DLL RE DAC

SOLVENCY AND FINANCIAL CONDITION REPORT

31ST December 2018

financial solutions partner

Contents

Executive Summary 3

A. Business and Performance 5

A.1 Business 5

A.2 Performance from Underwriting Activities 6

A.3 Performance from Investment Activities 8

A.4 Operating/other expenses 9

A5. Any other disclosures 9

B. System of Governance 10

B.1 General Information on the System of Governance 10

B.2 Fitness and Probity 12

B.3 Risk Management System including the Own Risk and Solvency Assessment 13

B.4 ORSA Process 14

B.5 Internal Control and Compliance Function 15

B.6 Internal Audit Function 16

B.7 Actuarial Function 17

B.8 Outsourcing 18

B.10 Any other material information regarding the system of governance 18

C. Risk Profile 19

C.1 Underwriting Risk 19

C.2 Market Risk 21

C.3 Credit Risk 22

C.4 Liquidity Risk 22

C.5 Operational Risk 23

C.6 Risk Sensitivities 23

C.7 Other Material Risks 25

D. Valuation for Solvency Purposes 27

D.1 Assets 27

D.2 Technical Provisions 28

D.3 Other Liabilities 31

D.4 Alternative methods for valuation 32

D.5 Any other information 32

E. Capital Management 33

E.1 Own Funds 33

E.2 Solvency Capital Requirement and Minimum Capital Requirement 34

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 36
E.4 Difference between the Standard Formula and any Internal Model used 36
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement 37
E.6 Any Other Information 37
Appendix 1 SFCR Disclosed QRT's 38

Executive Summary

This is the Solvency and Financial Condition Report (SFCR) of DLL RE Designated Activity Company ("DLL RE" or "the Company") for year ended 31 December 2018.

The SFCR is produced as part of DLL RE's compliance with the reporting requirements under Solvency II. This report covers the business and performance of the Company, its system of governance, risk profile, valuation for solvency purposes and capital management.

Business and Performance
DLL RE DAC operates from its office at Georges Dock House, Georges Dock, IFSC, Dublin 1. The Company, established in 2005 by De Lage Landen International B.V. ("DLL Group") is a non-life reinsurer regulated by the Central Bank of Ireland.

DLL RE's principle activity is to reinsure programs underwritten by insurance companies insuring risks related to assets, leases and financing currently provided by the DLL Group, its subsidiaries and selected vendor partners. The primary strategic objective of DLL RE is to generate non-life underwriting income in a controlled, compliant and sustainable manner via the provision of reinsurance coverage on risks relating to the leasing and financing enterprises of the DLL Group and selected vendor partners.

The Company's financial year runs to 31st December each year and it reports its results in Euro (€). Gross premiums written in 2018 were €23,408k and DLL RE reported a profit of €4,522k for the period. Investment income performed satisfactorily during the year given the low interest rate market environment.

Refer to Section A for further details relating to business and performance.

System of Governance
The Board of Directors is the supervisory and management body of DLL RE and is ultimately responsible for all activities of the Company. It has various governance and control functions in place to monitor and manage the business and to ensure that DLL RE adheres to all applicable laws and regulations at both an Irish and EU level.

Refer to Section B for further details on the Company's system of governance.

Risk Profile
DLL RE is exposed to a wide variety of risks that arise as a result of doing business. The principal risks and uncertainties that the business faces are from non-life underwriting risk, market risk, default risk, operational and other risks. DLL RE has implemented a set of limits and controls to manage these risks.

Refer to Section C for further detail on the Company's risk profile.

Valuation for Solvency Purposes
The Company's financial statements including the balance sheet have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

DLL RE's Solvency II balance sheet is prepared as of December 31. The balance sheet is prepared in compliance with Solvency II Regulations. There are no material changes to the valuation for solvency purposes over the reporting period.

Refer to Section D for further detail on valuation for Solvency purposes.

Capital Management

DLL RE manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth, maintaining capital in line with Solvency Capital Requirements (SCR) and delivering acceptable returns.

The Company applies the Standard Formula approach in calculating the Solvency Capital Requirement.

At the end of the reporting period the Company has own funds of €40,861k compared to a solvency capital requirement of €30,805k and a minimum capital requirement (MCR) of € 7,701k. The SCR ratio of the company is 132.65% and MCR ratio is 531%. The Company was compliant with Solvency II capital requirements throughout the year.

Refer to Section E for further detail on Capital Management.

A. Business and Performance

A.1 Business

A.1.1 Name and legal form of the undertaking

DLL RE is a non-life reinsurance company limited by shares. The Company's operating address and registered office is:

DLL RE Designated Activity Company,
George's Dock House,
IFSC,
Dublin 1.

A.1.2 Name of Supervisory Authority

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is:

Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
PO Box 559,
Dublin 1.

A.1.3 Name and contact details of external auditor

The Company's external auditor is:

PricewaterhouseCoopers,
Chartered Accountants and Statutory Audit Firm,
One Spencer Dock,
North Wall Quay,
Dublin 1.

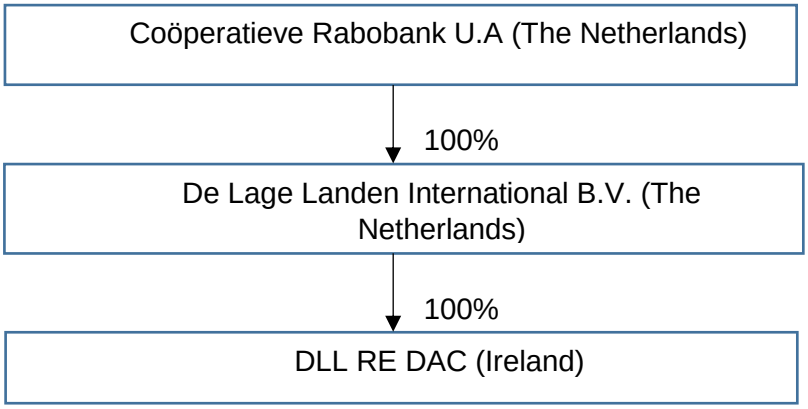
A.1.4 Holders of qualifying holdings in the undertaking

The Company is a 100% subsidiary of:

De Lage Landen International B.V.
Vestdijk 51,
5611 CA, Eindhoven,
The Netherlands.

A.1.5 Details of the undertaking's position within the legal structure of the group

The ultimate holding Company is Coöperatieve Rabobank U.A. based in The Netherlands. The ownership structure of DLL RE is listed below:



A.1.6 Material Lines of business and material geographical area where it carries out business

The material lines of business are Physical Damage, Motor Third Party Liability, Accident and Health, Extended Warranty and Miscellaneous Financial Loss.

DLL RE has reinsurance risks located in 4 continents as follows:

- **Europe:** Sweden, Norway, Denmark, Finland, the Netherlands, Belgium, UK, France, Germany, Belgium, Poland, Spain, Italy.
- **North America** : United States and Canada
- **South America** : Brazil
- **Australia** : Australia

A.1.7 Significant business or other events occurring over the reporting period

The significant events that have occurred in the reporting period are as follows:

- Adverse weather related events namely hurricanes and wildfires in the USA.
- Higher level of claims than usual on the Extended Warranty program specifically related to the west coast of the USA and one asset type in particular.

A.2 Performance from Underwriting Activities

DLL RE operates as a non-life reinsurance business, reinsuring programs underwritten by insurance companies insuring risks related to assets, leases and financing currently provided by the DLL Group, its subsidiaries and selected vendor partners. The DLL Group is a global provider of asset-based financial solutions working across nine key industries: Agriculture, Food, Healthcare, Clean Technology, Transportation, Construction, Industrial Equipment and Office Technology.

DLL RE works together with a range of brokers, insurers (investment grade) and the DLL Insurance Department (Product Overlay). DLL RE has fourteen programs (nine active programs / five programs in run-off) and has a wide geographical presence with reinsurance risks located in four continents.

An analysis of underwriting performance is provided for the years 2017 and 2018 below.

