DAREP DAC

Solvency and Financial Condition Report

For Financial Year Ending 31st December 2018 (the "reporting period")

Executive Summary

Darep DAC ("the Company" or "the undertaking") is a captive reinsurance company domiciled in Ireland, forms part of the Banco Santander S.A. Group and is regulated by the Central Bank of Ireland.

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

This report provides the reader with an in depth look at the Company's business and performance, systems of governance, risk profile and solvency and capital positions.

The primary strategic objective and purpose of the Company was to support the operational risk management and risk transfer programs of Banco Santander S.A. and its subsidiaries.

As noted in the Solvency and Financial Condition Report for the financial year ending 31st December 2016, the directors confirmed on 26 April 2017 the intention of the Company not to renew reinsurance programmes beyond cover periods up to and including 31 December 2017. This clearly continued to impact the performance of the company in 2018, with a loss after tax of €270,000 compared to a loss after tax of €888,000 in the prior year. The Company has complied with all relevant aspects of the Solvency II Regulations.

There have been no other material changes to the Company's system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period. No dividend was declared during the reporting period.

Where there is limited detail provided in a particular section, a proportionate approach has been taken due to the scale, nature and complexity of the Company.

Section A: Business and performance

A.1 Business

(a) the name of the undertaking is Darep Designated Activity Company ("DAC"). A DAC is an Irish incorporated limited liability company with a defined specific type of business in its constitution.

(b) the name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 2, Ireland. Telephone: +353 1 224 600

(c) the name and contact details of the external auditor of the undertaking is PWC, One Spencer Dock, North Wall Quay, Dublin 1, Ireland. Telephone +353 1 7926000

(d) the undertaking is 100% directly owned by Banco Santander, S.A.

(e) details of the undertaking's position within the legal structure of the Banco Santander group is summarised as follows;



(f) the Company's material geographical areas where it carries out its business are Europe, the Americas and other territories; and in summary, the lines of business reinsured are:



(g) other than the commutation of the Zurich Insurance Company-led property and casualty business back to the cedant during 2018, no significant business or other events have occurred over the reporting period that have had a material impact on the Company.

A.2 Underwriting Performance

The underwriting performance of the Company was negative with an underwriting loss reported of €304,425 over the reporting period, compared to an underwriting loss of €945,563 over the previous reporting period. As all lines of business are considered material an analysis of the performance is summarised as follows:

2018				
Line of Business	**Total**	**Financial Lines**	**Life & PA**	**Property / Liability**
Underwriting Income 2018	67,753	(112,007)	221,861	(42,101)
Net Operating Expenses	(372,178)			
Underwriting Profit	(304,425)			

2017				
Line of Business	**Total**	**Financial Lines**	**Life & PA**	**Property / Liability**
Underwriting Income 2017	58,918	(39,430)	(62,964)	161,312
Net Operating Expenses	(1,004,481)			
Underwriting Profit	(945,563)			

2018				
Territory	**Total**	**Europe**	**Americas**	**Other**
Underwriting Income 2018	67,753	96,664	(28,726)	(185)
Net Operating Expenses	(372,178)			
Underwriting Profit	(304,425)			

2017				
Territory	**Total**	**Europe**	**Americas**	**Other**
Underwriting Income 2017	58,918	167,650	(116,402)	7,670
Net Operating Expenses	(1,004,481)			
Underwriting Profit	(945,563)			

A.3 Investment Performance

(a) the Company maintains its investments in cash equivalents and short term deposits with EU regulated credit institutions. The income on these investments over the reporting period was €7,358 compared to €9,049 over the previous reporting period.

The below table summarizes the deposits by counterparty together with interest income as reported in the financial statements.

	2018	2017	Movement	% Move
Cash at Bank				
AIB EUR	2,753,025	2,924,803	(171,778)	(6%)
AIB USD	321,928	1,235,982	(914,054)	(74%)
AIB GBP	177,584	186,117	(8,533)	(5%)
Deposits				
Barclays Bank Ireland PLC	6,400,000	3,400,000	3,000,000	88%
RaboDirect	-	4,962,461	(4,962,461)	(100%)
Interest Income	7,358	9,049	(1,691)	(19%)

(b) no gains or losses were recognized directly in equity.

(c) the Company had no investments in securitisation, during the reporting period or previous reporting period.

A.4 Performance of other activities

There have been no significant activities undertaken by the Company other than its captive reinsurance activities.

A.5 Any other information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

Section B: System of governance

B.1 General information on the system of governance

(a) The Company had two direct employees responsible for underwriting and general management, both of whom have left following the cessation of underwriting. The Company outsources the key functions of Risk, Compliance, Actuarial, Internal Audit and Corporate Administration, with ultimate responsibility for these functions remaining with the Board of Directors – refer to further paragraphs within this section for additional information on outsourcing. The Board consists of senior individuals within the Banco Santander Group, a previous Santander executive and an independent director who is a qualified actuary. The Board had established Risk and Solvency Committees but in light of the cessation of underwriting, the Board have assumed these responsibilities.

The Company is classified as a Low Risk Impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM (Probability Risk and Impact SysteM). The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to high standards of Corporate Governance. The Company takes a risk based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

Following the January 2018 resignation of Mr Gustavo Benedetti as Chief Executive Officer and Director, the Board now has four directors who will meet formally at least twice annually. There is additional interaction between members of the Board throughout each financial year. The directors of the Company are:

Mr Alberto García Pecharromán, Chairman and Non-Executive Director
Mr Javier Calderón Gonjar, Non-Executive Director
Mr Michael McInerney, Non-Executive Director
Mr Richard Tulloch, Independent Non-Executive Director

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times.

The Board of Directors also undertakes completion of an annual Board performance review.

(b) no material changes in the system of governance have taken place over the reporting period;

(c) due to the scale, nature and complexity of the Company, the Company has not required the establishment of a remuneration committee

(d) The company is a captive reinsurer for risks of the Santander Group. There were procedures in place at Company and Group level to ensure that such insurance was written on an arms-length basis. There have been no material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, or with members of the administrative, management or supervisory body.

B.2 Fit and proper requirements

(a) the Company has established a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

Selection and recruitment process for Key Function Holders (referred to as Pre-Approval Control Functions or PCF's):

- Preparation of a written job description outlining the duties and responsibilities for the role.
- Completion of an assessment of the level of fitness and probity required for the role.
- Advertisement of the position where required.
- Interview process to match suitable candidates to the specific role.
- Completion of fitness and probity due diligence referred to below.
- Upon Central Bank of Ireland approval, a letter of appointment is issued and training provided.

