Berkeley Re DAC

Solvency & Financial Condition Report (SFCR)

December 31, 2017

Contents

INTRODUCTION

Berkeley Re DAC ("Berkeley Re" or "the Company") has prepared the below Solvency and Financial Condition Report on a solo basis in accordance with the regulations set out in Articles 292 –297 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate Administrative Body that has the responsibility for all of these matters is the Company's Board of Directors, with the help of the various governance and control functions that the Company has put in place to monitor and manage the business.

The Company is required to hold sufficient assets to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that the Company's capital is adequate to cover the required solvency for the nature and scale of the business, and the expected operational requirements of the business. A number of mechanisms are in place to evaluate those levels and the outcome of those assessments indicates that the Company's capital is adequate at this time and for the expected requirements in the short to medium term.

The Company's financial year runs to 31 December each year and it reports its results in USD (United States Dollar).

A. BUSINESS & PERFORMANCE

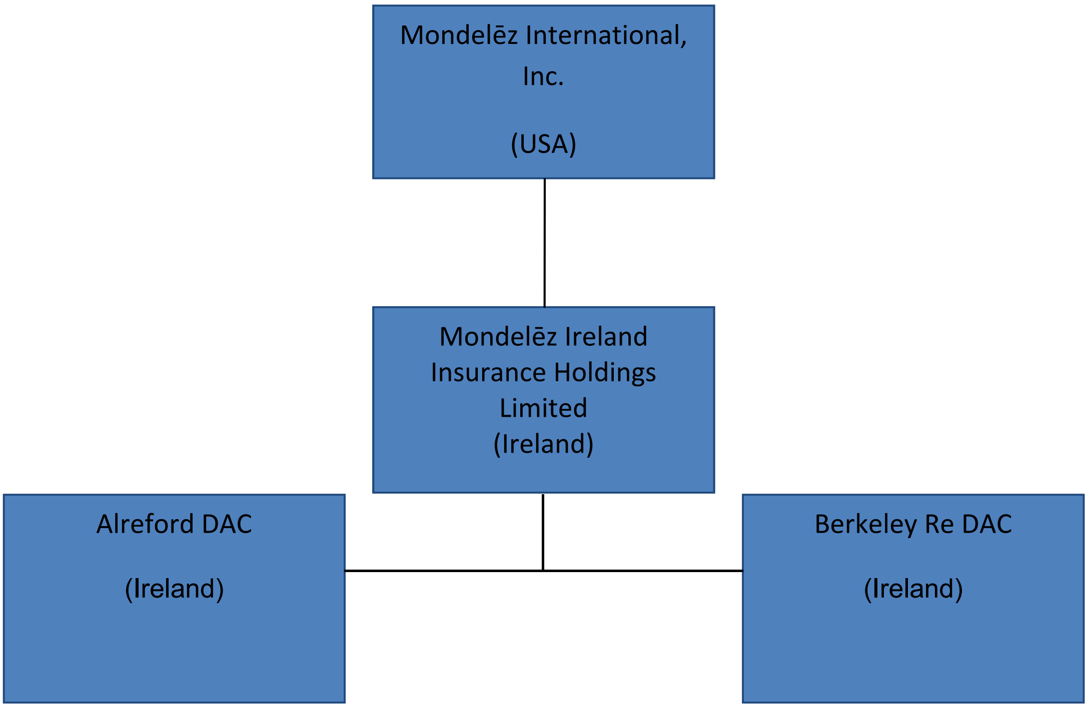
A.1 Business

Berkeley Re is incorporated in Ireland and is licensed by the Central Bank of Ireland ("CBI") as a captive composite reinsurance undertaking. Berkeley Re conducts all of its significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland. As such Berkeley Re strives to ensure compliance with all relevant Irish laws and regulations.

The Company's operating and registered address is:
3rd Floor Metropolitan Building,
James Joyce Street
Dublin 1,
Ireland

The CBI is responsible for financial supervision of the Company. The CBI's address is:
New Wapping Street,
North Wall Quay,
Dublin 1,
Ireland.

Berkeley Re is wholly owned by Mondelez Ireland Insurance Holdings Limited, a company incorporated in Ireland. The ultimate controlling party of the Company is Mondelēz International, Inc., (Mondelez) an American multinational confectionary, food and Beverage Company. The Group structure is outlined below.



Berkeley Re was incorporated in 2003 and was authorised to undertake the business of life and non-life reinsurance from 15 July 2006.

Employee Benefits

The Company has underwritten employee benefits risks of Mondelez employees across the world since 2009. The risks relate to employee death, disability, medical costs or accident and are written on a country by country basis. The Company has reinsurance treaties with two cedants, Generali insurance companies ("the Generali network") or MetLife or AXA (on a joint venture operating as the "MAXIS global benefits network"). The fronting companies then reinsure a high proportion of the risks to Berkeley Re. The majority of the reinsurance treaties renew on 1 January each year.

Property Risks

Effective November, 1 2016 the Company commenced reinsuring against a proportion of the global property risks of Mondelez, risks that were previously reinsured by the Company's sister captive, Alreford DAC ("Alreford"). Mondelēz International buys commercial property insurance for its various factories and plants across the world. The programme is purchased on a co-insurance basis and is led by Zurich Insurance. As part of this programme, a level of retention is agreed that is not covered by the global programme. These retention levels are then reinsured from Zurich Insurance to Berkeley Re for an agreed premium.

Loss portfolio transfer

Until 30 October 2012 transit risks were included as part of the global property programme. These were not covered by Alreford from the programme from 1 November 2012 onwards. Up to 2012 the same approach as the property programme was used - i.e. global programme renewing each 1 November, and a level of retention for Alreford (within Mondelēz) agreed. The claims reserves relating to this business (including some legacy transit business noted above) from previous years in Alreford were also transferred (for an agreed price) to Berkeley Re in 2016. The companies used a tripartite reinsurance novation agreement (Zurich Insurance, Alreford and Berkeley Re) to facilitate this transfer.

Share Capital contribution

During 2016 share capital contributions totalling US$45m to fund the expansion in the reinsurance programme of the Company were transferred via dividend payment from Alreford to MIIHL. A further share capital contribution of US$10m was received in 2017 from Kraft Foods Intercontinental Netherlands C.V. ("KFINCV").

The operation of the Company is subject to the local regulatory requirements in Ireland within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

The Company has no employees and therefore no remuneration was paid.

The Company's external auditor is PricewaterhouseCoopers Chartered Accountants and Auditors, located at One Spencer Dock, North Wall Quay, Dublin 1.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate reinsurance reserves, with annual support being provided by the external actuary who serves as the Head of Actuarial Function.

The Company has implemented various risk mitigants to limit the Company's exposure as well as to reduce the volatility of its losses and hence underwriting performance. Berkeley Re purchases reinsurance protection in the form of stop loss protection for the property programme and catastrophic risk reinsurance for the employee benefits programme to protect against the concentration risk in each location, as many employees work at each of the Mondelez locations.

