GD Insurance Company DAC

Solvency and Financial Condition Report ("SFCR") for the financial period ended 31 May 2018

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Executive Summary

The new, harmonized EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by (re)insurers. This document is the second version of the Solvency and Financial Condition Report ("SFCR") that is required to be prepared by GD Insurance Company DAC (''the Company').

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

Company Background

GD Insurance Company DAC is a company incorporated in Ireland and authorised by the Central Bank of Ireland to carry out the following classes of non-life insurance business:

- Class 1: Accident;
- Class 2: Sickness;
- Class 3: Land Vehicle;
- Class 5: Aircraft;
- Class 7: Goods in Transit;
- Class 8: Fire and Natural Forces;
- Class 9: Other Damage to Property;
- Class 10: Motor Vehicle Liability;
- Class 13: General Liability;
- Class 16: Miscellaneous Financial Loss

The Company is a captive insurance undertaking insuring non-life risks of the parent company, TNT Express Worldwide B.V. The insurance risks originate from the TNT Express Worldwide B.V. business as a transportation company providing express delivery services to businesses and consumers worldwide.

In May 2016 TNT Express Worldwide B.V. was acquired by FedEx Corporation, who now possesses an indirect 100% qualifying holding in the Company.

Business and Performance

Earned premium remained at a consistent level, as did operating expenses. Underwriting results were more favourable than the previous year but were along expected lines as the previous year was particularly positive. The company continues to perform positively.

System of Governance

The Company is subject to the the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015. The corporate governance principles of the Company are implemented via the following Corporate Governance Framework:

- Board of Directors
- Outsourced Service Providers
- Internal Control Framework
- Risk Management Framework

- Compliance Function
- Audit – Internal & External

Outsourced Activities

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

Critical Outsourcing Arrangements				
Outsourced Provider	Service Outsourced	Internal/External	Jurisdiction	Outsourcing Oversight
Marsh Management Services (Dublin) Limited	Captive Manager	External	European Union	Chairman(PCF-3)
	Compliance Function			
	Risk Management Function			
Willis Towers Watson	Head of Actuarial Function	External	European Union	
TNT Express Worldwide B.V.	Internal Audit Function	Internal	European Union	
	Claims Administration	Internal		

Risk Profile

The Company uses the Standard Formula to assess the solvency and capital requirements. The following table outlines the material risks to which the Company is exposed as well as the undiversified capital charge associated with the risks at 31 May 2018.

Year ending	SCR	Market	Default	Non-Life
31 May	€'000	€'000	€'000	€'000
2018	20,447	17,974	408	4,758
2017	39,705	35,638	5,014	4,943

Factors affecting the SCR as at 31 May 2018:

- Transferring €43.9m from the unrated BMG account to the A-rated ING Bank significantly reduced the Market Risk.
- The 2018 property program was renewed on a non-proportional reinsurance basis, this reduced the Default Risk.

These risks are described in further detail in Section C of this report.

Valuation for Solvency Purposes

The Company assets and liabilities, under Solvency II methodology, are valued at best estimate. This differs in some respects from the GAAP 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.

Capital Management

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new shares capital over the three year time horizon used for business planning.

As of 31 May 2018, the Company solvency position including the individual risks is as follows:

31 May 2018	Capital requirement	Eligible capital	Solvency ratio
	€'000	€'000	%
SCR	20,447	52,180	255%
MCR	5,112	52,180	1021%

31 May 2017	Capital requirement	Eligible capital	Solvency ratio
	€'000	€'000	%
SCR	39,705	47,692	120%
MCR	9,926	47,692	481%

A BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Name and legal form of the undertaking

GD Insurance Company DAC (hereinafter "the Company") is incorporated in the Republic of Ireland and is a private company limited by shares.

A.1.2 Name of the Supervisory Authority responsible for the financial supervision of the undertaking

The Company is regulated by the Central Bank of Ireland (CBI). The CBI can be contacted at:

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

A.1.3 External auditor of the undertaking

The independent auditors of the Company are:

Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Place, Harcourt Street, Dublin 2, Ireland.

A.1.4 Holders of Qualifying Holdings in the Undertaking

The Company is wholly owned by TNT Express Worldwide Worldwide BV, a company incorporated in the Netherlands.

A.1.5 Legal Structure of the Group

The ultimate parent Company is the FedEx Corporation, a company incorporated in the United States of America.

A.1.6 Material lines of business and geographical areas

The Company is a non-life captive insurance undertaking whose policies underwritten provide cover to the group operations for various risks, the main ones being Property Damage/Business Interruption, General Liability, Marine Cargo/Cargo Liability, Crime, and Aviation Hull/Liabilities. The Company is also involved in other ancillary covers.

The material geographical areas in which the Company operates are the EU, Australia and Asia.

A.1.7 Significant Business events during the reporting period

There were no significant business events during the reporting period.

A.2 Underwriting Performance

The premium income written by the Company was derived from the coverage of the non-life insurance risks of TNT Express Worldwide B.V. group companies.

The Company provides cover to TNT Express Worldwide B.V., a Netherlands-based express, logistics and mail company, for the following lines of business:

Personal Accident/Travel (Classes 1 & 2)
Motor Damage (Class 3)
Marine Cargo (Class 7)
Property Damage/Business Interruption (Classes 8 & 9)
General Liability (Class 13).
Fidelity (Class 16)

For the purposes of capital reporting these are categorised as:

Class of Business as per Local GAAP	Solvency II Class of Business
Property Damage/Business Interruption	Fire and Other Damage to Property
Marine Cargo	Marine, Aviation & Transport
Aviation	
General Liability	General Liability
Fidelity	Miscellaneous Financial Loss
Personal Accident/Travel	Assistance
Motor Damage	Other Motor
Licence Cover	Income Protection

The 2018 property program was renewed on a non-proportional reinsurance basis.

The Company has determined that the Euro ("€") is the functional currency.

The tables below show a summary of the technical (underwriting) account for the period ended 31 May 2018 by material Line of Business and Geographical area (based on Irish GAAP): Please note the comparative figures for the financial period ending 31 May 2017 are for a 17 month period.

Underwriting performance for the main Solvency II Lines of Business and Geographical areas (including aggregate performance).