Financial Performance (all amounts in k €)	Other Motor Insurance		Miscellaneous Financial Loss		Fire and other damage to property insurance		Motor Vehicle Liability Insurance		Income Protection Insurance		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net Written Premiums	13,627	12,291	6,371	4,479	3,410	3,148	0	-3	0	52	23,408	19,966
Change in Provision for Unearned Premiums	-6,038	-4,724	-1,126	486	-117	53	0	0	0	0	-7,281	-4,185
Net Earned Premiums	7,588	7,567	5,246	4,965	3,293	3,201	0	-3	0	52	16,127	15,781
Net Claims Incurred	-3,434	-3,594	-4,549	-3,885	-1,092	-1,420	29	0	0	98	-9,045	-8,801
Commission Expenses	-1,258	-1,456	-195	-164	-265	-266	0	0	0	-19	-1,718	-1,906
Net Underwriting Income	**2,896**	**2,516**	**501**	**916**	**1,936**	**1,514**	**29**	**-2**	**0**	**130**	**5,363**	**5,074**

The Company recorded a strong underwriting performance for the financial year-end 2018. All lines of business were profitable in 2018. The technical result for the Company as per the audited financial statements was €5,363k.

An analysis of underwriting performance split into Non-European and European is provided for the years 2017 and 2018.

Financial Performance (all amounts in k €)	2018			2017		
	Non EU	EU	Total	Non EU	EU	Total
Net Written Premiums	17,469	5,939	23,408	14,589	5,378	19,967
Change in Provision for Unearned Premiums	-6,242	-1,039	-7,281	-3,981	-204	-4,185
Net Earned Premiums	11,227	4,900	16,127	10,607	5,174	15,781
Net Claims Incurred	-7,017	-2,028	-9,045	-7,290	-1,511	-8,801
Commission Expenses	-1,153	-565	-1,718	-1,128	-778	-1,906
Net Underwriting Income	**3,056**	**2,307**	**5,363**	**2,189**	**2,885**	**5,074**

A.3 Performance from Investment Activities

DLL RE manages its assets in a sound and prudent manner. DLL RE investment's comprises a mix of cash and deposits. DLL RE holds assets which adequately cover technical reserves and the required solvency margin. The Company's investment strategy is conservative in nature and DLL RE aims to maximise its returns subject to agreed risk constraints.

It is DLL RE's policy to maintain investments in:

- Separate cash deposits internally within the Rabobank Group or
- Externally with banks (subject to internal counterparties approvals).

Any other investments, any new allowable investments or new bank relationships must be pre-approved by the Board.

The performance for Investment Activities is summarized below:

	2018 €'000	2017 €'000
Interest income from financial assets not at fair value through profit and loss	**533**	**231**
	533	**231**

Cash and cash equivalents	2018 €'000	2017 €'000
Cash at bank	**42,168**	**37,169**
Short term deposits with Rabobank	**-**	**-**
	42,168	**37,169**

A.4 Operating/other expenses

DLL RE's operating expenses consist of commissions, brokerage and other operating expenses. Other operating expenses include salaries and general operating expenses.

The breakdown of administrative expenses is summarised below.

Administrative Expenses	**2018 €'000**	**2017 €'000**
Commission	**847**	**632**
Brokerage	**871**	**1,273**
Other operating expenses	**990**	**967**
	2,708	**2,872**

A5. Any other disclosures

No further information.

B. System of Governance

B.1 General Information on the System of Governance

B.1.1 Roles and responsibilities of the Board and Committees

The Board

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 Insurance Undertakings 2015.

In accordance with the stipulated criteria of the Central Bank of Ireland, the Board of DLL RE is of sufficient size, composition and expertise to oversee adequately the Company's operations. The Board is the supervisory and management body of DLL RE and is ultimately responsible for all activities of the Company. It ensures that DLL RE adheres to all applicable laws and regulations at both an Irish and EU level.

The Board is responsible for, and maintains oversight of, the daily activities undertaken by the local management team. This oversight includes the selection and appointment of individuals demonstrating sufficient knowledge, integrity and competence to execute the daily activities of the Company. The Company's management team, located in the registered offices of DLL RE, consists of a General Manager, a Business Development Underwriter and a Financial Controller.

The Board of Directors are as follows:

Olivia Allen: Executive Director
Fergal O'Mongain: Non-Executive Director
Rob Burgerhout: Independent Non-Executive Director
Brendan Malley: Non-Executive Director
Albertus Gillhaus: Non-Executive Director
Philip Doyle: Independent Non-Executive Director (Appointed 4th July 2018 replacing Eelco van de Wiel resigned 8th June 2018)

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. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

The Board of the Company has delegated certain functional tasks and authority resulting from the Board's roles and responsibilities to executive members. The standing Committees of the Company are the Audit Committee and the Risk Committee, both of which include significant Board Member representation. These Committees are in compliance with the directives of the Central Bank of Ireland.

The Risk Committee

The purpose of the DLL RE Risk Committee is to make decisions on reinsurance programs, new business applications and on proposed material changes in existing programs and to assist the Board of DLL RE in making decisions on the company's current risk appetite, risk exposures and future risk strategy, the company's proposed strategic solvency targets and the integrity of the company's risk management framework. The Risk Committee has authority to approve business that falls within the scope of DLL RE's risk appetite and underwriting guidelines. The Risk Committee consists of such number of Non-executive and Independent Non-executive Directors as shall be appropriate to the nature, scale and complexity of the business but in any event shall have not less than three Board members. The Chairman of the Risk Committee is a non-executive director or an independent non-executive director.

The Risk Committee are as follows:

Brendan Malley (Chairman)
Rob Burgerhout
Philip Doyle

The Audit Committee

The purpose of the Audit Committee is to assist the Board of DLL RE in fulfilling its oversight responsibilities for the integrity of the company's financial statements, the company's compliance with legal and regulatory requirements and the performance of the company's internal audit function and independent auditors. The Audit Committee consists of three non-executive directors the majority of directors being independent. The membership is sufficient to handle the size and complexity of the business. The Chairperson is an Independent Non-executive Director. Attendance of non-members of the Audit Committee meetings is by invitation. Members of the Audit Committee and its Chairperson shall be appointed by the Board of DLL RE and their membership shall be subject to regular review.

The Audit Committee are as follows:

Rob Burgerhout (Chairman)
Brendan Malley
Philip Doyle

B.1.2 Material changes in the system of governance during the reporting period

There were no changes to the system of Governance during the reported period.

B.1.3. Remuneration policy of DLL RE

Due to the scale, nature and complexity of the company it does not have its own separate HR department. The HR responsibilities are shared between DLL RE Management and various other areas including DLL Ireland, DLL in Eindhoven and the Management Company. The Board is responsible for ensuring that DLL RE has robust governance arrangements and adequate control mechanisms, including remuneration policies and practices which are consistent with and promote sound and effective risk management and which do not promote excessive risk taking. For this purpose DLL RE has adopted the Global Remuneration Policy of the DLL Group and is governed by the policies and practices set out in the Global Remuneration Policy of the DLL Group.

B.1.4 Material transactions during the reporting period with shareholders

There were no material transactions during the reporting period.

B.2 Fitness and Probity

Under the Fitness and Probity regime all regulated entities are required to confirm to the Central Bank of Ireland that they have undertaken due diligence in relation to all Pre-Approval Controlled Functions ("PCFs").

The Board of Directors of DLL RE (the "Board") will satisfy itself on reasonable grounds that a person has the necessary qualifications, knowledge and expertise to comply with the Fitness and Probity Standards before appointing that person to a control function position. The Board will not appoint a person to a PCF, until Central Bank has approved the appointment in writing.

The Company has adopted 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.

The selection and recruitment process for Key Function Holders (PCF's) is as follows:

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

The process for assessing the fitness and the probity 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 House 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

B.3.1 Risk Management System

The primary objective of risk management within DLL RE is safeguarding financial stability. By controlling risks, DLL RE reduces the impact on capital and profitability from potentially undesired developments.

The Company is aligned with the DLL Group's risk management system. The Company has developed a set of risk polices to ensure that adequate process and procedures are in place to manage all types of risk. Additionally, DLL RE adopts three lines of defence as follows:

First Line	*Second Line*	*Third Line*
Management of business lines Measures, assesses and controls risks through the day-to-day activities of the business, within the frameworks set by the entity/board.	Risk Governance Provide independent oversight of the first line of defence. Report to Management and Board on risks associated with company	Internal Audit Sets the internal audit framework. Provides independent assessment of first and second lines of defence.

B.3.2 Implementation of risk management system

Within DLL RE, ultimate responsibility for the risk management rests with the Board of DLL RE who may decide to delegate responsibilities to others, as they feel appropriate. However, such delegation does not absolve them of their responsibility. The DLL RE Board recognizes the specialist nature of reinsurance risk assessment and desires to protect the company by combining internal expertise within the DLL Group with external resources available. Accordingly, the Board has appointed a Chief Risk Officer and a DLL RE Risk Committee.