(b) the process for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:

- Interview and application
- The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:

    - Evidence of a relevant professional qualification.
    - Confirmation of continuous professional development.
    - Evidence of professional membership of an organisation (where applicable).
    - Reference checks.
    - Review record of previous experience, including a review of curriculum vitae.

- Record of experience gained outside the State (where applicable) - consider the extent to which the person can demonstrate competency that relates specifically to the function within the State.
- Review of list of directorships and concurrent responsibilities.
- Checks are also undertaken with the Regulator, Companies Registration Office and a judgment debt check is performed.
- Signed Fitness and Probity declarations.
- Individual Questionnaire

- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
- As part of the continuing obligations, annual declarations are sought from all PCF's; each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

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

(a) the Company has established a number of risk management policies including: Risk Appetite Statement which includes an escalation procedure, Operational Risk Policy and Capital Risk and Capital Management Policy. The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and such operational risks as fraud risk, IT risk, market risk and reputational risk. Quantifiable risks are set out in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.

(b) the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the Company via:

- review and ongoing maintenance of risk related policies by the Board
- adherence with and annual review of the Company's Risk Appetite Statement
- adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals
- adequately resourced internal audit function
- business continuity planning
- succession plan for key roles
- monthly underwriting and financial reporting

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and Solvency Assessment process referred to in the following section is a key component in the Company's risk management and decision making processes.

The primary strategic objective and purpose of the Company was to support the risk management and risk transfer programs of the Banco Santander and its subsidiaries.

ORSA Process

In line with the Company's ORSA policy, a full ORSA is performed each year. A full or partial ORSA would also be performed in the event of a known or expected event that could cause the risk profile of the Company to change materially.

The objective of the ORSA process is to enable the Board to assess capital adequacy in light of the assessment of its risks and the potential impacts of its risk environment, and to 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 so that the output can be used in shaping future strategy and risk appetite.

Risk Identification

The first step in the 2018 ORSA process was to consider and identify which risks should be assessed. The ORSA processes of 2014 through 2017 were built upon. The particular impact of the decision to cease underwriting was considered in the process.

Financial Projections

The Profit and Loss Account and Balance Sheet of the Company were projected for the current year and each of the next 2 years. The accounts were projected on a GAAP basis and converted to Solvency II balance sheets to calculate the solvency capital requirements.

Using the projected Balance Sheet, the Company's capital requirements were also calculated for each of the next 2 years on a Solvency II basis. The Board was then able to use these projections to see the medium term position of the Company in relation to its capital requirements over the period.

Stress & Scenario Testing

The third step of this ORSA process was for the Board and Management to examine the impact of a range of stresses and scenarios on the Company's solvency position. These included both quantitative and qualitative scenarios, and also a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests were presented to the Board at the outset of the ORSA Process for consideration.

Qualitative Discussion of Risks

The 2018 ORSA Process involved further qualitative discussion of risks following on from the 2017 ORSA Process. A qualitative consideration of Operational Risk is also considered.

Board Discussion and Review

The final step in the ORSA Process was the presentation of the Draft Projections, Stress and Scenario Test to the Board. This prompted further discussion and review of the Scenario and Stress Tests, with further scenarios being considered at the request of the Board.

Board Sign-off

Following this final iteration, the final ORSA Report was reviewed and approved by the Board.

Integration into Decision-making process

The results of the ORSA process over recent years have been used to inform decision making across all areas of the Company, in particular the limit and retention structure. Previous examples include reduction of the retention held on the Life/PA and Property business in order to improve the Company's capital position. These actions, coupled with the significant reduction in the SCR resulting from the elimination of the catastrophe risk on the cessation of underwriting have led to a significant improvement in the Company's SCR coverage since year end 2016.

Results

The following table summarises the Company's forecast base case SCR / MCR position, using the Standard Formula, over a 2-year projection period:

Period Ended: EUR 000	2019	2020
SCR	1,356	1,356
Available Capital	8,744	8,744
SCR Coverage Ratio	645%	645%
SCR Margin	7,388	7,388
MCR	1,200	1,200
Available Capital MCR	8,744	8,744
MCR Coverage Ratio	729%	729%
MCR Margin	7,544	7,544

B.4 Internal control system

(a) *Internal Control System*

The principal control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters and minutes of board meetings. The policies describe the Boards approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the Compliance Officer. In practice, other Directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all Company policies are fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. All amendments are submitted to the Board for approval. There is a compliance monitoring programme in place to review all of its regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Where any functions or activities are outsourced, the Company expects that any outsourcing entity manages its control framework to the same standards as the Company and to adhere to the Company's policies and procedures and to employ fit and proper people in its controlled functions. The Company policy is to have a Service Level Agreement in place with each outsourced entity with Key Performance Indicators set to ensure regular reporting to the Board. Attestations are also received from the Service Provider in respect of the ongoing fitness and probity of its Key Control Functions. Any significant or material event that occurs requires immediate reporting to the Board.

(b) Compliance Function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's Compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through Compliance monitoring.

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company. The activities of the Compliance function are subject to periodic review by Internal Audit.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

B.5 Internal audit function

The Internal Audit Function is governed by the Company's internal audit policy and is an integral part of the Company's internal control framework. It is implemented on an outsourced basis with Mr Gerard Hunt holding the role of Outsourced Head of Internal Audit since December 2017.

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to the adequacy of the governance, risk management and internal control framework;
- Internal Audit Reports can highlight any significant control failings or weaknesses identified and the impact they have had, or may have had and the actions and timings which management have agreed to take to rectify them;

It is the responsibility of the Internal Audit Function to independently, but proportionately, assess the effectiveness of the internal control system, governance and risk management systems and to provide to the Board an evaluation of the adequacy of such systems and controls. The Head of Internal Audit has a duty to highlight any significant control failings or

weaknesses identified and the impact they have had, or may have had and the actions and timings which management have agreed to take to rectify them.

It is the objective of the Internal Audit Function to provide independent assurance that risk management processes are operating effectively and in accordance with required legislation and regulation and to ensure that effective controls are in place to mitigate risks or reduce those risks to an acceptable level in accordance with the Company's defined risk appetite.