Aggregate UW Performance	31/05/2018	31/05/2017
	€'000	€'000
Gross Premiums Earned	9,151	16,267
Gross Claims Incurred	(2,696)	(5,438)
Gross Underwriting Expenses	(1,152)	(1,586)
Reinsurer's Share	(339)	(2,972)
Commission Income	-	18
Allocated Investment Return	-	3
Net Technical Profit	**4,964**	**6,292**

Financial period ended 31 May 2018									
By Line of Business	**Group Personal Accident**	**Motor Vehicles**	**Cargo all risk and liability**	**Property**	**Aviation hull**	**General Liability**	**Fidelity**	**Licence cover**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Gross premiums earned	120	445	5,628	1,950	-	1,008	-	-	**9,151**
Gross Claims incurred	(4)	(142)	(4,561)	(499)	134	2,376	-	-	**(2,696)**
Reinsurers' share	-	-	1,789	(1,716)	(22)	(390)	-	-	**(339)**
Gross operating expenses	(23)	(68)	(771)	(152)	-	(138)	-	-	**(1,152)**
Commission Income	-	-	-	-	-	-	-	-	-
Allocated investment return	-	-	-	-	-	-	-	-	-
Net Technical Profit	**93**	**235**	**2,085**	**(417)**	**112**	**2,856**	**-**	**-**	**4,964**

Financial period ended 31 May 2018			
By Geographical Area	**European Economic Area**	**Rest of World**	**Total**
	€'000	**€'000**	**€'000**
Gross premiums earned	7,614	1,537	**9,151**
Gross Claims incurred	(1,909)	(787)	**(2,696)**
Reinsurers' share	-	(339)	**(339)**
Gross operating expenses	(959)	(193)	**(1,152)**
Commission Income	-	-	**-**
Allocated investment return	-	-	**-**
Net Technical Profit	**4,746**	**218**	**4,964**

Financial year ended 31 May 2017									
By Line of Business	**Group Personal Accident**	**Motor Vehicles**	**Cargo all risk and liability**	**Property**	**Aviation hull**	**General Liability**	**Fidelity**	**Licence cover**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Gross premiums earned	162	618	8,503	3,564	1,371	1,298	524	227	**16,267**
Gross Claims incurred –	(23)	(74)	(4,475)	(504)	(719)	357	-	**-**	**(5,438)**
Reinsurers' share	-	-	(793)	569	(1,557)	(1,191)	-	**-**	**(2,972)**
Gross operating expenses	(17)	(69)	(928)	(389)	-	(142)	(41)	**-**	**(1,586)**
Commission Income	-	-	-	-	-	-	-	**-**	**18**
Allocated investment return	-	-	-	-	-	-	-	-	**3**
Net Technical Profit	**122**	**475**	**2,307**	**3,240**	**(905)**	**322**	**483**	**227**	**6,292**

Financial year ended 31 May 2017			
By Geographical Area	**European Economic Area**	**Rest of World**	**Total**
	€'000	**€'000**	**€'000**
Gross premiums earned	12,755	3,512	**16,267**
Gross Claims incurred	(3,803)	(1,635)	**(5,438)**
Reinsurers' share	(2,329)	(643)	**(2,972)**
Gross operating expenses	(1,243)	(343)	**(1,586)**
Commission Income	-	18	**18**
Allocated investment return	-	-	**3**
Net Technical Profit	**5,380**	**909**	**6,292**

A.3 Investment Performance

A.3.1 Income and expenses arising by asset class

The Company has an investment strategy which complies with the requirements of "the prudent person principle".

As at 31 May 2018 the Company's investment portfolio comprised the following material asset classes:

Asset Class	31/05/2018		31/05/2017	
	Amount €'000	**% of portfolio**	**Amount €'000**	**% of portfolio**
Cash at Bank	43,916	66%	44,923	67%
Loans to Group Companies	-	-	-	
Intercompany balances receivable	22,382	34%	22,334	33%
Total	**66,298**	**100%**	**67,257**	**100%**

The table below sets out the investment returns by asset class:

Asset Class	31/05/2018	31/05/2017
	€'000	€'000
Income from group undertakings	-	10
Total	**-**	**10**

Reduced and negative investment interest rates lead to a fall in investment returns.

A.3.2 Gains and losses recognised directly in equity

No gains and losses have been recognised directly in equity.

A.3.3 Investments in securitisation

There are no investments in securitisation.

A.4 Performance of Other Activities

A.4.1 There have been no other significant activities undertaken by the company other than its insurance and related activities.

A.5 Any Other Information

There are no other material matters in respect of the business and performance of the Company.

B SYSTEM OF GOVERNANCE

B.1 General Information on the system of governance

B.1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

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

Board of Directors:

The Company's Board of Directors carries responsibility for the effective, prudent and ethical oversight of the business and set it business strategy and risk appetite. The Board of Directors is also responsible for ensuring that risk and compliance are properly managed in the company.

The current composition of the Board of Directors is as follows:

B. Haaksman (Chairman)

J. Clarke

J. Hartney

J. Magee

I. Clancy (resigned 15 June 2018)

Independent Control Functions:

The Company has established the four key control functions in line with Solvency II requirements: risk management, actuarial, compliance and internal audit. These functions, each possessing distinct responsibilities, are tasked with providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Risk Management Function

The role of the Company's risk management function is to identify and evaluate the major risks Having considered the nature, scale and complexity of the Company the Board have determined that the role of the RMF can be carried out by the Captive Manager, Marsh Management Services (Dublin) Limited ("the Manager") under the supervision of the Board. The roles and responsibilities of the risk management function are set out within the risk management policy.

Compliance Function

In order to effectively monitor and report on The Company's requirement to be in compliance with all applicable laws and regulatory requirements the Board of Directors has outsourced the compliance

function to the Manager and an employee of the Manager has been appointed as Compliance Officer. The Compliance Officer reports to the Board.

Actuarial Function

To ensure compliance with Solvency II obligations, the role of the Head of Actuarial Function ("HoAF") is outsourced to a third party provider. The HoAF reports to the Board.

