FCA Capital Re DAC

Solvency and Financial Condition Report 2018

INDEX

Contents

Executive Summary 3
A. Business and Performance 5
1. Business Description 5
2. Underwriting Performance 6
3. Investment Performance 7
4. Other Income and Expenses 8
B. System of Governance 8
1. General Governance Arrangements 8
2. Fit and Proper Requirements 14
3. Risk Management System (including Own Risk and Solvency Assessment) 15
4. Internal Control System 18
5. Internal Audit Function 19
6. Actuarial Function 19
7. Outsourcing 20
8. Assessment of Governance 22
C. Risk Profile 22
1. Underwriting Risk 22
2. Market Risk 24
3. Credit Risk 24
4. Liquidity Risk 26
5. Operational Risk 26
D. Valuation for Solvency Purposes 28
1. Assets 28
2. Technical Provisions 29
3. Other Liabilities 31
E. Capital Management 32
1. Own Funds 32
2. Solvency Capital Requirement / Minimum Capital Requirement 35
F. Appendix – Public QRTs 38

Executive Summary

FCA Capital Re DAC (the "Company") is a 100% owned subsidiary of FCA Bank SpA ('FCAB'), a banking group operating in the European automotive financing sector through a joint venture between Fiat Chrysler Automobiles ('FCA'), an international automotive group, and Crédit Agricole, a leading French banking group.

As a composite reinsurance undertaking, the Company is regulated by the Central Bank of Ireland. The strategy of the Company is to offer reinsurance cover related to the insurance benefits offered in conjunction with the financing products sold by FCAB on a pan European scale. To date the Company has accepted reinsurance risk on creditor protection insurance policies ('CPI') distributed by sister companies within the FCAB group and which were incepted in 5 European countries (Italy, Germany, France, Spain, Poland). CPI policies cover Life, Health and Non-Life risks. During 2018, no new business was accepted from the Italian or Polish markets and thus these two markets are in run-off.

All of the policies reinsured by the Company are ceded from either CACI Life DAC or CACI Non-Life DAC ('CACI'), life and non-life insurers respectively authorised in Ireland by the CBI.

The Company's reinsurance inwards arrangements are structured as proportional quota share agreements, accepting 95% of risks underwritten by CACI for the products and markets of FCAB which are in the reinsurance programme. These arrangements are written on a funds withheld basis.

The Company also has in place quota share retrocession arrangements which transfer 90% of its risks, on a funds withheld basis, to Hannover Re.

In 2018, the Company booked a net profit before tax, based on its IFRS Financial Statements, of €3.18m. The positive underwriting performance of the inforce business and the profit share received from the Company's reinsurer were the main contributors to the Company profit. IFRS profits were reduced from those booked in 2017 as the run-off impact of the Italian market business written in previous years takes effect.

The Company has a comprehensive system of governance in place led by the Board of Directors and the Board Committees (Risk and Audit Committees). The Board and the two Board Committees meet at least four times in each year. In addition, the Company has established the four key control functions of Risk, Actuarial, Compliance and Internal Audit, all of which operate within a clearly defined framework and report to the Board.

The Company's risk management framework is well defined and includes ongoing risk identification, mitigation and management activities. The Company uses the Solvency II standard formula to calculate its Solvency Capital Requirement (SCR). This demonstrates that the largest

risk, from a risk quantification perspective, is the life underwriting risk. The second largest risk is the risk of counterparty default. This arises as a result of the significant amounts of capital held by the Company, the level of funds withheld by the cedants, and from the investment of Company surplus assets in a small number of bank counterparties and in a cash pooling deposit with the Irish branch of the parent bank, FCAB.

Life, Health and Non-Life underwriting risks are measured against the defined stresses of the standard formula. These risks are manifested largely in claims shocks which could be caused by pandemic or natural disaster in the cases of life and health risks and could be influenced by economic conditions in the case of non-life risks (loss of employment).

The Company mitigates its underwriting exposures through its reinsurance outward (retrocession) programme through which it transfers 90% of these risks to Hannover Re.

The Company's assets and liabilities, under Solvency II methodology, are valued at best estimate. This differs in some respects from the IFRS valuations for Financial Statements. In particular, the technical provisions for the Solvency II balance sheet represent the present value of future claim payments. A risk margin is also included in technical provisions, which represents the cost of holding the solvency capital requirement. Section D of the SFCR shows the comparison between the Solvency II balance sheet and the Financial Statements.

At the end of 2018, the Company had a surplus of assets over liabilities of €13.6m on a Solvency II valuation basis. This compares to a SCR requirement of €3.1m and indicates a solvency cover ratio of 440%. As the size of the balance sheet reduced over the period, the SCR continues to be below the minimum capital requirement of €3.6m required under Solvency II. The Company thus considers €3.6m as its required capital level, with a consequent amendment of its solvency cover ratio to 378% at the end of 2018.

A. Business and Performance

1. Business Description

FCA Capital Re DAC (the "Company" or "FCAC Re") is a designated activity company incorporated in Ireland and limited by shares. It is authorised by the Central Bank of Ireland to carry on the business of Reinsurance.

Its registered address, and the address from which it operates, is:
29 Fitzwilliam Place,
Dublin 2,
Ireland.

The supervisory authority responsible for financial supervision of the Company is:
Central Bank of Ireland,
PO Box 559,
New Wapping Street,
North Wall Quay,
Dublin 1,
Ireland.

The Company's external auditor is:
Ernst and Young
Harcourt Centre,
Harcourt St,
Dublin 2,
Ireland.

The Company is 100% owned by FCA Bank SpA ('FCAB'), a banking group operating in the European automotive financing sector through a joint venture between Fiat Chrysler Automobiles ('FCA'), an international automotive group, and Crédit Agricole, a French banking group.



The Company accepts reinsurance of Credit Payment Protection Insurance ('CPI') policies distributed by sister companies within the FCAB group. The CPI policies reinsured by the Company during 2018 were incepted in 5 European countries (Italy, Germany, France, Spain, Poland), covering Life, Non-Life and Health risks. New business flow during 2018 was in respect of CPI policies incepted in Germany, France and Spain, the Company having ceased to reinsure new policies incepted in Italy and in Poland prior to the beginning of 2018.

2. Underwriting Performance

New business premiums for 2018 and 2017 are primarily in respect of CPI policies sold by FCAB group companies in Germany, France and Spain. Policies distributed in Italy and Poland, prior to 2015, and which are terminated before their maturity date, will have the unearned element of their premiums refunded and included in Gross Written Premiums below.

The individual covers within the CPI policies distributed by the FCAB group include life, health and non-life perils. The underwriting performance of the Company is summarised by line of business as follows:

Summary Underwriting Performance	2018 Life €000's	2018 Health €000's	2018 Non-Life €000's	2017 Life €000's	2017 Health €000's	2017 Non-Life €000's
Gross Premiums Written	3,446	1,496	91	3,222	1,770	85
Outward Reinsurance Premium	(3,102)	(1,346)	(82)	(2,900)	(1,593)	(77)
Change in provision for Unearned Premium, Gross A	782	572	199	1,622	514	413
Change in provision for Unearned Premium, Reinsu	(704)	(515)	(180)	(1,460)	(462)	(371)
Net Earned Premium	423	207	29	484	228	50
Reinsurance commission	775	337	20	725	398	19
Change in deferred commission income	176	129	45	365	116	93
Fronting Fees	(392)	(139)	(17)	(353)	(160)	(14)
Change in deferred commission expense	(53)	(40)	(18)	(146)	(33)	(37)
Net commission income	506	286	31	591	321	61
Claims Paid, Gross Amount	(1,822)	(258)	(279)	(1,536)	(347)	(1,089)
Claims Paid, Reinsurer's Share	1,640	232	251	1,382	313	980
Change in provision for Claims, Gross Amount	549	213	472	602	683	452
Change in provision for Claims, reinsurer's share	(494)	(192)	(425)	(398)	(507)	239
Claims Incurred	(127)	(4)	19	50	141	583
Underwriting Performance	802	489	79	1,126	691	694

The Company pays commissions to the Cedant based on the earning pattern of the gross premium written by the Cedant at source. The Company receives commissions for the business reinsured out, also based on the earning pattern of this business.

