actual expenses in connection with Board and Committee meetings are reimbursed.

The remuneration of all employees, including those involved in risk-taking activities and key functions, comprises a combination of basic salary, appropriate benefits and a performance

related bonus. The remuneration policy is designed to not encourage unauthorised or unwanted risk-taking that exceeds the level of tolerated risk of the undertaking. Remuneration is structured and managed fair and competitive respecting appropriate proportions. The remuneration structure is each year discussed and approved between the Chairman of Board and the Managing Director.

### 2.3. Membership

#### ***a) Process for monitoring the changes in the Membership structure***

Each of our Members is an important player on the international energy market and is therefore submitted to intensive surveillance by national and international authorities. Due to their size and (self)-control, EMANI considers its Members as being reliable and financially sound. Still a financial assessment is performed on a candidate Member on the one hand and a yearly financial review for existing Members on the other hand.

Membership is submitted to the Board of Directors and becomes effective after approval by General Meeting. New Members have to contribute to a sound and prudent management in EMANI as well as to the stability of the financial institution and its development on a going concern basis. The fee to enter as a Member is set at 10.000 €.

Every Member represents one vote in the Mutual except for the non-insured Members who have no voting rights. Because every insured Member is treated equally, there are no controlling Members even though each Member has got different participations in the funds. A complete list of the Members is reported to the National Bank of Belgium (commonly abbreviated as NBB).

This transparent membership structure and the fact that membership contracts are signed on an individual basis, helps to protect the Mutual against agreements between Members to act jointly or to meet separately and unofficially. The statutory allocation in the Articles of Association of one vote for each insured Member, aid in preventing that an association within the Association is established who could attain a majority. To EMANI's knowledge, no arrangements between Members, relating to the relation between Members on the one side and the Mutual on the other side, exist.

EMANI encourages its Members to participate at the Members Meetings. In order to facilitate this, agendas and all other relevant information are sent in advance of the Members Meetings. During the meeting, the Board of Directors presents a management report and financial overview of the latest financial figures. The General Meeting acts by simple majority of votes if quorum is reached unless for those cases stated in the Articles of Association where the approval is needed of three-quarters of the Members.

Yearly there can be two Members Meetings, one before the 30th June and another in the second half of the year. As the Annual General Meeting according to Article 10 of the Articles of Association must meet before the 30th June, the AGM and Members Meeting are organized on the same day. Minutes of the AGM are drafted and adopted during the meeting itself.

### 3. Fit & Proper, external functions and transactions with Governing Bodies

EMANI follows the principles conform the Circular NBB\_2018\_25 of September, 18th, 2018 on the Suitability of directors, members of the management committee, responsible persons of independent control functions and senior managers of financial institutions and as published more in particular in the Manual on the assessment of suitability (Fit and Proper) as modified on December 20th 2022.

EMANI has in place a fit & proper policy that is updated and proved by the Board on an annual basis. The objective of this policy is to guarantee good governance in EMANI by ensuring the quality of its directors and managers in conformity with the NBB Fit & Proper handbook.

#### 3.1. Fit & Proper

##### **a) Policy**

Annually, EMANI updates and discloses a fit & proper policy to the NBB. Two standards of evaluation are at the center of the fit and proper policy:

##### 1) Expertise (« fitness »):

A person is considered as being expert ("fit") for a specific function when he / she combines knowledge and experience, skills and the professional behavior required for the function in question.

##### 2) Professional worthiness (« properness »):

The professional worthiness concerns the honesty and the integrity of a person. A person is considered as professionally honorable ("proper") in the absence of indicating elements the opposite and when there is either no reason for questioning reasonably the good reputation of the person involved. In other words, we can leave the principle that the person will execute in an honest, ethical and integrate way the task which is confided to him (her).

All people occupying critical functions in EMANI are aimed by this policy. By critical function we understand:

- The members of the Board;
- The members of the Executive Committee;
- Four key functions defined in the Directive Solvency II: Actuarial, Compliance, Risk Management and Internal Audit Function.
- Any other function which EMANI would estimate as critical for the smooth running of the company either internal or external.

Critical functions have to have the necessary professional expertise, the skills and the worthiness to be able to perform their functions. The same requirements apply to the holders of any critical outsourced function.

In order to remain fit & proper, EMANI at least yearly evaluates the critical functions. The Board of Directors therefore performs an annual self-assessment. The key functions are assessed yearly by the responsible person.

#### ***b) Implementation Process***

"Fit and proper" implies a thorough process of evaluation which allows to obtain, by means of various relevant elements, the most complete possible image of the capacity of a person for a determined function. The evaluations concerning, on one hand, the expertise and, on the other hand, the professional worthiness of a person, are complementary.

The available information which can support a "fit and proper" file is always used and balanced according to their relevance and to their importance compared with the responsibilities. Several weighting factors allow not granting the same importance for all the elements of the case. EMANI takes into account following weighting factors:

- The gravity of the information in the light of the objectives of the prudential control
- The seniority of the information
- The attitude and/or the motivation of the concerned person with regard to the information
- The combination of available information

A global overview of histories and available information allows to obtain a less static and precise image of the functioning of the person. The combination of the information gives an idea of the way of functioning and/or the carelessness of a person and can lead to the conclusion that the interested is not considered (any more) as being capable or has to improve its expertise on a very precise point.

The evaluation of capacity takes place as in principle before the entry in a function or during a change of function. For every function which enters the scope of this policy, EMANI records in writing a detailed function profile which indicates clearly how the fit and proper standards become a reality for this function.

Certain events give rise to a revaluation of the suitability of persons in scope of this policy such as restructuring, change of function or legislation. Moreover a two yearly suitability assessment of the persons in scope of this policy will be undertaken. To this end a specific procedure will be put in place.

#### **3.2. Loans, credits or guarantees and insurance contracts for Governing Bodies and Members**

There are currently no loans, credits or guarantees and insurance contracts granted to Members of the Board of Directors or Executive Committee.

No loans/credits are granted to shareholders, related institutions and related persons in the event of transactions of more than of EUR 100,000.

## 4. Risk Management System, ORSA process and risk management function

### 4.1. Risk Management System

#### ***a) Framework for risk appetite and tolerance limits***

The appetite for risk represents the underlying foundation of any effective Risk Management System. Understanding risk appetite helps Boards and managements to make better strategic and tactical decisions. It enhances understanding of Board and stakeholder expectations and enables risk-reward decision-making. It reduces the likelihood of unpleasant surprises.

The ability to take on risks is determined by more than just a capacity to absorb losses. The ability to manage risks based on skill sets and experience, systems, controls and infrastructure is also crucial. Understanding risk appetite helps in the efficient allocation of risk management resources across a risk portfolio, and may enable the pursuit of business opportunities that, without an understanding of the appetite, would otherwise be rejected.

The Risk Appetite Framework (RAF) is defined as being the overall approach, including policies, processes, controls, and systems, through which risk appetite is established, communicated, and monitored. It includes a risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

The RAF has been developed to articulate the level of risk that the Board is willing to accept in order to achieve the overall strategic objective.

The RAF contains the following characteristics:

- Identification of the key areas used to measure the success in achieving its overall objectives. These have been determined as available capacity, underwriting results, solvency, liquidity and reputation. These are referred to as “Dimensions” in this report;
- Quantification of the risk appetite attributed to each of the areas above, where quantifiable;
- Risk Profile (Risk Log): all of the risk faced by EMANI are identified, shortly described and categorized both for the head office and for the Swiss Branch;
- Integration and control of the risk appetite through the Association;
- Dashboard for monitoring.

We define the risk appetite as being the nature and quantity of risks that EMANI is ready to accept or to tolerate in the pursuit of its strategic objectives, taking into account the expectations of the stakeholders.

The risk tolerance defines the maximum amount of risk (bearing activities) needed to achieve all the organisational strategic objectives while simultaneously remaining compliant with the stakeholder’s expectations.

The risk target is the optimal risk level to achieve the strategic objectives with respect of the tolerance limits.

#### ***b) General risk management policy***

EMANI assumes risk to generate an adequate return on capital. The success of its business model therefore depends materially on its ability to manage risk. EMANI considers the implementation of a suitable and effective Risk Management system as a strategic imperative not only to meet increasingly changing regulatory requirements but also to gain a competitive edge by improving its understanding of its own risks and overall solvency needs.

As an integral part of EMANI's business cycle, the Board shall approve the Risk Strategy and issue a Statement of Risk Appetite. "Risk" is defined as the degree of uncertainty with respect to achieving planned goals and targets and equally encompasses the probability of loss or gain. The Risk Strategy, including the Statement of Risk Appetite shall be clearly reflected in the agreed business targets, financial budgets, underwriting guidelines, and operational plans.

The Board delegates to the Executive Committee the responsibility of implementing adequate risk management processes and policies to ensure risk management is correctly embedded within all operations and in all departments. The Board and Executive Committee are assisted in this task by the CRO and Risk Committee.

A Risk Management Policy documents EMANI's internal Risk Management guidelines that staff members are required to observe when exercising their day-to-day responsibilities. The purpose of the Risk Management Policy is to establish a Risk Management framework that enables EMANI to achieve an accurate and timely understanding of (1) the nature, materiality and sensitivity of the risks to which it is exposed, (2) its ability to mitigate and manage them, and (3) to deal with them should they fall outside the stated Risk Appetite and agreed risk tolerances and limits. EMANI's Board owns the Risk Management Policy. As such, the Board is responsible for the approval of any periodic changes and revisions introduced to this document.

EMANI's Risk Management Policy, its Risk Management System and ORSA are to be reviewed by the Board at least annually. The review will be based on input provided by the CRO and Senior Management. More regular reviews may be undertaken when required or when there is a material change in the business or risk profile of EMANI or where a risk issue which raises doubts about the effectiveness of the Risk Management System has been identified.

### **4.2. ORSA process**

#### ***a) ORSA policy***

The ORSA process seeks to draw together considerations of risk, capital and returns within the context of the overall business strategy, both in the present and forward looking, providing a holistic view of the capital, risk and return over the forecast period.

The process is iterative, as outlined below:



The ORSA process is used to:

- Ensure there is sufficient capital available to meet the current business requirements (Solvency II compliance);
- Determine the supplementary capital required to meet the growth and diversification plans and other strategic decisions;
- Ensure that any risks that exceed the risk appetite are identified, assessed and if required the remedial action plan in place;
- Provide assurance to the Board, financial regulators and other stake holders that risk management and capital planning processes are embedded within the business.

The adjustments are the result of exchanges between management and the Board, while operational limits are developed jointly by the risk taker and risk management function.

We must therefore expand and review a large number of future scenarios (defined in terms of the most significant risks), to change the risk parameters and compare the different risk margins and the respective capital requirements and then take recapitalization measures or risk mitigation if necessary. We are then able to conclude whether the tolerance limits are exceeded and whether measures should be taken.

It is important that the ORSA process is a continuous reiterative process which is embedded within the business decision making and strategy setting process.