Since the Company prepares its financial statements in accordance with FRS, the underwriting performance information outlined in this section is on an FRS basis.

Premiums written relate to business incepted during the financial year and have resulted from contracts of reinsurance concluded in the Republic of Ireland.

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers.

Loss after tax for the year ended 31 December 2017 amounted to US$9.8m (2016: Profit of US$2.7m).

The table below outlines the Company's premiums, claims and expenses split by SII lines of business for the year ended 31 December 2017, all expressed in US$:

Year ended 31/12/2017	**Medical expense insurance**	**Workers' comp insurance**	**Property**	**Health Reinsurance**	**Life Reinsurance**	**Total**
Gross premiums written	20,101,212	1,075,954	9,997,305	943,438	4,419,943	36,537,852
Reinsurers' share	(400,822)	(239,984)	-	(62,621)	(179,697)	(883,124)
Net premiums	19,700,390	835,970	9,997,305	880,817	4,240,246	35,654,728
Net claims incurred	(19,611,071)	(1,138,352)	(20,678,368)	1,058,102	(2,364,133)	(42,733,822)
Expenses	(1,958,710)	(107,333)	(1,890,802)	(99,214)	(356,628)	(4,412,687)

Gross premium written for year ended 31 December 2017 amounted to US$36.5m (2016: US$37.3m).

Gross and net claims paid during the financial year ended 31 December 2017 totalled US$40.5m (2016: US$18.8m). As at 31 December 2017, the Company held gross and net claims provisions of US$39.3m (2016: US$37.1m).

A.3 Investment Performance

The Company's investment policy is in line with that of the Mondelez Group. The Company invests its funds with highly rated financial institutions which include at present, BNP, Mizuho Corporate Bank Ltd., Sumitomo Mitsui and Ulster Bank. The majority of the Company's funds are invested in fixed term deposits with maturities up to a maximum of 9 months. The short term maturities aide the liquidity requirements of the business and ensures that funds do not need to be withdrawn prior to maturity to settle liabilities.

The investment income for the year amounted to US$1.1m (2016: US$351k) which has increased as a result of a larger investment base and more favourable interest rates being offered by the financial institutions.

A.4 Performance of Other Activities

The Company's only activity is that of a captive reinsurer.

Operating costs of the Company excluding foreign exchange are charged through the Technical Account of the Profit and Loss Account.

No dividends were paid during the year.

A.5 Any Other Information

There is no other information to report.

B. SYSTEM OF GOVERNANCE

B.1 System of Governance

The Company is classified as a Low Risk entity under the CBI's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System and is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015.

In aiming to meet the requirements for sound corporate governance, ensuring efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.

3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure since the prior reporting period. Berkeley Re implemented the above framework in advance of the inception of Solvency II.

Given the limited scale and complexity of the Company, and having reviewed the risks facing the company thoroughly, the Board are satisfied that the system of governance in place is adequate.

The various Functions assisting the Board, including the Compliance Function, have defined lines of reporting directly to the Board. In relation to any violation of relevant law by the Company the Compliance Function as well as reporting to the Board, will, in certain circumstances, also be required to report to outside bodies such as the CBI.

B.2 Fit & Proper requirements

The 'Fit and proper' requirements are the standards required by the CBI when appointing pre-approved controlled function holders. Berkeley Re is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance Function adopts appropriate controls in the registration of individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

Roles and Responsibilities Detail

Aon Insurance Managers (Dublin) Limited ("AIMD") as the operations are the first line of defence and have primary accountability within the context of day-to-day operations. The first line of defence ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the Board.

AIMD have a dedicated team of professionals managing the operations of the Company. There is an appropriate level of segregation of duties in the AIMD team that is split between finance and insurance team members to enable them to perform tasks.

The Risk Management, Actuarial and Compliance Functions are oversight functions and serve as the second line of defence and are in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. They define the business guidelines and oversee the operations. The Company does not have any Committees in place at present.

The Internal Audit Function acts as the third line of defence and provides independent assurance and challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Board. It monitors and ensures that operations, policies and strategies are adequately aligned.

The Company has a remuneration policy in place that outlines the terms and conditions of Non-Executive Directors of the Company. A management fee is paid by the Company to the appointed management Company, Aon Insurance Managers (Dublin) Limited (AIMD) for services provided.

The responsibilities of the Board of Directors and each of the key functions are included in the below table:

Key Role	Responsibilities
Board of Directors	- to ensure the effective, prudent and ethical oversight of the Company; - to ensure that the Company is in compliance with all relevant laws, regulations, requirements and guidelines; - to ensure no one individual has unfettered power of decision over the Company's affairs. - setting the business strategy for the Company; - monitor the effectiveness and assess the appropriateness of the Company's strategy; - to ensure that the strategy is correctly implemented and review its performance; - ensuring to ensure that risk and compliance are properly managed in the Company in accordance with the Risk Appetite Framework; - monitoring the performance of the Board against its objectives - monitoring and reviewing the financial performance of the Company including the approval of the audited financial statements; - to ensure appropriate own funds items to meet capital requirements and developing and monitoring the medium-term capital management plan; - identifying the risks to which the Company is exposed, establishing a clearly documented Risk Appetite Framework in accordance with the requirements of the Corporate Governance Code and reviewing and amending the RAS as required; - ensuring that the various Control Functions are in place and that they operate effectively; monitoring significant risk and regulatory developments and their potential impact on the Company and, in particular, developments in relation to Solvency II. - ensuring there are proper documented contract and service level agreements in place for all outsourced activities provided to the Company.

	All service level agreements will be reviewed on an ongoing basis and will also be formally reviewed annually. The Chairman shall lead the Board meeting, encourage critical discussion and challenge mind-set. In addition, the Chairman shall promote effective communication between the Board and the Governance Functions. The role of each Director is stipulated in the Director's letter of appointment and includes: - attend each Board meeting unless they are unable to do so owing to circumstances beyond their control; - ensuring that they have a knowledge and understanding of the business, risks and material activities of the Company; - overseeing the effective management of the Company; - participating actively in constructively challenging and developing strategies; - participating actively in the Board's decision making process and in Board committees where any such committees have been established; - exercising appropriate oversight over the execution of the agreed strategies, goals and to monitor reporting of performance; and - proposing strategies to the Board and following challenging Board scrutiny, overseeing the execution of the agreed strategies.
Risk Management Function	- Document the Risk Appetite Framework of the Company; - report to the Board on recommendations and deviations from the Risk Appetite Framework; - define and document policies and principles of risk management; - carry out the operational processes, maintenance and monitoring of the Risk Management System in collaboration with other Functions ; - establish a Risk Register and provide the Board of Directors with all relevant information concerning risks the Company is or can be exposed to; - perform the Own Risk and Solvency Assessment (ORSA) and produce the related reporting in collaboration with the Actuarial Function; - implement the policies and principles related to underwriting risk of the Company; define the acceptance of risks covered by the Company with the support of other Functions and tools available; - define eventual retrocession programs and select reinsurers; - proceed with the analysis of past losses and monitor the profitability of the portfolio of risks underwritten; - make an annual reporting on the evolution of the technical figures to the Board of Directors; - review and report to the Board on the adequacy of the Reinsurance and other risk-mitigation policy on an annual basis; - monitor the security of reinsurers and report to the Board at each Board meeting; - advise the Board on the Operational Risk Policy, monitor its effectiveness and report to the Board; - ensure that the Operational Risk Management policy is in line with the agreed Risk Appetite Framework ;
Compliance Function	- Implement a compliance plan and related policies and principles to ensure corporate compliance with all applicable regulations; - check the adequacy of compliance business measures;