The Chief Risk Officer is responsible for the risk management function and for maintaining and monitoring the effectiveness of the DLL RE's risk management system. The nature, scale and complexity of the DLL RE's operations do not justify a dedicated exclusive CRO function. DLL RE has obtained the prior approval of the Central Bank prior to making this arrangement. The CRO of DLL RE's primary responsibility is to the board and reports to the board periodically with direct access to the Chairman of the board. The CRO also attends and reports to the DLL RE Risk committee on a regular basis.

DLL RE's risk identification is carried out by conducting a risk and control self-assessment (RCSA) which can be described as the process of identifying and measuring risks, and of developing and validating strategies to manage them.

The objective of this assessment is to identify risks, using a structured approach. This structured approach includes the following steps: identify risks, identify controls, rate/score risks, accept/mitigate and act/monitor. The last two steps ensure that risks are adequately followed up. DLL RE regards risk and control self-assessments as a key element of its Risk Management Framework and will conduct a RCSA on a regular basis.

DLL RE has a written Risk Appetite Statement (RAS) that for the material risks indicates the limits, tolerances of risks DLL RE is willing to take. As part of the RAS a framework is included regarding the approval process of the DLL RE RAS, the monitoring of the performance, breach management as well as annual review of the DLL RE RAS. Reporting on the risk appetite performance is performed on a quarterly basis and includes a forward looking outlook of the expected development of the risk performance in addition to the actual, current or prior period values. The report is discussed at the DLL RE Risk Committee who meets at least quarterly.

B.4 ORSA Process

B.4.1 ORSA Process

The ORSA is a complete quantitative and qualitative solvency and risk assessment of DLL RE. DLL RE has developed its own processes with appropriate and adequate techniques, tailored to fit into its organisational structure and risk management system, and takes into consideration the nature, scale and complexity of the risks inherent to DLL RE as low rated PRISM entity.

The material risks are considered and stress and scenario testing, including reverse stress testing are carried out.

The ORSA process coincides with the Business Planning/Budget/Forecasting process. The ORSA Process commences at the beginning of Q3 of each financial year. Draft results and a draft ORSA Report shall be presented to the in Quarter 4 and at the same time the Business Plan for the upcoming financial year.

The forward looking perspective is a key element of ORSA. Whereas quarterly reporting is based on one year of business, the forward looking perspective within ORSA reflects the necessity for DLL RE to look beyond this one year horizon in its assessment of how the Medium Term Plan influences the overall solvency needs. The goal of the forward looking assessment is to demonstrate that DLL RE will remain a going concern and has sufficient funds for the planned business scenario as well as in adverse scenario situations.

B.4.2 Frequency of ORSA

DLL RE shall perform an ORSA annually. A full or partial ORSA shall be performed if any event occurs or is expected to occur such that the risk profile of the Company is or will be materially changed. The ORSA is the responsibility of the DLL RE Board and reviewed annually.

B.4.3 ORSA and Solvency Requirements

DLL RE manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth, maintaining capital in line with Solvency Capital Requirements and delivering acceptable returns. It is DLL RE's strategy to only enter into insurance programs that provide an acceptable balance between risk and reward and that enable the Company to further diversify its reinsurance portfolio geographically as well as in

type of assets. While it is recognized that all participations carry risk, that risk must not endanger the overall stability of the company. In light of this DLL RE observes the following principles:

- Maintain a solid Solvency Ratio.
- Provide adequate sustainable Return on Capital.

When applying these principles, it is recognized that in any given year a series of individual loss events may occur resulting in losses which will challenge DLL RE's Return on Capital.

The capital management framework is designed to ensure that DLL RE is capitalised in line with its risk profile and regulatory requirements. The objectives of DLL RE's capital management are to:

- maintain sufficient capital resources to meet minimum regulatory capital requirements in accordance with Solvency II requirements
- maintain sufficient capital resources to support DLL RE's risk appetite and other capital requirements
- ensure DLL RE holds capital in excess of minimum requirements to achieve the target capital adequacy ratios set by the Board and to withstand the impact of potential stress events

B.5 Internal Control and Compliance Function

B.5.1 Internal Control System

DLL RE relies heavily on the integrity of information supplied by counterparties. Although DLL RE, works with reputable counterparties it must however be recognized that total reliance on the accuracy of counterparty information leaves DLL RE exposed to potential data errors.

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, 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.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Insurance 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.

Additionally, DLL RE has an internal control framework in place to evaluate the accuracy of information from counterparties for material DLL RE insurance programs.

This procedure is conducted on a high–level reconciliation basis and will provide the following:

1. A check on the accuracy of premium and claims information from counterparties.
2. A review of claims carried out by way of random selection of claims above a reasonable threshold level.
3. A claims ratios analysis conducted quarterly and provided to the DLL RE Risk Committee for review.

In 2016 DLL RE in conjunction with DLL Corporate IT commenced the development of a unique DLL RE Database. The purpose of this database is 1) test data accuracy and 2) data

extraction for Technical Provisions and other calculation purposes. The DLL RE Database is now live and the upload of all historic data will occur in the first half on 2019

B.5.2 Implementation of the 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 legal or 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 are 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.6 Internal Audit Function

B.6.1. Implementation of the internal audit function

The internal audit function of DLL RE is outsourced to the Internal Audit Department of the DLL Group, with prior approval of the Central Bank of Ireland.

The objectives of an internal audit are derived from the long term objectives of DLL RE and the external influences that have relevance to DLL RE achieving those objectives. This includes areas such as corporate culture, governance, risk management, internal control, and implementation of new regulations.

The scope of an internal audit is to determine whether the setup of governance, risk management and control processes as designed and implemented by management is adequate and functioning. The scope and processes of an internal audit will be consistent with the philosophy that acknowledges that the primary responsibility of the management itself for the implementation and operation of effective and efficient governance, risk management and control processes.

Internal Audit discuss their findings with the management team of DLL RE on completion of the audit, they will prepare a written report on each audit assignment. The report is submitted

to the DLL RE Management Team for a written management response. The final audit report is submitted the Audit Committee of DLL RE with an overall rating.

During the reporting period internal audit performed an audit of DLL RE. The primary attention areas included short-term succession of all independent directors, strengthening controls related to the DLL RE Database and monitoring of third-party service providers. DLL RE received an adequate audit rating, implying that reasonable assurance exists that the main controls are designed and operating effectively, although a limited number of moderate or minor weaknesses have been found and only limited (residual) risks remain.

The Company is on an annual audit cycle as agreed with Internal Audit and approved by the Board.

B.6.2. Independence of the internal audit function

Internal Audit De Lage Landen is an independent internal audit function within the governance structure of De Lage Landen International B.V. It provides assurance regarding the adequacy and efficiency of processes, the related internal control framework and management information. The internal auditor reports to the chair of the DLL RE Audit Committee, which is an independent non-executive director role.

B.7 Actuarial Function

The Actuarial Function is outsourced to KPMG. KPMG's actuaries attend board meetings on a regular basis and receive regular updates on claim activity. The Company's Technical Provisions are subject to half yearly 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;
- 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

Additionally, DLL RE utilises the services of an external actuarial company, Barnett Waddingham, who provide DLL RE with quarterly support on actuarial reserving, for material lines of business.

B.8 Outsourcing

The Company adheres to the DLL Group Outsourcing and Cloud Procedure 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 Function or Activities under Solvency II Regulations.

The Board appointed Ms Olivia Allen to act as the designated PCF with responsibility for all outsourced key functions.

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

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	KPMG	Ireland
Actuarial Services	Barnett Waddingham	UK
Compliance Function Management Accounting Company Secretarial	Allied Risk Management Limited	Ireland

B.9 Adequacy of system of governance

DLL RE's system of governance is tailored to fit into its organisational structure and risk management system, and takes into consideration the nature, scale and complexity of the risks inherent to DLL RE as low rated PRISM entity.

