ING Captive Re DAC

Solvency & Financial Condition Report (SFCR)

December 31, 2017

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INTRODUCTION

ING Captive Re DAC ("ING Captive Re" or "the Company") has prepared the below Solvency and Financial Condition Report 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.

A.1 BUSINESS & PERFORMANCE

Business

ING Captive Re is a private limited company limited by shares, incorporated in Ireland in 2015 with registered office at 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1.

The Company is authorised by the Central Bank of Ireland (CBI) as a non-life reinsurance undertaking under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485).

The Company is a wholly owned subsidiary of ING Groep N.V., headquartered at Bijlmerplein 888, 1102 MG, Amsterdam, Netherlands, and provides reinsurance cover for selected risks of the parent and its subsidiaries only and is therefore considered to be a 'Captive' reinsurance company. ING Groep N.V. is the single shareholder and both immediate and ultimate parent.

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 conducts all of its business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland. As such the Company strives to ensure compliance with all relevant Irish laws and regulations.

The Company's external auditor is KPMG, which is located at Harbourmaster Place, IFSC, Dublin 1.

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

A.2 Underwriting Performance

ING Captive Re's business is the provision of insurance in a manner which enhances the risk management, economic and administrative efficiency of the ING Groep. Insurance is provided under two regulatory line of business; General Liability and Miscellaneous Financial Loss.

The Company's underwriting performance for General Liability for the reporting period ended 31 December 2017 and the comparative period is set out below. Amounts are presented in Euro (Eur), which is the Company's functional currency:

	2017 Eur	2016 Eur
Gross premiums written and earned	6,224,340	5,745,000
Outward reinsurance premiums written and earned	0	0
Earned premiums, net of reinsurance	6,224,340	5,745,000

Gross claims incurred	(10,030,433)	(5,257,566)
Claims incurred – recoverable from reinsurers	0	0
Claims incurred, net of reinsurance	(10,030,433)	(5,257,566)
Expenses incurred	(504,491)	(487,434)
Underwriting profit	**(4,310,584)**	**0**

The Company's underwriting performance for Miscellaneous Financial Loss for the reporting period ended 31 December 2017 and the comparative period is set out below. Amounts are presented in Euro (Eur), which is the Company's functional currency:

	2017	**2016**
	Eur	**Eur**
Gross premiums written and earned	4,149,560	3,830,000
Outward reinsurance premiums written and earned	0	0
Earned premiums, net of reinsurance	4,149,560	3,830,000
Gross claims incurred	(1,082,939)	(3,505,044)
Claims incurred – recoverable from reinsurers	0	0
Claims incurred, net of reinsurance	(1,082,939)	(3,505,044)
Expenses incurred	(336,328)	(324,956)
Underwriting profit	**2,730,293**	**0**

Premiums written relate to business incepted during the period and as the period of risk is commensurate with the reporting period, there is no unearned portion at the period end.

Premium pricing is re-assessed annually with the assistance of loss data for the past 12 years. This takes account of the underlying risks to be insured, historical claims performance, and the relevant costs associated with the administration of the programme. The increase in premium on the prior year is reflective of a large loss occurring in the prior year.

Provision is made for notified losses on all underwriting years with no difference between Gross and Net figures as there is no further retrocession beyond the reinsurance company. Claims incurred in the current period included a large Professional liability loss compared to a more benign claims experience in the prior year. Due to the Company only being established in 2015, the claims incurred continue to increase until it reaches a level of maturity when claims reported will be off-set by claims paid.

A.3 Investment Performance

Investments are held in deposits with credit institutions. The Company holds its cash and cash equivalents with ING Bank whose credit rating with Standard & Poors is A-. Balances held at banks are non-interest bearing.

A.4 Performance of other activities

ING Captive Re does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5 Other Information

The Company recorded a foreign exchange gain of € 89,802 during the reporting period on settlement of premiums receivable. This is considered within appetite and not material to the overall financial performance of the Company.

There are related party transactions; all Directors are employees of ING Groep N.V.

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

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

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. ING Captive Re implemented the above framework in advance of the inception of Solvency II.

In order to achieve the Company’s objectives, the Board has established a system of governance with the following core components:

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and

- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

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 Central Bank of Ireland.

The Board are satisfied that the system of governance in place is adequate for the nature, scale and complexity of the risks of the Company.