	- ensure the reliability of the transmitted information; - ensure a regulatory monitoring process; - monitor the implementation of compliance and reporting periodically to the Board thereon; - ensure that the compliance risks facing the Company are accurately identified, assessed, monitored and reported; - provide advice to the Board of Directors on compliance with applicable compliance, rules and standards; - assess the appropriateness of the Company's compliance policies and procedures; - obtain the approval of the Board for a policy statement on compliance with the Insurance Acts and Regulations, with guidelines issued by the insurance supervisory authority and with other applicable legislation; - review products, procedures and systems on a planned basis from the viewpoint of effective compliance and advising as to steps necessary to ensure compliance; - review staff training processes so as to ensure appropriate compliance competencies and bring in documents referred to in the Compliance policy
Actuarial Function	- Coordination of the calculation of technical provisions; - identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate; - explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis; - assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented; - the Actuarial Function, when providing its opinion on the Underwriting Policy and the reinsurance arrangements, to take into consideration the interrelations between these and the technical provisions; - report in writing at least annually to the Board of Directors of the undertaking. The reporting should document all material tasks that have been undertaken by the Actuarial Function, their results, clearly identifying any: o Deficiencies and giving recommendations as to how such deficiencies could be remedied. o Technical Provisions Coordination of calculation o Methodologies & assumptions o Data sufficiency & quality o Experience analysis o Report to the Board on reliability & adequacy o Opinion on Underwriting policy o Opinion on Reinsurance arrangements. - Contribute to the effective implementation of the Risk Management System in particular: - (i) with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; - (ii) contributing to the ORSA process. - think critically and organize the execution of actuarial approaches
Internal Audit Function	- Check the compliance of the Company's activities and processes with its policies, procedures and principles;

	- maintain document and execute the internal audit plan; - meet the requirements as specified by the Audit Committee; - assess the adequacy and effectiveness of its governance, risk management and Internal Control Systems; - report its findings to the Board of Directors or Audit Committee; - evaluate and monitor the implementation of its recommendations - review of the application and effectiveness of risk management procedures and risk assessment methodologies; - review of the management and financial information systems, including the electronic; - information system and electronic banking services utilized by the Company; - review of the accuracy and reliability of the accounting records and financial reports; - review of the means of safeguarding assets; - testing of both transactions and the functioning of specific internal control procedures; - review of the systems established by the compliance function to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures; - test the reliability and timeliness of the regulatory reporting; and the carrying-out of special investigations; - establish, implement and maintain an audit plan; - take a risk-based approach in deciding its priorities; - report the audit plan to the Board of Directors of the undertaking; - issue an internal audit report to the Board of Directors - verify compliance with the decisions taken by the Board of Directors of the undertaking on the basis of those recommendations referred to in the point above; - Where necessary, the undertaking should provide that the Internal Audit function should be in a position to carry out audits which are not included in the audit plan; - Review the Risk Management Function's regular assessment process of the operational effectiveness of the risk management system to identify, measure, monitor, manage and report risks the undertaking is exposed to; - Carry out data auditing in relation to the systems employed by the Actuarial function.

B.3 Risk Management System

The overriding goal of the Company's risk management strategy is to reduce, as much as possible, the Company's risk exposure as a means of minimizing the impact of unexpected events, in order to increase the likelihood of achieving the Company's strategic and business objectives.

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment

- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through risk management policies for each key risk category.

The Risk Management Function has also established a Risk Register and a Risk Appetite Framework that are reviewed and approved by the Board on an annual basis. The Risk Register reflects for each identified risk the inherent and residual exposure, and corresponding mitigation or hedging actions as well as related monitoring and maintenance actions to be undertaken. The Risk Appetite sets out the target amount of risk that the Company is prepared to accept in order to achieve its strategic objectives and sets out the tolerances for all risk categories in order to ensure a cautious management of the operations while staying aligned with the Boards' expectations.

In addition to these policies, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been determined.

Each year and on an ad-hoc basis, if circumstances materially change, Berkeley Re prepares an Own Risk and Solvency Assessment ("ORSA") report. The objective of the ORSA process is to enable the Board to assess its capital adequacy in the light of its assessments of its risks and the potential impacts of its risk environment, and enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities that can be used in shaping strategy and risk appetite. The approach may be summarized as follows:

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of ORSA process the Board selected the appropriate stress and scenario tests that they deemed were appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to the SCR under Pillar I.	Gathers information about: projected Solvency ratios; -explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that the ORSA is integrated in the decision-making and business planning process. Furthermore monitoring procedures as set out in the risk management policies ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

In line with CBI requirements the Head of Actuarial Function provides an Actuarial Opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board.

Assessments to date indicate that, under the scenarios presented by management to the Board, the Company is adequately capitalised.

The capital risk appetite for Berkeley Re is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. It is not the intent to maintain a significant capital buffer in the Berkeley Re balance sheet.

Mondelez would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in Berkeley Re so that SCR compliance can be demonstrated. Mondelez is expected to continue to have ample capacity to provide this support to Berkeley Re.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

In order to set out how the Internal Control System is implemented the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

B.5 Internal Audit Function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's Internal Control System by facilitating an objective and independent assessment.

It assists the Company in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

B.6 Actuarial Function

The Actuarial Function is carried out by Milliman and the roles and responsibilities of the Actuarial Function include:

- Coordination of the calculation of technical provisions;
- Identification of any inconsistencies with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- Explanation of any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- Assessment of the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- Consideration of the interrelations between the underwriting policy, reinsurance arrangements and technical provisions when providing its opinion;
- Providing a written report at least annually to the Board of Director's, the reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:

i. Deficiencies and giving recommendations as to how such deficiencies could be remedied.
ii. Technical Provisions Coordination of calculation
iii. Methodologies & assumptions
iv. Data sufficiency & quality
v. Experience analysis
vi. Report to the Board on reliability & adequacy
vii. Opinion on Underwriting policy
viii. Opinion on Reinsurance arrangements

The Actuarial Function report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied.