B.10 Any other material information regarding the system of governance

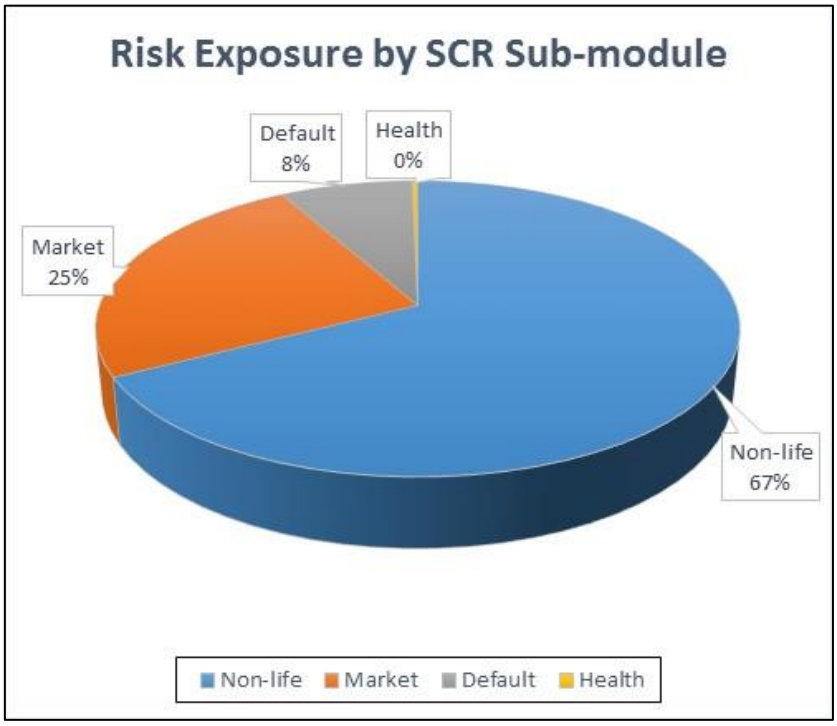
No further information.

C. Risk Profile

DLL RE is exposed to a wide variety of risks, which have an impact on DLL RE's business objectives. This section describes the main risks to which the Company is exposed through its business.

DLL RE is using the standard formula to quantify its solvency capital requirements (SCR). The table below details the Solvency Capital requirement per risk category.

At year-end 2018 the Company's solvency capital requirement amounted to €30,805k. The graph below shows the BSCR (Basic SCR) before diversification, loss-absorbing capacity of deferred taxes and operational risk. The main components of the risks exposure are non-life underwriting risk (68%), market risk (25%), default risk (8%) and health risk (<1%).



C.1 Underwriting Risk

C.1.1 Description of the measures to assess underwriting risk

Underwriting Risk refers to the risk of loss, or of adverse change in the value of Insurance Liabilities, due to inadequate pricing and/or reserving assumptions which includes the fluctuations in the timing, frequency and severity of insured events, relative to the expectations of DLL RE at the time of underwriting. Underwriting risk arises from two sources, adverse claims development (reserve risk) and inappropriate underwriting (premium risk). Underwriting risk is managed by having in place a clear underwriting philosophy, procedures and controls in relation to new program authorisation criteria and the diversification of risks.

DLL RE has in place underwriting procedures adopted by the Board which outlines the roles, responsibilities, insurance procedures and reporting requirements within DLL RE to enable management of underwriting risk in line with the limits and tolerances set out in DLL RE's Risk Appetite Statement.

DLL RE's underwriting year varies by line of business. Although the term of the underlying insurance policies can range from 12 months to 72 months, all reinsurance policies

underwritten by DLL RE are written on an annual basis, with automatic renewal of policies if they are not cancelled within a specified timeframe.

When considering any proposed new line of business, the management team prepares an underwriting application for presentation to and approval by the Risk Committee. Each existing program is subject to an annual review by the Risk Committee in order to assess the performance of the program to date and provide recommendations for future action.

C.1.2 Description of the material underwriting risks

The main underwriting risk present in DLL RE's portfolio is premium and reserve risk and catastrophe risk. By setting a maximum loss limit and having effective underwriting procedures, DLL RE protects its solvency position and the profitability of the company.

C.1.3 Concentration risk

Underwriting concentration risk is limited due to the spread of classes and jurisdictions. Concentrations of risk may arise as DLL RE only writes reinsurance business for the DLL Group and selected vendor partners and have not established any open-market reinsurance relationships. This is mitigated by way of the quota share arrangements in place and the submission of an underwriting application for each proposed line of business which considers the geographical spread of a program as well as its potential to result in an aggregation of exposure within the portfolio.

C.1.4 Risk mitigation techniques used for underwriting risks

When considering any proposed new line of business, the Management Team prepares an underwriting application for presentation to and approval by the Risk Committee. The Underwriting Application must include at a minimum the following details:

- Counterparties with specific reference to credit rating by a leading ratings agency, reputation and expertise.
- Portfolio details to include insured object profile, geographical spread, historical premium and claims data, potential trends and probable underwriting performance.
- Reinsurance structures and proposed reinsurance share.
- The premium volume and its relationship to risk/volatility.
- Existing Exposures which may reasonably be expected to aggregate to those risks assumed under the proposed program.
- Solvency Capital Requirements and any impact arising from execution of the proposed program.
- Evaluation of standard risks to include: Solvency, Profitability, Underwriting, Concentration, Credit, Liquidity, Currency, Compliance, Operational and Reputational.

Additionally, DLL RE does not accept an Average Combined Ratio over a specific period to be above acceptable limits. DLL RE monitors the average combined ratio and on a quarterly basis and this is reported to the Risk Committee.

Retrocession is currently not utilised by the Company however it may be used by the Company as a secondary measure to limit its net exposures. The Company primarily seeks to limit it exposure to an optimal level by limiting that risk which is assumed from the Reinsured. It is the responsibility of the DLL RE management team and the Risk Committee to determine if retrocession should be arranged for any new business proposals. In the event of retrocession

being required it is Company policy to follow the minimum credit ratings as set out in the Risk Appetite Statement of DLL RE.

C.2 Market Risk

C.2.1 Description of the measures to assess market risk

DLL RE investments are comprised of a mix of cash and deposits. It is company policy to maintain investments in separate cash deposits internally within the Rabobank Group and externally with other banks (pre-approved counterparties).

C.2.2 Description of the material market risks

The main market risks present in the Company are interest rate risk and translation risk. DLL RE is not exposed to interest rate risk within the usual understanding of interest rate risk. DLL RE's main exposure to interest rates is related to the rate earned on their equity investments. The board of directors of DLL RE adheres to the DLL Group Policy in relation to equity investments, which will be annually reviewed by the DLL Group Asset and Liability Committee.

Translation Risk is defined as the exposure of the company's financial condition to movements in Foreign Exchange rates. DLL RE is not permitted to have Foreign Exchange risk, but sometimes this is unavoidable and this is controlled by having a limit in place.

C.2.3 Investment assets and prudent person principle as applied to market risks

The Company verifies the appropriateness of credit assessments from external credit assessment institutions by (i) always obtaining a credit rating where available from one of the 4 main rating agencies (AM Best, S&P, Moody's and Fitch) and (ii) relying on its own market knowledge, including input from Group treasury. Credit assessments from credit assessment institutions are used in assessing minimum security requirements for investment counterparties.

C.2.4 Concentration risk

DLL RE maintains separate cash deposits internally within the Rabobank Group and also with an external bank. Both counterparties have A or A+ rating by a leading ratings agency and have stable outlooks.

C.2.5 Risk mitigation techniques used for market risks

DLL RE's translation risk policy seeks to protect DLL RE against exchange rate fluctuations. Translation Risk is defined as the exposure of the company's financial condition to movements in Foreign Exchange rates.

DLL RE conducts business with many companies in differing jurisdictions and with differing base currency. In all cases, the currency of the liability will be determined by the underlying policy/treaty. To protect existing business, it is the policy of the Company to maintain assets in the same currency as the corresponding liability. The one exception is Brazilian Real (BRL), whereby assets are not held as payments cannot be received by the Company in the form of BRL as it is a non-deliverable currency. Payments relating to Brazilian business are paid/received in the form of USD.

In minimizing DLL RE's exposure to FX risk, DLL RE will hedge DLL RE's forecasted material FX annual earnings, with the objective of achieving our EUR budget translation rate (or better). Material is defined as budgeted earnings > EUR 250,000 currency equivalent (currently USD, SEK, NOK, DKK and GBP), other less material FX earnings are hedged as earned.

C.3 Credit Risk

C.3.1 Description of the measures to assess credit risk

Credit risk is the risk of loss or of adverse change in the financial situation resulting from fluctuations in the credit standing of counterparties to which reinsurance undertakings are exposed, in the form of counterparty default risk. DLL RE's policy intends to limit this credit risk to an acceptable standard.

C.3.2 Description of the material credit risks

The largest credit risk exposure for the Company arises from the counterparties holding the company's assets.

C.3.3 Risk mitigation techniques used for credit risks

Credit risk is managed by carrying out appropriate due diligence on prospective counterparties and having limits in place.

For third party insurance companies 90% of DLL RE's portfolio shall be placed with companies who have an investment rating of S&P "BBB" or better (or the equivalent).