Internal Audit Function

The internal audit function is outsourced within TNT Express Worldwide B.V. The scope of internal audit activities includes the examination and evaluation of the effectiveness of the internal control, risk management and governance systems and processes of the entire licensed entity, including the Company's outsourced activities. The Internal Audit function reports to the Board.

B.1.2 Material changes in the system of governance that have taken place over the reporting period.

No material changes took place over the reporting period, aside from the fact that certain functions, including the actuarial function, internal audit function and risk management functions were finalised and approved by the CBI in line with Solvency II requirements.

B.1.3 Remuneration policy for the administrative, management or supervisory body and employees.

The Company does not have any employees. Day to day running of the Company is handled by the Manager under a third party administrative agreement.

Hence the Company's remuneration policy refers only to the remuneration of non-group executive directors should circumstances dictate that it is necessary to appoint external Executive Directors to the Board.

The Board of Directors of the Company includes Group Directors. No remuneration is paid.

B.1.3.2 Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body.

The Company is a non-life insurance captive whose principal activity is the issuance of insurance policies direct to its parent Company and its related subsidiaries/affiliated companies.

The Company did not enter into any transactions with key management personnel in the TNT/FedEx group during the year period ended 31 May 2018.

Mr. J. Magee a director of the Company, is also a director of the Captive Administration Manager, Marsh Management Services (Dublin) Limited.

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

On 1 October 2010, Part 3 of the Central Bank Reform Act 2010 introduced a harmonised statutory system for the regulation by the CBI of persons performing Controlled Functions ('CFs') and Pre-Approval Controlled Functions ('PCFs') in regulated financial service providers.

On 1 December 2011 the CBI issued the Fitness & Probity Standards under Section 50 of the Central Bank Reform Act 2010 which all persons performing Controlled Functions or Pre-Approval Controlled Functions should, at a minimum, comply with.

Guidance for Insurance Undertakings on the Fitness & Probity Amendments 2015 further assist companies in complying with their obligations brought in by the Solvency II (European Union (Insurance and Reinsurance) Regulations 2015 S.I. 485 of 2015).

The Company has adopted a Fitness and Probity Policy (reviewed by the Board on an annual basis) with the purpose of ensuring that:

- persons holding key positions within the Company are assessed in terms of their fitness and probity in relation to a proposed role and on an ongoing basis;
- effective procedures are in place to undertake this assessment;
- the results of such an assessment are documented;
- the Board is satisfied that it can conclude that persons holding key positions are fit and proper;
- responsibility is assigned to ensure fitness and probity is monitored on a continuous basis;
- approval is sought from the Central Bank of Ireland ('CBI') prior to the appointment of persons performing Pre-Approval Control Functions.

B.2.2 Process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

The Policy outlines the procedures that must be followed for assessing the fitness and probity of persons performing CFs and PCFS while also stipulating the requirements for instances when either of these functions are outsourced to a regulated or unregulated entity.

It also focuses on the documentation, controls and governance that are required to be in place to ensure compliance with the abovementioned Regulations.

This is achieved in the main by means of internal checklists, documentary evidence of qualifications proving suitability for the role in question, references, regulatory authority, companies' office and police authority checks and self-certifications from the applicant in the form of Curricula Vitae and the CBI Individual Questionnaires.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

The Company's risk management system is set out as follows:

1. The Board sets the Company Strategy.
2. The Board sets the Risk Strategy. The Risk Strategy describes and addresses the management of all material risks that the Company is exposed to in pursuit of the Company Strategy.
3. The Board sets the Risk Appetite. The Risk Appetite sets out the desired level of risk and the maximum level of variation from its risk appetite that it is willing to accept.
4. The Board has approved a Risk Policy and other individual risk policies necessary for the implementation of it Risk Strategy, consistent with its Risk Appetite.

The Company uses the Standard Formula to assess the solvency and capital requirements.

The Company performs an Own Risk and Solvency Assessment ("ORSA") at least annually. The main purpose of performing the ORSA is to ensure that the Company engages in a process of assessing all risks inherent in the business and determining the corresponding capital needs.

In order to ensure effective risk governance, the system has been designed to identify, assess, manage and monitor and report exposure to risk. This is a continuous process subject to continuous review and development.

Identify

The board reviews the risk profile of the Company at least annually and the Risk Management Function reviews the risk profile on an ongoing basis to ensure that the material risks of the Company are identified and recorded in the risk register.

Assess

Risks identified in the risk register are then quantified by the Board with input from the Risk Management Function and tolerances are established through the development of a risk appetite statement.

Manage

The Board determines the minimum standards to be maintained by the Company in order to manage the risks in a way that is consistent with its risk appetite by developing suitable individual risk policies.

Monitor/Report

Monitoring and reporting to the Board is undertaken at least quarterly from a number of sources including the Risk Management Function, Compliance Officer and the Internal Audit Function.

Findings from the development of the risk register are considered by the Board in the preparation of the annual internal audit plans.

The result is a risk management strategy, which is led by the Board of Directors whilst being embedded in the Company's business systems, strategy and policy setting processes and the activities of the Company.

B.3.2 Implementation of the Risk management system

The Company recognises the need to have appropriate governance, monitoring and reporting processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks it is or might be exposed to.

Responsibility for risk management is spread throughout the Company and the wider TNT group. Appropriate internal reporting procedures and feedback loops ensure that information on the risk management framework is actively monitored and managed by all relevant functions and the Board.

The Company adopts a "3 lines of defence" approach for the overall governance of its risk management system.

The Board of Directors is ultimately responsible for the risk management framework and internal control, including approval of the Company strategy and business planning.

1st Line of Defence – Day to Day:

Operations – the Manager: The Manager provides day to day operations, accounting, financial reporting and administrative support services and company secretarial and regulatory reporting services on an outsourced basis to the Company.

2nd Line of Defence – Oversight:

Risk Management Function ("RMF"): The RMF is responsible for the oversight of the ongoing development, implementation and operation of the risk management framework, strategy, related resource plan and making recommendations to the Board thereon.

Compliance Function: The Compliance Function is recognised as a key part of the Company's internal control system which should identify, assess, monitor and report on the compliance risk exposure of the Company. The Compliance Function also shares its responsibilities with other Company Functions which are responsible for their specific areas.