EMANI performs an ORSA at least annually or when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported by CRO.

## ***b) Implementation process***

The overall purpose for the ORSA assessment is to ensure that we can continuously meet our current and planned future regulatory targets and internally set capital target, in the face of planned changes to the risk profile and business plans, and expected development in the external environment.

As a management tool, it is designed to embed risk awareness within the business culture and decision making. It is an integral to the successful delivery of the overall strategic plan as it provides the management with a good understanding of the risk it is assuming and the capital required to cover those risks. It must be treated as a management process rather than a compliance exercise.

### **TIME HORIZON**

The time horizon of the ORSA is fixed to 5 years, same horizon as used in the strategic business plan. The strategic business plan is the Base scenario of the forecasted P&L and Balance Sheet. For the solvency projections in ORSA use will be made of best estimates, market value balance sheet and SCR from Pillar I calculations as starting point.

### **SCENARIO - STRESS TESTS**

The Strategic Business Plan (SBP) figures will be used for projection of the technical provisions and cash flows in and out. The calculation of the projected SCR can then be done. The final result is the “Base Case” and gives the expected capital needs/surpluses.

Besides the base scenario, we analyse also the effects of adverse developments on its solvency position. This is done with the help of scenario analysis and stress testing: we define scenario analysis as assessing the impact of a combination of factors. Stress testing is an extreme scenario that crosses the boundaries of the SCR-MCR.

EMANI conducted in total 14 tests in 2024. Some tests do not meet all 3 criteria and are therefore partially reviewed. These limited tests are investigated and qualitatively analysed but not fully calculated with An SCR for 5 years.

Besides, 5 tests resulted in a full calculation of the future SCR according to the Business Plan being a full claim, a full claim with default Reinsurer, a deep financial recession, a narrative scenario and a reserve scenario.

### **USE OF THE ORSA RESULTS**

A part of the ORSA is the determination of the capital needed to manage the business. The results of ORSA are used for:

- Yearly evaluation of the risk appetite framework in relation to the capital position and the strategy;
- Start the strategic business plan with the most recent capital assessment;
- Monitoring capital position from regulatory, rating agencies and internal angle;
- The assessment of the target and realized solvency ratios;
- An analysis of the evolution of the capital position and the forecast of eventual funding requirements on the horizon period.



## MANAGEMENT ACTIONS

We use the results of the ORSA to take management actions like:

- Accept the risks.
- Mitigate the risks.
- Transfer the risks.
- Terminate the risk generating activity.

## FREQUENCY OF THE ORSA AND TRIGGERS

We perform an ORSA at least annually and an update when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported.

Examples of trigger for updating the ORSA:

- An acquisition that significantly changes risk profile.
- A significant change in the financial markets that has a big impact on the value of the asset portfolio.
- A significant change in regulation.

The decision of performing an update of the ORSA is taken by the Executive Committee.

## REPORTING

An annual ORSA Report will be produced by the Risk Management Function. This report will be discussed at different levels:

- First level: the resulting ORSA report will be discussed and approved by the Executive Committee.
- Second level: the resulting ORSA report will be discussed and recommended by the Risk Committee.
- Third level: finally, the report will be discussed and the sign off will be given by the Board of Directors.
- Recommendations from Executive Committee, Risk Committee and Board of Directors can be included as action plan.

## QUALITY REVIEW

The quality review is conducted by the Executive Committee and acknowledged by the Board of Directors. The quality review will treat at least the following aspects:

- The ORSA policy;
- The ORSA process;
- The methods used;
- The outcome of the ORSA and the follow-up of management actions.

The following criteria will be judged to assess the quality:

- Training and experience of staff involved;
- The cooperation between key functions: actuary, risk management, compliance;
- The involvement of management.

#### 4.3. Risk Management Function

The Risk Management Function, is responsible to maintain an enterprise-wide aggregated view on EMANI's risk profile and operate its Risk Management System, monitors and reports to the Risk committee on actual risk exposures in comparison to Risk Appetite, Risk Tolerance and solvency requirements as set by the Board

The Risk Management Function, objectively and free from the influence of other parties, is responsible for:

- implementing appropriate methodologies and procedures to assess EMANI's risks and solvency position ensuring their assessment is consistent with prevailing professional standards and regulatory requirements.
- implementing appropriate methodologies and procedures for risk assessment including Risk Policy and Risk Strategy.
- Reporting details of material risk exposures and advising the Board, Executive Committee and senior management with regard to risk management matters including the Risk Appetite, risk tolerances and risk limits.
- Monitoring risk aggregations (and diversifications) across lines of business, geographies, risk types and categories, etc.

## 5. Organizational structure, internal control, compliance function, integrity and IT infrastructure

### 5.1. internal Control System

#### **Identification and assessment of the risks**

The permanent control system has to lean on an analysis and a measure of the risks, regularly updated, by every person in charge of business units (which are risk owners).

For the identification and description of risks, EMANI has focused on key risks and on management related controls that mitigate those risks. EMANI's key risks definitions are based on existing information such as different control reports and regularly self-assessments. To lead to an efficient identification of those controls, interviews were conducted with every member of the Management. All this information has come together in a working document referred to as EMANI's risk log.

The risk log identifies EMANI's key risks. The management crosschecks the type of risk with existing control measures to see how they are currently mitigated. This exercise is performed at the end of each year and in preparation for the year to come.

In the risk log, EMANI additionally estimates the potential loss given default of each risk category in case the risk should occur. In order to quantify each individual risk, EMANI therefore combines two parameters which are the probability of occurrence and the (financial) loss impact. Furthermore, an evaluation is made on the effectiveness of the current controls so that the Association can target threats and plan actions were needed.

Each person in charge receives yearly a personal self-assessment form enumerating all risks falling under his authority. This form allows him to analyse and evaluate his control measures on risk and, if needed, plan action. Further, the person in charge declares that his self-assessment has been completed to his best ability before dating and signing off the document.

Finally, EMANI emphasises that risk awareness is a priority of every member of staff.

#### **Policies and procedures**

Policies and procedures are instruments of organization and control that contribute to the realization of the fixed objectives. They have to be in adequacy with the various identified, easily accessible risks and be the object of a communication and adequate trainings. They must be updated also regularly. The risk owners are responsible for the maintenance of processes and procedures.

#### **Adequate training**

The staff is trained and sensitized to their role in the internal control system by his experienced manager. Each Member of Staff has a copy of the Procedure Manual explaining all procedures and controls to be carried out.

The Staff is for their chapters always involved to update the Procedure manual were needed.

Due to the size of the organization controls on the effectiveness of the procedures followed by the staff are done on a permanent basis by the Management, Compliance officer, Internal Control.

New employees are instructed in the procedure manual and are trained on the job by experienced colleagues.

Each Member of Staff has a copy of the Procedure Manual explaining all procedures and controls to be carried out.

### **Control plans**

By "control" EMANI understands supplying the assurance of the conformity of the operations and the processes with one or several standards or rules, as well as the good implementation of these procedures. In a more general term, it indicates any measure taken by the management, the internal or external auditors or the other parties to manage the risks and increase the probability that the purposes and the fixed objectives will be reached.

EMANI has formalized and documented the system of control on different levels. A good example is the performance of the self-assessment by the risk owner of the risk log. The risk owner identifies in a personal self-assessment the frequency with which the process is reviewed, verifies that the measurement system is adequate, if corrective actions should be taken, and looks forward to where the risk might be in the year to come.

### **Reporting and recommendations**

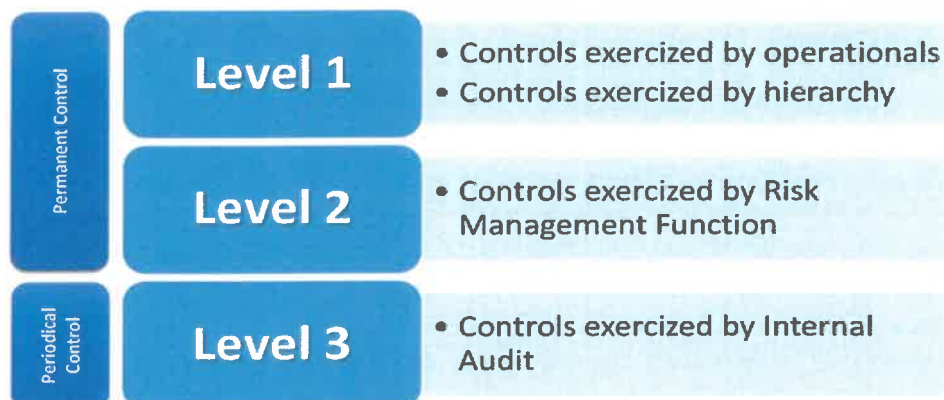
The reporting is the responsibility of the risk management function.

Further to a report on a situation of failure or inefficiency or an evolution of the permanent control, various participants can emit a recommendation (the Supervisor, the Statutory Auditor, the Internal Auditor) or introduce an action of correction / prevention. The impulse of actions of correction or prevention and their follow-up are the current responsibilities of the management. The level of formalization in the action plan possibly implemented and its follow-up must be proportioned at the incurred risk, at the difficulty of implementation, at the desire at the risk of the Mutual.

### **Piloting, action, arbitration**

Every person in charge examines regularly the business unit he is responsible for in order to enhance the control system, in particular the procedures, the controls or the monitoring systems of the risks. These decisions also include the organization and the affectation of means in resources (human or computing).

The piloting by the person in charge also has to take into account the contributions of the periodic control and those of the external audit and the Supervisor, of which in particular all the recommendations and the proposals concerning the permanent control system.



## 5.2. compliance Function

The Compliance function is in EMANI executed by the Compliance officer. The Compliance officer makes proposals as regards the integrity policy to be followed by the Association and submits them for approval to the Board of Directors. He acts as an adviser to the Executive Committee on the measures to be taken within the context of integrity policy and applicable law, to ensure the development of the entity's integrity code.

The responsibility of the Compliance function is to proactively:

1. identify, assess and monitor the compliance risks faced by EMANI: in particular, the most important mission of the Compliance officer is to master the legislative and statutory environment and to watch his respect by EMANI;
2. assist, support and advise management in fulfilling its compliance responsibilities;
3. advise any employee with respect to their (personal) compliance obligations thereby helping EMANI to carry on business successfully and in conformity with external and internal standards.

The task of the Compliance officer is not limited to analyzing the situation, identifying a solution and giving advice to management. The Compliance officer must continue to pursue the matter until a satisfactory solution has been fully implemented. If necessary, the actions taken should include escalating the issue to a higher level.