- Contributing to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR");
    ii. contributing to the ORSA process.
- Thinking critically and organize the execution of actuarial approaches
- Providing an Actuarial Opinion to the Board of Directors in respect of the ORSA.

Responsibility
The person in charge of the Actuarial Function shall meet all the following criteria:

- Be a duly qualified actuary;
- have experience of more than five years in the field of insurance and / or reinsurance.

The Head of Actuarial Function is a pre-approved controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Head of Actuarial Function reports to the Board on an annual basis.

B.7 Compliance Function

The Company has a dedicated Head of Compliance and Compliance Officer reporting directly into the Board of Directors.

The mission of the Compliance Function is:

Assisting in ensuring the long term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Corporate Governance Framework document.
- The Compliance Function identifies and communicates throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.

- The Compliance Function maintains a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- Any violation of relevant law by the Company is investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the CBI.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function promotes a culture of compliance throughout the Company

The Company has a Compliance Charter and Compliance Plan in place for the year 2017/18 which was reviewed and approved during the year (9 May 2017).

B.8 Outsourcing

The objectives of Berkeley Re’s Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board’s, and where applicable a relevant sub committee’s responsibility for, or influence over key functions of the Company;
- Material impairment of the quality of the Company’s System of Governance;
- Any impairment of the Company’s ability to meet its regulatory requirements;
- Non adherence to the Company’s approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company’s ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company’s data protection obligations.

All functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company’s System of Governance and all Functions within the Company that are fundamental to carry out its core business.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company’s core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA). The Company's outsourcing arrangements are subject to an annual review and the findings of this report are reviewed by the Board.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

All outsourced services are located in Ireland.

B.9 Any Other Information

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company which is closed to new business.

C. RISK PROFILE

C.1 Underwriting Risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The underwriting risk of Berkeley Re has increased significantly during the year with the addition of the property cover as previously discussed. The Company continues to mitigate underwriting risk in this respect by seeking to ensure that it collects sufficient premium income to meet the cost of potential claims over time. Whilst considerable judgment is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation and recording process and to detail the Company's approach to the calculation of technical provisions. Annual support is provided by an Actuarial Function. The Company additionally manages its insurance risk exposures through the purchase of appropriate reinsurance cover for both the Employee Benefits and Property programme.

C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations.. The diversity in its investment portfolio reduces the exposure to market fluctuations and matches the profile of the assets backing liabilities to those liabilities. Furthermore the Managers monitor the investment portfolio on a regular basis and bring any material movements to the Board's attention.

Assets have been invested in accordance with the 'prudent person principle' set out in Article 132 of Directive 2009/138/EC.

C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents
- Investments and deposits with credit institutions
- Loans with Group undertakings

The Company has an exposure to credit risk in relation to its cash and deposits with credit institutions and intercompany loan held with Mondelez International Finance AG. To manage these risks; deposits are made, in accordance with established policies and with highly rated credit institutions. The credit risk has increased in line with market risk as a result of the increase in assets, thereby increasing the exposure of the financial institutions defaulting.

C.4 Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost. The Company's exposure to liquidity risk is considered to be low since it maintains a high level of liquid assets to meet its liabilities. The Company is also exposed to liquidity risk on the expected profit included in future premiums ("EPIFP") given it ignores single premium contracts where the premium has already been received as well as multi premium contracts where all the premiums have already been received.

C.5 Operational Risk

Operational risk entails the potential exposure of the company to incidences of fraud, material error or delay in the processes of the Company, regulatory sanction and compliance breaches.

Operational risk is managed by a strong governance structure being put in place, which includes the extensive oversight of the shareholder, Board of Directors and executive management.

In addition, Berkeley Re is subject to Internal Audit and External Audit review.

Berkeley Re maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers, namely Aon to provide its outsourced functions which help avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible; Berkeley Re puts in place service level agreements and fee penalties for non-performance as well as regular review of the outsourced service providers.

C.6 Other Material Risk

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

The Company carries out stress testing as part of the ORSA process on all material risks of the Company on an annual basis and an ad-hoc basis should the Company's risk profile change. The stress scenarios were applied to a 3 year business plan and the Company assessed that the future capital is sufficient in the selected stressed situations.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

The recognition and valuation basis are in accordance with Solvency II Directives. Berkeley Re prepares its financial statements on a going concern basis in compliance with Irish GAAP issued by the Financial Reporting Council and promulgated for use in Ireland by the Institute of Chartered Accountants Ireland. The Company is also subject to the requirements of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015).

Berkeley Re uses the historical cost convention. It has 6 classes of assets presented on the Solvency II Balance Sheet.

	2017			2016		
	Solvency II Value	**Statutory Accounts Value**	**Difference**	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
ASSETS	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Other loans and mortgages	17,087,376	17,019,128	68,248	23,719,480	23,719,101	379
Deposits other than cash equivalents	66,684,159	66,636,375	47,784	65,546,397	65,487,431	58,966
Cash and cash equivalents	6,386,963	6,386,963	-	172,850	172,850	-
Accrued interest	-	116,032	(116,032)	-	59,345	(59,345)
Insurance and intermediaries receivables	17,332,995	17,332,995	-	20,713,529	20,713,529	-
Any other assets, not elsewhere shown	6,356,852	6,356,852	-	1,048,082	1,048,082	-
Deferred tax asset	-	1,398,716	(1,398,716)	-	-	-
Deferred acquisition costs	-	2,424,068	(2,424,068)	-	1,991,820	(1,991,820)
Reinsurance recoverables	(273,934)	-	(273,934)	(180,469)	237,995	(418,464)
Total Assets	**113,574,411**	**117,671,129**	**(4,096,718)**	**111,019,869**	**113,430,153**	**(2,410,284)**

The other loans and mortgages is an intercompany loan with Mondelez International Finance AG, a fellow group company. Cash and cash equivalents comprise cash held at banks. Investments are deposits with credit institutions and are short term in nature with an original maturity of 9 months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments. The only differences between the Irish GAAP financial statements and the Solvency II annual Quantitative Reporting Templates ("QRT's") relate to the presentation of accrued interest on these assets, which is shown separately in the Irish GAAP Financial Statements and included with the related asset in the Solvency II balance sheet presentation.

There is no difference between the valuation of other assets for Solvency II purposes compared to Irish GAAP measurement principles which are deemed to be approximations of fair value.

A deferred tax asset is recognised in the Irish GAAP financial statements however a deferred tax liability is recognised in the Solvency II balance sheet as the Solvency II own funds are greater than the Irish GAAP own funds and a liability is recognised in this regard.

Deferred acquisition costs of US$2,424,068 are excluded from the valuation of assets for solvency purposes in line with Solvency II guidelines.

There are no reinsurance technical provisions on the Irish GAAP balance sheet however a reinsurance recoverable is recognised in the Solvency II balance sheet and calculated in line with Solvency II principles.

Prudent person principle has been applied in assessing investment in the Company's assets.