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control.

B.6 Actuarial function

The Actuarial Function and Head of Actuarial Risk (HOAF) is outsourced to Allied Risk Management. The HOAF is invited to attend board meetings and receives regular updates on claim activity. The Company's Technical Provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

The responsibilities of the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions in the cases set out in Article 82;
- express an opinion on the overall underwriting policy where applicable;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment

B.7 Outsourcing

The Company has an outsourcing policy the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing
- Outsourcing risks
- Risk mitigation
- Board and management responsibility
- Assessment and due diligence on Outsourced Service Provider
- Essential requirements for inclusion in Service Level Agreements
- Management and oversight of Outsourced activities
- Reporting requirements
- Table of Outsourced Service Providers
- Business continuity and contingency planning

The Company only enters into an Outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adheres to the Central Bank of Ireland Notification Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Functions or Activities under Solvency II Regulations.

The following is a list of the critical or important functions which the Company has outsourced and the jurisdiction in which the Outsourced Service Providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	Allied Risk Management Limited	Ireland
Internal Audit Function	Gerard Hunt	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Management Limited	Ireland

B.8 Any other information

Assessment of the adequacy of the system of governance

Considering the nature, scale and complexity of the risks inherent in the business, the Company is satisfied with its assessment of the adequacy and appropriateness of its system of governance*.*

There is no other material information regarding the system of governance of the Company.

Section C: Risk Profile

The Company wrote large lines and relies heavily on reinsurance, ceding up to 99% of some risks. Underwriting risk is therefore limited. Credit exposure to reinsurers is mitigated by having a strong panel of reinsurers and having simultaneous payment clauses in the treaty wordings. There are also offset clauses with the fronting insurers where these insurers also write a portion of the retrocession.

The Company's investment profile is conservative, consisting of deposits with well-rated banks.

The Company uses the Solvency II Standard Formula as its measure of economic capital in the quantitative assessment of risk presented below.

C.1 Underwriting risk

Underwriting risk was limited to taking a participation of the risk transfer programs of Grupo Santander. The Company was able to avail of all historic underwriting information when considering a new line of business, increasing or decreasing its participation or deciding to renew or not renew its participation.

The Company managed its Underwriting Risk by ceding between 95% and 99.5% of the business to its reinsurers.

A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows:

Non-Life business (i.e. all Property, Casualty and Financial Lines):

SCR (EUR 000)	2018	2017
Premium Risk	0	0
Reserve Risk	142	286
Diversification Credit	0	0
Premium and Reserve Risk	**142**	**286**
Catastrophe Risk	0	0
Non-life lapse	0	0
Diversification Credit	0	0
Non-life Underwriting Risk SCR	**142**	**286**

Life/PA business (all treated as NSLT Health for the purposes of the SCR calculation):

SCR (EUR 000)	2018	2017
Premium Risk	0	0
Reserve Risk	24	625
Diversification Credit	0	0
Premium and Reserve Risk	24	625
Catastrophe Risk	0	0
Non-life lapse	0	0
Diversification Credit	0	0
Non-life Underwriting Risk SCR	**24**	**625**

Lapse risk, Catastrophe Risk and Premium Risk are all zero as the Company is in run-off and all policies are unexpired

Underwriting Risk Mitigation
The Company held only small retentions on all business underwritten, with the 2017 maximum of 2.5% and a minimum of 0.5%. The retention on Life/PA reduced from 5% to 2.5% and some Property retentions reduced from 1% to 0.5% as a result of previous ORSA exercises.

C.2 Market risk

The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market currency risk, interest rate risk, credit risk and liquidity risk.

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates.

The Company's investment assets are with two banks – Barclays Bank Ireland PLC and AIB. Barclays is well-rated, and the Directors are satisfied with the exposure to AIB.

Currency Risk
The Standard Formula Currency Risk charge is 25% of the mismatch in currency exposure; this is estimated as EUR 79,073.

A significant proportion of the Company's principal transactions are carried out in non-Euro currencies. The Company manages currency exposure by seeking to ensure that its non-Euro assets are primarily matched by liabilities in the same currencies.

The company's business exposure to foreign exchange risk arises primarily with respect to US Dollar, Sterling, Brazilian Real, Polish Zloty and Mexican Peso. The business financial assets

are primarily denominated in the same currencies as its reinsurance and investment liabilities, which mitigates the foreign currency exchange rate risk.

Sensitivity analysis - currency risk

The net exposure to the principle foreign currencies at 31 December 2018 are as follows:

€'000	2018	2017
US Dollar	160	27
Pound Sterling	168	137
Polish Zloty	20	2
Brazilian Real	3	44

The impact of a 5% adverse change to all currency exchange rates simultaneously at 31 December 2018 has been calculated at €18,000 (2017: €24,000).

C.3. Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation, thus causing the company to incur a financial loss. As part of the underwriting process the company chooses to cede risk to reinsurers with A or higher credit ratings.

	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations €'000	Financial investments and cash at bank €'000
Credit risk 2018		
Financial institutions	26,628	9,653
Credit risk 2017		
Financial institutions	54,684	12,709

The following tables provide information regarding the aggregated credit risk exposure of financial assets:

Rating agency	Credit ratings 2018	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations	Financial investments and cash at bank
Standard & Poor's	AA	1%	-
Standard & Poor's	AA-	58%	-
Standard & Poor's	A+	28%	-
Standard & Poor's	A	1%	66%
Standard & Poor's	A-	4%	-
Fitch	A-	8%	-
Standard & Poor's	BBB-	-	34%
		100%	100%

Rating agency	Credit ratings 2017	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations	Financial investments and cash at bank
Standard & Poor's	AA	5%	-
Standard & Poor's	AA-	44%	-
Standard & Poor's	A+	30%	39%
Standard & Poor's	A	2%	27%
Standard & Poor's	A-	-	-
Fitch	A-	19%	-
Standard & Poor's	BBB-	-	34%
		100%	100%

C.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet cash commitments. Liquidity risk may result from the inability to sell financial assets quickly at their fair values, a reinsurance liability falling due for payment earlier than expected or an inability to generate cash inflows as anticipated

The Company had cash at bank of €9,652,537 at the end of the reporting period (2017: €12,709,363) of which €3,252,537 (2017: €9,309,363) was available on demand.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company maintains significant levels of liquid assets and it does not settle retrocession premiums or reinsurance claims until the corresponding premiums and claims have been collected.