For third party banks, all cash deposits will be placed with banks who have an investment rating of S&P "BBB" or better (or the equivalent).

Credit ratings of counterparties are reviewed and monitored quarterly by the Risk Committee.

In the event DLL RE wants to deviate from these guidelines, this will be subject to approval from the DLL RE Board and the impact on Solvency requirements evaluated.

C.4 Liquidity Risk

C.4.1 Description of the measures to assess liquidity risk

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle their financial obligations where they fall due. DLL RE's liquidity policy seeks to ensure that there is always sufficient cash available to settle its financial obligations.

C.4.2 Description of the material liquidity risk

None.

C.4.3 Risk mitigation techniques used for liquidity risks

DLL RE ensures that amounts of available / readily accessible cash is always higher than €2,500k. This is reported quarterly to the Risk Committee.

Additionally, an overview of the investments and liquidity position of the Company is a standing item on the DLL RE Board agenda.

C.4.4 Expected Profit Included in future premiums

The expected profit in future premiums is €8,981k.

C.5 Operational Risk

C.5.1 Description of the measures to assess operational risk

Operational Risk or Non-Financial Risk (NFR) covers losses resulting from inadequate or failed internal processes, people, systems, or from external events.

C.5.2 Description of the material operational risk

DLL RE does not consciously take on these types of risks but only tolerates these risks as an inevitable part of executing business activities.

C.5.3 Risk mitigation techniques used for operational risks

DLL RE falls within the scope of DLL Group Operational Risk Management as well as DLL Group's Information Security Policy. DLL RE will not tolerate an aggregate operational risk net loss that exceeds 2.5% of budgeted annual gross income.

For a single event loss, the maximum tolerated loss has been set at:

Operational Risk | ORM losses (EUR)	EWL	RAL
Net loss amount year to date (per quarter)	100,000	125,000

C.6 Risk Sensitivities

DLL RE undertakes an annual forward looking stress/scenario analysis as part of the ORSA process. A range of scenarios are considered encompassing different events and degrees of severity. DLL RE scenarios will:

- Address the main risk factors DLL RE is exposed to
- Address DLL RE specific vulnerabilities (sectoral characteristics, business line exposures, concentration risk)
- Be forward looking and include severe outcomes. The time horizon should reflect the characteristics of the business.
- Identify interdependencies if these exist.

This section presents the results of the stress test on DLL RE's financial outlook 2018 to 2020 in term of impact on capital. The scenarios are selected annually by the management team and circulated to the Risk Committee and Head of Actuary for approval. The impact is measured comparative to a base case scenario which is derived from mid-term plan projection 2018-2020.

A summary of the scenario testing results has been provided by risk category in the tables below.

Scenario Description	Risk Category	SCR Impact			SCR Coverage €'000		
		2018	2019	2020	2018	2019	2020
Baseline: 2018 ORSA							
Scenario 1 Apply parameter change of 15% all years to largest program in Miscellaneous Financial Loss Segment and 25% to largest program in Other Motor Insurance Segment.	Non-life Underwriting Risk Premium and Reserve Risk	121%	127%	129%	32,645	36,565	40,468

In Scenario 1 premium volumes are stressed in the segments Miscellaneous Financial Loss and Other Motor to assess the overall impact on the non-life premium and reserve risk, the largest capital component of DLL RE's SCR. As the increase in written premium takes a number of years to earn, the impact on the solvency ratio is not significant.

Scenario Description	Risk Category	SCR Impact			SCR Coverage €'000		
		2018	2019	2020	2018	2019	2020
Baseline: 2018 ORSA							
Scenario 2 Apply combined ratio of 80% to largest program in Other Motor Insurance Segment and 120% to largest program in Miscellaneous Financial Loss Segment.	Non-life Underwriting Risk Premium and Reserve Risk	87%	88%	87%	33,250	36,875	40,560

Using Scenario 1, an adverse claims development is applied to the same programs in Other Motor and Miscellaneous Financial Loss segments to arrive at Scenario 2. The increase in the loss ratio has two effects: 1) an increase in premium provisions and 2) a reduction in underwriting income. Whereas the likelihood of this scenario occurring is low, the impact on the SCR is significant. The main risk to DLL RE is not necessarily growth in premium volumes but rather a change in underlying program performance (adverse claims development compared to business plans projections).

A Reverse Stress Test is performed in Scenario 3 by applying a further increase in the loss ratio to same programs in Other Motor and Miscellaneous Financial Loss segments. This scenario shows the maximum increase in the loss ratio that DLL RE can absorb given these programs represent approximately 81% of the overall unearned premium exposure. The SCR for this scenario falls to 100% and marginally recovers for subsequent years.

Scenario Description	Risk Category	SCR Impact			SCR Coverage €'000		
		2018	2019	2020	2018	2019	2020
Baseline: 2018 ORSA							
Scenario 3 To examine what level of premium volumes and loss ratios would have to occur for DLL RE to fully exhaust it's eligible and available capital. Apply a combined ratio of 75% to Other Motor program and 106% to Misc Financial Loss program.	Non-life Underwriting Risk Premium and Reserve Risk Examines the impact on eligible capital and SCR against business plan projections.	100%	103%	103%	32,885	36,482	40,244

The purpose of Scenario 4 is to test the sensitivity of the SCR to a ratings downgrade of banking counterparties and an increase in the deposits duration to greater than 1 year duration.

Scenario Description	Risk Category	SCR Impact			SCR Coverage €'000		
		2018	2019	2020	2018	2019	2020
Baseline: 2018 ORSA							
Scenario 4 Rating to decrease from A to A- to BBB+ Increase deposit duration with banks to 2 years.	Market Risk /Counterparty Default	112%	117%	119%	35,079	38,164	41,336

The SCR increases due to a large concentration with one banking counterparty. The SCR falls to 112% but recovers in subsequent years.

Two scenarios result in SCR ratios falling below the Company's target SCR Solvency ratio range. In the event that the SCR falls below the target SCR Solvency ratio range, the Company has a number of ways of which it can manage its solvency coverage and ensure that it returns within target.

C.7 Other Material Risks

Letter of Credit Availability Risk

One of the main NFR's for DLL RE is the availability of Letters of Credit ('LoC'). As an unrated entity access to well rated Letter of Credit Capacity is a necessary commercial requirement for DLL RE to secure its existing liabilities to 3rd parties and may act to limit its ability to pursue new opportunities. Unavailability of LoC's could have a very negative effect on DLL RE's ability to undertake business. Ongoing availability of LoC's is therefore a regular agenda item and consideration for the DLL RE Risk Committee.

Compliance Risk

Compliance risk is the risk arising from incomplete, ineffective or inaccurate contractual documentation noting also the relevance of fiscal or regulatory requirements and foreseeable future events, which would trigger subsequent comprehensive attention.
DLL RE at all times seeks to operate in compliance with all applicable laws and regulations. In particular, it works to adhere to the rules relating to behaviour and prudent supervision as this is a key element within the DLL/Rabobank Group. The compliance officer shall ensure that DLL RE complies with local Irish matters. The international aspects of compliance and in particular compliance with DLL Group requirements are subject to the Group Code of Conduct and the employees of DLL RE are responsible to act in compliance with this Code.

HR Risk

The employees of DLL RE are a critical success factor to realize its ambitions. DLL RE is a small operation and is therefore vulnerable to movements in its personnel. It remains important for DLL RE to maintain proper succession planning.
Integrity is a key value. Under no circumstances will fraud perpetrated by employees or by customers be tolerated. However, as the business is conducted by humans, fraud within the organization cannot be ruled out. Annual training is provided (as part of DLL Group training) to create and maintain awareness for compliance as well as fraud risks.

DLL Group follows a balanced remuneration policy benefitting its strategy, risk appetite, objectives, values and country specifics. The policy takes into account the global perspective with some local factors. DLL RE falls within the scope of this Group HR policy.

Business Continuity Risk

By organizing Business Continuity Management ("BCM") DLL Group aims to reduce to an acceptable level the consequences of internal or external disturbances on the processes of the organization. DLL RE falls within the scope of the DLL Group BCM and has a BCM cycle operative.

Outsourcing Risk

DLL RE has chosen to outsource certain key activities. The advantages of out-sourcing include supplementing limited internal resources as well as accessing expertise. The risks of out-sourcing include poor planning, oversight and controls exercised by DLL RE over the party, which might result in misunderstandings as to scope of work or problems in service quality. In deciding to out-source an activity, DLL shall endeavour to strike an optimal balance between doing activities in-house and outsourcing other activities. DLL RE adheres to all laws and regulations and additionally falls within the scope of the DLL Group Outsourcing Policy, and will ensure there are adequate processes in place for third party selection, supervision, control, monitoring and contingency planning.