D.2 Solvency II Technical Provisions

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not reported ("IBNR").

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM"). A reconciliation of the technical provisions in the Irish GAAP financial statements to the technical provisions in the Solvency II balance sheet has been included below.

Reconciliation from Financial Statements to Solvency II				
31 December 2017	**$'000**	**$'000**	**$'000**	**$'000**
	Life EB	**Non-Life EB**	**Property**	**Total**
Financial Statements				
Claims Reserves	5,103	19,263	14,920	39,286
Unearned Premium Reserves	300	871	8,990	10,161
Total Reserves (net of retrocession)	**5,403**	**20,134**	**23,910**	**49,447**
Remove prudence from reserves	(904)	(2,078)	(3,254)	(6,236)
Apply cashflow projection methodology & discounting	231	(509)	(531)	(809)
Allow for 2018 EB renewal	(270)	(1,937)	-	(2,207)
Solvency - II Best Estimate of Liabilities	**4,460**	**15,610**	**20,125**	**40,195**
Risk Margin	390	1,366	1,762	3,518
Technical Provisions - Solvency II	**4,850**	**16,976**	**21,887**	**43,713**

Reconciliation from Financial Statements to Solvency II				
31 December 2016	$'000	$'000	$'000	$'000
	Life EB	Non-Life EB	Property	Total
Financial Statements				
Claims Reserves	6,839	16,697	13,527	37,063
UPR	115	335	9,112	9,562
Total Reserves	**6,954**	**17,032**	**22,639**	**46,625**
Remove prudence from reserves	(2,823)	(2,187)	(2,415)	(7,425)
Apply cashflow projection methodology	(121)	(623)	(507)	(1,251)
Allow for 2017 EB renewal	(249)	(1,985)	-	(2,234)
Solvency - II Best Estimate of Liabilities	**3,761**	**12,237**	**19,717**	**35,715**
Risk Margin	159	1,355	1,865	3,379
Technical Provisions - Solvency II	**3,920**	**13,592**	**21,582**	**39,094**

Best Estimate of Liabilities

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM"). The methodology used to calculate each of these elements of the technical provisions is discussed below.

BEL

The technical provisions equal the sum of the Best Estimate Liability ("BEL") and the Risk Margin ("RM"). The BEL is the expected present value of the probability-weighted average of future cash-flows, using the relevant risk-free interest rate term structure.

Included within the BEL are the cashflows related to the IBNR and Claims reserves, as well as the cashflows in relation to the UPR and future premiums.

The RM is the cost of holding the SCR over the lifetime of the obligations. The cost of capital rate is set in the Solvency II Delegated Regulations to be 6% (2016: 6%) (above risk free). The RM is calculated using a risk driver approach to project the future capital requirements. Technical provisions are calculated gross of amounts recoverable from reinsurance contracts.

The key cashflows underlying Berkeley Re's business, and therefore the BEL calculation are:

- Premiums
- Friction Costs (relating to acquisition costs including cedants commission)
- Claims
- Future Expenses

The cashflows were discounted using the relevant risk-free rates (effective 31 December 2017) for each currency to obtain the BEL. There is no allowance for financial options and guarantees within Berkeley Re's technical provisions as these features are not present in Berkeley Re's contracts. The friction costs are not included within the BEL as future premiums net of friction costs are projected. This is presentational only as the total would be the same if they were just included separately under accounting provisions. The BEL is calculated as a discounted cash flow of expected future premiums, claims and expenses. The modelling of cashflows at a line of business level is an approximation to using a full seriatim list of underlying exposures, which reflects the level of detail available to the Company as a reinsurer.

Premiums

The premium provision represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ("BBNI"). All of Berkeley Re's policies are single premium policies that renew on an annual basis. Premiums related to future renewals (not falling within the next 90 days) are deemed outside the contract boundary. The BEL is therefore determined only with reference to the premiums paid and due on the existing contracts at the valuation date.

In calculating BEL, any premiums included are net of friction costs payable to cedants.

Claims

The claims provision amounts for Berkeley Re are derived using reported IBNR and existing claims provision amounts. These are provided by the cedants. Loss ratios (based on historical experience) are then applied to unearned premiums (net of friction costs) to derive expected future claims levels. The timing of cashflows arising from claims is based on best estimate assumptions. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2017 as published by EIOPA to discount the cash flows underlying the claims provisions. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II technical provisions.

Expenses

Projected future maintenance expenses associated with the inforce business are a component of the BEL. As the business is annually renewable, most of the expense included in the BEL will occur within the next year. At the financial year ended 31 December 2017, the assumption for future maintenance expenses for this coming year was assumed to be equal to the total expense budget for 2018 for the following year (so assuming most of it relates to maintenance expense) plus an additional US$40,000 (2016: US$40,000) per annum for the duration of claims runoff (i.e. 7 additional years). These are allocated based on premiums written for each line of business.

Risk Margin

The Risk Margin ("RM") is calculated as the cost of holding certain defined components of the SCR over the lifetime of the obligations. The risk margin is calculated using the cost of capital approach set out in the Directive.

- The Solvency II capital requirement ("SCR") representing non-hedgeable risks is projected for each future year (until the expiry of all contracts).
- The SCR in the current and each future year is then multiplied by the prescribed cost of capital rate (6% per annum) to get the cost of holding the Solvency II capital requirement in each future year.
- These cost-of-capital figures are then discounted to a single present value using the risk-free yield curve specified by EIOPA to determine the overall risk margin.

It should be noted that, as required by the Delegated Regulations, the projected SCR is calculated on the assumption that the assets are selected in such a way that they minimise the SCR for market risk. The risks included in the projected SCR underlying the Risk Margin therefore relate to insurance and underwriting risk, operational risk and counterparty risk only. There is no projected capital in respect of market risk (including exchange rate risk), as the market risk associated with the assets held is deemed to be fully hedgeable.

The counterparty default risk associated with deposit holdings is typically assumed hedgeable for this purpose. The exposures to Mondelēz via the cash pooling arrangements were assumed hedgeable and therefore this element of counterparty risk was not included in the calculation of the Risk Margin.

Main Assumptions

There have been no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the previous reporting period.

Loss Ratios

- Inforce liabilities use claims ratios based on recent observed experience.
- The assumed loss ratio on the property business is set at 92% (based on 8% loading for commission, expenses, cost of capital and contribution to profits). The risks incept at 1 November for twelve months (so 10 months unexpired at year end).
- The assumed loss ratio on the Employee Benefits business is set at 96% (based on 4% loading for commission, expenses, cost of capital and contribution to profits). The risks incept at 1 January for twelve months.
  - For the 1 January 2017 renewals, the loss ratio used in the claims reserves is the weighted average of past experience (20% weight) and the target loss ratio of 96% (with an 80% weight), subject to a minimum of the experience rate.
  - For the 1 January 2018 renewals, the loss ratio used in the claims reserves is the target loss ratio of 96% (i.e. no allowance for past experience). Note past experience is lower than the target loss ratio overall.