The Compliance function activities includes:

- Identification and prioritization of potential compliance risks leading to damage to EMANI's reputation, legal or regulatory sanctions, or financial loss to safeguard the Mutual's reputation, the members of its legal organs of administration, the management, the employees, and in particular the rules of integrity and ethics. The function also includes assessing the possible impact of any changes in the legal

environment on the operations of the insurance undertaking, and the identification and evaluation of risk of non-compliance;

- Development and implementation of risk mitigating measures, including clear standards, procedures and guidelines to prevent, mitigate or minimise (important) compliance risks and to detect, report and respond to compliance violations;
- Risk monitoring in particular Compliance Risk Assessment (CRA);
- Incidents management: reporting in the ad-hoc tool, initiate and drive appropriate action;
- Training and education of personnel where needed;
- Implementation of the Compliance policy and minimum standards;
- Leading the relationship with the supervisor in compliance related matters.

Material compliance incidents are periodically reported. They have to be immediately reported by the Compliance officer to the Executive Committee if:

1. exceed actual loss amount >2.500.000€
2. can lead/could have led to a (potential) loss of Euro >500.000€
3. have senior management involvement
4. have material adverse reputation damage
5. are reported to and/or (potentially) leading to investigation by external authorities

The incidents can fall in one of the following categories:

1. Internal Crime and Fraud (e.g. internal fraud by employee)
2. External Crime and Fraud
3. Business Product Malpractice (e.g. misspelling/misleading a Member)
4. Employment Malpractice (e.g. harassment by EMANI's employee)
5. Unauthorised activities (e.g. activities adverse to EMANI's Business Standards)
6. Control failure (e.g. incorrect or late filing of regulatory report)

### **Independence**

The Compliance function is a key function and must be fit and proper. Therefore, the Compliance function is independent of operational functions within EMANI and has the prerogatives and resources necessary for the proper performance of their duties. The remuneration of the Compliance function is set according to the objectives linked to this function, independent of the performance areas of controlled activities. To avoid potential conflicts of interests will report directly to the Executive Committee and the Board of Directors.

The compliance officer has the widest access right to the information. He benefits from the largest right of initiative.

The compliance officer can rely on a Charter in which is explained the responsibilities and duties of the Compliance function. The Charter is regularly reviewed.

### **Reporting & Planning**

A yearly compliance report as well as a plan for next year is provided to the Risk Committee, Board and Executive Committee in which key risks, major developments and issues and

compliance incidents are brought to attention, including recommendations for follow-up. The plan will contain focus points for the year to come. The Compliance Officer is invited to attend the Risk Committee meetings where the Committee will recommend her working to the Board of Directors.

If needed, the Executive Committee or Board gives new or complementary missions to the Compliance function.

The report and plan are also available for the Supervisor and the Swiss Branch.

#### **Key function**

The compliance officer works in parallel with the internal auditor, CRO and the appointed actuary who communicate him his notices on the contractual, statutory and regulatory measures.

#### **Escalation procedure**

In case of blocking, the compliance officer has the obligation to inform immediately the Chairman of the Board, and the internal and external auditors.

#### **Capabilities**

The Compliance function is a key function and is submitted to the Fit & Proper policy. In case of replacement of the Compliance function, EMANI will inform the supervisor, motivate her decision and wait for confirmation before appointing his successor.

## 6. Internal Audit Function

### Object

The Internal Audit function constitutes a function of independent evaluation within EMANI charged to examine and to estimate the efficiency and the management of its activities. The objectives of the Internal Audit function are to assist the Management of the Association and the Board in the effective fulfillment of their responsibilities by supplying analyses, evaluations, recommendations, advices and information about the examined activities and by promoting an effective control to a reasonable cost.

The Internal Audit function is controlled by the Board and its responsibilities are defined by the Audit Committee and the Board, as being part of the control function. More information can be found in the Internal Audit policy.

### Professional standards

The staff of the Internal Audit, either the internal staff, or the staff of an outside consultant, will conform to the "Code of ethics" of the Institute of the Internal Audit. The "Standards for the Professional practice of the Internal Audit" and the "Definition of the Responsibilities" will constitute the procedures of functioning of the department.

Furthermore, the Internal Audit will conform to guidelines and to procedures of EMANI as well as to the "Internal Audit charter".

The Internal Audit function is considered to be a key function and has to be fit and proper. Therefore, the Internal Audit function is independent of operational functions within EMANI and has the prerogatives and resources necessary for the proper performance of their duties. The remuneration of the Internal Audit function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

### Powers

Powers are granted to the Internal Audit function to guarantee a total, free and unlimited access to files, to material properties and to staff concerned by any examined function. All the employees are asked to give assistance to the Internal Audit function in the execution of its function. The Internal Audit function will also have a free and unlimited access to the Chairman of the Board and to the Audit Committee. Documents and information given to the Internal Audit function during a periodic examination are treated in the same careful way that by the employees who are normally responsible for it.

### Organisation

Within EMANI, the function of Internal Auditor has been outsourced to BDO, the Corporate Village, Da Vincilaan 9 - Box E.6, 1930 Zaventem and therefore follows the principles of the outsourcing policy as described further. However, there is sufficient experience within the



Board to challenge the findings of the Internal Auditor. The Internal Auditor is nominated by the Board for a period of 3 years. To insure his/her independence, the Internal Auditor reports functionally and administratively to the Managing Director and to the Audit Committee as representative of the Board. Periodical monitoring by the management is implemented in order to verify if the Internal Audit and internal control processes are still functioning correctly.

#### **Independence**

No element within EMANI can influence the activities of Internal Audit, included the business within the framework of the audit, the procedures, the frequency, the timing or the contents of the reporting to guarantee an independent attitude and free objective reports.

The Internal Auditor will not assume either operational responsibilities or powers in connection with the activities which they examine. Besides, they are not authorised to develop or to promote systems or procedures, to prepare files or to make a commitment in any activity normally subject to an audit.

EMANI enables the person responsible for the Internal Audit to exercise his function in an objective and independent manner and this at every level of the Mutual. Periodical monitoring by the management is implemented in order to verify if the internal audit and internal control is still functioning correctly.

#### **Audit field**

The scope of work of the Internal Auditor is to determine whether EMANI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient. The responsibilities of the Internal Auditor are further explained in the Internal Audit Charter. The key role of the Internal Auditor is to assist the Board and the Audit Committee in discharging its governance responsibilities by delivering:

- An objective evaluation of the existing risk and internal control framework
- Systematic analysis of business processes and controls
- A source of information on irregularities and unacceptable levels of risk
- Reviews of the compliance framework and specific compliance issues.
- Evaluations of operational and financial performance
- Recommendations for more effective and efficient use of resources
- Feedback on the values and ethics of the association

#### **Audit planning**

The Internal Auditor starts at the end of year -1 by informing the Audit Committee of the issues and objectives he will focus on for the coming year. Internal audits take place at the various divisions of the Mutual at regular times but at least twice a year.

#### **Reporting**

The audits are executed by an external person who will write down his observations in a report for the Audit Committee. This report, if necessary with comments from the Audit Committee,

is finally presented to the Board. Yearly the Executive Committee reports to the Board on Internal Audit. The report is also available for the Supervisor.

The person in charge of the Internal Audit can include in the audit report the reactions and the taken corrective actions or to take taking into account the conclusions and the recommendations. The remarks of the Management should include a schedule of completion of the actions to be taken and an explanation for any retained recommendation.

In case the internal audit report contains any remark, the management of the audited department will react, in writing, prior to next session of the Internal Auditor. The Internal Auditor will be responsible for the appropriate follow-up of the conclusions and the recommendations inherent to the Audit.

## 7. Actuarial function

In accordance with Article 48 (2) of the Solvency II Framework Directive, the actuarial function is carried out by a person who has knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business and who is able to demonstrate their relevant experience with applicable professional and other standards.

The actuarial function is a key function and must be fit and proper. Therefore, the actuarial function is independent of operational functions within EMANI and has the prerogatives and resources necessary for the proper performance of their duties. The remuneration of the actuarial function is set according to the objectives linked to this function, independent of the performance areas of controlled activities. Due to the size and the activity (mono-line) of the EMANI, the actuarial function is outsourced to Veerle Nicolaï and partners, Duboisstraat 43, 2060 Antwerpen and therefore needs to comply with guidelines of the outsourcing policy and exit management plan.

According to article 48 of the Directive Solvency 2 the actuarial function has the following responsibilities:

### **Coordination of the technical provisions calculation**

Control of the methodologies and hypotheses used for the calculation of the Best Estimates. The actuarial function must reveal any incoherence compared with the requirements defined to articles 76 - 85 of the Solvency 2 directive for the calculation of the technical reserves and proposes, if necessary, corrections.

### **Control and explanation of the evolution of the Best Estimates**

According to the article 48 of the Solvency 2 directive, the actuarial function has to explain, between two calculation dates, any importing effects on the technical amount of reserves due to the change of data, methodologies or hypotheses, if these technical reserves are already calculated on basis of the Solvency 2 directive.

### **Control the data quality**

The actuarial function estimates the coherence of the internal and external data used in the calculation of the technical reserves compared with the quality standards of the data defined in the Solvency 2 directive. If necessary, the actuarial function should supply recommendations as for the internal procedures to improve the quality of the data to guarantee that the Mutual is capable of meeting the requirement of the Directive.

### **Advice on the underwriting and reinsurance policies**

The actuarial function has to express her opinion on the Underwriting policy and on the Reinsurance policy of the Mutual. The opinion should contain a link with the technical reserves.

The actuarial function shall report, express an opinion and make recommendations to the Board of Directors and Executive Committee. These recommendations will be expressed in a final activities report to the attention of the Board of Directors and Executive Committee.

### **Reporting**

A minimum of 3 reports are expected every year from the Actuarial function being a report on technical provisions, a report on reinsurance and an overall activities report. These reports are provided to the Risk Committee, Board and Executive Committee in which data quality, requirement to fulfil the insurance obligations and analysis of reinsurance structure are brought to the attention, including some recommendations.

The actuarial function is invited to attend the Risk Committee meetings where the Committee will recommend her working and reports to the Board of Directors. If needed, the Executive Committee or Board can give new or complementary missions to the actuarial function.

The reports are available for the Supervisor and the Swiss Branch.

### **Particular responsibilities**

The actuarial function shall guarantee the compliance of the management process with the outsourcing policy.

The actuarial function shall contribute to a fluent relationship with Statutory Auditor and Supervisor.

### **Swiss Branch**

A Responsible Actuary is nominated by FINMA specifically for the Swiss Branch. The Responsible Actuary is responsible for ensuring that the entire tied assets required and the provisions (on the assets and liabilities side of the balance sheet) comply with the requirements of supervision law (art. 24 ISA). The Swiss Responsible Actuary and the Belgian actuarial function remain however in close contact as they need to exchange data and calculations.

## 8. Outsourcing

The Solvency II Law defines outsourcing as: “an arrangement of any form between an insurance or reinsurance company and a service provider, whether a supervised entity or not, by which that service provider performs a process, a service or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance company itself”.

EMANI has in place an outsourcing policy that is updated and proved by the Board on an annual basis. The objective of this policy is to describe the applicable general principles in the context of outsourcing as well as the roles and responsibilities of the various stakeholders and the approach and processes that apply to the outsourcing in a pre-, contractual and post phase of an outsourcing.