D. Valuation for Solvency Purposes

D.1 Assets

D.1.1 Solvency II valuation for each material class of asset

The following table analyses the Company's financial assets at 31.12.2018. For information purposes the figures at 31.12.2017 are also provided.

Balance Sheet Assets	2018 €'000	2017 €'000
Deposits other than cash equivalents	47,143	39,762
Receivables (trade, not insurance)	16	13
Cash and cash equivalents	42,155	37,156
Any other assets, not elsewhere shown	18	20
Insurance and intermediaries receivables	1,429	1,859
Total Assets	**90,761**	**78,811**

The following are the Company's assets as at 31 December 2018 as reported under IFRS and as valued in accordance with the Solvency II Directive with the main differences identified.

Balance Sheet Projection	Valuation per IFRS 31/12/2018	Valuation per SII 31/12/2018	Difference	Valuation per IFRS 31/12/2017	Valuation per SII 31/12/2017	Difference
Deposits other than cash equivalents	46,847	47,143	-296	39,545	39,762	-217
Cash and cash equivalents	42,168	42,155	13	37,169	37,156	13
Receivables (trade, not insurance)	0	16	-16	0	13	-13
Any other assets, not elsewhere shown	296	18	278	217	20	197
Deferred acquisition costs	5,312	0	5,312	4,213	0	4,213
Insurance and intermediaries receivables	3,369	1,429	1,940	4,155	1,859	2,296
Current Tax Receivable	0	0	0	0	0	0
Total assets	**97,992**	**90,761**	**7,231**	**85,300**	**78,811**	**6,489**

D.1.1.1 Deposits other than cash equivalents

Deposits other than cash equivalents are the Company's term deposits with Rabobank and the external bank. These are short term deposits with a duration of less than one year. Any non-Euro deposit is valued at the amount held at the reporting period end, translated using the year-end exchange rates. In 2018 the difference of €296k is allocated to any other assets, not elsewhere shown under IFRS.

D.1.1.2 Receivables (trade, not insurance)

Receivables (trade, not insurance) are DLL's intercompany treasury account balance at year end. The difference of €16k is allocated to Insurance and intermediaries receivable under IFRS.

D.1.1.3 Cash and cash equivalent

Cash and cash equivalents relate to amounts held with Rabobank at the end of the reporting period. Any non-Euro amounts held at the end of the reporting period are translated using the year end exchange rates. The difference of €13k is allocated to Insurance and intermediaries receivable under IFRS.

D.1.1.4 Any other asset, not elsewhere shown

Other assets refer to prepayments of the Company's administrations fees. The difference of €278k relates to interest accrued and is allocated to any other assets, not elsewhere shown under IFRS.

D.1.1.5 Insurance and intermediaries receivables

Insurance and intermediaries receivables are premiums due from the Company's cedants and relate to premiums due from expired risks. Under IFRS, the amount of €3,369k is the net position of premiums due that are in excess of claims payable to cedants.

D.1.2 Differences between Solvency II Valuation and local IFRS valuation by material class of asset

The two material class of assets are as follows:

- Deferred acquisition costs are not included in the Solvency II balance sheet.
- Under Solvency II premium receivables classified as expired risk are captured under insurance and intermediaries receivable.

D.2 Technical Provisions

D.2.1 Technical provisions analysed by each material line of business

Below table displays the difference between the Best Estimate Reserve under IFRS and the booked IFRS Reserve:

Segment	Best Estimate Reserves €'000	IFRS Reserves €'000	Difference €'000
Other motor insurance	4,279	5,515	1,236
Miscellaneous financial loss	2,352	3,973	1,621
Fire and other damage to property insurance	537	1,520	983
Motor vehicle liability insurance	10,943	11,104	161
Income protection insurance	301	291	(10)
Total	**18,412**	**22,404**	**3,991**

The difference of €3,991k is comprised of:

- €1,499k is the difference in best estimate between Solvency II and IFRS booked reserves
- €452k is the booked provision for known hurricane events in 2018
- €2,040k is the booked margin over the IFRS booked reserves

The technical provisions comprise the Best Estimate of Liabilities and the Risk Margin. At the 31.12.2018, the technical provisions were:

DLL RE - Movements in Technical Provisions from Accounting basis to SII - 2017															
€000's	Claims Provision					Premium Provision									
Segment	Best Estimate Reserves	ENIDs	Expenses	Discounting	Claims Provision	PP Claims	Future Premium less Commission	Future Return Premium	ENIDs	Expenses	Discounting	Premium Provision	Discounted SII TP Excl RM	Risk Margin	Total Net SII TP
Other Motor Insurance	3,574	107	-	(73)	3,608	12,784	(18,779)	16,095	1,218	3,022	(740)	13,599	17,207	1,138	18,345
Miscellaneous financial loss	1,581	47	-	(8)	1,620	12,966	(7,722)	88	493	1,223	(378)	6,669	8,289	512	8,801
Fire and other damage to property insurance	443	13	-	(1)	455	3,243	(6,552)	-	236	586	(4)	(2,491)	(2,036)	186	(1,850)
Motor vehicle liability insurance	14,144	424	-	12	14,581	-	-	-	-	-	-	-	14,581	844	15,425
Income Protection insurance	350	11	-	1	362	-	-	-	-	-	-	-	362	25	387
Total	**20,092**	**603**	**-**	**(69)**	**20,626**	**28,993**	**(33,053)**	**16,182**	**1,946**	**4,831**	**(1,123)**	**17,777**	**38,403**	**2,706**	**41,108**

DLL RE - Movements in Technical Provisions from Accounting basis to SII - 2018															
€000's	Claims Provision					Premium Provision									
Segment	Best Estimate Reserves	ENIDs	Expenses	Discounting	Claims Provision	PP Claims	Future Premium less Commission	Future Return Premium	ENIDs	Expenses	Discounting	Premium Provision	Discounted SII TP Excl RM	Risk Margin	Total Net SII TP
Other Motor Insurance	4,226	127	-	(74)	4,279	17,917	(19,924)	14,434	1,493	2,414	(1,229)	15,105	19,384	1,513	20,897
Miscellaneous financial loss	2,300	69	-	(16)	2,352	18,452	(9,231)	224	610	986	(491)	10,550	12,902	855	13,757
Fire and other damage to property insurance	525	16	-	(3)	537	3,389	(7,653)	-	254	411	(1)	(3,599)	(3,062)	225	(2,837)
Motor vehicle liability insurance	10,593	318	-	32	10,943	-	-	-	-	-	-	-	10,943	667	11,610
Income Protection insurance	291	9	-	1	301	-	-	-	-	-	-	-	301	24	325
Total	**17,935**	**538**	**-**	**(61)**	**18,412**	**39,759**	**(36,808)**	**14,657**	**2,357**	**3,810**	**(1,720)**	**22,056**	**40,468**	**3,285**	**43,752**

The claims provision for 2018 has decreased by €2,214k. This is mainly driven by a decrease in the Motor Vehicle Liability segment. The premium provision for 2018 has increased by €4,279k. This increase predominately relates to the Miscellaneous Financial Loss and Other Motor Insurance segment.

Segmentation

The Technical Provision analysis is performed at a program level. Each program is mapped to a Solvency II line of business and the programs are not unbundled.

Claims Provision

DLL RE calculates the Claims Provision as the discounted best estimate of all future cash flows relating to claims events prior to the valuation date. Claims technical provisions are determined using standard actuarial techniques including the Chain Ladder, Bornhuetter-Ferguson methods and Loss Ratio method were deemed appropriate.

Premium Provision

As at 31 December 2018 DLL RE has unexpired exposure for a number of programs. Future premium receivables and commissions payable in respect of unexpired exposure are included in the Premium Provision calculation. These amounts have been estimated based on the payment frequency by program.

There are also pre-incepted contracts i.e. renewals signed in advance of year-end that have 1 January 2019 inception dates or premium that will be written by the cedant during 2019 that will attach to the contracts that are already in force. Future premium and commission cash flows in respect of Written but Not Yet Incepted business are based on the business planning forecasts of DLL RE.

Claims cash flows relating to the unexpired period of risk are estimated by applying ultimate loss ratios to unexpired premium. Loss ratio assumptions for all segments are based on the 2019 budget loss ratios, which are set using the historical experience of the program with smoothing where there is a history of large losses, and adjusted for an assumed level of claims inflation and known rate changes.