Claim Payments:

- The assumed timings of claim payments has a small impact due to the time value of money (claims are discounted at the risk free rate).
  - Claims runoff is assumed over 7 years for medical/disability.
  - The other categories (life, accident) are assumed settled quickly (1-3 months).
  - Claims runoff is assumed over 3 years for Property.

Expenses:

- The allowance for maintenance expenses in the TPs is based on the 2018 expense budget in US$ terms supplied by management (i.e. one year of full expenses of US$752,000) plus an additional assumed cost of US$40,000 (2016: US$40,000) per annum for the duration of claims runoff (i.e. 7 additional years).

Currency:

- The Q3 2017 bordereau for claims reserves are converted to US$ based on exchange rates at 30 September 2017. These are not rebased to exchange rates at 31 December 2017.

  - For the Generali EB business, there are 11 different currencies in the Q3 bordereau (all non-US$). The main currencies are Swiss Franc and Euro. The exchange rate for these two currencies against US$ weakened over Q4 2017 (by 0.7% for Swiss Franc and 1.5% for Euro).

  - For the Maxis EB business, there are 20 countries in the Q3 bordereau (with a mix of US$ pegged exchange rates such as Saudi Arabia, and other international currencies). The exchange rates for the larger countries (Saudi Arabia, and Mexican Peso) have weakened over Q4.

Other:

- Interest rates – These rates influence the BEL as projected cashflows are discounted back to the valuation date. These rates are prescribed by EIOPA for each valuation date.

- No lapses are assumed in the best estimate scenario, as policies are written on an annual basis and the premium estimates are based on the most accurate information. Coverage levels could fluctuate higher or lower than this estimated level but no lapses per se are anticipated.

- Expected run-off periods are required to model when claims will occur and how quickly they will run off. High-level assumptions have been made in relation to the run-off periods and claims durations as insufficient data is available for more detailed analysis.

Methodology used in the calculations

- The TPs are calculated based on loss ratio assumptions by line of business and cedant applied to the unearned premium at Q3. The Company does not have seriatim (per individual) data for the risks accepted. The Company also does not derive or apply loss ratios at a country level.
- The calculation of the Risk Margin is based on a risk driver approach which seeks to project the modules of the SCR in proportion of the equivalent components of the BEL and premiums.

Areas of uncertainty

- The cash representing the premiums due for 2017 was still being received by the Company in March 2018. This reflects the various dependencies on the underlying insurance companies in the various worldwide territories sending through the premium amounts due to the Company. Therefore the 2017 premium amount (and in particular the premium debtor established at end 2017 representing cash to be collected) is an area of uncertainty.

- The claims levels could fluctuate year-on-year, particularly for the property business as the cover is at the retention layer and first working layer (so claims can be expected every year). However, over the long term the loss ratios experienced should be relatively in line with premiums levels and target loss ratios.
- Trends may appear over time and changes in the legal or regulatory environment could have an immediate impact on patterns (for example disability on EB business).
- The required approach in setting a range of loss ratios and expected premium amounts at the level of detail required for Solvency II is new to the Company over recent years. Therefore it is expected that these assumptions will continue to be monitored and refined over the next few years until more actual experience is accumulated across all the headings.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.
The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other Liabilities

Aside from technical provisions, the valuation of which is detailed above, Berkeley Re has 4 other principal classes of liabilities;

	2017			**2016**		
	Solvency II Value	**Statutory Accounts Value**	**Difference**	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
OTHER LIABILITIES	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Deferred tax liabilities	208,081	-	208,081	640,003	1,914,130	(1,274,127)
Insurance & intermediaries payables	2,978,682	2,978,682	-	1,914,130	-	1,914,130
Reinsurance payables	80,812	80,812	-		-	-
Payables (trade, not insurance)	141,375	141,375	-	104,412	104,412	-
TOTAL LIABILITIES	**3,408,950**	**3,200,869**	**208,081**	**2,658,545**	**2,018,542**	**640,003**

There is no difference between the valuation of these liabilities for Solvency II purposes compared to Irish GAAP measurement principles which are deemed to be approximations of fair value.

The Solvency II Balance Sheet takes into account a deferred tax liability which occurs as the Company has recognised more Solvency II funds than Own Funds on the Irish GAAP Balance Sheet as a result of higher technical provisions. The corporation tax rate of 12.5% is applied to the difference between Solvency II Funds and Shareholders' Equity on the Irish GAAP balance sheet.

D.4 Alternative Methods of Valuation

The Company does not use any alternative methods of valuation.

D.5 Any Other Information

<u>Approximations and simplifications</u>

There are a number of simplifications in the model:

- The model uses loss ratio parameters i.e. a constant claim frequency. If the model used a claim frequency table, varying by age or duration (and if the Company had sufficient volumes of claims for credible modelling), a more accurate claim projection could result.

- Claim recovery rates are not modelled for health claims. Instead, the model assumes an average claim duration. More detailed information on past claim durations and recovery rates could allow a more sophisticated model to be developed.

- All cashflows are discounted using the US$ risk free curve. The underlying risks are in many currencies representing covers in countries across the world. The impact of discounting is immaterial in the calculation of the BEL given the short term nature of most cashflows, and the differential in currency yield curves is minor.

The simplifications are not believed to be material and are appropriate given the nature, scale, and complexity of the undertaking.

E. CAPITAL MANAGEMENT

E.1 Own Funds

Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant balance sheet risks and regulatory requirements. As at 31 December 2017 the Company has adequate capital to meet these objectives.

The Company takes a three-year forward looking view on the risks to which they are exposed and the assessment of the overall solvency needs. The three-year Financial Plan forms the basis for the projected eligible capital necessary to cover the Solvency Capital Requirements.

The Solvency II Directive and the Delegated Acts identify the criteria own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers.

The Company's own funds are primarily invested in fixed term deposits and held in bank accounts. There is no intention to change the disposition of own fund items.

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement is US$66,452,593 (2016: US$69,267,067). This is comprised of ordinary share capital of US$1,631,001 (2016: US$1,629,663), share premium of US$64,994,499 (2016: US$54,995,837) and a reconciliation reserve of (US$172,907) (2016: US$12,641,567) all classified as Tier 1 unrestricted Basic Own Funds.

The share premium has increased during the year by US$10,000,000 following the transfer of capital from KFINCV to Berkeley Re to ensure continuous compliance with regulatory requirements.

The reconciliation reserve is made up of the total excess of assets and liabilities, reduced by the ordinary share capital and share premium held as basic own fund items included in Tier 1.

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing nor does it have any plans to raise debt or issue new shares in the short or medium term.

The following table reconciles the differences (reconciliation reserve) between the equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes.