The Company's business is exclusively reinsurance of policies written by group companies. The majority of the policies are multi-year policies with single premium payable at inception. The Company thus earns the premium over the full term of the policies and reflects its earned commission income and commission expenses accordingly.

New business premiums written in 2018 are marginally lower than 2017, largely following the same collection trend as last year.

3. Investment Performance

The investment policy of the Company is to invest all of its surplus assets in current accounts and short term bank deposits with a maturity of three months or less. Within this policy, the Company also maintains deposits with the Irish Branch of its parent company.

At end 2018 and 2017, the Company had investment assets as follows:

Investment Assets	31/12/2018 €000's	31/12/2017 €000's
Current Accounts and Deposits with Credit Institutions	2,848	3,220
Current Accounts and Deposits with Group	5,014	3,014
	7,862	6,234

The Company incurred a cost of €0.01m on its investment activities during the year.

4. Other Income and Expenses

The Company earns net profit share income based on the underwriting performance of the business. Notwithstanding the reduction in the size of the in-force book, the net profit share income has increased in 2018 over 2017 due primarily to lower level of claims ceded to the retrocessionaire.

The following table shows the other operating income and expenses of the Company for 2018 and 2017.

Other Operating Income / Expenses	2018 €000's	2017 €000's
Net Profit Share Earned	2,471	2,075
Administrative expenses	(647)	(609)
	1,824	1,466

B. System of Governance

1. General Governance Arrangements

B.1.1 Organisation Design

The Company is authorised and regulated by the Central Bank of Ireland (the "CBI").

The Board of Directors as at end 2018 consisted of two independent non-executive directors, one group non-executive director and two executive directors who have taken the positions of Chief Executive Officer and Chief Risk Officer. The names of the directors are set out below:

Name	Position	Nationality
Alexander Hughes	Chairman and Group Non-Executive Director	UK
Brian Neilan*	Independent Non-Executive Director	Irish
Seamus Hughes**	Chief Executive Officer	Irish
Ronan Walsh	Independent Non-Executive Director	Irish
Marcin Zakrzewski	Executive Director and Chief Risk Officer	Polish

** On 14th May 2018, Mr. Patrick Heffernan resigned from the Board and Mr. Brian Neilan was appointed as an Independent Director of the Company.*

*** On 15th March 2019, Mr. Seamus Hughes resigned from his position as the Company's Director and Chief Executive Officer and Mr. Michael Brady was appointed as his replacement.*

The main responsibilities of the Board are:

- oversight of the Company, including its control and accountability systems
- input into and final approval of management's development of corporate strategy and performance objectives
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, contractual compliance, and legal compliance
- monitoring outsourced contracts performance and implementation of strategy, and ensuring contracts are appropriate
- approving and monitoring financial, regulatory and other reporting.

The Board has established two committees as follows:

1. Audit Committee	
- Responsibilities	• Consideration of the annual audit plans (internal and external) and the scope of the specific audit engagements, ensuring that co-ordination of audit effort is maximised; • Review of the findings of all audit reports and overseeing the implementation of any recommendations accepted; • Oversight of the completion of the annual statutory Financial Statements, annual regulatory returns and the audit of same; • Oversight of the completion of the annual solvency and financial condition report and the regular supervisory report. • Oversight of the Company's system of internal controls to ensure it is adequate and operating effectively; • Review of the risk management framework.

Risk Committee	
- Responsibilities	• Advice to the Board on the appropriate risk appetite for the Company; • Advice to the Board on risk tolerance for current business and for future strategy, having regard to the Company's overall risk appetite, its current financial position, and its capacity to manage and control risks within the proposed strategy; • Recommendations to the Board on an appropriate and effective risk strategy, framework and resource plan to support the Company's business

	strategy; • Carrying out of a detailed risk review of the Company, at least twice per year, with findings reported to the Board; • Development of appropriate risk appetite metrics for each of the major risk classes and oversight of a reporting system to the Board which summarises the Company's position vis a vis the risk metrics; • Advice to the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, amounts, types, and distribution of both internal capital, and own funds, adequate to cover the Company's risks; • Advice to the Board on the annual ORSA process, proposing relevant stress scenarios to model through the Company's economic capital model, and proposing to the Board the Own Solvency Capital needs of the business; • Reviewing risk implications of proposed business developments within the reinsurance businesses. This includes in particular the consideration of new reinsurance concepts and the use of new reinsurance products and, if appropriate, to recommend them to the Board.

Company Secretary services are provided by Marsh Management Services (Dublin) Limited.

The four key functions required by the Solvency II regulations are resourced as follows:

- The **Compliance Function** is outsourced to Marsh Management Services (Dublin) Limited. The Compliance Function has a direct reporting line to the Audit Committee of the Board. Responsibilities of the Compliance Function include:

a) documentation of all relevant obligations of the Company from legislation, regulatory codes and guidelines, and internal policies and its assessment of the Company's performance in this regard;
b) reporting to the Board to provide assurance regarding the compliance of the Company; and
c) provision of compliance support to the business, including advice on requirements and relevant training to the Board and employees of the Company.

- The **Internal Audit Function** is outsourced to the FCAB Group Internal Audit Function. The Head of Function reports to the Audit Committee regarding audit planning and findings for the Company.

  The key responsibilities of the Internal Audit Function are:

  a) verifying that the internal control system provides reasonable assurance about the reliability of financial and operational information, the effectiveness of operations and the effective safeguard of the Company's assets;
  b) verifying that the internal control system provides reasonable assurance that possible errors and deviations from internal Company procedures can be detected during the normal course of activities; and
  c) helping the organization to set up adequate corrective actions in case of deficiencies by issuing recommendations and following-up on their implementation.

- The **Actuarial Function** is outsourced to Milliman, a firm of consulting actuaries in Dublin. The responsibilities of the Actuarial Function are:

  a) coordinating the calculation of technical provisions;
  b) ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
  c) assessing the sufficiency and quality of the data used in the calculation of technical provisions;
  d) comparing best estimates against experience;
  e) informing the Board of the reliability and adequacy of the calculation of technical provisions;
  f) overseeing the calculation of technical provisions where approximations have been used due to insufficient data of appropriate quality;
  g) expressing an opinion on the overall underwriting policy;
  h) expressing an opinion on the adequacy of reinsurance arrangements; and
  i) contributing to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the Solvency Capital Requirement ("**SCR**") and the Minimum Capital Requirement ("**MCR**"), and to the Own Risk and Solvency Assessment (**"ORSA"**).

- The **Risk Management Function** is managed internally and has a direct reporting line to the Risk Committee. The responsibilities of the Risk Management Function are:

  a) ensuring that the Company has effective processes in place to identify and manage all of the key risks of the business;
  b) monitoring the performance of the risk management framework and prepare regular reports to the Risk Committee;
  c) facilitating the development by the Risk Committee and the Board of the Risk Appetite of the Company and assist in monitoring actual risk levels against the risk appetite set.