### *a) Policy*

EMANI updates and discloses yearly an outsourcing policy to the NBB. The respect for this policy is compulsory every time a subcontracted activity can have a significant influence on the functioning of EMANI. The activity, the service or the process are assessed by:

- Strategic impact: The concerned activity is inherent to the status of EMANI;
- Significant impact on the control of the risks: the realisation of the tasks linked to the concerned activity implies significant risks and/or affects directly the control of the risks;
- Significant impact on the budget or the financial results: the realisation of the tasks linked to the concerned activity represents a significant cost and/or produces a significant financial result.

For critical or important functions or activities, EMANI takes into account the different stages of the outsourcing cycle:

- (i) pre-contractual stage (monitoring conditions, due diligence of the service provider and performance of a risk assessment);
- (ii) contractual stage (content of the outsourcing agreement);
- (iii) post-contractual stage (outsourcing monitoring system and exit strategy).

EMANI also respects the recommendations of the NBB (Circular NBB\_2020\_18 on cloud outsourcing) to avoid undue operational risks in outsourcing activities to cloud service providers. Contracts with suppliers of cloud services were reviewed and renewed in respect of these recommendations. The notification to the NBB is done via the Reporting Template B9 in their web application Onegate.

In accordance with the Solvency II Law, when outsourcing a critical or important function or activity, EMANI notifies the NBB of its intention to do so and inform the NBB of any major developments relating to the function.

More information as well as the inventory can be found in the Outsourcing Policy of EMANI.

### ***b) Staffing of supervision***

The subcontracting reduces in no way the responsibility of the Executive Committee and the Board of EMANI whether regarding the Members, Supervisory Authorities or other shareholders EMANI has to keep ultimate responsibility of its activity.

For any subcontracted essential activity, the Executive Committee of EMANI will appoint in house a person in charge of the subcontracted function to whom it will delegate the correct application of the present policy. This person will be in charge in particular of defining the contents of the subcontracting, the necessary internal resources, the interfaces between the parties, the controlling of the subcontracting, the establishment of the assessment of the subcontracted function (economic profits vs risks) and the reporting to the Executive Committee.

The subcontracted organization of the outsourced function will have to allow a permanent control of the provider. The subcontracted organization will have in particular the obligation to raise any operational incident having an impact on the subcontracted activities, as well as in emergency situation.

The process of outsourcing withing EMANI is resumed in the plan below. Each of the stages of the process is detailed as described in the outsourcing policy and procedure manual.



#### **Dependence with regard to the service provider**

To protect EMANI from a too strong dependence with regard to the service provider or to an implemented technical solution by the latter, the internal responsible person will remain attentive to the fact that:

- Technologies, systems, applications and instruments are reliable and sufficiently current, known and compatible;
- The necessary comprehension of the technical characteristics of organisation and management of the outsourced functions exists in-house;
- The intellectual property of the outsourced activities and process remains in-house;
- It is possible at any moment to get back all the data under exploitable form;
- The contractual legal documentation offers the necessary flexibility to be able to end the contractual relation with the service provider at any time while giving

sufficient guarantees as for the confidentiality and the safety of the confidential data of EMANI, and by planning, where necessary, modalities of transition.

#### **Internal audit, Compliance, Statutory Auditor and Prudential control**

The internal audit is an independent and objective activity which brings to the management an assurance on the degree of control of its operations, brings him his advice to improve them and contributes to create added value. For this, the internal audit dreads all the objectives of the organization, analyses the risks connected to its objectives and estimates periodically the robustness of the controls set up to manage these risks. The outsourced operations are an integral part, thus also of the field of the Audit and of the risk analysis of the latter.

The outsourcing cannot harm the laws and the regulations to which EMANI is submitted. Compliance has to verify that the respect for these laws and regulations which come within his/her skills are the object of a preliminary examination, a sufficient guarantee on behalf of the service provider and an appropriate follow-up.

The internal audit and Compliance must be able to have access at any time and without any trouble, to the outsourced activities and have the possibility of exercising their control powers. The access of Compliance and internal audit to the outsourced activities must be guaranteed in the outsourcing contract.

The same conditions also apply to the Statutory Auditor and the prudential organs. According to the exercise of their missions of control, they need to have access at any time and without incident to the information on the subcontracted essential activities and have the possibility of exercising their controls on these activities.

#### **Specific requirements for the Swiss Branch**

FINMA has set supervisory requirements applicable to outsourcing solutions for branches of foreign insurance companies. Most requirements are already identified within this policy but some are specific whenever the Swiss Branch mandates a service provider to perform all or part of a function that is significant to the company's business activities independently and on an ongoing basis.

An inventory of outsourced functions must be drawn up and kept up to date at all times. It must contain a description of the outsourced function and indicate the service provider (including subcontractors), the service recipient and the unit responsible within the outsourcing company.

Where security-relevant functions are outsourced (particularly in information technology), the Branch and the service provider must contractually agree security requirements.

The Branch, its audit firm and FINMA must be able to verify the service provider's compliance with supervisory regulations. They must have the contractual right to inspect and audit all information relating to the outsourced function at any time without restriction. Outsourcing to another country is admissible if the Branch can expressly guarantee that it, its audit firm and FINMA can assert and enforce their right to inspect and audit information.

## 9. Risk profile

EMANI's Risk Management system, based on a top-down as well as bottom-up approach, covers all existing as well as evolving risks that have the potential to materially impact the adequacy of its financial resources, the volatility of its results or its ability to meet its commercial, legal and regulatory obligations.

There are and the end of 2024, 47 material risks identified for 9 categories of risks, which are monitored on a daily basis. Major risks are submitted to stress-testing to test their resilience and ensure smooth recovery.

These risks include, but are not limited to, the following:

### Insurance Risks (including reinsurance and claims):

Insurance risks refer to the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and reserving practices. These risks may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

EMANI's underwriting risk includes:

- CAT underwriting risk: the risk of loss related to extreme or irregular events.
- Premium risk: the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios;
- Reserve risk: the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement.

Non-Life Risk	31 DEC 2023	31 DEC 2024
Premium Reserve	6.977.939	10.388.362
CAT	295.925.087	307.932.751
Correlation effect	-5.156.788	-7.628.410
<b>Total Non-Life Risk</b>	<b>297.746.238</b>	<b>310.692.703</b>

EMANI conducts 3 full stress tests with a 5 year calculation of the future SCR being a full claim, a full claim with default Reinsurer and a reserve scenario.

### Market Risk:

Market risk is the risk of loss or adverse change in the financial position due to fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. This risk may be caused by fluctuations in foreign exchange rates, interest rates or equity, market liquidity, property and securities values.

The Board of Directors decides on the long-term investment strategy and sets out the investment guidelines of the Association based on the recommendations made by the FIAC. The Asset Manager monitors on a quarterly basis if the financial institutions have indeed allocated the assets within these boundaries (asset allocation & Risk parameters). The



investment manager provides the Asset Manager on a monthly basis an overview of its performance.

The following principles apply:

- Prudent person principle: EMANI only invests in assets and instruments whose risks can be properly measured, managed, and controlled, considering the assessment of its overall solvency needs. In particular, assets held to cover the TP are also invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities;
- Focus is on liquid, high-quality, low-risk assets: The predominant portion of the portfolio is invested in cash and liquid, tradable, high-quality securities, mainly in developed market treasuries and government-related and covered bonds. Main technical reserves are supported by investments in cash and fixed-income securities. Parts of the reserves and the economic net asset value might be invested in equity and other investments within pre-defined risk limits;
- Diversification: Diversification is a central part of the investment policy.
- Avoiding investments that threaten EMANI's reputation.

Market Risk	31 DEC 2023	31 DEC 2024
Rate Risk	14.495.655	15.567.412
Equity Risk	21.219.493	31.951.528
Property Risk	199.515	200.807
Spread Risk	12.085.821	14.595.213
Currency Risk	8.519.388	13.277.098
Concentration Risk	183.604	0
Correlation effect	-18.271.418	-22.882.180
<b>Total Market Risk</b>	<b>38.432.057</b>	<b>52.709.879</b>

EMANI conducts 2 full stress tests with a 5 year calculation of the future SCR being a deep financial recession and a narrative scenario. This last scenario includes the credit risk exposure as well. None of these scenarios cause a major decrease in SII ratios.

#### Credit Risk:

Credit risk is the risk of loss or adverse change in the financial position due to fluctuations in the credit standing of issuers of securities, reinsurers, counterparties or any other debtors.

EMANI makes use of the following risk mitigation techniques to limit and contain its credit risk:

- For insurance credit risk management: various reinsurance treaties are put in place, either proportional or non-proportional. EMANI reviews the effectiveness of its reinsurance treaties on its risk profile on a yearly basis and amends them consistently with the evolution of its risk appetite.
- Risk underwriting mitigation: Along with reinsurance, EMANI also utilizes monitoring and control techniques through the definition and implementation of an adjusted risk underwriting stance, as well as risk action plans to anticipate material deviations from its credit risk appetite.

SCR	31 DEC 2023	31 DEC 2024
Default Risk	5.097.632	7.939.625

EMANI conducts 1 full stress test with a 5 year calculation of the future SCR being a narrative scenario which includes the market risk exposure as well. None of these scenarios cause a major decrease in SII ratios.

#### Operational Risk:

Operational risk, including compliance risk, refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all functions rendered in the course of conducting business, including strategy and business planning, underwriting, reinsurance purchasing, reserving, claims management, accounting, investments, treasury, information technology, legal and regulatory, and financial reporting functions.

The operational cost SII was € 1.653.505 at the end of 2024. EMANI is not exposed to any material risk concentration regarding Operational Risk. Material Operational Risks are mapped in the Risk Log and monitored daily.

For managing the non-quantifiable operational risk we have qualitative approaches like yearly self-assessment of the management, Executive Committee, Advisory Committees and Board of Directors.

#### Liquidity Risk:

Liquidity risk is the risk of a loss or inability to realise investments and other assets in order to settle financial obligations when they fall due. Liquidity risk is not a material risk in 2024 but it is part of EMANI's risk profile. risk that EMANI is unable to realise investments and other assets in order to settle their financial obligations when they fall due is not explicitly covered in the standard formula but covered in the ORSA.

The liquidity risk has been tackled in the Risk Appetite Statement and is then considered as a key dimension in the Risk Management System. Liquidity risk is therefore a Key Performance Indicator that risk management monitors monthly and reports quarterly. Reporting to the Risk Committee and Board is ensured on a quarterly basis of all liquidity risks identified and assessed when exceeding EMANI's Risk Appetite.

#### Strategic Risk:

Strategic risk is the risk of the current or prospective impact on earnings or capital arising from adverse business decisions, improper execution of decisions made, or lack of responsiveness to industry changes. Strategic Risk includes risks relating to accessing / raising capital, capital allocation, competition and maintaining ratings.

#### Reputational Risk:

Reputational risk is the risk of potential loss through a deterioration of EMANI's reputation or standing due to a negative perception of its image among members, counterparties, shareholders or supervisory authorities.