Reconciliation of Basic Own Funds to Equity in the financial statements

	31/12/2017	31/12/2016
	US$'000	US$'000
Total Equity in the financial statements	64,996,028	64,787,044
Deduct items not recognised in the FRS financial statements:		
Reinsurance BEL	(273,934)	(180,469)
Risk Margin	(3,517,624)	(3,378,816)
Difference between TPs and BEL	9,278,988	10,671,131
Deferred Tax	(208,081)	(640,003)
Add items not recognised in Solvency II Balance Sheet:		
Deferred Tax	1,398,716	-
Deferred Acquisition Costs	2,424,068	1,991,820
SII value of excess of assets over liabilities	66,452,593	69,267,067

The Company’s own funds are not subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

The company assesses material risks that may threaten the accomplishment of the Company’s strategic objectives or might have a substantial impact on the available qualifying own funds. These risks could result from either internal or external events.

Management has identified Underwriting Risk, Reserving Risk and Market Risk as the material risks to which the Company is exposed. Management has investigated the magnitude of each of these risks as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility for those assets matching insured liabilities. These assets are entirely invested in fixed term deposits ranging in maturities to nine months.

All other risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the board.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

Berkeley Re’s SCR and MCR as at 31 December 2017 are US$34,318,792 (2016: US$35,455,729) and US$11,191,101 (2016: US$11,398,518) respectively. The key drivers of the decrease in SCR from the prior year are noted below. Berkeley Re’s Solvency II recognized own funds totalling US$66,452,593 (2016: US$69,267,067) is sufficient to meet its SCR as at 31 December 2017 and results in a Solvency Ratio of 194% (2016: 195%).

Some of the key drivers of the capital requirement for Berkeley Re are:

- Non-Life (Property) Underwriting Risk
  The non-life modules of the SCR apply a formulaic approach for the calculation of capital requirements. This calculation gives a relatively large result for Berkeley Re compared to the other modules of the SCR.

- Market Risk
  The main risk exposure relates to a currency mismatch between assets and liabilities. There has been a significant reduction in currency risk relative to year-end 2016 as the Employee Benefits funds withheld are matched in the local currency of each cedant.

- Health underwriting risk
  The main component of the health underwriting is catastrophe risk which primarily driven by the concentration of lives insured and underwriting risk on the medical and accident lines of business.

The MCR for Berkeley Re is calculated in accordance with the standard formula. Setting the MCR involves three steps:

- Firstly, a factor based calculation is applied using premiums and reserves as the drivers.
- The value of this calculation is either capped or floored such that the value of the MCR is between 25% and 45% of the value of the SCR.
- Finally, the Absolute Minimum Capital Requirement ("AMCR") is applied. This is a monetary floor on the value of the MCR. For reinsurance captives this is currently set at €1.2m (equivalent to US$1,440,600) (2016: US$1,261,920), converted using the year end exchange rate.
- Berkeley Re's MCR is higher than the AMCR.

E.3 Use of duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

There was no use of duration based equity risk sub model in the calculation of the SCR.

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

Berkeley Re used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

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

There are no issues with non-compliance with the MCR and SCR.

E.6 Any Other Information

There is no other information to report.

F. APPENDICES

Appendix 1 - The following audited quantitative data has been added to Appendix 1.

S.02.01.02 – Balance sheet

S.05.01.01 – Premium, Claims and Expenses

S.05.02.01 – Premiums, Claims and Expenses by Country

S.12.01.02 – Life technical provisions

S.17.01.02 – Non Life technical provisions

S.19.01.21 – Claims Developments

S23.01.01 – Own Funds

S25.01.21 – Solvency Capital Requirement using standard formula

S28.01.01 – Minimum Capital Requirement - Only Life or only non-life insurance or reinsurance activity

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	66,684
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	66,684
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	17,087
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	17,087
Reinsurance recoverables from:	**R0270**	(274)
Non-life and health similar to non-life	**R0280**	(226)
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	(226)
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	(48)
Health similar to life	**R0320**	(9)
Life excluding health and index-linked and unit-linked	**R0330**	(40)
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	17,333
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	6,387
Any other assets, not elsewhere shown	**R0420**	6,357
Total assets	**R0500**	113,574

S.02.01.02

Balance sheet

Liabilities		
Technical provisions – non-life	**R0510**	38,863
Technical provisions – non-life (excluding health)	**R0520**	21,887
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	20,125
Risk margin	**R0550**	1,761
Technical provisions - health (similar to non-life)	**R0560**	16,976
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	15,610
Risk margin	**R0590**	1,366
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	4,850
Technical provisions - health (similar to life)	**R0610**	2,379
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	2,188
Risk margin	**R0640**	191
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	2,471
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	2,272
Risk margin	**R0680**	199
Technical provisions – index-linked and unit-linked	**R0690**	-
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	208
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	2,978
Reinsurance payables	**R0830**	81
Payables (trade, not insurance)	**R0840**	141
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	47,121
Excess of assets over liabilities	**R1000**	66,453

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**									
Gross - Proportional reinsurance accepted	**R0120**	20,101		1,076						
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	401		240						
Net	**R0200**	19,700		836						
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**	19,564		1,077						
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	401		240						
Net	**R0300**	19,163		837						
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**	15,691		5,058						
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**									
Net	**R0400**	15,691		5,058						
Changes in other technical provisions										
Gross - Direct Business	**R0410**									
Gross - Proportional reinsurance accepted	**R0420**									
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**									
Net	**R0500**									
Expenses incurred	**R0550**	3,659		201						
Other expenses	**R1200**									
Total expenses	**R1300**									

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								
Gross - Proportional reinsurance accepted	**R0120**								21,177
Gross - Non-proportional reinsurance accepted	**R0130**							9,997	9,997
Reinsurers' share	**R0140**								641
Net	**R0200**							9,997	30,533
Premiums earned									
Gross - Direct Business	**R0210**								
Gross - Proportional reinsurance accepted	**R0220**								20,641
Gross - Non-proportional reinsurance accepted	**R0230**							10,119	10,119
Reinsurers' share	**R0240**							238	879
Net	**R0300**							9,881	29,881
Claims incurred									
Gross - Direct Business	**R0310**								
Gross - Proportional reinsurance accepted	**R0320**								20,749
Gross - Non-proportional reinsurance accepted	**R0330**							20,678	20,678
Reinsurers' share	**R0340**								
Net	**R0400**							20,678	41,427
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**								
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**								
Net	**R0500**								
Expenses incurred	**R0550**							2,771	6,631
Other expenses	**R1200**								
Total expenses	**R1300**								

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**							943	4,420	5,363
Reinsurers' share	**R1420**							63	180	243
Net	**R1500**							880	4,240	5,120
Premiums earned										
Gross	**R1510**							943	4,235	5,178
Reinsurers' share	**R1520**							63	180	243
Net	**R1600**							880	4,055	4,935
Claims incurred										
Gross	**R1610**							(1,124)	2,430	1,306
Reinsurers' share	**R1620**									
Net	**R1700**							(1,124)	2,430	1,306
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**							181	725	906
Other expenses	**R2500**									
Total expenses	**R2600**									