The Company has one other control function which is the Chief Executive Officer who has ultimate executive responsibility for the Company's operations, compliance and performance.

B.1.2 Remuneration policy and practices

The Company's approach to remuneration is drawn from, and fully aligned to, the Group's remuneration approach, which is based on the following principles:

a) Integrity and ethical behaviour;
b) Clear governance;
c) Full compliance with regulatory requirements and with the Code of Conduct that FCA Bank has adopted;
d) Remuneration programs that address the expected leadership standards and business results;
e) Compensation structure that does not provide incentives to encourage employees to take risks that are not in line with the Company's risk profile;
f) Sustainability of remuneration and alignment with corporate results and individual performance;
g) Internal remuneration equity and competitiveness towards the external market; and
h) Retention and motivation of the most strategic talents, at all levels of the organization.

The Company approach is based on a balanced package of fixed and variable elements, acting on the motivation and retention of employees and guaranteeing fairness and the consistency of the remuneration systems:

- Fixed remuneration is the most relevant component; it remunerates the role and responsibilities covered, reflecting the experience and skills of each human resource.

- Variable remuneration is related to the achieved results, linking the remuneration with the short and long term performance, in order to strengthen the alignment between the shareholders and management/employees' interests.

B.1.3 Material transactions

During the year the Company entered into reinsurance contracts with both CACI Life DAC and CACI Non-Life DAC with GWP of €3.4m and €1.6m respectively. CACI Life DAC and CACI Non-Life DAC are both within the Crédit Agricole Group which owns 50% of FCAB S.p.A., the parent company of FCA Capital Re DAC. These amounts are receivable 30 days after the bordereaux are issued, where applicable.

At the year end, there is a balance of €5.1m recoverable from CACI Life DAC and a balance of €7.0m recoverable from CACI Non-Life DAC. There is also a balance of €0.03m payable to CACI Life DAC and a balance of €0.02m payable to CACI Non-Life DAC relating to reinsurance contracts.

At 31 December 2018, the Company had invested €5.0m in a group cash pooling account with the Irish Branch of FCA Bank S.p.A..

2. Fit and Proper Requirements

The Company has a Fitness & Probity policy which clearly sets out the Company's procedures for assessing competence and capabilities necessary for all key functions in the organisation. Key functions are those defined as 'Controlled Functions' (CF's) and 'Pre-Approval Controlled Functions' (PCF's) in S.I. No. 615 of 2011, or as amended in subsequent legislation.

An individual is required to have the competence necessary to perform the CF or PCF for which he or she is proposed. The Board tests this with regard to the qualifications and experience of the individuals, their knowledge of the business of the regulated financial service provider as a whole and the specific responsibilities of the proposed role which are documented in the fitness & probity checklist completed as part of the due diligence process.

In particular the Board considers:

- whether the person has shown the capacity previously to undertake similar responsibilities of the position;

- the existing responsibilities of the individual including but not limited to the number of existing directorships held by the individual;

- the degree of competence and proficiency to undertake a relevant function that the person has demonstrated in a previous or current role.

The Board also consider the person's character and reputation and their financial soundness before confirming them in a CF or PCF role. This process includes a self-assessment attestation by the individual which is aligned to sections 4.1 and 5.2 of the Standards of Fitness and Probity issued by the CBI pursuant to section 50 of the Central Bank Reform Act 2010.

The due diligence around reputation and financial soundness carried out by the Company includes regulatory checks for any sanctions published and checks against bankruptcy and criminal judgement databases.

3. Risk Management System (including Own Risk and Solvency Assessment)

The Board and Senior management recognises the importance of:

- implementing an appropriate risk management system;
- promoting an effective risk management culture within the organisation and ensuring financial stability through the mitigation of the main risks;
- reviewing and renewing the risk management framework on a regular basis.

The primary goal of the Risk Management system is to provide guiding principles to protect the interests of policyholders, stakeholders, shareholders and employees. Its failure can lead to acceptance of risks in a form or quantity that may:

- result in an unsupported financial loss;
- lead to negative reputation damage to the organisation as well as to its parent company and other related affiliates;
- lead to the loss of the key personnel within the organisational team that is required to run a successful operation; and,
- ultimately may lead to non-adherence to the regulations.

The risk management framework is a compilation of processes, procedures, actions, and communications designed to ensure all relevant risks have been identified, assessed, addressed, and monitored on an annual basis through the correlation of the following components:

- Risk Management Policy;
- Risk Appetite Statement ("RAS");
- Risk Register; and
- The Own Risk and Solvency Assessment (ORSA).

The Risk Management policy and RAS are approved by the Board of Directors and outline guidelines and core expectations for how management of risks will be undertaken within the organisation.

In particular, the Risk Appetite Statement defines the level of risk that the Company is willing to tolerate and, accordingly, its risk profile.

The Company has a Chief Risk Officer in place who reports to the Risk Committee and is responsible for implementing the risk management framework.

The Risk Register is the main tool currently used by the company to identify and assess risks in accordance with the steps set out in the Risk Management Policy which are identified as: risk identification, risk assessment, risk control & monitoring and risk mitigation. Those risks are assessed on a regular basis and actions are addressed where controls are not effective.

The latest formal review and approval of the Risk Register by the Risk Committee of the Board took place in July 2018 and will continue to be reviewed at least annually in the future.

The Risk Management framework is currently considered appropriate and proportionate to the Company based on:

- the size of the business operations;
- the main business activities relate to the reinsurance of underwriting risks in a niche market place predominantly associated with consumer finance products in the auto financing industry.

The nature of the Company's business activities is to accept the risks, on a quota share reinsurance basis, included within the terms of the original policies, and therefore the risk strategy includes acknowledgement of insurance risk and the ability to mitigate and control the risks inherent in the activities of an insurer.

The ORSA process enhances this risk management framework and facilitates consideration by the Board of the capital requirements of the business having regard to the nature of business written and the manner in which it manages risks on an ongoing basis.

The ORSA process is carried out at least once per year, with a plan to update it during the interim period where the Company's strategy, or the business environment, changes in any material way. The Board thus review the ORSA output and determine the Company's overall solvency needs on an annual basis.

In preparation for the ORSA, the Company prepares a three-year business plan, aligned to the Company strategy agreed by the Board. The Risk Committee of the Board considers the key risks facing the Company which could impact the achievement of its objectives and/or the level of capital required as the strategy and business plan unfolds. In doing so, the Risk Committee develop a number of possible scenarios which could have a material impact on the Company's business plan, both positive and negative, and consequently on the Company's capital position.

Based on the above the Company, using the Solvency II standard model functionality, (i) assesses the Solvency Capital Requirement (SCR) for the Company for each of the periods of the plan, and (ii) examines the potential impact on the SCR of the various risk scenarios deemed relevant. The impact on the SCR is considered, in quantitative terms by building models to stress the three year business plan or alternatively, through a narrative approach which seeks to understand the implications, in relative terms, of a realisation of any of the risk scenarios, including the impact on capital requirements.

Having completed the process above based on the Solvency II Standard Model, the Board must consider if the model is suitable in all respects to determine the overall solvency needs of the Company, both for the short term and the medium term.

Applying the Solvency II Standard Model to the Company it can be seen that the relevant elements of the capital requirement are (i) Counterparty Default Risk, (ii) Insurance Risk (Life, Health and Non-Life), and (iii) Operational Risk.

The Board consider the calculated SCR, based on the application of the standard model, to be, within materiality, appropriate for the short term capital needs of the business.