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is EUR 0. The financial projections reflect the 2017 decision not to renew reinsurance programmes beyond 31 December 2017.

C.5 Operational risk

The Company's operational risk is considered low. This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational damage
- compliance and regulatory

The Company wrote a relatively small number of reinsurance contracts each year only relating to Banco Santander risks with the assistance of professional insurance brokers. As such the operational risk is very limited (compared to a retail insurer for example).

The Company has engaged Allied Risk Management, a professional captive management company with over twenty-seven years' experience in captive management, as its corporate administrator. The Company has a strong corporate risk culture and a full suite of governance policies and processes which further limit operational risk.

The introduction of Solvency II with its governance requirements (including the requirement for Compliance, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

The Company recognises its dependency on Allied Risk Management and is satisfied with Allied Risk Management's Business Continuity Plan. This is further addressed in the Stress and Scenario Tests below.

The Company does not handle large volumes of individuals' sensitive information and its IT servers are subject to a daily remote backup. This limits the Company's exposure to any Cyber-attack, for example "ransomware".

One operational risk for the Company is non-collectability of reinsurance due to a legal dispute or unwillingness of a reinsurer to pay.

C.6 Other material risks

There are no other material risks identified by the Company.

C.7 Any other information

C.7(a) risk measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as detailed in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess risks in the Company and a description of the measures used therein are as follows: there have been no material changes over the reporting period. A traffic light system is used to indicate the levels of risk appetite, tolerances, variances and limits which the company is willing to take for each category of risk over short, medium and long-term horizons.

Green	Green represents the **Risk Appetite** of the Company, it represents the level of risk the Company is willing and able to accept to satisfy its strategic objectives
Amber	Amber represents **Risk Tolerances** and acceptable variances which will be brought to the attention of Board and will require monitoring
Red	Red represents the **Limit** for each risk, (where possible) it indicates when action needs to be taken to stop or change a situation which is may result in an unacceptable level of risk to the Company

C.7 (b) the nature of material risk exposures

The material risk that the Company is exposed to is the risk of adverse claims experience across all lines of business. This is addressed under Underwriting Risk above and Technical Provisions below. Other than the commutation of the Zurich Insurance Company-led property and casualty business back to the cedant during 2018, there have been no material changes over the reporting period.

Underwriting risk was controlled through high retrocession percentages.

Line	Risk Appetite	Current Values
Financial Lines	<3%	1%
Property	<3%	1%
Casualty	<3%	2%

SDB	<3%	1%
Cyber	<3%	1%
Personal Accident	<3%	2.5%
Life	<3%	2.5%

C.7 (c) investments in accordance with the 'prudent person principle'

The Company is required to invest all assets and particularly assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'. The prudent person principle defines that the assets must be invested in a manner acceptable to a 'prudent person' – that is that the decisions are generally accepted as being sound for the average person.

The Company maintains its assets in cash equivalents and short term deposits with EU regulated credit institutions with a maturity of less than 1 year.

C.7 (d) The nature of material risk concentrations

The Banco Santander Group has operations throughout the world and as such the Company was not exposed to geographical concentrations of risk. The Company wrote a diversity of business lines.

Concentration risk is managed through the limit and retention system, whereby the Company cannot lose more than the net retention any one claim or series of claims.

C.7 (e) Risk mitigation practices

The strategy of the Company was to accept insurance on a quota share basis and underwriting risk is controlled through high retrocession percentages.

Credit risk was mitigated at the underwriting stage through a series of policy rules including minimum credit rating criteria and credit loss mitigation clauses within the contract agreements. Credit risks are monitored monthly and managed within a series of policy rules including mitigation through reinsurance contracts in cases of material deterioration of counterparty credit ratings and following the appropriate level of credit and solvency rating for each reinsurance company participating in Darep's reinsurance treaties.

C.7 (f) Risk sensitivities

In its ORSA Process the Company considered a number of both quantitative and qualitative stress and scenarios, including reverse stress tests. These were as follows:

Qualitative:

- Legal dispute with a reinsurer
- Failure of outsourced function

Reverse Stress tests

- Loss required to breach SCR – c. 6.6M
- Loss required to breach MCR – c. 7.6M

Quantitative

The financial projections reflect the decision not to renew reinsurance programmes beyond cover periods ending 31 December 2017.

	Event	DESCRIPTION	Solvency II Impact
Delayed Commutation	Commutation of business occurs later than anticipated.	Completion of commutation of remaining liabilities delayed until 2020.	SCR coverage ratio reduces to 401% in 2019 and recovers to 619% in 2020.
Delayed Commutation and Deterioration of Large Claim	Commutation of business occurs later than anticipated and Reserve for Large Claim increases by 300%.	Completion of commutation of remaining liabilities delayed until 2020 and Gross Reserves deteriorate by EUR 45M in 2019.	SCR coverage ratio reduces to 292% in 2019 and recovers to 618% in 2020.

There is no other material information regarding the risk profile of the Company during the reporting period.

Section D: Valuation for solvency purposes

D.1 Assets; As at 31st December 2018, the Company held the following assets (excluding technical provisions):

Darep dac Assets (EUR 000's)	Irish GAAP	SII Valuation Principles	Comments
Goodwill			
Deferred Acquisition Costs	-		
Intangible Assets		-	
Deferred Tax Assets		-	
Pension benefit surplus		-	
Property, plant & equipment held for own use		-	
Investments	6,400	6,400	
Property (Other than Own Use)	-	-	
Participations and related undertakings	-	-	
Equities (Other than Participations)	-	-	
Equities (Other than Participations) - Listed	-	-	
Equities (Other than Participations) - Unlisted	-	-	
Bonds	-	-	
Government and Multilateral Banks	-	-	
Corporate	-	-	
Structured Notes	-	-	
Collateralised Securities	-	-	
Collective Investments Undertakings	-	-	
Derivatives	-	-	
Deposits other than cash equivalents	6,400	6,400	
Other Investments	-	-	
Mortgages and Loans Made	-	-	
Mortgages & loans to individuals	-	-	
Other Mortgages & loans	-	-	
Loans on Policies	-	-	
Deposits to cedants	-	-	
Insurance & Intermediaries Receivables	378	378	
Reinsurance Receivables	3,179	16	Reinsurers' share of Claims Payable €3,163k Reallocated to Technical Provisions for Solvency II
Receivables (trade, not insurance)	6	6	
Own Shares	-	-	
Amounts due in respect of own fund items or initial fund	-	-	
Cash & Cash Equivalents	3,253	3,253	
Any Other Assets, Not Elsewhere Shown	0	0	
Total assets (excluding Technical Provision items)	**13,216**	**10,053**	