As EMANI is a rated company we will protect EMANI in maintaining the obtained AM-Best rating of A. Our reputation is also internally preserved by adequately and timely reporting to

Supervisors and other stakeholders. Besides, yearly the Internal Auditors performs a quality check by interrogating our Members.

The reputational risk has been tackled in the Risk Appetite Statement and is then considered as a key dimension in the Risk Management System. Reputational risk is therefore a Key Performance Indicator that risk management monitors monthly and reports quarterly. Reporting to the Risk Committee and Board is ensured on a quarterly basis of all reputational risks identified and assessed when exceeding EMANI's Risk Appetite.

#### Emerging Risks:

Emerging risks refer to risks that do not currently exist or are not currently recognised but have the potential to materially impact the adequacy of EMANI's financial and operational resources, the volatility of its results and expected financial income or its ability to meet its commercial, legal and regulatory obligations following changes in the environment.

EMANI uses different techniques to monitor emerging risks when they develop:

- SWOT analysis is a technique that helps understanding strengths, weaknesses, opportunities and threats.
- Horizon scanning is a technique used across a wide range to help identify a range of potential issues and risks that could impact in the future as a result of the complex and connected world in which EMANI operates.

#### Sustainability Risks:

Sustainability is often broken into three core concepts: environmental (E), social (S) and governance (G). ESG generally means a broad set of environmental, social and corporate governance considerations that may impact EMANI's ability to execute our business strategy and create value over the long term.

While ESG factors are at times called non-financial, how a company manages them undoubtedly has measurably financial consequences. EMANI manages to create a short list of the most pervasive and persuasive ESG metrics that we believe provide the greatest insight into the sustainability performance of EMANI. Our evaluation of these metrics will be based on five key factors: precedent, prevalence, potential, perspective, and practicality. Sustainability performance will go beyond just the investment strategy and also include governance policy and business ethics, ecological footprint of EMANI, human capital, reporting...

#### *ENVIRONMENT PILLAR*

- ✓ Environmentally aware : As a small insurer, we recognize the challenge is significant but our impact, although small, is still important. For example we embrace the electrification process replacing company cars with traditional combustion engines to electric ones or we offer employees the opportunity to work from home. Meetings that can be held remotely are encouraged to avoid environmentally harmful travel.
- ✓ Investments : EMANI's commitment to sustainable investing starts by working together with Asset Managers who comply with the sustainable standards of the United Nations Global Compact and/or United Nations Principles of Responsible Investing. All our investment funds are selected by our Asset Managers taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard

of the UN Global Compact. They all have appropriate internal guidelines demonstrating their ESG Policy in terms of governance, strategy, risk and the actions they undertake in the ESG space. Furthermore already some funds have an ESG credentials through the French label ISR (the SRI label) which is a tool for choosing sustainable and responsible investments Created and supported by the Finance Ministry with the goal to increase visibility of SRI (Sustainable responsible investing).

- ✓ The Nuclear sector is considered to be a zero-emission industry.
- ✓ Climate related stress-test was conducted in the ORSA 2023.
- ✓ Public disclosure on ESG can be found in the annual report.

### *SOCIAL PILLAR*

- ✓ Diversified recruitment policy : At EMANI we attach importance to talent diversification. Within the company, employees are encouraged to work independently and to further develop their skills. We are open to multi-employability, flexible working and on the job training.
- ✓ Feel good employees : We think it is important that our employees feel at home in the workplace. We operate a flat organizational structure to make everyone feel involved and thus strengthen the team.
- ✓ Health & Safety: A health and Safety Officer is appointed. He reports yearly, gives training and implement measures.
- ✓ Neutrality: EMANI believes in neutrality both in gender, religion and cultural background.
- ✓ Cyber & IT: IT and cyber policy are in place. Both are also monitored in the Business Continuity Plan.
- ✓ Training of staff: Both compliance and IT conducted a staff training during the year
- ✓ Charity: via Entrepreneurs for Entrepreneurs, annually we choose a new sustainable charity to which we give our support.

### *GOVERNANCE PILLAR*

- ✓ Tree lines of defense controls are in place.
- ✓ Self-assessment memorandum corporate governance is updated every year including chapters on whistleblowing, conflict of interest, integrity and fit & proper.
- ✓ Self-assessment of Board and Committees are conducted yearly.
- ✓ Self-assessment of key control functions are conducted yearly.
- ✓ The Board is supporting the ESG principles within the framework of the Mutual
- ✓ The Board & staff undertake business in an ethical manner (avoiding bribery, corruption)

### *INVESTMENT MANAGEMENT RELATED TO ESG*

In relation to the new EU SFDR (Sustainable Finance Disclosure Regulation) which came into effect in March 2021 and is part of a new wave of European regulation aimed at building sustainable economy we need to disclose our investment funds following the framework of categorizing products into three tier hierarchies:

- ✓ EU SFDR Article 6 products; applies to those strategies which are neither Article 8 or 9 strategies, and which either integrate ESG considerations or explain why sustainability risk is not relevant.
- ✓ EU SFDR Article 8 products: applies to those strategies that are ESG integrated, but which also promote, among other characteristics, environmental or social characteristics.
- ✓ EU SFDR Article 9 products: applies to those strategies to those strategies that have sustainable investment as its objective.

The investment mandate to our three Asset Mangers is eligible to be classified SFDR 6, however already 42,09% (2022 : 33,35%) of all the underlying funds held in our portfolios are already eligible to be classified SFDR 8.

In relation to the new CRSD Regulation, our Asset Managers have started with an ESG Risk score Reporting. The ESG Risk score measures a company's exposure to the sustainability risk relevant to its sector and the extent to which a company has those risks under control. Following the MSCI ESG Rating model ,which is a tool which gives institutional investors a broad set of standardized ESG data and simple metrics that are comparable across a broad universe of companies the EMANI portfolio Overall ESG scores is 6,28 on a scale of 10 with 10 being the best in class .

Another important Risk score is the Carbon intensity score and is explained as follows : A company's CO2 or carbon intensity indicates how many tons of CO2 a company emits per million USD of sales (t CO2e/\$M sales) and includes scope 1 and scope 2 emissions not scope 3 emissions. Scope 1 covers direct emissions from the company's own activities, Scope 2 or called indirect CO2 emissions are a result of the generation of purchased electricity and Scope 3 indirect CO2 emissions are the result of activities of e.g suppliers and customers. The carbon intensity score for the EMANI investment portfolio is 124. Thus, for every million US dollar of revenue, 124 tons of emissions are funded. It is an aggregate data, on AUM (asset under management) -weighted carbon intensity of each holding in the portfolio. Following the MSCI ESG Matrix this means a Moderate score were a worst score equals + 2.000.

## 10. Valuation for Solvency purposes

EMANI follows strictly the principles of the Standard Formula without any exception.

### ***a) assets***

The fair value of the investments are the quoted market price in active markets for the same assets at reference date. For the purpose of Solvency II, investments are reported at market value. Therefore, the unrealized capital gains or losses that are not reported in the Statutory balance sheet are added to the Basic Own Fund. The market value of the equities is the market price at 31 December. These unrealized capital gains or losses are the main contributor to the 'Asset adjustments' in the economical balance sheet.

Tangible assets (excl. real estate) are valued at their book value both under Belgian GAAP as Solvency II. Under Solvency II, the liquidities are valued at their nominal value including the accrued interests.

Provisions for reinsurance under the Solvency II regime are discounted to their net present value (NPV) at reference date and reported as "Reinsurance recoverables.

### ***b) Liabilities***

EMANI has asked the approval from the NBB to use the supplementary contribution as part of its eligible capital. The process to recall contributions will be performed according to the Articles of Association and the interpretation of them as agreed upon with the NBB. EMANI has received the annual approval for the use of calls in the Solvency calculation. In line with regulation, EMANI will only use the calls in the Solvency II calculation for maximum 50% of SCR.

Whereas the equalization reserve is considered as a technical reserve in the Statutory accounts, it is considered as Basic Own Funds in Solvency II. It is therefore the main contributor to the 'Liabilities adjustments' on the economical balance sheet. The technical provision is calculated as the sum of the Best Estimate (= discounted Premium and Claim reserves) and the Risk Margin (= additional capital buffer to be calculated using a cost of capital of 6% p.a. and discounted at the risk-free rate.)

The technical provisions under the Solvency II regime include the best estimates for claims and premiums together with the Solvency II Risk Margin and differ therefore from the statutory account by reason of:

- a discounting effect with the use of the yield curve provided by EIOPA;
- the inclusion of a risk margin as required in the EIOPA guidelines;
- the shift of the equalization reserve to the eligible own funds.

### ***b) Other Liabilities***

EMANI does not calculated deferred taxes or adjustments since they are not present.

EMANI does not have leasing arrangements since they are not present.

EMANI does have financial liabilities such as loans since they are not present.

Transitory accounts are valued at their nominal value under Solvency II.



# **BALANCE SHEET AS OF 31 DECEMBER 2024**

(Currency - Euro)

ASSETS	BE Gaap	Solvency II	Difference
<b>C. Investments</b>			
III. Other financial investments			
1. Parts in investment funds	351.372.247,78	385.733.685,92	+ 34.361.438,14
2. Bonds and other fixed interests	0,00	0,00	+ 0,00
6. Term deposits with financial institutions	32.410.285,89	32.410.285,89	+ 0,00
7. Other investments	198.490,00	0,00	- 198.490,00
Derivatives (Solvency II)	0,00	238.590,35	+ 238.590,35
	<b>383.981.023,67</b>	<b>418.382.562,16</b>	<b>+ 34.401.538,49</b> (1)
<b>D. bis Part of reinsurers in the technical reserves</b>			
I. Reserve for non-earned premiums and current risks	3.986.234,00	0,00	- 3.986.234,00
III. Reserve for claims receivable	5.156.188,11	0,00	- 5.156.188,11
	<b>9.142.422,11</b>	<b>0,00</b>	<b>- 9.142.422,11</b> (2)
<b>Reinsurance recoverables (Solvency II regime)</b>			
Premium provisions - Total recoverable from reinsurance	0,00	0,00	+ 0,00
Claims provisions - Total recoverable from reinsurance	0,00	0,00	+ 0,00
	<b>0,00</b>	<b>8.841.513,49</b>	<b>+ 8.841.513,49</b> (2)
<b>E. Receivables</b>			
I. Receivables resulting from direct insurance	3.854.772,13	3.854.772,13	+ 0,00
1. Insurers	2.413.201,41	2.413.201,41	+ 0,00
2. Intermediaries of insurers	1.441.570,72	1.441.570,72	+ 0,00
II. Receivables resulting from reinsurance	2.997.772,39	2.997.772,39	+ 0,00
III. Other receivables	267.384,31	267.384,31	+ 0,00
IV. Subscribed capital, not paid			
	<b>7.119.928,83</b>	<b>7.119.928,83</b>	<b>+ 0,00</b> (3)
<b>F. Other assets</b>			
I. Tangible assets	803.228,58	803.228,58	+ 0,00
II. Liquidity	8.686.555,84	8.770.605,36	+ 84.049,54
	<b>9.489.784,42</b>	<b>9.573.833,94</b>	<b>+ 84.049,53</b> (4)
<b>G. Transitory accounts</b>			
I. Interests and rent	515.538,28	431.488,74	- 84.049,54
	<b>515.538,28</b>	<b>431.488,74</b>	<b>- 84.049,54</b> (5)
<b>TOTAL ASSETS</b>	<b>410.248.697,30</b>	<b>444.349.327,16</b>	<b>+ 34.100.629,86</b>

(1) Whereas investments are reported at their book value under Belgium GAAP,

the Solvency II regime takes into account multiple factors :

- the initial value of the investments is the market value at the reference date (= date of the balance sheet)
- possible shocks on the assets related to interest rate risk, equity risk, property risk, spread risk, currency risk and concentration risk
- accrued interest

(2) Provisions for reinsurance under the Solvency II regime are discounted to their net present value (NPV) at reference date and reported as "Reinsurance recoverables"

(3) No adjustments under Solvency II

(4) Tangible assets (excl. real estate) are valued at their book value both under Belgian GAAP as Solvency II.