The medium / longer term assessment of overall solvency needs is informed by the projected business plan, by the stress scenarios applied to the business plan, and by the general consideration of potential risk impacts.

The Board consider it prudent to set a medium term solvency target buffer which would be added to the higher of SCR and MCR as calculated by the standard model. The Board have

set this buffer as a factor of the undiversified insurance business based SCR i.e. the aggregate of the Life, Non-life, Health, Operational Risk, and the loss absorbing capacity adjustment.

4. Internal Control System

The Company has established an Internal Control Policy which clearly sets out the nature of the internal control system for the business.

The internal control system comprises

a) Board level controls;
b) operational controls; and
c) the independent control functions, including the Compliance Function.

Board level controls include the development of, and dissemination by, the Board of company policies. These policies are documented for significant areas of control and clearly set out the Company's objectives, the responsibilities of the various stakeholders, and the level and frequency of reporting activities to the Board.

Board level controls also include the set of activities reserved by the Board (and listed in the Board charter) for their pre-approval, and the development and implementation of a delegated authorities schedule which clearly sets out those activities which are delegated to the various levels of management in the business.

Operational controls are determined through the documentation of internal and outsourced processes with key control points listed and monitored. Both manual and automated controls are defined and each is assigned an owner and a frequency. Monthly validation reports are prepared and reviewed internally.

The Compliance Function is outsourced to Marsh Management Services with the Head of Function role provided by them. The Compliance Function has a direct reporting line to the Audit Committee of the Board.

As stated in B.1 above, the Compliance Function is responsible for:

- documentation of all relevant obligations of the Company from legislation, regulatory codes and guidelines, and internal policies and its assessment of the Company's performance in this regard;

- reporting to the Board to provide assurance regarding the compliance of the Company; and

- provision of compliance support to the business, including advice on requirements and relevant training to the Board and employees of the Company.

5. Internal Audit Function

As stated in B.1 above, the Internal Audit Function is resourced from the Group Internal Audit function of FCA Bank Spa with the Head of function role carried out by a senior member of the Group Internal Audit Function. The Head of the Internal Audit Function reports to the Audit Committee.

The Internal Audit Function prepares a three year rolling audit plan, based on a risk assessment of the business, which is reviewed by the Audit Committee annually.

Risk Mapping systematically identifies and evaluates company risks and controls in place to mitigate them, with a view to providing the basis for the multi-year audit programme and the yearly audit plan, and establishing the priorities for the audit missions based on a "risk level" of the activity/process to be audited and the level of reliability of the Internal Control System of the Company.

The multi-year audit programme is derived directly from the auditable risk mapping. The multi-year programme is updated each year, when drawing up the yearly audit plan.

It is important that the Internal Audit Function maintains its independence and objectivity from the activities it reviews. It is a requirement of the internal audit policy established by the Company that those employees working within the Internal Audit Function do not carry out any roles / activities within the organisation which would be outside of the sphere of Internal Audit activities.

In addition, the Internal Audit Function of the Company reports directly to the Audit Committee of the Board.

6. Actuarial Function

The Company has outsourced the provision of actuarial services, and the Head of Actuarial Function to Milliman, a firm of actuarial consultants in Dublin.

The Head of Actuarial Function attends the Board and Board Committee meetings of the Company. A Letter of Engagement, and accompanying Statement of Work, is agreed by the Company at the beginning of each year covering at least the following activities to be implemented by the Actuarial Function:

- co-ordination of the calculation of the technical provisions (best estimate liability and risk margin);
- assessing the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assessing the sufficiency and quality of data used in the calculation of technical provisions and providing recommendations, where appropriate on measures to improve data quality (annually);
- comparing best estimates against experience;
- informing the Board of the reliability and adequacy of the calculation of technical provisions;
- preparing and presenting an annual Actuarial Function Report to the Board, including the expression of an opinion on the overall underwriting policy, and on the adequacy of reinsurance arrangements;
- contributing to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the MCR, SCR and the ORSA process;
- providing an actuarial opinion to the Board in respect of the ORSA process of the Company;
- provision of an Actuarial Opinion on Technical Provisions ('AOTP') to the CBI (based on the figures submitted in the annual QRTs);
- provision of an Actuarial Report on Technical Provisions ('ARTP') to the Board, which supports the AOTP.

7. Outsourcing

The Board has established an outsourcing policy which requires, at least, the following checks to be carried out when selecting an Outsourcer:

- the ability and capacity of the provider to deliver the required activities satisfactorily;
- assessment of the financial strength of the Outsourcer;
- verification of the absence of any explicit or potential conflict of interest; and

- consideration of the independence of the provider, where such is required.

The Company's outsource policy also requires a written agreement to be drawn up between the outsource service provider and the Company with specific consideration of the procedures set out in the Fitness and Probity Policy for individuals carrying out controlled activities.

The agreement must comply with relevant laws and regulations and must contain, through specific clauses and annexes, at least the following:

- the level of quality expected of the service provider, by defining SLA – *Service Level Agreement* and/or KPI – *Key Performance Indicators*;

- details about the regular reporting on the service provider's activity to be submitted by the Outsourcer, if applicable;

- the right for the Company to perform controls (directly or through its Parent Company or agents) on all services provided under the agreement;

- the provision of emergency mechanisms, to be tested at least once a year, to ensure the continuity of the business provided under the agreement.

All outsourcing contracts and specific general terms and conditions must be approved by the Board of Directors and the agreement must be signed by an authorised signatory.

The Company has an outsource service supervision model in place which requires:

- the management to perform a regular monitoring of SLA defined in the contract;

- the Board to be regularly informed about the status of outsourcing contracts, the results of SLA monitoring and eventual corrective measures requested to the service provider;

- the identification and valuation of risks associated with outsourcing to be included in the Operational risk mapping activity, and

- the reporting to the Board of any incidents and potential losses greater than €20k associated with outsourced activities.

The following is a list of the critical or important operational functions the Company has outsourced together with the jurisdiction in which the service providers of such functions or activities are located.

Service Outsourced	Provider	Oversight	Jurisdiction
Corporate Services • Accounting • Company Secretarial • Payroll & VAT	Marsh Management Services		Ireland
Actuarial Function	Milliman Dublin	CRO	Ireland
Compliance Function	Marsh Management Services	CEO	Ireland
Internal Audit	FCA Bank S.p.A. – Group Internal Audit Function	CRO	Italy

8. Assessment of Governance

As set out in some detail above, the Company's system of governance is quite comprehensive when assessed to the nature, scale and complexity of the inherent risks.

The Company only writes business which has been incepted by sister companies within the FCAB group. The Company only writes risks which have CPI policies underlying. The Company has diversified its risk exposures across five countries in Europe. The Company is well capitalised and has a low risk appetite for market or liquidity risk.

The Board considers the system of governance as outlined above to be appropriate for the nature, scale, and complexity of the business.

C. Risk Profile

1. Underwriting Risk

C.1.1 Risk Exposure

The Company accepts, on a quota share reinsurance basis, CPI risks (life, Accident & Sickness, Unemployment, and disability) related to the consumer finance customers of FCAB in Germany, France and Spain. The Company has a portfolio of CPI risks from Italy and Poland, also related to the consumer finance customers of FCAB, which are in run-off.

The main insurance risks are related to claims experience being higher than the assumptions in the pricing of the products. This could arise as a result of economic evolution in the markets in which the risks are covered or as a result of claims shocks due to concentration exposure, pandemic etc.

C.1.2 Risk Concentration

The Company seeks to avoid concentration of risks by accepting reinsurance of risks which are sourced across several countries in Europe. Within each country, the Company has set individual, per customer, limits to be applied by the Cedant within the books of business ceded to the Company.