In order to help achieve its compliance objective the Board has appointed a Compliance Officer. The role of the Compliance Officer is set out in the Company's Board approved Compliance Policy.

3rd Line of Defence – Independent Assessment:

Internal Audit Function: The Board has established an Internal Audit Function that is an independent function with a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and other elements of the system of governance of the Company.

The responsibilities of the Internal Audit function are set out in the Company's Board approved Internal Audit Policy. The Internal Audit Function reports to the Board.

External Audit: The Board recognises that the independent external auditor has an important role in the effectiveness of the governance and risk management systems of the Company. The Company is required by law to appoint an external auditor on an annual basis.

Actuarial Function: The role of the Actuarial Function is outsourced to third party provider via the terms of a written SLA.

B.3.3 ORSA

B.3.3.1 ORSA process

The Company prepares an ORSA on an annual basis and on an ad-hoc basis, if circumstances materially change. The objective of the ORSA process is to enable the Board to assess its capital adequacy in light of the assessments of its risks and the potential impacts of its risk environment, and to enable the Company to make appropriate strategic decisions.

The ORSA process is a rolling project plan of how the ORSA is completed, the interaction and contributions from different stakeholders, the process timetable, the audit trail and the monitoring and reporting cycle.

The Company has adopted the following approach for the conduction of the ORSA process:



Risk Management System: Board puts in place an effective risk management framework comprising of strategies, tolerances, policies, governance, monitoring and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the company is or could be exposed in pursuing its Company strategy.

Risk Identification: Board initiates an organised identification of all actual risks as well as emerging risks, taking into account the Company's strategy and business planning horizon.

Risk Appetite: Appetites and tolerance limits for the risks identified are set by the Board, which provide a basis for allocating risk capacity against the Company's exposure to particular risk categories.

Current Business Activities, Risk Profile, Capital and Solvency: Analysis of the current business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Forecast Business Activities, Risk Profile, Capital and Solvency: Analysis of the forecast business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Stress and Scenario Analysis: Board assesses the effect of different stresses (including reverse stress testing) and scenarios.

Impact on Strategy: Output of the ORSA process is reviewed and challenged by the Board and is being continuously embedded into the Company strategy and system of governance.

B.3.3.2 ORSA review and approval process

The risk management process and ORSA is performed on an annual basis, after the SCR calculation or when there is a significant shift in The Company's business plan. The risk monitoring is performed on an on-going basis and the Risk Register is annually reviewed and updated during the ORSA review process.

The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and that it includes risk sensitivities that can be used in shaping strategy and risk appetite.

The Board reviews the ORSA report and considers appropriate action for the business such as:

- Decisions in relation to capital;
- Reassessment of risk profile and appetite;
- Additional risk mitigation actions;
- Reassessment of investment strategy.

Under the following circumstances, a non-scheduled ORSA shall be performed immediately (in addition to the scheduled ORSA):

- Significant change in the risk profile of the Company which can be defined as a major change to the business strategy/business activity/insurance program etc.
  (i.e. business activities other than the Company's current underwriting activity)
- Significant changes to Non-Financial matters - Operational/Regulatory and Legal/Strategic/Group Risks.

- Significant changes in Other categories - Capital Shortage Risks/quality of capital etc.

B.3.3.3 Statement explaining how the undertaking has determined its own solvency needs given its risk profile and how its capital management activities and its risk management system interact with each other.

The Company determines the solvency capital and assesses the overall solvency needs using the Solvency II standard formula.

A three year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements position is produced using the standard formula, as well as actuarial assumptions. The results are subjected to a range of scenario testing that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the 3 year business planning horizon. The Company also exceeds its strategic minimum SCR coverage over the period.

The results of the ORSA show that the Company has sufficient eligible capital own funds to:

- Maintain a comfortable margin over its Overall Solvency Needs for its current and projected business activities over the business planning horizon;
- Continue to meet internal and regulatory solvency targets for capital management;
- Continue its business on a going concern basis over the business planning horizon.

B.4 Internal Control System

B.4.1 Description of the internal control system

The Board of Directors is ultimately responsible for the internal control framework, including approval of the Company strategy and business planning. Board level controls include the Board charter, Company policies, reports and minutes of Board meetings.

The Internal Control Framework of the Company has three other elements, as previously detailed in section B3.2:

First Line of Defence: “Day to day” operations and associated controls/
Second Line of Defence: oversight from Compliance, Risk Management functions
Third Line of Defence – Independent Assessment, internal audit and actuarial functions (and also external audit).

B.4.2 Implementation of the compliance function

The Board of the Company has ultimate responsibility for its compliance objective.

To help achieve this aim the Board has established a Compliance Function, staffed by an appointed Compliance Officer, to supplement not supplant, the responsibilities of the Board to ensure compliance with legislation and applicable requirements.

The role of the Board appointed Compliance Officer is to:

- Assist the Board with ensuring ongoing compliance with legislation and applicable requirements;
- Enhancing the Company's awareness of compliance matters;
- Monitor the Company's compliance with insurance legislation and applicable requirements and guidelines;
- Document any breaches identified, how they were addressed and whether any third party reporting of the breach is required;
- Ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company;
- Provide opinions, recommendations, supervision and independent controls;
- Provide reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation.

The Compliance Officer presents a Compliance Officer report to the Board at each board meeting which outlines the following:

- Details of regulatory correspondence with the Company
- Details of regulatory developments
- Details of which controls were tested since the last report and the results of the tests
- Conclusions and recommendations on the Company's compliance with reinsurance legislation and guidelines.

B.5 Internal audit function

B.5.1 Implementation of the internal audit function

The Company has outsourced its Internal Audit Function within the TNT Express Worldwide B.V. internal audit department. The internal audit function possesses a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

To this end, the Internal Audit Function is mandated to:

- Establish, implement and maintain an audit plan setting out the audit work to be undertaken in the upcoming years, taking into account all activities and the complete system of governance of the Company;
- Take a risk-based approach in deciding its priorities;
- Report the audit plan to Board of Directors;
- Issue recommendations based on the result of work carried out in accordance with (a) above, and submit a written report on its findings and recommendations to the Board of Directors on at least an annual basis.

B.5.2 Independence of the internal audit function

The internal audit function provides independent and objective assurance services.