The Company complies with the obligations and standards contained in the Corporate Governance Requirements for Insurance Undertakings 2015 and in line with Central Bank expectations.

According to these principles, the chosen governance model is one of "three lines of defence" which is illustrated as follows:

Governance structure



1st line of defence	2nd line of defence	3rd line of defence
Risk and control embedded in the business 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.	**The oversight functions** The 2nd line is in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned.	**Provides independent assurance** The 3rd line 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.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

Remuneration and material transactions

The members of the Board of Directors receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid.

As a captive reinsurer, all ING Captive Re's inward premium flows and claims payments relate to reinsured risks of the shareholder group. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit & Proper

The 'Fit and proper' requirement is the standard required by the Central Bank of Ireland when appointing function holders. ING Captive Re has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered.

For those roles which are prescribed by the CBI as Controlled Functions (CFs) and Pre-approval Controlled Functions (PCFs), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

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 minimising 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.

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

Own Risk and Solvency Assessment

Each year, ING Captive Re produces an Own Risk and Solvency Assessment ("ORSA") report. 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 Own Risk Solvency Assessment process the

Company selected the appropriate stress and scenario tests as determined by the Board to be 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. The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to match prospective solvency needs with capital position. 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 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.

The capital risk appetite for ING Captive Re is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent

approach to capital to ensure that ING Captive Re is in a comfortable position to meet its SCR obligations.

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 Company's governance manual.
2) Risk assessment	Procedures and policies are detailed and formalised 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.

Compliance Function

The Company has a Compliance function in place which reports to the dedicated Head of Compliance Function and 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 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 Central Bank of Ireland.
- 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 2016 which was reviewed and approved during the year.

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 accomplish 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.

Independence and Impartiality

The Company's Internal Audit Function is independent of the activities audited and 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 outsourced to Aon with a named Head of Actuarial Function, appointed as and approved as pre-approval controlled function (PCF), reporting to the Board of Directors. The Head of Actuarial Function is a pre-approval controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Actuarial Function carries out its role with the following tasks:

- 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.

- 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;
- Taking into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion;
- Report in writing at least annually to the Board of Directors, documenting all material tasks that have been undertaken by the Actuarial Function, including:
  (i) Details of the Technical Provisions
  (ii) Methodologies & assumptions
  (iii) Data sufficiency & quality
  (iv) Experience analysis
  (v) Report to the Board on reliability & adequacy
  (vi) Opinion on Underwriting policy
  (vii) Opinion on Reinsurance arrangements.
- Contribute to the effective implementation of the Risk Management System in particular with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and the ORSA process.
- think critically and organize the execution of actuarial approaches
- provide an actuarial Opinion to the Board of Directors in respect of the ORSA

B.7 Outsourcing

The objectives of the Company's Outsourcing Policy is 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 Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

The following critical or important Functions / activities are outsourced by the Company:

Critical or important Function	Outsourced Service Provider	Location
Underwriting and Claims administration	Aon Insurance Managers	Ireland
Finance and Accounting	Aon Insurance Managers	Ireland
Risk Management Function	Aon Insurance Managers	Ireland
Compliance Function including Head of function	Aon Insurance Managers	Ireland
Actuarial Function including Head of Function	Aon Global Risk Consulting	United Kingdom
Internal Audit Function including Head of Function	ING Groep	Netherlands

B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. RISK PROFILE

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting Risk

The Company underwrites contracts that transfer reinsurance risk. The risk under any reinsurance 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 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 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 and certification is provided by an Actuarial Function.

As the Company is a captive reinsurer, it is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer term nature of the risks which the Company underwrites.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by the Company's Actuarial Function.