C.1.3 Risk Mitigation

The Company has retroceded 90% of all insurance risks to Hannover Re. While this retrocession policy does provide mitigation of insurance risks, the profit share arrangements between the Company and Hannover Re does provide indirect exposure to claims on the retroceded business. This indirect exposure is capped at the level of the risk premium in that any underwriting losses on the book within Hannover Re cannot be passed back to the Company.

The Company analyses and reviews actual claims experience on an ongoing basis, getting policy level data on claims from the cedants monthly. On a quarterly basis, claims experience reports are brought to the Board for consideration and reviewed against the loss ratio tolerances in the RAS.

Any significant spikes in claims experience are discussed with the cedants, who also maintains a close watch on its experience and has the opportunity to propose price increases on the products (for new business) if necessary (this has not been necessary to date).

The Board's risk appetite for underwriting risks are set out by country in the Risk Appetite Statement which is reviewed annually by the Board. As stated above, specific limits are set for per customer exposures (encapsulated in the reinsurance contracts) and for the expected loss ratios. Actual loss ratios are monitored on an on-going basis and the Board review the claims performance at each of the quarterly board meetings.

C.1.4 Risk Sensitivity

It is expected that the unemployment risk element of the loss ratios will be impacted by the economic cycles in the countries in which the Company writes business. As such, this element of the anticipated loss ratios will differ from one period to the next. The pricing of the products anticipates this changing loss ratio expectation and the risk tolerances have

been set to also allow for movements in the expected results over the different timeframes. The other material underwriting risks of FCAC RE are not deemed to be different over short, medium and long term time horizon.

Please refer to section D2 for results of technical provision sensitivities.

2. Market Risk

C.2.1 Exposure

The Company invests surplus assets in (i) fixed rate bank deposits, (ii) interest bearing bank current accounts, and (iii) deposits or cash pooling accounts with its parent company which is a bank licensed in Italy or its Irish Branch. The interest bearing assets are all variable rate products thus there is thus no explicit market risk exposure.

C.2.2 Concentration

The Company is not subject to any material market risk (outside the assets held as described above) and thus no concentrations of market risk exist.

C.2.3 Mitigation

The Company is not subject to any material market risk and thus does not believe mitigations are necessary for this type of risk.

C.2.4 Risk Sensitivity

The Company is not subject to any material market risk and thus has no material risk sensitivity in this area.

3. Credit Risk

C.3.1 Exposure

The Company is exposed to counterparty default risk with respect to its investments in current accounts and deposits with banks, including deposits with the Irish branch of the parent company FCA Bank S.p.A..

The Company writes all of its underwriting business with two related counterparties, CACI Life DAC and CACI Non Life DAC. This business is written through funds withheld, quota share reinsurance treaties, resulting in a significant level of unearned premiums, net of unearned commissions, withheld by the cedants. This creates a further credit risk exposure.

C.3.2 Concentration

The credit risk exposure of the Company is quite concentrated and at the end of 2018 was as follows:

			% of Total
1.	Current Accounts and Deposits	FCA Bank S.p.A. – Irish Branch	23%
		Citibank & other call deposits	13%
2.	Due from Cedants	CACI Life DAC	23%
		CACI Non-Life DAC	32%
3.	Due from Retrocessionnaire	Hannover Re	9%
			100%

C.3.3 Mitigation

The Company has an investment policy approved by the Board which requires the available resources to be invested at any time with at least two counterparties to mitigate the concentration risk and each counterparty (excluding FCA Bank SpA or its Irish branch) must not hold more than 50% of the total available resources.

The reinsurance treaty with CACI is written to terminate in the instance of an insolvency event within the cedant thus relieving the Company of any reinsurance liabilities with respect to those premiums which have been unearned and are withheld by the cedant.

Notwithstanding the insolvency clause, a default by the cedant would have an impact on the solvency coverage of the Company in that its assets would be reduced by the value of future margins to emerge from those risks which have not yet been earned. Under Solvency II methodology this value is encapsulated in the technical provisions.

C.3.4 Risk Sensitivity

The Company, at end December 2018 held €2.8m with banks situated in Ireland (three banks) and €5.0m deposited in the group cash pooling account managed by the Irish Branch of the Parent company.

A default by any of these counterparties would have a consequent impact on the Company's own funds. The reinsurance and the retrocession treaties are drafted such that both terminate in the instance of an insolvency, and consequent default, of either party.

4. Liquidity Risk

C.4.1 Exposure

Liquidity risk is the risk that a company does not have sufficient financial resources to enable it to meet its obligations as they fall due, even where the company is solvent. The type of business written by the Company, which does not involve significant costs of acquisition, is such as to ensure very little exposure by the Company to liquidity risk. The Company's exposure is also limited through its investment policy, which is to invest surplus assets in immediately accessible bank current or call deposit accounts.

The Company's exposure to liquidity risk is considered to be low since it maintains a high level of liquid assets to meet its liabilities.

C.4.2 Concentration

With no material liquidity risk exposure, the Company does not suffer from any concentration of liquidity risk.

C.4.3 Mitigation

As mentioned above, the Company's exposure to liquidity risk is mitigated to a very high degree through the investment policy applied to the business and inherently through the nature of the insurance risks accepted and their contracted cashflows since the Company's business is predominantly single premium.

C.4.4 Risk Sensitivity

With no material liquidity risk exposure, the Company does not have any liquidity risk sensitivities.

5. Operational Risk

C.5.1 Exposure

The operational risks mainly relate to the ongoing administration of the reinsurance treaties. In the main, operational risk comes from the risk of IT failure, the risks of a failure in service from outsourcers and from the reliance on key resources. Operational risk relating to the IT systems gave rise to processing of premium errors and related costs. Resulting from these errors the 2017 balance sheet was restated as noted in section E1.2. The Company has taken steps to minimise such errors in future

The Company operates a bespoke proprietary insurance accounting system in its headquarters in Dublin which was developed by, and is supported by, a third party development company in Italy. The Company is reliant on the continued support of the development company to address any operational issues with regard to the software.

The Company operates a largely outsourced operational model. It is thus exposed to the failure by one of these outsource providers to supply the service as contracted.

With only minimal level of employees, the Company is thus exposed to the operational risk of key staff leaving.

C.5.2 Concentration

The size of the Company and its reliance on third party service providers creates certain concentrations of operational risk. This is particularly apparent in the risk to the Company of the loss of key resources.

C.5.3 Mitigation

The Company maintains an ongoing review of the operational risks and has mitigating features as follows:

- data is sourced from the FCAB market participants and separately from the cedants on a monthly basis, at policy level, and is reconciled with any differences followed up in the same month;
- data backup procedures are in place;
- the Company has a robust business continuity plan which is tested annually;
- the key outsource provider (MMS) has a detailed SLA in place and this is reviewed annually.

The Company size does not facilitate a 100% coverage of key staff at all times in terms of succession. The Company therefore accepts certain of the staff risks which might require more expensive coverage during the period between the loss of staff and their effective replacement.

C.5.4 Risk Sensitivity

Operational risk makes up 7% of the total SCR of the Company. It is a factor based module in the standard formula.