B.6 Actuarial function

The role of the Actuarial Function is outsourced to third party provider, Willis Towers Watson, via the terms of a written SLA.

The key role of the Head of Actuarial Function (HoAF) is to provide the following services:

- Opinion on Underwriting Policy
- Opinion on Technical Provisions
- Opinion on Reinsurance Arrangements
- Contribution to the Risk Management System
- Contribution to calculation of capital requirements
- Opinion on the ORSA process

B.7 Outsourcing

The Company has established an Outsourcing Policy which sets out the requirements for identifying, justifying and implementing material outsourcing arrangements. This Policy has been adopted by the Company and includes following:

- Definition of outsourcing and critical outsourcing;
- Risk Mitigation strategies;
- Board and Management responsibility;
- Due Diligence;
- Business Continuity Management (BCM);
- Contractual Arrangements;
- Management and control of the Outsourcing Relationship;
- Intra-Group Outsourcing;
- Final approval

The Company's outsourcing arrangements are subject to annual review and the findings of the report, along with the Outsourcing Policy are reviewed by the Board.

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

Critical Outsourcing Arrangements				
Outsourced Provider	Service Outsourced	Internal/External	Jurisdiction	Outsourcing Oversight
Marsh Management Services (Dublin) Limited	Captive Manager	External	European Union	Chairman(PCF-3)
	Compliance Function			
	Risk Management Function			
Willis Towers Watson	Head of Actuarial Function	External	European Union	
TNT Express Worldwide B.V.	Internal Audit Function	Internal	European Union	
	Claims Administration	Internal		

B.8 Assessment of the adequacy of the system of governance of the insurance or reinsurance undertaking to the nature, scale and complexity of the risks

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

B.9 Any other material information regarding the system of governance of the Company

No material changes regarding the system of governance of the Company took place, aside from the fact that certain functions, including actuarial function, internal audit function and risk management functions were finalised and approved by the CBI in line with Solvency II requirements.

C RISK PROFILE

C.1 Underwriting risk

C.1.1 Key underwriting risks

The key underwriting risks to which the Company is exposed to are set out below:

Non-life premium and reserve risk

Underwriting risk arises from two sources – premium risk (pricing) and adverse claims development (reserve risk).

For a non-life insurer, underwriting risk is the risk arising from non-life reinsurance obligations in relation to the perils covered and the processes used in the conduct of business.

There are a number of material risks that are considered as a result of the Company's insurance underwriting.

For premium risk, the Company has considered the risk of underpricing of premiums resulting in higher loss ratios than expected. The Board of Directors has approved an underwriting policy that established the standards and limitations' regarding the Company's underwriting activities.

The Company has no appetite for the underwriting of risks outside of its approved underwriting policy.

For reserve risk, the Company has considered the risk of over- and under-reserving of actual and expected claims.

The Company acknowledges the support of the highly experienced risk and claims management functions at the parent TNT Express Worldwide B.V. in determining the appropriate pricing and claims reserves.

Non-life catastrophe risk

The risk of a major natural or man-made catastrophe event occurring, while not listed in the Company's risk register, is considered as part of its reinsurance strategy. Given the limits written by the Company in the property damage and aviation policies, there is a potential exposure to a large catastrophe claim. However the Company has chosen to limit its exposure to such claims by purchasing reinsurance protection above the risk retention levels that are agreed for each year.

C.1.2 Material risk concentrations

The Company seeks to avoid concentration of risks by accepting insurance of risks which are sourced across several countries and across different lines of business.

C.1.3 Assessment and risk mitigation techniques used for underwriting risks

The Company monitors and controls underwriting risks via various methods, including:

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing insurance risks with quality underwriting and claims expertise and information;
- Retaining risk within an approved risk appetite and solvency requirements;
- Diversifying and limiting reinsurance risk through ongoing review and management;
- Transferring risk, through reinsurance with high credit quality entities;
- Monitoring changing environment and market conditions that affect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Independent opinions on the reasonableness and adequacy of the overall underwriting and reserving policies are provided by the Head of Actuarial Function on an annual basis.

C.2 Market risk

C.2.1 Material market risks

Market risk is the risk arising from the level of volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, real estate prices and exchange rates. Market risk is arrived at using the assumptions and calculations methods contained in the Standard Formula.

Investment objectives are outlined in the Company's Investment and Asset Liability Policy.

The table below outlines the material components of the market risk module as at 31 May 2018.

Market Risk sub-module	€'000
Concentration	17,924
Spread	1,286
Interest Rate	43
FX	160

Concentration Risk: the risk that excessive exposure to counterparty will impact on the solvency of Company.

Concentration risk of €17.924m (2017: €35.638m) is the most significant market risk charge and arises from the BMG and ING bank accounts. Concentration risk was reduced during the year following the transfer of €43.9m from the unrated BMG account to the A-rated ING Bank.

Spread Risk: the sensitivity of the value of investments, primarily bonds and deposits in respect of the Company, to changes in the level or in the volatility of credit spreads. Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve.

Interest rate risk: the risk that the Company is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates.

Interest risk is not considered largely material given the nature and structure of the Company's investments. The Company has allocated an interest rate charge of €43k (2017:€28k).

Currency risk: the risk that the Company is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets or liabilities arising from changes in underlying exchange rates.

The Company has a small exposure to currency risk and has allocated an FX risk charge of €160k (2017: €243k).

C.2.2 Material risk concentrations

There is a concentration of risks owing to the value of assets invested in the intercompany deposits. However, this is a risk that is managed by the Company through its investment policy, where the minimum credit ratings and asset mix requirements are stipulated.

C.2.3 Prudent person principle applied to market risks

The high quality and conservative investments are a consequence of the investment assets being prudently invested, taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.2.4 Assessment and risk mitigation techniques used for market risks

The Company monitors and controls market risks via various methods, including:

- Compliance with the Investment and Asset Liability Policy as approved by the Company's Board of Directors;
- Diversifying investment risk through ongoing review and management;
- Retaining risk within an approved risk appetite and solvency requirements;
- Monitoring changing environment and market conditions that affect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.3 Credit risk

C.3.1 Material credit risks

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations towards the Company.