Under Solvency II, the liquidities are valued at their nominal value including the accrued interests.

(5) Under the Solvency II regime, the amounts of accrued interests on assets are included in the value of the assets themselves.

# BALANCE SHEET AS OF 31 DECEMBER 2024

(Currency - Euro)

LIABILITIES	BE Gaap	Solvency II	Difference
A. Equity			
I. Subscribed capital or equivalent fund, net of uncalled capital			
1. Guarantee fund securities	91.132.126,48	91.132.126,48	+ 0,00
V. Retained earnings	0,00	0,00	+ 0,00
Reconsiliation reserve (Solvency II regime)			
Asset adjustments (1) + (2) + (3) + (4) + (5)	0,00	34.100.629,86	+ 34.100.629,86
Liabilities adjustments (8) + (9) + (10)	0,00	308.706.640,59	+ 308.706.640,59
Technical provisions adjustment (7)	0,00	-57.275.759,48	- 57.275.759,48
	91.132.126,48	376.663.637,45	+ 285.531.510,97 (6)
Technical provisions - non life (Solvency II regime)			
Best Estimate		37.988.886,08	
Best Estimate Premium provisions		15.101.394,23	
Best Estimate Claims provisions		22.887.491,85	
Risk Margin		19.286.873,40	
		57.275.759,48	+ 57.275.759,48 (7)
C. Technical reserves			
I. Reserve for unearned premiums and for unexpired risks	15.274.896,40	0,00	- 15.274.896,40
III. Reserve for claims payable	24.014.362,11	0,00	- 24.014.362,11
V. Reserve for equalisation and catastrophes	269.457.482,43	0,00	- 269.457.482,43
	308.746.740,94	0,00	- 308.746.740,94 (8)
G. Payables			
I. Payables resulting from direct insurance business	3.493,83	3.493,83	+ 0,00
II. Payables resulting from reinsurance business	7.942.441,83	7.942.441,83	+ 0,00
V. Other payables	1.267.787,43	1.307.887,78	+ 40.100,35
1. Fiscal and social payables	614.943,53	614.943,53	+ 0,00
a) Taxes	2.672,42	2.672,42	+ 0,00
b) Social Payables	612.271,11	612.271,11	+ 0,00
2. Other	652.843,90	454.353,90	- 198.490,00
Derivatives (Solvency II)	0,00	238.590,35	+ 238.590,35
	9.213.723,09	9.253.823,44	+ 40.100,35 (9)
H. Transitory accounts	1.156.106,79	1.156.106,79	+ 0,00
	1.156.106,79	1.156.106,79	+ 0,00 (10)
<b>TOTAL LIABILITIES</b>	<b>410.248.697,30</b>	<b>444.349.327,16</b>	<b>+ 34.100.629,86</b>

(6) Under Solvency II, the own funds are calculated as the excess of assets over other liabilities.

and composed out of the capital and the reconsiliation reserve

Non-eligible capital is cleared from the balance sheet (not mentioned as capital nor as reconsiliation reserve)

The reconsiliation reserve consists of the asset adjustments, liability adjustments and technical provision adjustments

(7) The technical provision is calculated as the sum of the Best Estimate (= discounted Premium and Claim reserves)

and the Risk Margin (= additional capital buffer to be calculated using a cost of capital of 6% p.a. and discounted at the risk-free rate.)

(8) Solvency II does not recognize technical reserves. These reserves are transferred to

- technical provisions (subject to calculation of shocks and to a discount factor)

- own funds (subject to calculation of shocks and to a discount factor)

(9) There is no distinction between the origin of the payables under Solvency II.

If applicable, payables are valued at market value under Solvency II.

(10) Transitory accounts are valued at their nominal value under Solvency II



## 11. Capital Management

EMANI must implement a capital management available over a period corresponding to the business plan; the risk capacity is defined as the means used by the company to counter the negative consequences of the occurrence of a risk:

- Basic own funds;
- Ancillary own funds;
- others: human resource, IT systems, ALM...

Basic Own Funds are defined as the sum of the excess of assets over liabilities of the Market Consistent Balance Sheet (MCBS) and the subordinated liabilities, reduced by non-available items. The majority of the basic own funds consist of the guarantee fund and equalisation reserve of EMANI for a total amount of € 338.381.656.

EMANI has asked the approval from the NBB to use the supplementary contribution as part of its eligible capital as ancillary own funds tiers 2. The process to recall contributions will be performed according to the Articles of Association and the interpretation of them as agreed upon with the NBB. EMANI has received the annual approval for the use of calls in the Solvency calculation and respects the limitations set out by EIOPIA in this respect (max 50% of SCR). These ancillary own funds tiers 2 accounted for € 156.888.723. Regarding the MCR, this part of the available Own Funds are not eligible, because of stricter conditions on the use of Tier 2 Own Funds in this context.

There were no notable changes in each level of capital during the reference period beside the normal financial returns and underwriting results of the year. EMANI does not have any ring-fenced or matching adjustment portfolio. EMANI does not have any item deducted from its own funds. EMANI also does not have any own funds item related to Article 71 (1) (e) of the Delegated Regulation for loss absorbency mechanism.

	31 DEC 2023	31 DEC 2024
SCR	313.711.627	333.671.040
Eligible capital	495.237.428	543.499.157
surplus	181.525.801	209.828.117
SCR coverage ratio	157,86%	162,88%

The Board has identified two capital measures that EMANI should take into account in setting its Medium-Term Capital requirement:

- Regulatory: based on the capital requirement set by reference to Solvency II, a Minimum of capital is calculated to ensure that EMANI is, and will continue to, operate

where the level of risk-based capital is above a 100% solvency ratio. The margin in excess of 100%, the Target amount of capital, is the level of Solvency that is required to be consistent with the capital required to meet the EMANI's internal objective of 125%.

- Rating agency: the capital requirement is also judged against the alternative capital calculations from a rating agency; then the Target amount of capital is the amount of capital necessary to maintain an A rating of AmBest.

The table below shows the evolution of EMANI's SCR between 2023 and 2024 where we note that no major model changes or major impact was noted.

SCR	31 DEC 2023	31 DEC 2024
Market Risk	38.432.057	52.709.879
Default Risk	5.097.632	7.939.625
Non-Life Risk	297.746.238	310.692.703
Correlation effect	-27.564.299	-37.671.166
<b>Total SCR</b>	<b>313.711.627</b>	<b>333.671.040</b>

MCR & SCR RATIO - 31 December 2023			
<b>Total Basic own funds</b>		<b>338.381.655,81</b>	<b>(11)</b>
- Own funds Tier 1	338.381.655,81		(11a)
- refund Mutual members account	0,00		(11b)
<b>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</b>			(11c)
		0,00	
<b>Deductions for participations in financial and credit institutions</b>		0,00	
<b>Ancillary own funds</b>		0,00	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	226.745.289,00		
Eligible ancillary own funds		<b>156.855.772,50</b>	<b>(12)</b>
<b>Total eligible own funds to meet the SCR (11a) + (11b) + (12)</b>		<b>495.237.428,31</b>	<b>(13)</b>
<b>Total eligible own funds to meet the MCR (11a) + (11b) with (11b) ≤ 20% of (16)</b>		<b>338.381.655,81</b>	<b>(14)</b>
<b>Solvency Capital Requirement (SCR)</b>		<b>313.711.545,00</b>	<b>(15)</b>
<b>Minimum Capital Requirement (MCR)</b>		<b>78.427.886,25</b>	<b>(16)</b>
Linear MCR	C0070		
MCR floor = 25% of (15)	141.170.232,08		
Absolute floor (if both Linear MCR and MCR floor below)	78.427.906,71		
<b>SCR ratio (13)/(15)</b>		<b>157,86%</b>	<b>(17)</b>
<b>MCR ratio (14)/(16)</b>		<b>431,46%</b>	<b>(18)</b>

(11) See Solvency II balance sheet.

(11c) Uncalled capital or called capital that is not payable within 3 months are considered as non-eligible own funds

(12) Supplementary members calls can be taken into account as ancillary own funds.

The amount of ancillary own funds is however limited to 50% of the SCR amount. = max 50% of (15) and subject to approval by the regulator

(13) Total eligible own funds is the sum total basic own funds and the eligible ancillary own funds

(13) Total eligible own funds to meet the SCR is the sum total basic own funds and the eligible ancillary own funds

(14) To determine the eligible own funds to meet the MCR, only the Basic own funds are taken into account = (11).

However the Tier II capital taken into account is limited to 20% of the MCR. (Eligible Tier II capital = max 20% of (16)

(15) See separate calculation sheet for the composition of the SCR

The SCR is the sum of market risks, default risk and non-life risk, after a correlation factor is applied.

(16) The linear MCR is calculated according to the Solvency II guidelines (standard formula non-life business).

The MCR is equal to the linear MCR, however a minimum of 25% of the SCR is applied

(17) The SCR ratio is calculated as the total eligible own funds to meet the SCR (13) divided by the SCR (15)

(18) The MCR ratio is calculated as the total eligible own funds to meet the MCR (14) divided by the MCR (16)

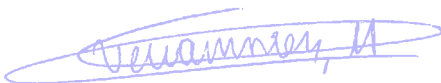
## 12. Status of the Solvency and Financial Condition Report

For practical reasons, the SFCR is written in a masculine version where we often use words as he or his. In EMANI, where we believe in equal rights, it is not more than normal that those words can be used if appropriate in their feminine form.

A Mutual is always in change. To avoid continuous and minor adaptations to the SFCR, the Executive Committee yearly evaluates and updates the document where necessary. A minimal improved version is too insignificant to be presented to the Board of Directors. However, major modifications that have a structural impact on the organization should be approved by the Board of Directors. Their consent will be expressed by the signature of the Managing Director.