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		US	IT				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**							-
Gross - Proportional reinsurance accepted	**R0120**		11,050	10,127				21,177
Gross - Non-proportional reinsurance accepted	**R0130**		9,997					9,997
Reinsurers' share	**R0140**		117	524				641
Net	**R0200**		20,930	9,603				30,533
Premiums earned								
Gross - Direct Business	**R0210**							
Gross - Proportional reinsurance accepted	**R0220**		10,477	10,164				20,641
Gross - Non-proportional reinsurance accepted	**R0230**		10,119					10,119
Reinsurers' share	**R0240**		355	524				879
Net	**R0300**		20,241	9,640				29,881
Claims incurred								
Gross - Direct Business	**R0310**							
Gross - Proportional reinsurance accepted	**R0320**		6,955	13,794				20,749
Gross - Non-proportional reinsurance accepted	**R0330**		20,678					20,678
Reinsurers' share	**R0340**							-
Net	**R0400**		27,633	13,794				41,427
Changes in other technical provisions								-
Gross - Direct Business	**R0410**							-
Gross - Proportional reinsurance accepted	**R0420**							-
Gross - Non- proportional reinsurance accepted	**R0430**							-
Reinsurers'share	**R0440**							-
Net	**R0500**							-
Expenses incurred	**R0550**		4,966	1,665				6,631
Other expenses	**R1200**							
Total expenses	**R1300**							

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		US	IT				
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**		1,281	4,082				5,363
Reinsurers' share	**R1420**		129	114				243
Net	**R1500**		1,152	3,968				5,120
Premiums earned								-
Gross	**R1510**		1,391	3,787				5,178
Reinsurers' share	**R1520**		129	114				243
Net	**R1600**		1,262	3,673				4,935
Claims incurred								-
Gross	**R1610**		(1,897)	3,203				1,306
Reinsurers' share	**R1620**							-
Net	**R1700**		(1,897)	3,203				1,306
Changes in other technical provisions								-
Gross	**R1710**							-
Reinsurers' share	**R1720**							-
Net	**R1800**							-
Expenses incurred	**R1900**		277	629				906
Other expenses	**R2500**							-
Total expenses	**R2600**							-

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

			Index-linked and unit-linked			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**									(40)	(40)					(9)	(9)
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**									2,272	2,272					2,188	2,188
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**																
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**									2,272	2,272					2,188	2,188
Risk Margin	**R0100**									199	199					191	191
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**									2,471	2,471					2,379	2,379
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**									2,471	2,471					2,379	2,379

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	(967)		(20)													6,149	5,161
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	(218)		(7)														(226)
Net Best Estimate of Premium Provisions	**R0150**	(749)		(13)													6,149	5,387
Claims provisions																		
Gross	**R0160**	10,870		5,727													13,977	30,574
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**																	-
Net Best Estimate of Claims Provisions	**R0250**	10,870		5,727													13,977	30,574
Total Best estimate - gross	**R0260**	9,903		5,707													20,125	35,735
Total Best estimate - net	**R0270**	10,121		5,714													20,125	35,961
Risk margin	**R0280**	867		499													1,761	3,127
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**																	-
Best estimate	**R0300**																	-
Risk margin	**R0310**																	-
Technical provisions - total																		
Technical provisions - total	**R0320**	10,770		6,206													21,887	38,863
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	(218)		(7)													-	(226)
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	10,988		6,213													21,887	39,088

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	Underwriting Year

Gross Claims Paid (non-cumulative)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											-
N-9	R0160	-	-	-	-	-			-	-	-	
N-8	R0170	-	-	-	-	-	-	-	-	-		
N-7	R0180	-	-	-	-	-	-	-	-			
N-6	R0190	-	-	-	-	-	257	555				
N-5	R0200	-	-	-	-	476	135					
N-4	R0210	-	-	-	-	-						
N-3	R0220	6,566	3,748	1,592	1,875							
N-2	R0230	12,553	2,141	10,753								
N-1	R0240	11,386	12,657									
N	R0250	11,492										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	-	-
	R0160	-	-
	R0170	-	-
	R0180	-	-
	R0190	555	813
	R0200	135	611
	R0210	-	-
	R0220	1,875	13,781
	R0230	10,753	25,447
	R0240	12,657	24,044
	R0250	11,492	11,492
Total	R0260	37,468	76,187

Gross undiscounted Best Estimate Claims Provisions

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											-
N-9	R0160	-	-	-	-	-	-	-	-	-	-	
N-8	R0170	-	-	-	-	-	-	-	-	-		
N-7	R0180	-	-	-	-	-	-	143	-			
N-6	R0190	-	-	-	-	-	-	210				
N-5	R0200	-	-	-	-	-	-					
N-4	R0210	-	-	-	4,364	-						
N-3	R0220	-	-	16	5,018							
N-2	R0230	-	2,408	19								
N-1	R0240	20,824	2,588									
N	R0250	24,106										

		Year end (discounted data)
		C0360
	R0100	-
	R0160	-
	R0170	-
	R0180	-
	R0190	148
	R0200	-
	R0210	-
	R0220	5,135
	R0230	19
	R0240	2,506
	R0250	22,766
Total	R0260	30,574

Annex I
S.23.01.01
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**	1,631	1,631			
Share premium account related to ordinary share capital	**R0030**	64,994	64,994			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	(173)	(173)			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
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**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	66,453	66,453			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	66,453	66,453			
Total available own funds to meet the MCR	**R0510**	66,453	66,453			
Total eligible own funds to meet the SCR	**R0540**	66,453	66,453			
Total eligible own funds to meet the MCR	**R0550**	66,453	66,453			
SCR	**R0580**	34,319				
MCR	**R0600**	11,191				
Ratio of Eligible own funds to SCR	**R0620**	1.94				
Ratio of Eligible own funds to MCR	**R0640**	5.94				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	66,453
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	66,626
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	(173)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	270
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	1,937
Total Expected profits included in future premiums (EPIFP)	**R0790**	2,207

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	7,210		
Counterparty default risk	R0020	4,299		
Life underwriting risk	R0030	3,968		
Health underwriting risk	R0040	7,598		
Non-life underwriting risk	R0050	25,357		
Diversification	R0060	(15,500)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	32,932		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	1,387
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	34,319
Capital add-on already set	R0210	
Solvency capital requirement	R0220	34,319
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	7,535

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	10,121	19,700
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040	5,714	836
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170	20,125	10,795

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	3,656

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	4,508	
Total capital at risk for all life (re)insurance obligations	R0250		5,087,210

Overall MCR calculation

		C0070
Linear MCR	R0300	11,191
SCR	R0310	34,319
MCR cap	R0320	15,444
MCR floor	R0330	8,580
Combined MCR	R0340	11,191
Absolute floor of the MCR	R0350	1,441
		C0070
Minimum Capital Requirement	R0400	11,191