Contract Boundaries

The objective of the contract boundaries principle is to determine when an existing contract ends and a new contract begins. The term of the underlying insurance policies can range from 12 months to 72 months. Although DLL RE's reinsurance policies are written on an annual basis (with automatic renewal of policies if they are not cancelled within a specified timeframe), DLL RE is bound to the underlying insurance policy term and the associated exposure for that term.

Options and Guarantees

Contracts with "optionality" e.g. cancellations, mid-term adjustments etc., are valued using full cash flows for the duration of the "option" period. There are four programs where cancellations and return premiums are a significant feature of the business.

For two of these programs lessees are automatically insured unless they can provide evidence that they already have insurance cover in place. However policyholders often provide evidence of alternative insurance and then cancel the policy soon after the premium is charged. This leads to particularly high cancellation rates.

For one program located in Brazil return premiums are driven by the economic circumstances in Brazil. For remaining program the high cancellation rate is based on historic experience.

Expenses

Across all programs the claims handling expenses are included in the commission and netted off the premium cash flow. Therefore DLL RE is not exposed to any future claims handling liability which has not already been accounted for in the commission.

Acquisition and other underwriting expenses are contractually defined between DLL RE and the cedants and/or brokers (where applicable) and they are included based on planned 2019 projections in the calculation of the Premium Provision.

The loss ratios forming the basis for the Premium Provision include a loading for overhead expenses based on historic operational costs. The uplifts to the claims cash flows are consistent with allowing for a similar level of the current annual expenses over the discounted mean term of the liabilities. Total expense uplift is €3,810k which compares to annual operating expenses and investment charges of €990k.

ENIDS

The Solvency II Technical Provision's include an ENID allowance of €2,895k based on a 3% uplift to the loss ratio applied to the Premium Provision and a 3% uplift applied to the best estimate claims reserve.

Payment Patterns and Discounting

Future claims settlement cash flows for both the Claims and Premium Provisions were modelled using payment patterns based on DLL RE's actual historical claims experience combined with Expert Actuarial Judgement. These were discounted using the appropriate yield curves by currency as published by EIOPA in December 2018.

Reinsurance – Premiums and Recoveries

DLL RE does not have any retrocession in place.

Risk Margin

The Company has used Method 2 from Guideline 61 of the Solvency II 'Guidelines on the valuation of technical provisions'. This involves approximating the whole SCR for each future

year, inter alia by using the ratio of the best estimate at that future year to the best estimate at the valuation date. This results in a risk margin of €3,285k at 31 December 2018.

D.2.2 Uncertainty associated with the value of technical provisions

The key sources of uncertainty for the Company are expenses, policyholder behaviour assumptions and changes in local legislation.

D.2.3 Differences between Solvency II valuation and local Financial Statements (IFRS) valuation of Technical Provisions analysed by each material line of business

The technical provisions in the financial statements are shown as an amount of €67,934k. This is made up of a provision for unearned premium €45,403k, an IBNR reserve of €12,875k, an Outstanding loss reserve of €9,529k and an additional unexpired risk reserve of €127k.

The differences between Solvency II valuation and the IFRS valuation of technical provisions is mainly due to premium provisions (IFRS €45,530k versus Solvency II €22,056k). The Solvency II difference is comprised of the following, exclusion of deferred acquisition cost, the inclusion of written but not incepted premiums, future return premium estimates, ENIDS/expense loadings and an allowance for discounting.

D.2.4 Matching adjustments

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

D.2.5 Volatility adjustments

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

D.2.6 Transitional risk-free interest rate-term structure

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

D.2.7 Transitional deduction

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

D.2.8 Recoverable from special purpose vehicles

Not applicable to the Company.

D.3 Other Liabilities

At the 31st December 2018 the Company recorded the following classes of other liabilities for solvency purposes:

DLL RE has recorded a claims payable amount of €3,861k. Under IFRS this is €594k, which is net payables in excess of premium due.

DLL RE has recorded a deferred tax liability of €1,886k at the end of the reporting period arising due to the change in the basis of valuation in IFRS Financial Statements and Solvency II principles. The Loss Absorbing Capacity for deferred Tax has been capped at the deferred tax liability on the Solvency II balance sheet. This DLL RE considers to be a prudent approach.

An amount of €401k refers to expense accruals and there is no difference between the IFRS and Solvency II balance sheet.

D.4 Alternative methods for valuation

Not applicable for the Company.

D.5 Any other information

Not applicable for the Company.

E. Capital Management

E.1 Own Funds

E1.1. Objectives, policies and processes for managing own funds

DLL RE seek to maintain sufficient own funds to cover Solvency Capital Requirements at all times. The management team review the ratio of eligible own funds over SCR and MCR at least quarterly. The Board is provided with this overview at each Board Meeting. As part of own funds management the Company prepares an Own Risk and Solvency Assessment exercise at least annually, or when the risk profile of the Company changes. The ORSA exercise incorporates the business planning process which is typically a three-year time horizon.

The Company's own funds are as follows:

Own Funds Solvency II	2018 €'000	2017 €'000
Paid up share capital	4,635	4,635
Other reserves	365	365
Profit and loss account	23,888	19,366
Reconciliation reserve	11,973	7,816
Basic own funds	**40,861**	**32,182**

The Company's own funds are invested in cash deposits in bank accounts. There is no intention to change the disposition of own fund items. No dividend has been paid to the parent in the reporting period and no dividend has been paid since the establishment of the Company.

Own funds are comprised of paid up share capital, other reserves, profit and loss retained earnings and the reconciliation reserve. The reconciliation reserve represents the differences between the equity in the financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes during the reporting period.

E1.2 Own Funds classified by tiers

The Company's available own funds by Tier are as follows:

Own Funds by Tier	2018 €'000	2017 €'000
Tier 1 Basic Own Funds (unrestricted)	40,861	32,182
Eligible Capital for SCR	**40,861**	**32,182**

All Own Funds for the Company are Tier 1.

E1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The total available Own Funds to meet the SCR is €40,861k. The eligible own funds over SCR ratio is 132.65% as at 31st December 2018 (120.55% 31st December 2017).

E1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The total available own funds to meet the MCR is €40,861k. The ratio of eligible own funds to MCR ratio is 531% as at (482% 31st December 2017).

E1.5 Difference between equity as shown in the Financial Statements (IFRS) and the Solvency II value excess of assets over liabilities

The following table shows the difference between equity as shown in the financial statements and the Solvency II balance sheet.

Own Funds Solvency II	2018 €'000	2017 €'000
Paid up share capital	4,635	4,635
Other reserves	365	365
Profit and loss account	23,888	19,366
Reconciliation reserve	11,973	7,816
Basic own funds	**40,861**	**32,182**

Own Funds (IFRS)	2018 €'000	2017 €'000
Paid up share capital	4,635	4,635
Other reserves	365	365
Profit and loss account	23,888	19,366
Reconciliation reserve		
Basic own funds	**28,888**	**24,366**

The difference relates to the reconciliation reserve which represents the differences between the equity in the financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes during the reporting period.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement of DLL RE at 31st December 2018 was €30,805k. The Minimum Capital Requirement of the Company at 31st December 2018 was €7,701k. The Company applies the standard formula without any modifications and has not used any simplifications allowed by the regulations.

The Solvency Capital Requirement and the Minimum Capital Requirement of the Company is as follows:

Solvency Capital Requirement Sub Module	2018 €'000	2017 €'001
Non-life Risk	25,995	22,198
Health Risk	126	159
Market Risk	9,489	8,022
Default Risk	2,990	2,705
Operational Risk	1,214	1,152
LACDT	(1,886)	(1,387)
Diversification	(7,124)	(6,154)
Total SCR	**30,805**	**26,695**

Minimum Capital Requirement	2018 €'000	2017 €'000
Floor	7,701	6,674
Cap	13,862	12,013
MCR (linear)	6,878	6,053
MCR (combined)	7,701	6,674
Absolute floor	3,600	3,600
Minimum Capital Requirement	**7,701**	**6,674**

The Solvency Capital Requirement split by risk module is as follows:

Underwriting Risk

Non Life Underwriting Risk	2018 €'000	2017 €'000
NL Premium & Reserve Risk	22,413	19,110
NL Lapse Risk	5,914	4,819
NL Catastrophe Risk	7,430	6,499
Diversification Benefit	(9,761)	(8,230)
SCR	**25,995**	**22,198**

Underwriting Risk is comprised of the following:

- There is a capital charge of €22,413k due to Non-Life Premium and Reserve Risk. These are standardised charges on DLL RE's Solvency II premium volume measurement (including future premium within the contract boundary) and Solvency II claims provision at 31 December 2018.
- At the end of the reporting period there has been an increase in Premium and Reserve Risk. This increase predominately originates from the Other Motor Insurance segment (increase in participation share and premium growth) and the Miscellaneous Financial Loss (increased premium volumes) segments.
- Lapse Risk arises from the effect of immediate cancellations for programs in Other Motor and Miscellaneous Financial Loss segments.
- The Non-Life CAT risk charge is largely driven by the Other Motor Insurance segment and Fire and Other Damage segment.
- The Man-Made CAT risk exists in Fire and Other Damage to Property insurance segment.
- Premium and Reserve, CAT and Lapse Risk are not 100% correlated and the non-life underwriting risk charge benefits from a €9,761k diversification effect.