Drawing- up date	30-04-2025
Latest Assessment Executive Committee	02-04-2025
Brought to the Board	05-06-2025

Approved by,



M. Vercammen  
Chief Finance Officer

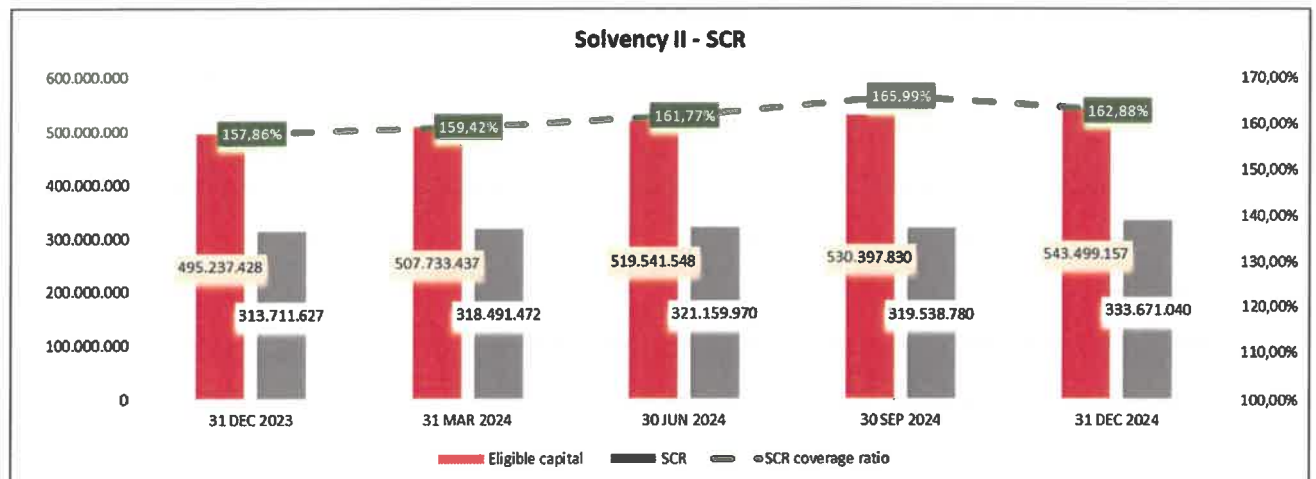


P. Vandekerckhove  
Chief Executive Officer

# Annex

## Annex 1: SCR evolution

	31 DEC 2023	31 MAR 2024	Change to 31 DEC 2023	30 JUN 2024	Change to 31 MAR 2024	30 SEP 2024	Change to 30 JUN 2024	31 DEC 2024	Change to 30 SEP 2024
SCR	313.711.627	318.491.472	+2%	321.159.970	+1%	319.538.780	-1%	333.671.040	+4%
Eligible capital	495.237.428	507.733.437	+3%	519.541.548	+2%	530.397.830	+2%	543.499.157	+2%
surplus	181.525.801	189.241.965	+4%	198.381.579	+5%	210.859.050	+6%	209.828.117	-0%
SCR coverage ratio	157,86%	159,42%	+2%	161,77%	+2%	165,99%	+4%	162,88%	-3%



## Annex 2: list of critical functions that are outsourced

		description of reason of critical function or activity			
	start date	description of outsourced function or activity	activity	critical or not	name of service provider
1.	08/12/2021	internal audit	independent control function	critical	BDO represented by Christophe Quiévréux
2.	23/07/2020	actuary	independent control function	critical	Veerle Nicolai
3.	31/01/2021	first line support, installation of new lap tops (helpdesk)	IT activities & infrastructure	critical	ARCO Information N.V.
4.	01/02/2021	File & Printserver hosting	IT activities & infrastructure	critical	ARCO Information N.V.
5.	05/02/2021	Accounting server and software hosting - Backup solution Office365 data	IT activities & infrastructure	critical	ARCO Information N.V.
6.	17/01/2020	Microsoft Customer Agreement	IT activities & infrastructure	critical	Microsoft Ireland Operations Limited
7.	08/10/2018	financial asset management	specialised independent management of assets	-	AVIVA
8.	29/05/2019	financial asset management	specialised independent management of assets	-	JP Morgan
9.	24/07/2018	financial asset management	specialised independent management of assets	-	KBC
10.	03/07/2018	custodian partner	specialised independent management of assets	-	State Street
11.	23/10/2005	insurance brokerage, independent insurance, intermediaries, agent, availability of insurance cover	management of the core business, insurance activities	-	BPL Global
12.	01/03/2019	insurance brokerage, independent insurance, intermediaries, agent, availability of insurance cover	management of the core business, insurance activities	-	Howden
13.	oral agreement case by case	re-insurance: brokers	management of the core business, insurance activities	-	JLT = Marsh
14.	oral agreement case by case	claims expert	expertise in case of a claim	-	TEXA
15.	oral agreement case by case	insurance: claims expert	management of the core business, insurance activities	-	Crawford

### Annex 3 “Special Mechanisms” Document

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Law of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies: Article 42, § 1/1; Article 517, § 5; Article 569, § 1, fourth paragraph; Article 598, § 1, first paragraph, and Article 600.

Insurance companies operating in Belgium are prohibited under the various supervisory laws from setting up special mechanisms.

A “special mechanism” refers to a process that meets the following four cumulative conditions:

- 1° it has the aim or effect of enabling or facilitating tax fraud by third parties;
- 2° it is initiated by the institution or company itself or the institution or company clearly takes an active part in it, or it results from gross negligence on the part of the institution or company;
- 3° it involves a pattern of conduct or omission;
- 4° it is of a special nature, i.e. the institution or company knows or should know that the mechanism deviates from the standards and normal practices for banking, insurance and financial operations.

After investigation EMANI did not carry out operations that would enable or facilitate tax fraud by its Members and that cannot be justified in the context of normal and proper operations or services provided.

The Statutory Auditor neither declared the existence of any special mechanisms after performing an audit.



## SE.02.01.16.01: BALANCE SHEET ECB-ADD ON

				Solvency II value	Statutory accounts value
				C0010	C0020
Assets	Goodwill		R0010		0,00
	Deferred acquisition costs		R0020		0,00
	Intangible assets		R0030	0,00	0,00
	Deferred tax assets		R0040	0,00	0,00
	Pension benefit surplus		R0050	0,00	0,00
	Property, plant & equipment held for own use		R0060	803.228,58	803.228,58
	Investments (other than assets held for index-linked and unit-linked contracts)		R0070	414.345.163,09	383.981.023,67
	Property (other than for own use)		R0080	0,00	0,00
	Holdings in related undertakings, including participations		R0090	0,00	0,00
	Equities		R0100	0,00	0,00
	Bonds		R0130	0,00	0,00
	Collective Investments Undertakings		R0180	385.733.685,92	351.372.247,78
	Derivatives		R0190	238.590,35	198.490,00
	Deposits other than cash equivalents		R0200	28.372.886,82	32.410.285,89
	Other Investments		R0210	0,00	0,00
	Assets held for index-linked and unit-linked contracts		R0220	0,00	0,00
	Loans and mortgages		R0230	0,00	0,00
	Reinsurance recoverables from:		R0270	8.841.513,49	9.142.422,11
	Non-life and health similar to non-life		R0280	8.841.513,49	9.142.422,11
			R0290	8.841.513,49	9.142.422,11
			R0300	0,00	0,00
	Life index-linked and unit-linked		R0340	0,00	0,00
	Deposits to cedants		R0350	0,00	0,00
	Insurance and intermediaries receivables		R0360	3.854.772,13	3.854.772,13
	Reinsurance receivables		R0370	2.997.772,39	2.997.772,39
	Receivables (trade, not insurance)		R0380	267.384,31	267.384,31
	Own shares (held directly)		R0390	0,00	0,00
	Amounts due in respect of own fund items or initial fund called up but not yet paid in		R0400	0,00	0,00
	Cash and cash equivalents		R0410	12.808.004,43	8.686.555,83
	Any other assets, not elsewhere shown		R0420	431.488,74	515.538,28
	Total assets		R0500	444.349.327,16	410.248.697,30
Liabilities	Technical provisions - non-life		R0510	57.275.759,48	308.746.740,94
	Technical provisions - non-life (excluding health)		R0520	57.275.759,48	308.746.740,94
			R0530	0,00	
			R0540	37.988.886,08	
			R0550	19.286.873,40	
	Technical provisions - health (similar		R0560	0,00	0,00
	Technical provisions - life (excluding		R0600	0,00	0,00
	Technical provisions - index-linked		R0690	0,00	0,00
	Other technical provisions		R0730		0,00
	Contingent liabilities		R0740	0,00	0,00
	Provisions other than technical provisions		R0750	0,00	0,00
	Pension benefit obligations		R0760	0,00	0,00
	Deposits from reinsurers		R0770	0,00	0,00
	Deferred tax liabilities		R0780	0,00	0,00
	Derivatives		R0790	238.590,35	0,00
	Debts owed to credit institutions		R0800	0,00	0,00
	Financial liabilities other than debts		R0810	0,00	0,00
	Insurance & intermediaries payables		R0820	3.493,83	3.493,83
	Reinsurance payables		R0830	7.942.441,83	7.942.441,83
	Payables (trade, not insurance)		R0840	1.069.297,43	1.267.787,43
	Subordinated liabilities		R0850	0,00	0,00
	Any other liabilities, not elsewhere shown		R0880	1.156.106,79	1.156.106,79
	Total liabilities		R0900	67.685.689,71	319.116.570,82
	Excess of assets over		R1000	376.663.637,45	91.132.126,48



## S.05.01: PREMIUM-CLAIMS & EXPENSES

			Fire and other damage to property insurance	Total
			C0070	C0200
Premiums written	Gross - Direct Business	R0110	57088268,93	57088268,93
	Gross - Proportional reinsurance accepted	R0120	0	0
	Gross - Non-proportional reinsurance accepted	R0130		0
	Reinsurers' share	R0140	24807539,02	24807539,02
	Net	R0200	32280729,91	32280729,91
Premiums earned	Gross - Direct Business	R0210	55116829,19	55116829,19
	Gross - Proportional reinsurance accepted	R0220	0	0
	Gross - Non-proportional reinsurance accepted	R0230		0
	Reinsurers' share	R0240	24531977,02	24531977,02
	Net	R0300	30584852,17	30584852,17
Claims Incurred	Gross - Direct Business	R0310	5531475,26	5531475,26
	Gross - Proportional reinsurance accepted	R0320	0	0
	Gross - Non-proportional reinsurance accepted	R0330		0
	Reinsurers' share	R0340	5051617,8	5051617,8
	Net	R0400	479857,46	479857,46
Expenses Incurred		R0550	6973531,08	6973531,08
	Administrative expenses	R0610	5959746,43	5959746,43
		R0620	0	0
		R0700	5959746,43	5959746,43
	Investment management expenses	R0710	755574,26	755574,26
		R0720	0	0
		R0800	755574,26	755574,26
	Claims management expenses	R0810	355176,67	355176,67
		R0820	0	0
		R0900	355176,67	355176,67
	Acquisition expenses	R0910	0	0
		R0920	0	0
		R1000	0	0
	Overhead expenses	R1010	-96966,28	-96966,28
		R1020	0	0
		R1100	-96966,28	-96966,28
Balance - other technical expenses/income		R1210		0
Total technical expenses		R1300		6973531,08