D. Valuation for Solvency Purposes

1. Assets

The Company's assets, at fair value, are as set out in the following table:

Assets for Solvency Purposes	31/12/2018 Solvency II €000's	31/12/2018 Financial Statements €000's
Insurance and Intermediaries Receivables	2,372	2,372
Deposits to Cedants	9,696	9,696
Reinsurance Receivables	1,923	1,923
Cash and Cash Equivalents	7,862	7,862
Reinsurance Asset	6,491	9,596
Deferred Acquisition Costs	0	966
Deferred Tax Asset	0	4
Other prepayments	10	10
	28,354	32,429

The Company is party to reinsurance treaties with CACI Life DAC and CACI Non-Life DAC. Both treaties are written on a 95% quota share basis with cashflows from the Cedant to the Company following the earning pattern of the ceded business.

Insurance and Intermediaries Receivable represent the amounts earned but not yet paid by the Cedant to the Company. They are thus in nature short term debtors and have a fair value which is the same as book value. Likewise, the value for Solvency II purposes is the same as that for the Company's Financial Statements.

Deposits to Cedants represent the unearned element of the policies underlying the reinsurance treaties. It will thus be a combination of unearned premiums, less unearned claims, and unearned commission amounts. For Solvency II purposes, these assets have been valued at their book value similar to the accounting treatment as per the financial statements with the impact of discounting reflected in the Reinsurance Asset.

The Company reinsures 90% of its business to Hannover Re, on a quota share basis and a funds withheld basis, similar to the reinsurance inwards treaties. Reinsurance receivables represents profit share accruals related to the earned elements of the business reinsured, and have a fair value which is the same book value.

Cash and cash equivalents are balances held on current accounts with credit institutions. For both Solvency II and Financial Statements carrying value of these assets approximates their fair value.

The Solvency II reinsurance asset represents the present value of claim recoveries and profit share payments due to the Company from the reinsurer, Hannover Re. In the Financial Statements, the reinsurance assets represent the retrocessionaire's share of the UPR, IBNR, and OSLR.

2. Technical Provisions

The Company is a reinsurance undertaking authorised to carry on life and non-life assurance business. The Company reinsures, on a quota share basis, the life, accident and sickness, and loss of employment covers of credit protection insurance policies ("CPI") underwritten by the Cedant and classifies these covers respectively as:

- "Life - Other life insurance on accepted reinsurance" Line of Business under Solvency II;
- "Life - Health reinsurance" business under Solvency II; and
- "Non-Life – Miscellaneous Financial Loss".

The value of technical provisions equals the sum of the Best Estimate Liability ("BEL") and the Risk Margin ("RM").

Technical provisions are calculated gross of amounts recoverable from reinsurance contracts.

The technical provisions as at 31 December 2018 are summarised as follows:

Technical Provisions	31/12/2018 Solvency II €000's	31/12/2018 Financial Statements €000's
Life	1,443	4,568
Health	2,963	5,559
Non-Life	461	535
	4,867	10,662
Risk Margin	418	0
Total Technical Provisions	5,284	10,662
Reinsurance Recoverables	6,491	9,596

As stated above, under Solvency II, the technical provisions represent the present value of future claims, expenses, and profit share outgo on a best estimate basis using the relevant risk-free interest rate term structure. For the Financial Statements, the technical provisions consist of the unearned reinsurance premiums plus the claims reserves (IBNR and OSLR). The calculation methodology applied, and the individual elements included in, the technical provisions under Solvency II and Financial Statements are thus quite different.

The technical provisions are calculated based on the discounted value of the expected future cashflows for the inforce business. A representative profile of modelpoints is used to reflect the distribution of age, loan term, loan amount, and premium. The best estimate liability is calculated using a cashflow model in Excel for each modelpoint.

The projected future cashflows that are modelled include:

- any future regular premium receipts
- claims payments to the cedant
- expenses
- commissions to the cedant
- profit share payments[1]
- retrocession premium payments
- retrocession commission
- retrocession claims recoveries

These results are then scaled up to reflect the actual size of the liabilities at the reporting date. The reinsurance recoveries are calculated using the same methodology.

The risk margin is calculated using the cost of capital approach set out in the Directive:

- first, the Solvency II capital requirement ("SCR") representing non-hedgeable risks is projected for each future year (until the expiry of all contracts); Individual sub-risks are approximated to calculate the future SCRs (known as method 2);
- the SCR in each future year is then multiplied by the prescribed cost of capital rate (6% p.a.)[2] to get the cost of holding the Solvency II capital requirement in each future year;
- these cost-of-capital figures are then discounted to a single present value using the risk-free yield curve specified by EIOPA to determine the overall risk margin.

[1] Note that profit share payments are based on technical results which include reserve movements based on IFRS principles rather than Solvency II principles. Therefore, we also model earned premium and earned commission although these are not Solvency II concepts.
[2] As specified in article 39 of the Delegated Acts

The key assumptions in the technical provision calculation are the loss ratios, per policy expense assumptions, and lapse/cancellation rates.

The key sources of uncertainty associated with the value of technical provisions relate to potential changes in claim frequencies, claim recovery rates, expenses, and cancellation/lapse rates.

Neither the matching adjustment, volatility adjustment, nor transitional measures apply to the Company.

In 2018, loss ratio assumptions used in calculating the future claims and the provision for future expenses were revised, resulting in an increase in the specific aforementioned components of the technical provision. Notwithstanding that, the overall technical provision reduced significantly when compared to 2017 primarily due to recognition of future profits from regular premiums products for the first time in 2018 and as well as a reduction in in-force book.

The technical provisions as at 31 December 2018 and 2017 are summarised as follows:

Technical Provisions	31/12/2018 Solvency II €000's	31/12/2017 Solvency II €000's
Life	1,443	3,798
Health	2,963	3,431
Non-Life	461	1,016
	4,867	8,245
Risk Margin	418	412
Total Technical Provisions	5,284	8,658
Reinsurance Recoverables	6,491	8,297

3. Other Liabilities

The Company's other liabilities, at fair value, are set out in the following table:

Other Liabilities	31/12/2018 Solvency II €000's	31/12/2018 Financial Statements €000's
Insurance and Intermediaries Payables	1,025	1,025
Deposits from Reinsurers	7,661	7,661
Payables (trade, not reinsurance)	389	389
Deferred Tax Liability	401	0
Deferred Acquisition Costs, reinsurer's share	0	1,934
	9,476	11,009

Insurance and Intermediaries Payables represent the amounts recognised but not yet paid by the Company. They are thus in the nature of short term creditors and have a fair value which is the same as the book value. Likewise, the value for Solvency II purposes is the same as that for the Company's Financial Statements.

Deposits from Reinsurer represent the unearned element of the policies underlying the retrocession treaties. It will thus be a combination of unearned premiums, less unearned claims, and unearned commission amounts. For Solvency II purposes, these liabilities have been valued at their book value in the accounting records of the Company with the impact of discounting reflected in the Reinsurance Asset. The Solvency II valuation above is thus the same as the Financial Statements valuation for the Company.

For Solvency II valuations, future profit margins on the business already written are recognised on a best estimate basis. This results in the value of Own Funds being greater under the Solvency II basis than for the Financial Statements basis. For this reason, a deferred tax liability is recognised which is not included in the Financial Statements balance sheet.

E. Capital Management

1. Own Funds

E.1.1 Objectives, policies and processes for managing Own Funds

The Board of Directors have set an objective to have sufficient Own Funds at all times to cover the Company's SCR and MCR requirements plus a buffer. Each quarter, the latest available analysis of SCR, MCR and Own Funds is presented in the quarterly risk report, reviewed by the Risk Committee of the Board.

On an annual basis, the Board oversees the preparation of a one year budget and a three year strategic business plan projection. The results of these forward plans are considered for planning capital needs for the future.

E.1.2 Structure, amount and quality of Own Funds

The Company's Own Funds consists of paid in ordinary share capital, retained profits, and a reconciliation reserve.