As part of the Company's ORSA process, stress and scenario tests incorporating differing claims experience are considered. The impact of the Company experiencing under reserving by 20% and

one very large loss was considered as part of the ORSA carried out in the reporting period. While the latter scenario resulted in a reduction in the Company's available capital and would adversely impact the regulatory solvency requirements, the Company noted that in such a scenario, the shareholder, ING Groep N.V., the immediate and ultimate shareholder will provide the capital necessary for ING Captive Re to meet its claims obligations and regulatory capital obligations.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in the ultimate loss ratios ('ULRs') used in the estimation of claims reserves for financial statements purposes and holding all other assumptions constant. The resultant impact on Gross and Net claims reserves and Profit before Tax (PBT) for the financial period is shown below:

	Gross Claims Reserve	Net Claims Reserve	Impact on PBT for the year	Impact on Equity for the year
2017	**€**	**€**	**€**	**€**
Increase in loss reserves by 10%	32,121,773	32,121,773	(2,920,161)	(2,555,141)
Decrease in loss reserves by 10%	26,281,451	26,281,451	2,920,161	2,555,141
2016				
Increase in loss reserves by 10%	20,074,377	20,074,377	(1,824,943)	(1,596,825)
Decrease in loss reserves by 10%	16,424,488	16,424,488	1,824,943	1,596,825

C.2 Market Risk

Market risk is the risk of loss arising from adverse movements in market prices. Investments are maintained in cash deposits with an approved credit institution. Investments are all maintained in Euro, the reporting currency of the Company.

C.5 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. ING Captive Re's only exposure is to ING Bank, with whom the cash deposit is maintained.

C.4 Liquidity and Concentration Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations. Concentration Risk includes the risk of additional losses incurred by the company due to either a lack of diversification of assets or from a large exposure to the risk of default of a single issuer of securities or a group of related insurers. These risks are assessed under the Risk Appetite framework focusing on the spread of assets and ensuring that the investment portfolio is at any time made up of sufficient liquid assets i.e. daily traded securities or short term deposits.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss.

The Company have a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy. The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk.

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

ING Captive 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 to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, ING Captive Re puts in place service level agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed.

C.6 Other material Risks

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. (Compare actual versus target performance on a regular basis (as defined for each objective) and produce a variance analysis explaining reexplaining Captive Reasons for deviations.

Sensitivity Risk

The Actuarial Function assesses annually the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations.

No other material risks have been identified.

C.7 Any other information

There are no other material items to report in this section.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

ING Captive Re prepares its statutory financial statements on a going concern basis in compliance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

There are a number of differences in the financial statement basis under current accounting standards and the Solvency II valuation rules s set out below, however these have no impact on the valuation basis of the assets of the Company at 31 December 2017.

Cash and cash equivalents: are reported at market value under the Statutory Financial Statement basis so no adjustment is required for the Solvency II basis.

Debtors: Under the Solvency II valuation basis ING Captive Re's debtor items relating to unpaid premium balances are included within the Technical Provision calculation provided they are within credit terms. The unpaid premium on ING Captive Re's balance sheet is outside of credit terms so this has not been included within the Technical Provision Calculation.

D.2 Technical Provisions

The table below summarises the overall Solvency II technical provision by line of business. The risk margin has been calculated to be €2.1m, giving a total gross technical provision of €9.3m.

Solvency II gross technical provisions (€'000)

Line of Business	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Liability	16,152	-318	15,834	2,159	17,993
Misc	4,758	-22	4,736	636	5,372
Total	**20,910**	**-340**	**20,570**	**2,795**	**23,365**

The Solvency II Technical provisions calculation is based on the latest Solvency II Technical Specifications published by the European Union on 17 January 2015, Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("Delegated Acts").

The Statutory reserving basis is carried out in line with International Financial Reporting Standards (IFRS) principles. The statutory reserving reserves to an estimated ultimate, i.e the total of claim amounts paid for a policy or underwriting year after all exposures have expired and all claims have been fully settled, which includes an allowance for unallocated loss adjustment expenses ("ULAE") and a margin for uncertainty. The statutory reserves include prudence while the Solvency II technical provisions permits no allowance for prudence with the claim estimates stated on a best estimate basis.

The Solvency II technical provisions consist of a claim provision, premium provision and a risk margin. The claim provision includes the premium and claim cash flows associated with periods of exposure prior to the valuation date. The provisions are calculated using discounted expected cash flows.

Under Solvency II, there is no unearned premium provision held on the balance sheet. The Solvency II technical provisions consist of a claim provision and premium provision.

The claim provision includes the premium and claim cash flows associated with periods of exposure prior to the valuation date. Premium provisions include the premium and claim cash flows associated with periods of exposure post the valuation date. The provisions are calculated per line of business using discounted expected cash flows. We have used risk free yield curves as at 31st December 2017, published by EIOPA, to discount the cash flows to the valuation date.
There are a number of other specific changes outlined below:

Premium Cashflows: Under Solvency II, technical provisions are calculated on a discounted cashflow basis so unpaid premium cash flows are included within the valuation.