The counterparty default risk module in the Standard Formula is mainly driven by cash at bank and the reinsurer's share of technical provisions (under loss scenarios).

C.3.2 Material risk concentrations anticipated over the business planning period

Reinsurance risk is managed through the Company's outward reinsurance policy, which stipulates minimum credit ratings and monitoring/reporting thereof and other salient requirements.

C.3.3 Prudent person principle applied to credit risks

Counterparties are selected by taking into account the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty.

C.3.4 Assessment and risk mitigation techniques used for credit risks

The Company monitors and controls credit risks via various methods, including:

- Minimum rating criteria for the placing of deposits and opening of bank accounts, in line with the Investment and Asset Liability Policy;
- Transferring risk, through reinsurance with high credit quality entities;
- Monitoring the credit ratings of counterparties;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process;
- Retaining risk within an approved risk appetite and solvency requirements;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.4 Liquidity risk

C.4.1 Material liquidity risks

Liquidity risk refers to the risk that undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.

It is the Company's policy that liquidity and concentration risk is minimised as much as possible

The Company has considered the risk of a lack of liquidity available to pay insurance liabilities in its risk register. No specific allocation of capital is considered necessary for this risk.

The Company's cash in-flow is generated from premium income. Its cash out-flow consists mainly of claims payments and a small volume of administration expenses

C.4.2 Prudent person principle applied to liquidity risks

The investment assets are prudently invested taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.4.3 Assessment and risk mitigation techniques used for liquidity risks

The Company monitors and controls risks via various methods, including:

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- The Manager monitors cash movements and performs cash flow forecasting which are regularly reported to the Company;

- Premiums are billed on an annual basis. Upon receipt of premium, investments are made in line with the Company's Investment and Asset Liability Policy;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process.

C.5 Operational risk

C.5.1 Material operational risks

Operational risk is the risk of loss resulting from failed internal processes, people and systems or from external events. Operational risks which can result in losses include internal fraud. External fraud, employments practices, system failures and disregard of company policies.

The Company seeks to limit all operational risk through the implementation of a robust system of internal controls and procedures.

For such non-quantifiable risks, the Company has set a strategic surplus (target) of 20% as a prudent buffer to the Standard Formula calculation.

Operational risks are also addressed in the capital requirement as an addition to the BSCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 May 2018 is €592k (2017:€694k).

C.5.2 Assessment and risk mitigation techniques used for operational risks

The Company monitors and controls operational risks via various methods, including:

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Implementing a robust system of internal controls and procedures;
- Segregation of duties;
- Monitoring and internal reporting;
- Outsourcing its management to an experienced management company;
- Setting a strategic surplus target of 20% above the SCR;
- Commitment of effective corporate governance.

C.6 Other material risks

The Company has included a range of non-quantifiable risks in its ORSA process. Documented associated actions exist for each of these risks and they are reviewed on a quarterly basis by the Board of Directors.

Sample risks include:

- Regulatory and Compliance;
- Loss of key personnel/director's resignation;

- Outsourcing.

The Company has no appetite for regulatory risk. It is the objective of the Company to be at all times in compliance with Insurance Acts and Regulations, and with Guidelines issued by the insurance supervisory authority and other applicable legislation in accordance with good corporate governance and codes of conduct.

The Board is satisfied that the Company has a succession plan in place and in the event that a director resigns or intends to resign the parent Company will provide a replacement nominee for that position as soon as possible.

The Board recognises that the Company operates on a basis of an outsourced model, whereby the day to day operations and number of key functions are outsourced; the Board is satisfied that all outsourcing agreements include an appropriate period notice.

This would provide the Company with sufficient time to find an alternative professional services provider. Additionally, performance of outsourced providers is reviewed on an annual basis and such review would flag any potential deficiencies of the individual service provider.

The Board considers that these non-quantifiable risks that are not captured by the standard model are covered by the application of the specified strategic solvency target which has been set by the Board at 20%.

C.7 Amount of expected profit included in future premiums as calculated in accordance with Article 260(2)

The amount of expected profit included in future premiums calculated in accordance with Article 260 (2) is Nil as at 31 May 2018.

C.8 Stress and sensitivity tests

The Company's ORSA contains 5 scenarios. Stress testing is based on the largest risks per the Company's risk register, which have been determined to be:

1. Counterparty financial rating downgrade – Bank/Investment
2. Counterparty financial rating downgrade – Reinsurers ;
3. Counterparty financial rating downgrade – Combined Investment & Reinsurers;
4. Increase in written premiums – Doubling of Marine & Property premiums in Year 2;
5. Operational Event – impact of multiple operational events occurring.

Robust risk mitigation practices and remediation plans are in place to address these risks.

The results of the stress testing conducted during 2017 indicate that the Company is well capitalised at present and is projected to have sufficient own funds to meet its overall solvency needs throughout the projection period. No further general management actions are required outside of the existing reporting and monitoring controls that are in place.

As a part of 2017 ORSA the Company considered a reverse stress test. This can be defined as a stress test that requires assessment of scenarios and circumstances that would render its business model unviable, thereby identifying potential business vulnerabilities.

The Board discussed potential scenarios which could result in a breach of the Company's SCR. The Board noted the Company is highly capitalised with a well-diversified reinsurance panel in place and low risk retention levels. The failure of the Marine reinsurers coupled with a simultaneous downgrade of the ING rating to BB would result in SCR coverage of 85%. In this scenario the Company would request a capital contribution from the shareholder to restore its SCR coverage requirement. The Board considers the risk of total default to be remote.

C.9 Any Other Information

The Company has identified all material risks through its risk register and there is no other material information regarding the risk profile of the Company that warrants disclosure.

D VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

D.1.1 Local GAAP and Solvency II Valuations

The table below sets out the value of the Company's material assets as at 31 May 2018:

31/05/2018		
	Assets per GAAP	**Assets per Solvency II**
	Total €000	**Total €'000**
Cash and cash equivalents	43,916	1
Intercompany balances receivable	22,382	-
Other Mortgages and Loans	-	66,297
Reinsurer's share of technical provisions	7,024	6,419
Insurance and Intermediaries Receivables	1,070	1,070
Other Debtors	45	45
Total assets	**74,437**	**73,832**

31/05/2017		
	Assets per GAAP	**Assets per Solvency II**
	Total €000	**Total €'000**
Cash and cash equivalents	44,923	1
Intercompany balances receivable	22,334	-
Other Mortgages and Loans	-	67,256
Reinsurer's share of technical provisions	6,854	5,542
Insurance and Intermediaries Receivables	258	258
Other Debtors	350	350
Total assets	**74,719**	**73,407**

The Company's assets are recognised and valued using the following principles:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

Intercompany deposits

Valued at fair value.

For Solvency II purposes the balances held in the BMG and ING accounts are reclassified to “Other Mortgages and Loans”.

Reinsurance recoverables

Reinsurance recoverables are comprised of the reinsurer’s share of unearned premiums and a provision for amounts recoverable from the related reinsurance contract.

Adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rates curve. An adjustment for reinsurer default is then applied.

D.2 Technical Provisions

D.2.1 Local GAAP and Solvency II Valuations

The valuation of liabilities for Solvency II has been determined in accordance with Articles 75-86 of the Solvency II Directive 2009/138/EC and related guidance.

The table below shows an analysis of the technical provisions as at 31 May 2018:

Insurance Class	31/052018	
	TPs per GAAP €'000	TPs per Solvency II €'000
Fire and Other Damage to Property		
Best estimate of liabilities (BEL)	598	1,134
Risk margin	-	65
Marine Cargo/Aviation		
Best estimate of liabilities (BEL)	7,243	13,248
Risk margin	-	391
General Liability		
Best estimate of liabilities (BEL)	10,149	4,288
Risk margin	-	173
Fidelity		
Best estimate of liabilities (BEL)	155	24
Risk margin	-	-
Personal Accident/Travel		
Best estimate of liabilities (BEL)	84	130
Risk margin	-	6
Motor Damage		
Best estimate of liabilities (BEL)	374	621
Risk margin	-	21
NPR - Property		
Best estimate of liabilities (BEL)	**-**	(297)
Risk margin	-	72
NPR – Marine Cargo / Aviation		
Best estimate of liabilities (BEL)	**-**	575
Risk margin	-	46
Total technical provisions	**18,603**	**20,497**

Insurance Class	31/05/2017	
	TPs per GAAP €'000	TPs per Solvency II €'000
Fire and Other Damage to Property		
Best estimate of liabilities (BEL)	1,870	2,065
Risk margin	-	231
Marine Cargo/Aviation		
Best estimate of liabilities (BEL)	7,088	14,751
Risk margin	-	533
General Liability		
Best estimate of liabilities (BEL)	13,506	5,495
Risk margin	-	287
Fidelity		
Best estimate of liabilities (BEL)	**-**	151
Risk margin	-	2
Personal Accident/Travel		
Best estimate of liabilities (BEL)	60	98
Risk margin	-	5
Motor Damage		
Best estimate of liabilities (BEL)	343	568
Risk margin	-	16
Licence Cover		
Best estimate of liabilities (BEL)	**-**	-
Risk margin	-	-
Total technical provisions	**22,867**	**24,202**

Solvency II classes of business: Classes of business have been allocated to Solvency II line of business on the following basis:

Class of Business as per Local GAAP	Solvency II Class of Business
Property Damage/Business Interruption	Fire and Other Damage to Property
Marine Cargo	Marine, Aviation & Transport
Aviation	
General Liability	General Liability
Fidelity	Miscellaneous Financial Loss
Personal Accident/Travel	Assistance
Motor Damage	Other Motor
Licence Cover	Income Protection

The GAAP accounts of the Company include provisions for claims incurred and claims incurred but not reported, which consider all reasonably foreseeable best estimates. An unearned premium reserve is also included, relating to gross premiums written that have not yet expired by the end of the financial period by reference to the full term of the insurance policies to which such premiums written relate.

A number of adjustments were made to the GAAP provisions in order to obtain the Solvency II technical provisions. Key points to note are as follows:

The Solvency II technical provisions are made up of a best estimate of the claims, premiums and expenses cash flows that are discounted to give an estimate of the provisions.

Cash-flows and discounting: Cash-flows have been discounted using the Euro risk free yield curve as at 31 May 2018 as published by the European Insurance and Occupational Pensions Authority ("EIOPA").

Risk Margin

The risk margin has been calculated separately by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations

The annual cost of capital is taken to be 6% of the capital estimated at each future point.

D.2.2 Uncertainty associated with the value of Technical Provisions

All estimates of unpaid loss reserves are inherently uncertain. The key areas of uncertainty of the technical provisions are driven by the uncertainty of the underlying booked reserves. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

D.2.3 Solvency II and local GAAP valuation differences of Technical Provisions by material line of business

See analysis in Section D2.1.

D.2.4 The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

D.2.5 The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

D.2.6 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 The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.2.8 Recoverable from reinsurance and special purpose vehicles

Total reinsurance recoverable at 31 May 2018 were €7.024m (2017: €6.851m). An analysis of the components of same together with an overview of the Solvency II valuation bases has been provided in Section D1.1.

D.2.9 Material changes in relevant assumptions made in the calculation of technical provisions

There are no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the previous reporting period ("Day 1" Solvency II reporting).

D.3 Other liabilities

The table below sets out the value of the Company's material other liabilities as at 31 May 2018:

31/05/2018		
	Other Liabilities per GAAP	Other Liabilities per Solvency II
	Total €000	Total €'000
Losses payable	63	63
Premium payable	725	725
Tax	-	-
Accruals	367	367
Total other liabilities	**1,155**	**1,155**

31/05/2017		
	Other Liabilities per GAAP	Other Liabilities per Solvency II
	Total €000	Total €'000
Losses payable	1,189	1,189
Premium payable	57	57
Accruals	267	267
Total other liabilities	**1,513**	**1,513**

Other liabilities are measured at fair value

D.4 Alternative Methods for Valuation for other liabilities

The Company does not use any alternative methods for valuation.

D.5 Any Other Information

There are no other material matters in respect of the valuation of assets and liabilities.

E CAPITAL MANAGEMENT

E.1 Own funds

E.1.1 Objective, policies and processes for managing own funds

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new share capital over the three year time horizon used for business planning.