The Statement of Financial Position as at 31 December 2017 was restated in the Company's 2018 Financial Statements. This followed an internal review of the premium calculations in the Company's IT systems which indicated errors in the recognition of written and earned premiums.

The Own Funds shown above for end 2017 are restated accordingly with the following impacts:

	ORIGINAL BALANCE 31/12/2017	RESTATEMENT 31/12/2017	RESTATED BALANCE 31/12/2017
	€000's	€000's	€000's
Paid in Share Capital	1,000	0	1,000
Retained Profits	7,268	(297)	6,971
Reconciliation Reserve	1,730	0	1,730
	9,998	(297)	9,701

Own Funds at the beginning and the end of 2018 are as follows:

Own Funds	2018 €000's	2017 €000's
Paid in Share Capital	1,000	1,000
Retained Profits	9,758	6,971 *
Reconciliation Reserve	2,836	1,730
	13,594	9,701

*2017 retained profits restated as mentioned above

All Own Funds are Tier 1. There is no use of Ancillary Own Funds. The Own Funds items are not dated and therefore longer in duration than the Company's liabilities.

No new ordinary share capital was issued during the year. There have been no other material movements in assets or liabilities other than those projected as the book of business continues to decline in size.

E.1.3 Eligible Own Funds to cover Solvency Capital Requirement

The Company's Own Funds are all tier 1 unrestricted and available to cover the SCR.

E.1.4 Eligible Own Funds to cover Minimum Capital Requirement

The Company's Own Funds are all tier 1 unrestricted and available to cover the MCR.

E.1.5 Difference between equity in the Financial Statements and Own Funds

The following table reconciles the equity shown in the Financial Statements of the Company at end 2018 to the Solvency II Own Funds at that date:

	31/12/2018 €000's
Equity per Financial Statements	
- Ordinary share capital	1,000
- Retained profits	9,758
Adjustments for Solvency II	
- Difference in the value of Reinsurance Asset	(3,105)
- Difference in Technical Provisions	5,378
- Exclusion of Deferred Acquisition Cost Asset	969
- Inclusion of Deferred Tax Liability	(405)
Own Funds based on Solvency II	13,594

2. Solvency Capital Requirement / Minimum Capital Requirement

E.2.1 Amount of SCR and MCR

At end 2018, the SCR and MCR for the Company were as follows:

	31/12/2018 €000's	31/12/2017 €000's
Solvency Capital Requirement	3,091	2,995
Minimum Capital Requirement	3,600	3,600

E.2.2 SCR split by Risk Modules

The Company's SCR split by risk modules at end 2018 and end 2017 is as follows:

Standard Formula Risk Modules	31/12/2018 €000's	31/12/2017 €000's
Market Risk	28	24
Counterparty Default Risk	1,689	1,742
Life Underwriting Risk	1,972	1,400
Health Underwriting Risk	775	1,092
Non-Life Underwriting Risk	221	343
Undiversified BSCR	4,685	4,601
Diversification Benefit	(1,381)	(1,456)
Basic SCR	3,304	3,145
Loss-absorbing Capacity Adjustment	(442)	(428)
Operational Risk	228	278
Solvency Capital Requirement	3,091	2,995
Minimum Capital Requirement	3,600	3,600

Even though the inforce portfolio reduced over the period, the SCR has increased when compared to 2017 due to the modelling of regular premiums for the first time in 2018. Notwithstanding the increase in SCR, the MCR is still more onerous than the SCR.

In spite of the increase in cash and cash equivalent, counterparty default risk component of SCR was quantified at the similar level as in the prior year. It reflects other movements such

as reduction in receivables due from Cedant and changes in its solvency coverage ratios. As mentioned above, the increase in Life underwriting risk primarily due to the modelling of regular premium business in France which is predominantly life business. Health underwriting risk reduced when compared to 2017 due to a smaller lapse risk SCR. This involves a 40% shock on various components of the gross best estimate liability and the reinsurance recoverables, leading to an immediate reduction of the inforce business. Unlike last year, the recoveries for Life is greater than the best estimate liability, primarily due to the aforementioned modelling of regular premiums. The gap between best estimate liability and the recoveries for Health increased compared to 2017, indicating more future margins, hence a higher lapse risk SCR.

Non Life underwriting risks reduced by 36%, predominantly due to decrease in Italian portfolio which had considerably more non life business when compared to other markets in 2017.

The loss absorbing capacity of deferred tax within the SCR is calculated as 12.5% of the gross SCR i.e. the Basic SCR plus the operational risk.

E.2.3 Use of Simplified Calculations

The Company does not use any of the simplifications as defined under Solvency II as part of its SCR calculations.

E.2.4 Use of undertaking specific parameters

Undertaking specific parameters are not used in the calculation of SCR.

E.2.5 Inputs used to calculate the MCR

The table below summarises the inputs used by the Company to calculate the MCR at 31st December 2018. The MCR is calculated based on factors applied to sums assured, premiums, and technical provisions.

Line of Business	Input	€000
Miscellaneous Financial Loss	Net written premiums	9
Miscellaneous Financial Loss	Net best estimate	19
Life/Health	Capital at Risk	1,188,160
Life/Health	Net best estimate	0

It is then subject to an upper (45%) and lower (25%) band based on the SCR, with an absolute minimum floor of €3.6m.

	€000
Linear MCR	836
SCR	3,091
MCR cap	1,391
MCR floor	773
Combined MCR	836
Absolute floor on the MCR	3,600
Minimum Capital Requirement	3,600

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

Not applicable.

E4: Difference between the standard formula and any internal model used

The Company calculates the SCR using the standard formula.

E5: Non-Compliance with the MCR and non-compliance with the SCR

There were no instances of non-compliance with the MCR or SCR during the reporting period.

F. Appendix – Public QRTs

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**	
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**	
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**	6,491,345
Non-life and health similar to non-life	**R0280**	441,498
Non-life excluding health	**R0290**	441,498
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	6,049,847
Health similar to life	**R0320**	3,306,825
Life excluding health and index-linked and unit-linked	**R0330**	2,743,023
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	9,696,343
Insurance and intermediaries receivables	**R0360**	2,372,214
Reinsurance receivables	**R0370**	1,923,194
Receivables (trade, not insurance)	**R0380**	9,940
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**	7,861,594
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	28,354,630

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	491,843
Technical provisions – non-life (excluding health)	**R0520**	491,843
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	460,736
Risk margin	**R0550**	31,107
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	4,792,608
Technical provisions - health (similar to life)	**R0610**	3,072,210
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	2,963,206
Risk margin	**R0640**	109,004
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	1,720,398
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	1,442,851
Risk margin	**R0680**	277,546
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**	7,661,474
Deferred tax liabilities	**R0780**	400,816
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	1,024,675
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	388,846
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	14,760,262
Excess of assets over liabilities	**R1000**	13,594,369

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**									
Gross - Proportional reinsurance accepted	**R0120**									
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**									
Net	**R0200**									
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**									
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**									
Net	**R0300**									
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**									
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**									
Net	**R0400**									
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**									
Other expenses	**R1200**									
Total expenses	**R1300**									

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: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								
Gross - Proportional reinsurance accepted	**R0120**			90,952					90,952
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**			81,857					81,857
Net	**R0200**			9,095					9,095
Premiums earned									
Gross - Direct Business	**R0210**								
Gross - Proportional reinsurance accepted	**R0220**			290,451					290,451
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**			261,406					261,406
Net	**R0300**			29,045					29,045
Claims incurred									
Gross - Direct Business	**R0310**								
Gross - Proportional reinsurance accepted	**R0320**			-192,420					-192,420
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**			-173,178					-173,178
Net	**R0400**			-19,242					-19,242
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**								
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**								
Net	**R0500**								
Expenses incurred	**R0550**			-2,128					-2,128
Other expenses	**R1200**								
Total expenses	**R1300**								-2,128