Bound but Unincepted Contracts: Under Solvency II, the contract recognition basis is different to the current Statutory Financial Statements basis. That is, under Statutory Financial Statements the technical provisions only consider contracts that have incepted as at the valuation date, whereas, under Solvency II all contracts that are legally bound need to be considered, even if they have not yet incepted. Expected profit on these contracts will reduce net technical provisions.

Expenses: Technical provisions are expected to allow for all future expenses that would be incurred in running-off the existing business. Under Solvency II these expense provisions would include additional items such as an allocation of investment manager's costs and other overheads. We have applied an additional allowance 1.19% to the gross reserves to allow for additional expenses that could be allocated to the technical provisions on a Solvency II basis.

Events Not In Data: Solvency II technical provisions should be the best estimate of all future possible outcomes. An adjustment must therefore be made to allow for items not captured within the undertaking's data, e.g. latent claims or extremely high severity, low probability events. These items have been termed 'Events Not in Data' ("ENID"). We have added a loading 2.50% to the gross reserves to allow for the expected cost of ENID. The 2.50% loading applied is consistent with a market analysis carried out by Lloyd's of London.

Risk Margin: The technical provisions include a risk margin, which will bring the best estimate provisions into line with a market consistent valuation. The risk margin covers the discounted cost of capital that would be needed to support the full run-off of the liabilities, and is intended to represent the 'market premium' that would need to be paid in order to transfer the portfolio of liabilities to another party. For this exercise, we have based the risk margin calculation on the Level 3 simplification given in the latest technical specifications. The calculation is relatively complex process, but can be split into the following steps:

1. An SCR is calculated in relation to the technical provisions on the opening solvency II balance sheet.
2. It is assumed that the future SCRs are proportional to the best estimate claim provisions. Therefore the future SCRs decrease in line with claim provisions run-off.
3. A cost of capital for each future SCR is derived by applying a 6% charge to SCR.
4. These future costs of capital are then discounted to the valuation date.

5. These discounted costs of capital are then summed to calculate the risk margin.

For ING Captive Re the risk margin has been calculated as €2.8m

D.3 Other Liabilities

Aside from Technical provisions, the valuations of which are detailed above, the Company has the following adjustments to Liabilities under the Solvency II valuation rules.

Removal of Deferred Acquisition Costs: On a Solvency II valuation basis, there is no concept of accruals, but instead all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation. This impacts both the Gross and Reinsurance elements of the deferred acquisition costs, plus other deferred balance sheet items.

Deferred SII Tax Liability: Under SII, insurance and reinsurance undertakings should recognise and value deferred tax assets and liabilities in relation to all items that are recognised for solvency purposes or in the tax balance sheet in order to ensure that all amounts which could give rise to future tax cash flows are captured. ING Captive Re have a deferred tax liability because the cash flows from their relevant Basic Own Funds items result in an increase in available capital when moving from a statutory basis to Solvency II. Consequently, ING Captive Re recognise the additional tax requirement, as additional profit is recognised.

D4. Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report

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

E. CAPITAL MANAGEMENT

E.1 Own Funds

The Company must maintain sufficient "own funds" to cover the Solvency Capital Requirements ('SCR'). 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 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 reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements.

The Company regularly performs an ORSA (Own Risk Solvency Assessment) to provide its Board of Directors with a forward looking risk and capital assessment. The adequacy of the available capital is assessed for a 3 year forward looking period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its (re)insurance obligations or pose a threat to the achievement of its business objectives are taken into account. The Company assesses that available and future capital is sufficient in expected and credible stressed scenarios across the current 3 year Company business plan.

Own funds eligible to cover the MCR and SCR

Own funds at 31 December 2017 (€'000)	**Tier 1**	**Tier 2**	**Tier 3**
Total 'Own Funds'	€ 28,374	-	-

Own Funds is comprised solely of Tier 1 capital.

Own funds comprise Issued share capital and Share Premium Contribution from the Shareholder and reconciliation reserves.

The Company has no material ancillary own funds. There is no restriction on the transfer of own funds.