2017

Darep dac Assets (EUR 000's)	Irish GAAP	SII Valuation Principles	Comments
Goodwill			
Deferred Acquisition Costs	-		
Intangible Assets		-	
Deferred Tax Assets		-	
Pension benefit surplus		-	
Property, plant & equipment held for own use		-	
Investments	3,400	3,400	
Property (Other than Own Use)	-	-	
Participations and related undertakings	-	-	
Equities (Other than Participations)	-	-	
Equities (Other than Participations) - Listed	-	-	
Equities (Other than Participations) - Unlisted	-	-	
Bonds	-	-	
Government and Multilateral Banks	-	-	
Corporate	-	-	
Structured Notes	-	-	
Collateralised Securities	-	-	
Collective Investments Undertakings	-	-	
Derivatives	-	-	
Deposits other than cash equivalents	3,400	3,400	
Other Investments	-	-	
Mortgages and Loans Made	-	-	
Mortgages & loans to individuals	-	-	
Other Mortgages & loans	-	-	
Loans on Policies	-	-	
Deposits to cedants	-	-	
Insurance & Intermediaries Receivables	3,946	-	Reallocated to Technical Provisions for Solvency II
Reinsurance Receivables	-	-	
Receivables (trade, not insurance)	131	131	
Own Shares	-	-	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-	
Cash & Cash Equivalents	9,309	9,309	
Any Other Assets, Not Elsewhere Shown	-	-	
Total assets (excluding Technical Provision items)	**16,787**	**12,841**	

Recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Realised and unrealised gains and losses arising from changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Interest income is recognised when earned. Investment management and other related expenses are recognised when incurred.

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The only difference in the value of assets, excluding technical provisions, between the Irish GAAP financial statements and the Solvency II Annual Quantitative Reporting Templates (QRT's) relates to the reclassification of debtors arising from reinsurance operations which are not past due at the valuation date. Such debtors are included within the Technical Provisions on the Solvency II Balance Sheet, but are shown separately on the GAAP basis.

D.2 Technical provisions

2018 – Solvency II measurement basis

Line of Business (EUR'000)	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts	Total Technical Provisions net of Recoverables
Life Reinsurance	1,962	7	1,902	**67**
Proportional Fire and other damage to property reinsurance	6,380	21	6,149	**252**
Proportional General liability reinsurance	17,106	53	16,652	**507**
Proportional Income Protection Reinsurance	261	1	253	**9**
Total	**25,709**	**82**	**24,956**	**835**

2017 – Solvency II measurement basis

Line of Business (EUR'000)	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts	Total Technical Provisions net of Recoverables
Life Reinsurance	8,144	132	6,778	**1,498**
Proportional Fire and other damage to property reinsurance	18,091	65	17,415	**741**
Proportional General liability reinsurance	24,801	87	24,032	**857**
Proportional Income Protection Reinsurance	(14)	7	(380)	**374**
Total	**51,022**	**291**	**47,844**	**3,469**

On the Solvency II measurement basis, technical provisions are based on the discounted best estimate liabilities to which a risk margin is added.

On the Irish GAAP measurement basis, the claim provision is estimated using a combination of Chain Ladder and Bornhuetter Ferguson methodology for the larger classes. Some of the smaller classes have a small volume of claims, hence an Expected Loss Ratio approach is used in determining the best estimate claim provision for these classes.

The main risk to the Technical Provisions is the emergence of a large claim or claims, particularly from the BBB or Professional Indemnity class. Obviously, this risk is much lower for the Property, Life Personal Accident and Safety Deposit Boxes classes, as losses in such classes are typically instantaneous and known immediately.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims. Having reviewed the claims reports for a number of the largest claims this risk is considered low, with the Company taking an appropriate approach to claim reserving.

For all lines of business, the Company uses the undiscounted Best Estimate Claim Provision as a floor for the Technical Provisions booked in its Financial Statements, with an appropriate margin added to this figure, reflective of inherent uncertainty.

Irish GAAP technical provisions and related balances

2018	**Gross €'000**	**Reinsurers' Share €'000**	**Net €'000**
Provisions for outstanding claims	23,800	(23,087)	713
Provision for unearned premiums	-	-	-
Insurance and intermediaries receivable		(3,164)	(3,164)
Insurance and intermediaries payable	3,442	-	3,442
Reinsurance payable	-	-	-
	27,242	**(26,251)**	**991**

2017	**Gross €'000**	**Reinsurers' Share €'000**	**Net €'000**
Provisions for outstanding claims	52,012	(50,738)	1,274
Provision for unearned premiums	-	-	-
Insurance and intermediaries receivable	(3,946)	-	(3,946)
Insurance and intermediaries payable	3,874	-	3,874
Reinsurance payable	-	2,399	2,399
	51,940	**(48,339)**	**3,601**

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

The Company has over 95% of all lines retroceded on a quota share basis. The Company does not have any recoverables from Special Purpose Vehicles.

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to prior year-end Technical Provisions calculations.

D.3 Other liabilities

As at 31st December 2018, the Company recorded the following other liabilities for solvency purposes:

Darep dac Liabilities (EUR 000's)	Irish GAAP	SII Valuation Principles	Comments
Other Technical Provisions	0	0	
Contingent Liabilities	-	-	
Provisions Other Than Technical Provisions	-	-	
Pension Benefit Obligations	-	-	
Deposits from Reinsurers	-	-	
Deferred Tax Liabilities	-	-	
Derivatives	-	-	
Debts owed to credit institutions	-	-	
Financial liabilities other than debts owed to credit institutions	-	-	
Insurance & intermediaries payables	3,510	69	Claims Payable €3,441k Reallocated to Technical Provisions for Solvency II
Reinsurance payables	351	351	
Payables (trade, not insurance)	-	-	
Subordinated liabilities	-	-	
Subordinated liabilities not in BOF	-	-	
Subordinated liabilities in BOF	-	-	
Any other liabilities, not elsewhere shown	144	144	
Total liabilities	**4,005**	**564**	