Health Risk

The Health Risk charge of €126k relates in the main to Miscellaneous Financial Loss Cover in the Netherlands and to a lesser extent Income Protection Insurance (Personal Accident Cover) which is now in run-off. This charge was €159k in 2017 and the decrease between 2017 and 2018 is due to the Income Protection lines being in run-off since 01.01.2017.

Market Risk

Market Risk	2018 €'000	2017 €'000
Interest Rate	156	221
Equity	0	0
Property	0	0
Spread	660	557
Currency	5,134	4,747
Concentration	7,812	6,284
Diversification benefit	(4,274)	(3,787)
Market Risk SCR	**9,489**	**8,022**

Market Risk is comprised of the following:

- The interest rate risk relates to the risk of a change in the term structure/volatility of interest rates within the discounted best estimate liability valuation.
- Equity and property are not applicable to DLL RE.
- Spread risk stresses the duration of term deposits.
- The currency charge relates to the assets and liabilities of non-Euro exposures (USD is the main driver).
- The concentration risk stresses the counterparty default credit rating. This is driven by DLL RE having a limited number of counterparties.

Default Risk

- The Counterparty Default charge of €2,990k (€2,705k 31st December 2017) relates to DLL RE's credit exposure to immediately accessible cash held with Rabobank, the external bank and premiums due from cedents for expired risk.

Operational Risk

- Operational Risk charge is a formulaic calculation under Solvency II. The charge for DLL RE at the end of the reporting period is €1,214k.

Operational Risk	2018 €'000	2017 €'000
Op Premiums	630	563
Op Provisions	1,214	1,152
SCR Operational Risk	**1,214**	**1,152**

Loss Absorbing Capacity for Deferred Tax (LACDT)

- The Loss Absorbing Capacity for Deferred Tax is €1,886k (€1,395k 31st December 2017). This has been capped at the Deferred Tax Liability on the Solvency II balance sheet. This is considered a prudent approach by DLL RE.

Diversification

- The diversification benefit across the risk modules is €7,124k (€6,154k 31st December 2017).

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

Not applicable for the Company.

E.4 Difference between the Standard Formula and any Internal Model used

The Company applies the Standard formula model as defined by EIOPA and does not use an internal model to calculate the Solvency Capital Requirement.

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

The Company has maintained sufficient capital to meet its MCR and SCR throughout the period covered by this report.

E.6 Any Other Information

There is no other material information to report regarding the Company's capital management.

Appendix 1 SFCR Disclosed QRT's

Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses
S.05.02.02	Premiums, claims and expenses by country
S.17.01.02	Non-life technical provisions
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement - only life or only non-life insurance or reinsurance activity

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**	47,143
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**	47,143
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**	
Non-life and health similar to non-life	**R0280**	
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	1,429
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	16
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**	42,155
Any other assets, not elsewhere shown	**R0420**	18
Total assets	**R0500**	90,761

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	43,752
Technical provisions – non-life (excluding health)	**R0520**	43,427
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	40,167
Risk margin	**R0550**	3,260
Technical provisions - health (similar to non-life)	**R0560**	325
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	301
Risk margin	**R0590**	24
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
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**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
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**	1,886
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	3,861
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	401
Total liabilities	**R0900**	49,900
Excess of assets over liabilities	**R1000**	40,861

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)**												Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**				0	13,627		3,410					6,371					23,408
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**																	
Net	**R0200**				0	13,627		3,410					6,371					23,408
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**				0	7,588		3,293					5,246					16,127
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**																	
Net	**R0300**				0	7,588		3,293					5,246					16,127
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**		0		-29	3,434		1,092					4,549					9,046
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**																	
Net	**R0400**		0		-29	3,434		1,092					4,549					9,046
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**		16		588	1,488		293					322					2,708
Other expenses	**R1200**																	
Total expenses	**R1300**																	2,708

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

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		US	NL	FR	AU	CH	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	3,215	16,219	2,724		-20	1,270	23,408
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200	3,215	16,219	2,724		-20	1,270	23,408
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	2,182	10,044	2,719		72	1,111	16,127
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300	2,182	10,044	2,719		72	1,111	16,127
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	1,373	6,263	684	-29	22	732	9,046
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400	1,373	6,263	684	-29	22	732	9,046
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	475	1,525	423	10	14	261	2,708
Other expenses	R1200							
Total expenses	R1300							2,708

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							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
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					15,105		-3,599					10,550					22,056
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					15,105		-3,599					10,550					22,056
Claims provisions																		
Gross	R0160		301		10,943	4,279		537					2,352					18,412
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		301		10,943	4,279		537					2,352					18,412
Total Best estimate - gross	R0260		301		10,943	19,384		-3,062					12,902					40,468
Total Best estimate - net	R0270		301		10,943	19,384		-3,062					12,902					40,468
Risk margin	R0280		24		667	1,513		225					855					3,285
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		325		11,610	20,897		-2,837					13,757					43,752
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340		325		11,610	20,897		-2,837					13,757					43,752

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

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												R0100		
2009 R0160	64	3										R0160		66
2010 R0170	1,221	-61					14					R0170		1,175
2011 R0180	2,108	50				2						R0180		2,160
2012 R0190	2,364	458	0	1								R0190		2,823
2013 R0200	2,578	339	1	16	25							R0200		2,959
2014 R0210	2,773	838	143	950	235							R0210	235	4,939
2015 R0220	3,093	1,704	284	763								R0220	763	5,844
2016 R0230	4,298	1,702	196									R0230	196	6,196
2017 R0240	5,086	2,815										R0240	2,815	7,901
2018 R0250	5,986											R0250	5,986	5,986
												Total R0260	9,995	40,050

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												R0100	
2009 R0160												R0160	
2010 R0170												R0170	
2011 R0180						10						R0180	
2012 R0190					15							R0190	
2013 R0200				90		32						R0200	32
2014 R0210			4,197	2,771	2,350							R0210	2,357
2015 R0220		5,398	6,709	4,986								R0220	5,001
2016 R0230	11,864	6,075	3,853									R0230	3,864
2017 R0240	5,024	384										R0240	378
2018 R0250	6,955											R0250	6,780
												Total R0260	18,412

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	4,635	4,635			
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	36,226	36,226			
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	40,861	40,861			
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	40,861	40,861			
Total available own funds to meet the MCR	R0510	40,861	40,861			
Total eligible own funds to meet the SCR	R0540	40,861	40,861			
Total eligible own funds to meet the MCR	R0550	40,861	40,861			
SCR	R0580	30,805				
MCR	R0600	7,701				

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ratio of Eligible own funds to SCR	**R0620**	132.65%				
Ratio of Eligible own funds to MCR	**R0640**	530.58%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	40,861
Own shares (held directly and indirectly)	**R0710**	
For**e**seeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	4,635
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	36,226
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	8,981
Total Expected profits included in future premiums (EPIFP)	**R0790**	8,981

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	9,489		
Counterparty default risk	R0020	2,990		
Life underwriting risk	R0030			
Health underwriting risk	R0040	126		
Non-life underwriting risk	R0050	25,995		
Diversification	R0060	-7,124		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	31,477		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	1,214
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-1,886
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	30,805
Capital add-on already set	R0210	
Solvency capital requirement	R0220	30,805
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	6,878

		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	301	
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	10,943	0
Other motor insurance and proportional reinsurance	R0060	19,384	13,627
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		3,410
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	12,902	6,371
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	

		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	6,878
SCR	R0310	30,805
MCR cap	R0320	13,862
MCR floor	R0330	7,701
Combined MCR	R0340	7,701
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	7,701