The SCR has been calculated to be €14.2m based on the Company's financial statements as at 31 December 2017 and the 2018 business plan. This gives rise to a capital surplus of €14m based on available capital of € 28.37m.

Surplus (€'000)	**31/12/2017**	**31/12/2016**	**Movement**
Own Funds /Available Capital	28,374	32,846	*(4,472)*
SCR	14,162	10,886	*3,276*
Surplus / (Deficit)	14,212	21,960	*(7,748)*

The Company maintains capital necessary to cover the Solvency Capital Requirements over the business plan of the Company.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

SCR - Solvency Capital Requirement

This is the amount of regulatory capital that should be held under the standard formula SCR technical specifications. It is calculated by simply adding together the Basic Solvency Capital Requirement ("BSCR") and the Solvency Capital Requirement for Operational Risk ("SCROp"), both of which are set out below.

For ING Captive Re, the SCR of €14.2m is less than the current free reserves (i.e. own funds) of €28.4m leaving a surplus of €14.2m.

SCR Results by Risk charge	**31-Dec-17**	**31-Dec-16**	**Movement**
Non-Life Underwriting Risk	**10,812**	**8,326**	**2,486**
Counterparty Default Risk	**3,529**	**2,917**	**612**
Market Risk	**1,782**	**1,447**	**335**
Diversification Benefit	*(2,578)*	*(2,091)*	*(487)*
BSCR	**13,545**	**10,599**	**2,946**
Operational Risk	**617**	**287**	**330**
Tax Adjustments	-	-	-
SCR	**14,162**	**10,886**	**3,276**
Available Capital	28,374	32,847	4,473
Surplus/Deficit	**14,212**	**21,960**	**(7,748)**
Solvency Ratio	200%	302%	-102%

The primary movements in the SCR during the period are:

- Non-life underwriting risk relating to reserve risk has increased due to a significant increase in one outstanding claim which was reported during the 2017.
- Counterparty default risk, which is based on the loss given default of ING Captive Re's counterparties. The Company's only exposure is the cash deposits which have increased since 2016, which has increased the loss given default and hence the counterparty risk charge.
- Market risk relating to currency risk has increased due to non-euro denominated claims arising during the year.

MCR – Minimum Capital Requirement

Under the standard formula, the MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, the Solvency II Directive states that Reinsurance undertakings have a minimum MCR of €3.6m.

The Solvency II MCR for ING Captive Re is €3.8m.

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

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

E.4 Differences between the Standard Model & Any Internal Model

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

E.5 Non-Compliance with MCR and SCR

There were no incidences of non-compliance with the MCR and SCR

E.6 Any Other Information

There is no other information to report

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

APPENDICES

Appendix 1 Key QRT Form for period ended 31 December 2017

As ING Captive Re has a financial year end 31 December 2017 it falls under scope of Solvency II Audit which comes into effect for periods from 31 December 2017. The following audited quantitative data has been added to Appendix 1:

S.02.01.02 – Balance sheet (audited)

S.05.01.01 – Premiums, claims and expenses (unaudited)

S.05.02.01 – Premiums, claims and expenses by country (unaudited)

S.17.01.02 – Non Life technical provisions (audited)

S.19.01.21 – Claims Developments (audited)

S23.01.01 – Own Funds (audited)

S25.01.21 – SCR using standard formula (audited)

S28.01.01 – MCR (audited)

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	128
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	52,398
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	52,526

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010
		Solvency II value
Liabilities		
R0510	Technical provisions – non-life	23,365
R0520	Technical provisions – non-life (excluding health)	23,365
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	20,570
R0550	Risk margin	2,795
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	709
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	78
R0900	Total liabilities	24,152
R1000	**Excess of assets over liabilities**	28,374

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		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 - Prop reinsurance accepted	R0120								6,224	
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140									
Net	R0200	0	0	0	0	0	0	0	6,224	0
Premiums earned										
Gross - Direct Business	R0210									
Gross - Prop reinsurance accepted	R0220								6,224	
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240									
Net	R0300	0	0	0	0	0	0	0	6,224	0
Claims incurred										
Gross - Direct Business	R0310									
Gross - Prop reinsurance accepted	R0320								10,030	
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	0	0	0	0	0	0	0	10,030	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550								341	
Other expenses	R1200									
Total expenses	R1300									