2017

Darep dac Liabilities (EUR 000's)	Irish GAAP	SII Valuation Principles	Comments
Other Technical Provisions	0	0	
Contingent Liabilities	-	-	
Provisions Other Than Technical Provisions	-	-	
Pension Benefit Obligations	-	-	
Deposits from Reinsurers	-	-	
Deferred Tax Liabilities	-	-	
Derivatives	-	-	
Debts owed to credit institutions	-	-	
Financial liabilities other than debts owed to credit institutions	-	-	
Insurance & intermediaries payables	3,874	-	Reallocated to Technical Provisions for Solvency II
Reinsurance payables	2,399	-	Reallocated to Technical Provisions for Solvency II
Payables (trade, not insurance)	-	-	
Subordinated liabilities	-	-	
Subordinated liabilities not in BOF	-	-	
Subordinated liabilities in BOF	-	-	
Any other liabilities, not elsewhere shown	471	471	
Total liabilities	**6,744**	**471**	

The Solvency II recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The only difference in the value of other liabilities between the Irish GAAP financial statements and the Solvency II Annual QRT's relates to the reclassification of creditors arising from reinsurance operations which are not past due at the valuation date. Such creditors are included within the Technical Provisions on the Solvency II Balance Sheet, but are shown separately on the GAAP basis.

D.4 Alternative methods of valuation

No alternative methods for valuation are utilised by the Company.

D.5 Any other information

There are no other disclosures for the Company under this section.

Section E. Capital management

E.1 Own funds

E.1 (a) the Company has a documented Capital Management Policy and there is no appetite for losses resulting from a breach of the solvency margin. In addition, the ORSA process is an integral part of the Company's Capital Management process. The outputs of the Actuarial Function Report are also used in the Company's decision making process in respect of capital management.

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 of issue new shares in the short or medium term.

The Company's own funds are invested in bank deposits. There is no intention to change this methodology.

The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR (or MCR where relevant), currently €1,500,000 per the Company's Risk Appetite Statement, as informed by the ORSA;
- No capital is planned to be issued in the short or medium term;
- No dividends are anticipated in the short or medium term; and
- Own fund items are to be invested in external bank deposits in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

E.1 (b), (c) and (d) Own funds

Own Funds Item (EUR'000)	Value at 31 December 2018	Value at 31 December 2017
Tier 1 unrestricted	8,654	8,900
Tier 1 restricted	0	0
Tier 2 basic	0	0
Tier 2 ancillary	0	0
Tier 3	0	0
Tier 3 ancillary	0	0

E.1 (e) The equity as shown in the undertaking's financial statements is EUR 157k less than the excess of assets over liabilities as calculated for solvency purposes; this difference is due mainly as the technical provisions in the Financial Statements are calculated on a different basis than the Solvency II Technical Provision.

E.1 (f) The Company has no own-fund items subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC

E.1 (g) The Company has no items of ancillary own funds.

E.1 (h) The Company has no items deducted from own funds.

E.2 Solvency capital requirement and Minimum capital requirement

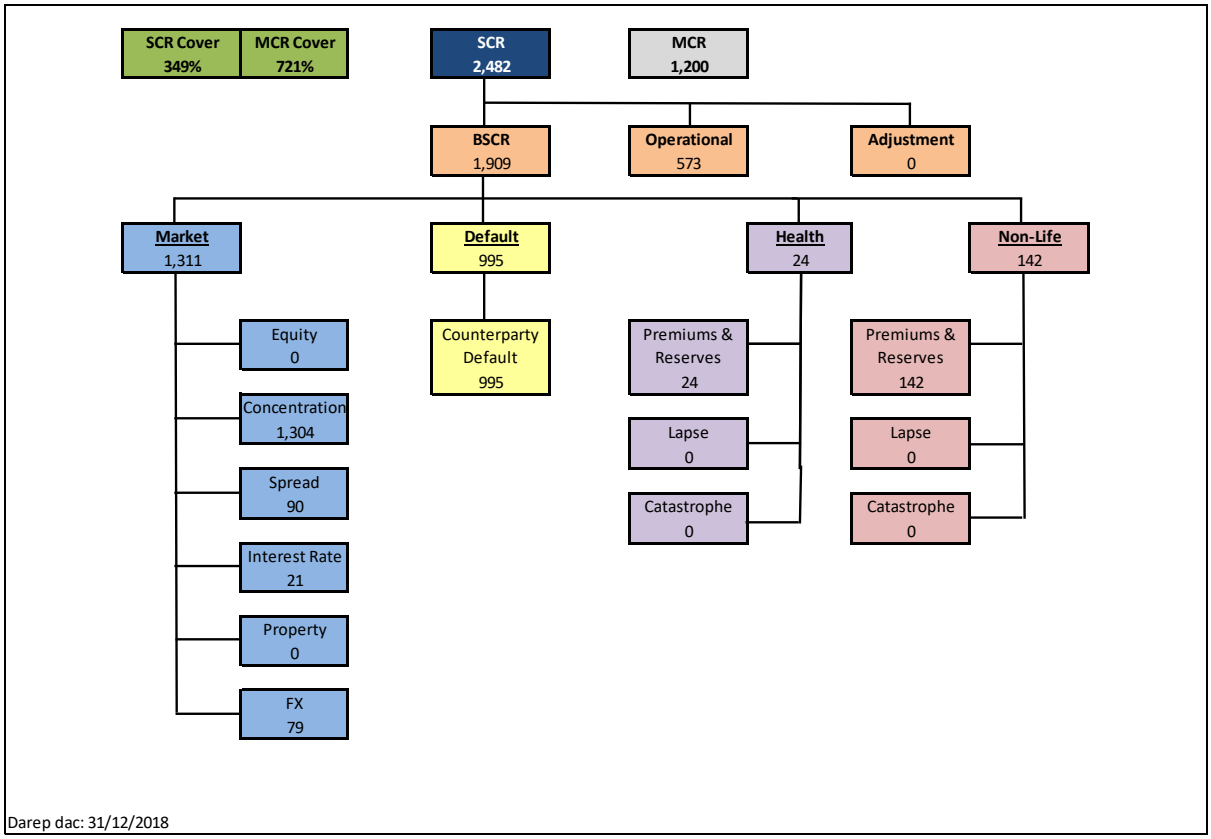
(a)