## S.17.01: TECHNICAL PROVISIONS

			Fire and other damage to property insurance	
			C0080	C0180
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		R0050		
Technical provisions calculated as a sum of BE and RM	Premium provisions	R0060	0	0
	Gross - direct business	R0070	15101394,23	15101394,23
	Gross - accepted proportional reinsurance business	R0080	15101394,23	15101394,23
	Gross - accepted non-proportional reinsurance business	R0090	0	0
		R0100		0
	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	3956743,075	3956743,075
	Recoverables from SPV before adjustment for expected losses	R0120	3956743,075	3956743,075
	Recoverables from Finite Reinsurance before adjustment for expected losses	R0130	0	0
		R0140	0	0
		R0150	3928906,945	3928906,945
	Claims provisions	R0160	11172487,29	11172487,29
	Gross - direct business	R0170	22887491,85	22887491,85
	Gross - accepted proportional reinsurance business	R0180	22887491,85	22887491,85
	Gross - accepted non-proportional reinsurance business	R0190	0	0
		R0200		0
	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	4924194,155	4924194,155
	Recoverables from SPV before adjustment for expected losses	R0220	4924194,155	4924194,155
	Recoverables from Finite Reinsurance before adjustment for expected losses	R0230	0	0
		R0240	0	0
		R0250	4912606,548	4912606,548
	Total Best estimate - gross	R0260	17974885,3	17974885,3
	Total Best estimate - net	R0270	37988886,08	37988886,08
	Risk margin	R0280	29147372,59	29147372,59
		R0290	19286873,4	19286873,4
Amount of the transitional on Technical Provisions	TP as a whole	R0300	0	0
	Best estimate	R0310	0	0
	Risk margin	R0320	0	0
Technical provisions - total	Technical provisions - total	R0330	0	0
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0340	57275759,48	57275759,48
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0350	8841513,493	8841513,493
Line of Business: further segmentation (Homogeneous Risk Groups)	Premium provisions - Total number of homogeneous risk groups	R0360	48434245,99	48434245,99
	Claims provisions - Total number of homogeneous risk groups	R0370	1	1
Cash-flows of the Best estimate of Premium Provisions (Gross)	Future benefits and claims	R0380	15101394,23	15101394,23
	Future expenses and other cash-out flows	R0390	0	0
	Future premiums	R0400	0	0
	Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0410	0	0
Cash-flows of the Best estimate of Claims Provisions (Gross)	Future benefits and claims	R0420	22887491,85	22887491,85
	Future expenses and other cash-out flows	R0430	0	0
	Future premiums	R0440	0	0
	Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0450	0	0
Percentage of gross Best Estimate calculated using approximations		R0460	1	1
Best estimate subject to transitional of the interest rate		R0470	0	0
Technical provisions without transitional on interest rate		R0480	57275759,48	57275759,48
Best estimate subject to volatility adjustment		R0490	0	0
Technical provisions without volatility adjustment and without others transitional measures		R0500	57275759,48	57275759,48
Expected profits included in future premiums (EPIFP)			0	0

gross claims paid		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	0	0
N-14	R0110	0	26472984,9
N-13	R0120	0	28458754,31
N-12	R0130	0	7038453,52
N-11	R0140	0	8036440,42
N-10	R0150	0	2481479,82
N-9	R0160	0	1454661,13
N-8	R0170	0	12464421,86
N-7	R0180	0	5978675,67
N-6	R0190	0	471688,11
N-5	R0200	0	47180404,87
N-4	R0210	0	3527411,4
N-3	R0220	0	537405,36
N-2	R0230	5900926,86	5968502,46
N-1	R0240	3703,87	15847,12
N	R0250	0	0
Total	R0260	5904630,73	150087131

gross BE claims provision		Year end (discounted data)
		C0360
Prior	R0100	0,00
N-14	R0110	0,00
N-13	R0120	0,00
N-12	R0130	0,00
N-11	R0140	0,00
N-10	R0150	0,00
N-9	R0160	0,00
N-8	R0170	0,00
N-7	R0180	0,00
N-6	R0190	0,00
N-5	R0200	0,00
N-4	R0210	0,00
N-3	R0220	177.929,56
N-2	R0230	5.885.177,10
N-1	R0240	180.499,94
N	R0250	16.643.885,27
Total	R0260	22.887.491,87

RI PAID		In Current year	Sum of years (cumulative)
		C0760	C0770
Prior	R0300	0,00	0,00
N-14	R0310	0,00	21.958.287,27
N-13	R0320	0,00	11.441.821,72
N-12	R0330	0,00	2.815.381,41
N-11	R0340	0,00	3.422.943,13
N-10	R0350	0,00	992.591,93
N-9	R0360	0,00	581.864,45
N-8	R0370	0,00	6.919.432,90
N-7	R0380	0,00	1.885.183,80
N-6	R0390	0,00	108.691,56
N-5	R0400	0,00	17.217.809,47
N-4	R0410	0,00	665.527,99
N-3	R0420	0,00	97.512,69
N-2	R0430	5.068.696,26	5.074.928,85
N-1	R0440	900,34	13.043,59
N	R0450	0,00	0,00
Total	R0460	5.069.596,60	73.195.020,76

RI RESERVE DISCOUNTED BE		Year end (discounted data)
		C0960
Prior	R0300	0,00
N-14	R0310	0,00
N-13	R0320	0,00
N-12	R0330	0,00
N-11	R0340	0,00
N-10	R0350	0,00
N-9	R0360	0,00
N-8	R0370	0,00
N-7	R0380	0,00
N-6	R0390	0,00
N-5	R0400	0,00
N-4	R0410	0,00
N-3	R0420	34.073,51
N-2	R0430	1.056.199,34
N-1	R0440	19.341,75
N	R0450	3.802.991,95
Total	R0460	4.912.606,55

## S.22.01 : LONG-TERM GUARANTEES

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Not reported as no LTG measures or transitionals are applied.

## S.23.01.01.01: OWN FUNDS

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Ordinary share capital (gross of own shares)	R0010	0,00	0,00		0,00	
	Share premium account related to ordinary share capital	R0030	0,00	0,00		0,00	
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	91.132.126,48	91.132.126,48		0,00	
	Subordinated mutual member accounts	R0050	0,00		0,00	0,00	0,00
	Surplus funds	R0070	0,00	0,00			
	Preference shares	R0090	0,00		0,00	0,00	0,00
	Share premium account related to preference shares	R0110	0,00		0,00	0,00	0,00
	Reconciliation reserve	R0130	285.531.510,97	285.531.510,97			
	Subordinated liabilities	R0140	0,00		0,00	0,00	0,00
	An amount equal to the value of net deferred tax assets	R0160	0,00				0,00
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0,00				
Deductions	Deductions for participations in financial and credit institutions	R0230	0,00	0,00	0,00	0,00	0,00
Total basic own funds after deductions		R0290	376.663.637,45	376.663.637,45	0,00	0,00	0,00
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300	0,00			0,00	
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0,00			0,00	
	Unpaid and uncalled preference shares callable on demand	R0320	0,00			0,00	0,00
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0,00			0,00	0,00
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0,00			0,00	
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0,00			0,00	0,00
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0,00			0,00	
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	240.377.386,00			240.377.386,00	0,00
	Other ancillary own funds	R0390	0,00			0,00	0,00
		R0400	240.377.386,00			240.377.386,00	0,00
Available and eligible own funds	Total available own funds to meet the SCR	R0500	617.041.023,45	376.663.637,45	0,00	240.377.386,00	0,00
	Total available own funds to meet the MCR	R0510	376.663.637,45	376.663.637,45	0,00	0,00	
	Total eligible own funds to meet the SCR	R0540	543.499.157,45	376.663.637,45	0,00	166.835.520,00	0,00
	Total eligible own funds to meet the MCR	R0550	376.663.637,45	376.663.637,45	0,00	0,00	
SCR		R0580	333.671.040,00				
MCR		R0600	83.417.760,00				
Ratio of Eligible own funds to SCR		R0620	162,88%				
Ratio of Eligible own funds to MCR		R0640	451,54%				



## S.23.01.01.02: OWN FUNDS

			Value
			C0060
<b>Reconciliation reserve</b>	<b>Excess of assets over liabilities</b>	<b>R0700</b>	376.663.637,45
	<b>Own shares (held directly and indirectly)</b>	<b>R0710</b>	
	<b>Foreseeable dividends, distributions and charges</b>	<b>R0720</b>	0,00
	<b>Other basic own fund items</b>	<b>R0730</b>	91.132.126,48
	<b>Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds</b>	<b>R0740</b>	
		<b>R0760</b>	285.531.510,97
<b>Expected profits</b>	<b>Expected profits included in future premiums (EPIFP) - Life business</b>	<b>R0770</b>	0,00
	<b>Expected profits included in future premiums (EPIFP) - Non-life business</b>	<b>R0780</b>	0,00
<b>Total Expected profits included in future premiums (EPIFP)</b>		<b>R0790</b>	0,00

## S.25.01.01.01 & S 25.01.01.02: SCR DETAILS

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	52.731.357,59	52.731.357,59	0,00
Counterparty default risk	R0020	7.939.625,20	7.939.625,20	0,00
Life underwriting risk	R0030	0,00	0,00	0,00
Health underwriting risk	R0040	0,00	0,00	0,00
Non-life underwriting risk	R0050	310.692.702,52	310.692.702,52	0,00
Diversification	R0060	-39.337.586,43	-39.337.586,43	
Intangible asset risk	R0070	0,00	0,00	
Basic Solvency Capital Requirement	R0100	332.026.098,88	332.026.098,88	

			Value
			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	0,00
Operational risk		R0130	1.653.504,88
Loss-absorbing capacity of technical provisions		R0140	0,00
Loss-absorbing capacity of deferred taxes		R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	0,00
Solvency Capital Requirement excluding capital add-on		R0200	333.679.603,75
Capital add-ons already set		R0210	0,00
Solvency capital requirement		R0220	333.671.040,00
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	0,00
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0,00
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
	Net future discretionary benefits	R0460	0,00

## S.28.01.01.05: MCR DETAILS



		Value
		C0070
Linear MCR	R0300	5.160.907,77
SCR	R0310	333.671.040,00
MCR cap	R0320	150.151.968,00
MCR floor	R0330	83.417.760,00
Combined MCR	R0340	83.417.760,00
Absolute floor of the MCR	R0350	4.000.000,00
Minimum Capital Requirement	R0400	83.417.760,00