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		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								0
Gross - Prop reinsurance accepted	R0120			4,150					10,374
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	4,150	0	0	0	0	10,374
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220			4,150					10,374
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	4,150	0	0	0	0	10,374
Claims incurred									
Gross - Direct Business	R0310								0
Gross - Prop reinsurance accepted	R0320			1,078					11,108
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	1,078	0	0	0	0	11,108
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550			227					568
Other expenses	R1200								284.00
Total expenses	R1300								852

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		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									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Other expenses	R2500									
Total expenses	R2600									0

S.05.02.01 - Premiums, claims and expenses by country (In thousands of EUR)

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			NL					
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120		10,374					10,374
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	R0200	0	10,374	0	0	0	0	10,374
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220		10,374					10,374
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	R0300	0	10,374	0	0	0	0	10,374
Claims incurred								
Gross - Direct Business	R0310							0
Gross - Proportional reinsurance accepted	R0320		11,108					11,108
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340							0
Net	R0400	0	11,108	0	0	0	0	11,108
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550							0
Other expenses	R1200							852
Total expenses	R1300							852

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		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	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
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								-318				-22
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	0	-318	0	0	0	-22
Claims provisions													
Gross	R0160								16,152				4,758
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	0	0	0	0	0	0	0	16,152	0	0	0	4,758
Total Best estimate - gross	R0260	0	0	0	0	0	0	0	15,834	0	0	0	4,736
Total Best estimate - net	R0270	0	0	0	0	0	0	0	15,834	0	0	0	4,736
Risk margin	R0280								2,159				636
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	0	0	0	0	0	0	0	17,993	0	0	0	5,372
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	0	17,993	0	0	0	5,372

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
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					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					-340
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	-340
Claims provisions						
Gross	R0160					20,910
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	20,910
Total Best estimate - gross	R0260	0	0	0	0	20,570
Total Best estimate - net	R0270	0	0	0	0	20,570
Risk margin	R0280					2,795
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	23,365
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	23,365

S.19.01.21 - Claim development triangles (In thousands of EUR)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100												0	0
N-9	R0160												0	0
N-8	R0170												0	0
N-7	R0180												0	0
N-6	R0190												0	0
N-5	R0200												0	0
N-4	R0210												0	0
N-3	R0220												0	0
N-2	R0230	118		4									4	122
N-1	R0240		153										153	153
N	R0250												0	0
												Total	157	275

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												
N-9	R0160												
N-8	R0170												
N-7	R0180												
N-6	R0190												
N-5	R0200												
N-4	R0210												
N-3	R0220												
N-2	R0230		4,468	4,241									3,815
N-1	R0240	6,177	6,071										5,324
N	R0250	12,180											11,772
												Total	20,911

S.23.01.01 - Own funds (In thousands of EUR)

		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	12,500	12,500			
Share premium account related to ordinary share capital	R0030	12,500	12,500			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	3,374	3,374			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
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	0				
Total basic own funds after deductions	R0290	28,374	28,374	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	28,374	28,374	0	0	0
Total available own funds to meet the MCR	R0510	28,374	28,374	0	0	
Total eligible own funds to meet the SCR	R0540	28,374	28,374	0	0	0
Total eligible own funds to meet the MCR	R0550	28,374	28,374	0	0	
SCR	R0580	14,162				
MCR	R0600	3,834				
Ratio of Eligible own funds to SCR	R0620	2.0035306				
Ratio of Eligible own funds to MCR	R0640	7.4006260				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	28,374
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	25,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,374
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	1,108
Total Expected profits included in future premiums (EPIFP)	R0790	1,108

S.25.01.21 - SCR using standard formula (In thousands of EUR)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	1,782		
Counterparty default risk	R0020	3,529		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	10,812		
Diversification	R0060	-2,578		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	13,545		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	617
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	14,162
Capital add-on already set	R0210	
Solvency capital requirement	R0220	14,162
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	3,834

Background information		Background information	
		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		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
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	15,834	6,224
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	4,737	4,150
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

Total capital at risk for all life (re)insurance obligations		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		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation		C0070
Linear MCR	R0300	3,834
SCR	R0310	14,162
MCR cap	R0320	6,373
MCR floor	R0330	3,540
Combined MCR	R0340	3,834
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	3,834