2018	Capital requirement	Eligible capital	Solvency ratio
SCR	2,482	8,654	348.7%
MCR	1,200	8,654	721.2%

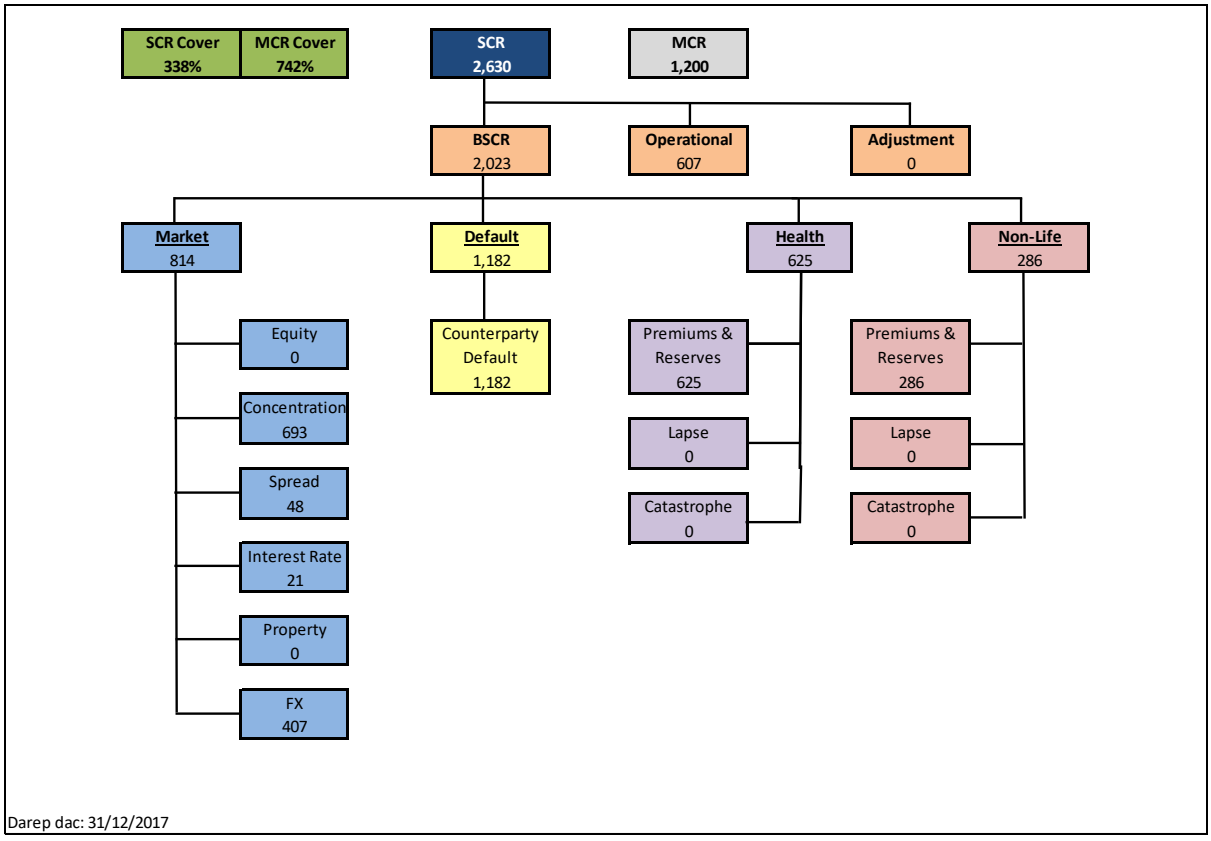
2017	Capital requirement	Eligible capital	Solvency ratio
SCR	2,630	8,900	338.4%
MCR	1,200	8,900	741.6%

(b)

2018



2017



(c) The Company does not use simplified calculations for any risk modules or sub-modules of the Standard Formula.

(d) The Company does not use undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC

(e) The Company is not required to apply any undertaking-specific parameters in accordance with Article 110 of Directive 2009/138/EC and is not subject to any capital add-on.

(f) The MCR as calculated using premium and technical provisions volume is as follows:

2018

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		Linear MCR
			α	**β**	
Income Protection	8	-	13%	9%	1
Fire & Other Damage to Property	231	-	9%	8%	22
General liability	455	-	10%	13%	47
Life Reinsurance	60	N/A	2%		1
Total					**71**

2017

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		Linear MCR
			α	**β**	
Income Protection	336	23	13%	9%	50
Fire & Other Damage to Property	676	0	9%	8%	64
General liability	770	21	10%	13%	82
Life Reinsurance	1,366	N/A	2%		29
Total					**224**

Since the figure of EUR 0.071M (2017: EUR 0.224M) is less than the Absolute Minimum Capital Requirement for a captive reinsurer of EUR 1.2M, the Company's MCR is EUR 1.2M.

The Company's SCR reduced over the period as there is no catastrophe risk as the Company is in run-off and has no remaining unexpired risk.

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

The Company is not using the duration-based equity risk sub-module in the calculation of its SCR.

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

An internal model is not used by the Company.

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

There has been full compliance with Minimum Capital Requirement and the Solvency Capital Requirement.

E.6 Any other information

There is no other material information regarding the capital management of the Company.

Means of Disclosure

The Company does not own or maintain a website related to its business, nor is it a member of a trade association. The Company will provide an electronic copy of this report to any person who requests a copy of this report.