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 than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**							1,496,073	3,446,294	4,942,367
Reinsurers' share	**R1420**							1,346,465	3,101,665	4,448,130
Net	**R1500**							149,608	344,629	494,237
Premiums earned										
Gross	**R1510**							2,067,751	4,228,296	6,296,047
Reinsurers' share	**R1520**							1,860,978	3,805,465	5,666,443
Net	**R1600**							206,773	422,831	629,604
Claims incurred										
Gross	**R1610**							44,430	1,273,305	1,317,735
Reinsurers' share	**R1620**							39,987	1,145,975	1,185,962
Net	**R1700**							4,443	127,330	131,773
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**							-83,166	-90,951	-174,117
Other expenses	**R2500**									
Total expenses	**R2600**									-174,117

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							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**							
Gross - Proportional reinsurance accepted	**R0120**	90,952						90,952
Gross - Non-proportional reinsurance accepted	**R0130**							
Reinsurers' share	**R0140**	81,857						81,857
Net	**R0200**	9,095						9,095
Premiums earned								
Gross - Direct Business	**R0210**							
Gross - Proportional reinsurance accepted	**R0220**	290,451						290,451
Gross - Non-proportional reinsurance accepted	**R0230**							
Reinsurers' share	**R0240**	261,406						261,406
Net	**R0300**	29,045						29,045
Claims incurred								
Gross - Direct Business	**R0310**							
Gross - Proportional reinsurance accepted	**R0320**	-192,420						-192,420
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**	-173,178						-173,178
Net	**R0400**	-19,242						-19,242
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**							
Reinsurers'share	**R0440**							
Net	**R0500**							
Expenses incurred	**R0550**	-2,128						-2,128
Other expenses	**R1200**							
Total expenses	**R1300**							-2,128

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	4,942,367						4,942,367
Reinsurers' share	R1420	4,448,130						4,448,130
Net	R1500	494,237						494,237
Premiums earned								
Gross	R1510	6,296,047						6,296,047
Reinsurers' share	R1520	5,666,443						5,666,443
Net	R1600	629,604						629,604
Claims incurred								
Gross	R1610	1,317,735						1,317,735
Reinsurers' share	R1620	1,185,962						1,185,962
Net	R1700	131,773						131,773
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	-174,117						-174,117
Other expenses	R2500							
Total expenses	R2600							-174,117

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**									1,442,851	1,442,851
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									2,743,023	2,743,023
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**									(1,300,171)	(1,300,171)
Risk Margin	**R0100**									277,546	277,546
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**										
Best estimate	**R0120**										
Risk margin	**R0130**										
Technical provisions - total	**R0200**									1,720,398	1,720,398

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0210**						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**					2,963,206	2,963,206
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**					3,306,825	3,306,825
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**					(343,618)	(343,618)
Risk Margin	**R0100**					109,004	109,004
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**						
Best estimate	**R0120**						
Risk margin	**R0130**						
Technical provisions - total	**R0200**					3,072,210	3,072,210

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									
Net Best Estimate of Premium Provisions	R0150									
Claims provisions										
Gross	R0160									
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									
Total Best estimate - gross	R0260									
Total Best estimate - net	R0270									
Risk margin	R0280									
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320									
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									

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		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**			269,334					269,334
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**			269,237					269,237
Net Best Estimate of Premium Provisions	**R0150**			98					98
Claims provisions									
Gross	**R0160**			191,402					191,402
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**			172,261					172,261
Net Best Estimate of Claims Provisions	**R0250**			19,140					19,140
Total Best estimate - gross	**R0260**			460,736					460,736
Total Best estimate - net	**R0270**			19,238					19,238
Risk margin	**R0280**			31,107					31,107
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**								
Best estimate	**R0300**								
Risk margin	**R0310**								

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions - total									
Technical provisions - total	**R0320**			491,843					491,843
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**			441,498					441,498
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**			50,345					50,345

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	Underwriting year

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

		Development year												
	Year	0	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													605,268.00
N-9	R0160	3,827	157,632	469,354	536,371	481,634	228,025	42,812	98,957	0	0		0	2,018,613
N-8	R0170	3,621	179,672	501,408	853,976	596,864	159,478	483,560	9,068	891			891	2,788,538
N-7	R0180	2,157	74,549	351,283	454,808	279,401	169,122	33,911	3,846				3,846	1,369,077
N-6	R0190	2,841	118,375	343,878	361,447	217,431	144,328	22,114					22,114	1,210,413
N-5	R0200	5,685	100,465	323,342	237,931	180,399	50,559						50,559	898,380
N-4	R0210	2,432	131,537	202,361	140,888	93,709							93,709	570,927
N-3	R0220	3,728	11,338	5,901	3,728								3,728	24,695
N-2	R0230	1,146	2,422	1,345									1,345	4,913
N-1	R0240	0	970										970	970
N	R0250	0											0	0
Total	R0260												177,162	9,491,795

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	
N-9	R0160								2,497	153	8		R0160	8
N-8	R0170							17,267	625	58			R0170	58
N-7	R0180						10,613	3,750	244				R0180	244
N-6	R0190					7,870	17,753	1,269					R0190	1,269
N-5	R0200				42,521	31,050	5,743						R0200	5,743
N-4	R0210			28,927	68,051	10,355							R0210	10,355
N-3	R0220		119,103	129,375	20,510								R0220	20,510
N-2	R0230	293,269	212,395	38,736									R0230	38,736
N-1	R0240	166,770	61,186										R0240	61,186
N	R0250	53,291											R0250	53,291
												Total	R0260	191,402

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	1,000,000	1,000,000			
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	12,594,369	12,594,369			
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	13,594,369	13,594,369			
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					

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	13,594,369	13,594,369			
Total available own funds to meet the MCR	**R0510**	13,594,369	13,594,369			
Total eligible own funds to meet the SCR	**R0540**	13,594,369	13,594,369			
Total eligible own funds to meet the MCR	**R0550**	13,594,369	13,594,369			
SCR	**R0580**	3,090,699				
MCR	**R0600**	3,600,000				
Ratio of Eligible own funds to SCR	**R0620**	440%				
Ratio of Eligible own funds to MCR	**R0640**	378%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	13,594,369
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	1,000,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	12,594,369
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	1,372,571
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	6,086
Total Expected profits included in future premiums (EPIFP)	**R0790**	1,378,657

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	27,777		
Counterparty default risk	R0020	1,689,342		
Life underwriting risk	R0030	1,972,196		
Health underwriting risk	R0040	774,562		
Non-life underwriting risk	R0050	221,039		
Diversification	R0060	(1,381,131)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	3,303,786		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	228,441
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(441,528)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	3,090,699
Capital add-on already set	R0210	
Solvency capital requirement	R0220	3,090,699
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	4,688

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
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	19,238	9,095
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	831,712

		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	0	
Total capital at risk for all life (re)insurance obligations	R0250		1,188,159,974

Overall MCR calculation

		C0070
Linear MCR	R0300	836,400
SCR	R0310	3,090,699
MCR cap	R0320	1,390,815
MCR floor	R0330	772,675
Combined MCR	R0340	836,400
Absolute floor of the MCR	R0350	3,600,000
		C0070
Minimum Capital Requirement	R0400	3,600,000