Appendix – Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
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**	6,400
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**	6,400
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	24,956
Non-life and health similar to non-life	**R0280**	23,053
Non-life excluding health	**R0290**	22,801
Health similar to non-life	**R0300**	253
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	1,902
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	1,902
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	378
Reinsurance receivables	**R0370**	16
Receivables (trade, not insurance)	**R0380**	6
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**	3,253
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	35,008

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	23,822
Technical provisions – non-life (excluding health)	**R0520**	23,560
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	23,486
Risk margin	**R0550**	74
Technical provisions - health (similar to non-life)	**R0560**	262
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	261
Risk margin	**R0590**	1
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	1,969
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	1,969
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	1,962
Risk margin	**R0680**	7
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	69
Reinsurance payables	**R0830**	351
Payables (trade, not insurance)	**R0840**	
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	144
Total liabilities	**R0900**	26,354
Excess of assets over liabilities	**R1000**	8,654

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	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0200**
Premiums written											
Gross - Direct Business	**R0110**										
Gross - Proportional reinsurance accepted	**R0120**		-346								-346
Gross - Non-proportional reinsurance accepted	**R0130**										
Reinsurers' share	**R0140**		-330					0	0		-330
Net	**R0200**		-17					0	0		-17
Premiums earned											
Gross - Direct Business	**R0210**										
Gross - Proportional reinsurance accepted	**R0220**		-346								-346
Gross - Non-proportional reinsurance accepted	**R0230**										
Reinsurers' share	**R0240**		-330					0	0		-330
Net	**R0300**		-17					0	0		-17
Claims incurred											
Gross - Direct Business	**R0310**										
Gross - Proportional reinsurance accepted	**R0320**		-286					-7,499	-6,784		-14,569
Gross - Non-proportional reinsurance accepted	**R0330**										
Reinsurers' share	**R0340**		-277					-7,702	-6,743		-14,723
Net	**R0400**		-8					203	-41		154
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**		0					83	221		304
Other expenses	**R1200**										
Total expenses	**R1300**										304

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

		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	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**								-2,106	-2,106
Reinsurers' share	**R1420**								-2,113	-2,113
Net	**R1500**								8	8
Premiums earned										
Gross	**R1510**								-2,106	-2,106
Reinsurers' share	**R1520**								-2,113	-2,113
Net	**R1600**								8	8
Claims incurred										
Gross	**R1610**								-2,166	-2,166
Reinsurers' share	**R1620**								-2,087	-2,087
Net	**R1700**								-79	-79
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**								-111	-111
Other expenses	**R2500**									
Total expenses	**R2600**									-111

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		ES	BE				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120			-346				-346
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		0	-330				-330
Net	R0200		0	-17				-17
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220			-346				-346
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240		0	-330				-330
Net	R0300		0	-17				-17
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320		-14,283	-286				-14,569
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		-14,445	-277				-14,723
Net	R0400		162	-8				154
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		304	0				304
Other expenses	R1200							
Total expenses	R1300							304

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

		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		BE					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410		-2,106					-2,106
Reinsurers' share	R1420		-2,113					-2,113
Net	R1500		8					8
Premiums earned								
Gross	R1510		-2,106					-2,106
Reinsurers' share	R1520		-2,113					-2,113
Net	R1600		8					8
Claims incurred								
Gross	R1610		-2,166					-2,166
Reinsurers' share	R1620		-2,087					-2,087
Net	R1700		-79					-79
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900		-111					-111
Other expenses	R2500							
Total expenses	R2600							-111

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		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**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**									1,962	1,962						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									1,902	1,902						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**									60	60						
Risk Margin	**R0100**									7	7						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**									1,969	1,969						

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	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 as a whole	R0050										
Technical provisions calculated as a sum of BE and RM											
Best estimate											
Premium provisions											
Gross	R0060										
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										
Claims provisions											
Gross	R0160		261					6,380	17,106		23,747
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		253					6,149	16,652		23,053
Net Best Estimate of Claims Provisions	R0250		8					231	455		694
Total Best estimate - gross	R0260		261					6,380	17,106		23,747
Total Best estimate - net	R0270		8					231	455		694
Risk margin	R0280		1					21	53		75
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		262					6,401	17,159		23,822
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		253					6,149	16,652		23,053
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340		9					252	508		768

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100										0	R0100	0	0
2009	R0160	158	7,640	1,759	260	5,031	581	28	-7	5	2	R0160	2	15,457
2010	R0170	165	3,473	1,776	556	167	57	3,176	1			R0170		9,373
2011	R0180	320	2,913	845	83	2,076	58	0				R0180		6,295
2012	R0190	328	4,375	1,516	1,181	2,685	21	511				R0190	511	10,617
2013	R0200	487	3,604	2,752	3,756	3,716	3,260					R0200	3,260	17,575
2014	R0210	299	3,959	1,961	580	6,453						R0210	6,453	13,252
2015	R0220	278	4,057	5,507	5,112							R0220	5,112	14,954
2016	R0230	839	5,058	5,558								R0230	5,558	11,456
2017	R0240		6									R0240	6	6
2018	R0250											R0250		
												Total R0260	20,902	98,985

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 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										5	R0100	5
2009	R0160							215	105	59		R0160	58
2010	R0170						402	235	99			R0170	96
2011	R0180					1,352	119	868				R0180	843
2012	R0190				1,140	661	182					R0190	177
2013	R0200			3,555	12,185	9,712						R0200	9,414
2014	R0210		5,167	7,452	961							R0210	935
2015	R0220	9,448	7,524	1,049								R0220	1,019
2016	R0230	16,298	10,231									R0230	9,944
2017	R0240	1,291										R0240	1,256
2018	R0250											R0250	
												Total R0260	23,747

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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	635	635			
Share premium account related to ordinary share capital	R0030					
Initial 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	8,019	8,019			
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	8,654	8,654			
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	8,654	8,654			
Total available own funds to meet the MCR	R0510	8,654	8,654			
Total eligible own funds to meet the SCR	R0540	8,654	8,654			
Total eligible own funds to meet the MCR	R0550	8,654	8,654			
SCR	R0580	2,482				
MCR	R0600	1,200				
Ratio of Eligible own funds to SCR	R0620	348.72%				
Ratio of Eligible own funds to MCR	R0640	721.17%				

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	8,654				
Own shares (held directly and indirectly)	R0710					
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	635				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Reconciliation reserve	R0760	8,019				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770					
Expected profits included in future premiums (EPIFP) - Non- life business	R0780					
Total Expected profits included in future premiums (EPIFP)	R0790					

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,311		
Counterparty default risk	R0020	995		
Life underwriting risk	R0030			
Health underwriting risk	R0040	24		
Non-life underwriting risk	R0050	142		
Diversification	R0060	-564		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	1,909		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	573
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	2,482
Capital add-on already set	R0210	
Solvency capital requirement	R0220	2,482
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	70

		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	8	
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	231	
General liability insurance and proportional reinsurance	R0090	455	
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		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	1

		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	60	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	71
SCR	R0310	2,482
MCR cap	R0320	1,117
MCR floor	R0330	620
Combined MCR	R0340	620
Absolute floor of the MCR	R0350	1,200
		C0070
Minimum Capital Requirement	R0400	1,200