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

- Own funds to be maintained at an agreed level in excess of the SCR, target solvency margin cover is currently set at 120% of the SCR;
- Dividends will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the abovementioned target SCR cover;
- The Company's own funds are primarily invested in bank deposits in line with the Board approved Investment and Asset Liability Policy.

E.1.2 Own funds analysed by tiers

An analysis of own funds is shown below:

Date	Description	Tier 1 €'000	Total €'000
1 June 2017	Opening balance comprising: Ordinary share capital Reconciliation Reserve	 681 47,011	 **681** **47,011**
	Movement in the Reconciliation reserve for the period ended 31 May 2018	4,488	**4,496**
31 May 2018	Closing balance	52,180	**52,188**
	Represented by:		
	Ordinary share capital	681	**681**
	Reconciliation reserve (comprising retained earnings and Solvency II adjustments)	51,499	**51,507**
	Total Basic own funds after deductions	52,180	**52,188**

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a)(1) of the Delegated Regulation. The positive reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has no tier 1 restricted own funds and no tier 2 or tier 3 own funds.

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Solvency Capital Requirement is €52.180m (2017: €47.692m). This is comprised of Tier 1 unrestricted Basic Own Funds of €52.180m (2017: €47.692m).

E.1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Minimum Capital Requirement is €52.180m (2017: €47.692m). This is comprised of Tier 1 unrestricted Basic Own Funds of €52.180m (2017: €47.692m).

E.1.5 Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

Reconciliation of Basic Own Funds to Equity as per financial statements		
	2018 €'000	2017 €'000
Solvency II - Basic Own Funds	52,180	47,692
Total Equity as per financial statements	54,679	50,336
Difference:	(2,499)	(2,674)
Represented by:		
Difference between Net Technical Provisions and BEL	(1,725)	(1,600)
Risk Margin – Non Life	(774)	(1,074)
Difference:	**(2,499)**	**(2,674)**

E.1.6 None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.7 There are no ancillary own funds items.

E.1.8 No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the total SCR and MCR at 31 May 2018:

	2018 €'000	2017 €'000
Solvency Capital Requirement	20,447	39,705
Minimum Capital Requirement	5,112	9,927

The final amount of the SCR remains subject to supervisory assessment.

E.2.2 Solvency Capital Requirement split by risk modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 May 2018.

SCR Overview	2018 €'000	2017 €'000
Market risk	17,974	35,638
Counterparty default risk	408	5,014
Non-life underwriting risk	4,758	4,943
Diversification	(3,284)	(6,584)
Basic Solvency Capital Requirement	19,856	**39,011**
Operational risk	592	694
Solvency Capital Requirement	20,447	**39,705**

E.2.3 Simplified calculations are not used for any of the risk modules or sub-modules.

E.2.4 The Company does not use undertaking specific parameters in its computation.

E.2.5 The Minimum Capital Requirement is calculated using the Standard Formula specifications.

MCR Overview	2018 €'000	2017 €'000
Linear MCR	2,303	2,755
SCR	20,447	39,705
MCR cap	9,201	17,867
MCR floor	5,112	9,926
Combined MCR	5,112	9,926
Absolute floor of the MCR	3,700	3,700
Minimum Capital Requirement	**5,112**	**9,926**

E.2.6 There were no material changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period.

E.3 Any use of the equity risk sub-module in the calculation of the Solvency Capital Requirement.

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4 Internal model information.

The Company applies the Standard Formula model and does not use an internal model to calculate the Solvency Capital Requirement.

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

There were no breaches of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

E.6 Any other information.

There are no other material matters in respect of the valuation of capital management.

F TEMPLATES

The following templates are included at the end of the report.

QRT ref	QRT Template name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses
S.05.02	Premiums, claims and expenses by country
S.17.01	Technical Provisions
S.19.01	Non-Life insurance claims
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01	Minimum Capital Requirement

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**	66,297
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	66,297
Reinsurance recoverables from:	**R0270**	6,419
Non-life and health similar to non-life	**R0280**	6,419
Non-life excluding health	**R0290**	6,419
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**	1,070
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	-
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	1
Any other assets, not elsewhere shown	**R0420**	45
Total assets	**R0500**	73,832

Annex I
S.02.01.02
Balance sheet

Liabilities		
Technical provisions – non-life	**R0510**	20,497
Technical provisions – non-life (excluding health)	**R0520**	20,497
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	19,722
Risk margin	**R0550**	775
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**	
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**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	270
Reinsurance payables	**R0830**	518
Payables (trade, not insurance)	**R0840**	367
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	-
Total liabilities	**R0900**	21,652
Excess of assets over liabilities	**R1000**	52,180

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**					428	4,616		860	
Gross - Proportional reinsurance accepted	**R0120**									
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**						666	-60	122	
Net	**R0200**					428	3,950	60	738	
Premiums earned										
Gross - Direct Business	**R0210**					445	5,387	1,431	1,008	
Gross - Proportional reinsurance accepted	**R0220**									
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**						704	439	243	
Net	**R0300**					445	4,683	992	765	
Claims incurred										
Gross - Direct Business	**R0310**					93	3,735	340	833	
Gross - Proportional reinsurance accepted	**R0320**									
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**						115		104	
Net	**R0400**					93	3,620	340	729	
Changes in other technical provisions										
Gross - Direct Business	**R0410**					49	712	159	-3,209	
Gross - Proportional reinsurance accepted	**R0420**									
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**						2,210	-1,120	-251	
Net	**R0500**					49	-1,498	1,279	-2,958	
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**		144						6,048
Gross - Proportional reinsurance accepted	**R0120**								0
Gross - Non-proportional reinsurance accepted	**R0130**						357	790	1,147
Reinsurers' share	**R0140**								728
Net	**R0200**		144				357	790	6,467
Premiums earned									
Gross - Direct Business	**R0210**		120						8,391
Gross - Proportional reinsurance accepted	**R0220**								0
Gross - Non-proportional reinsurance accepted	**R0230**						404	357	761
Reinsurers' share	**R0240**								1,386
Net	**R0300**		120				404	357	7,766
Claims incurred									
Gross - Direct Business	**R0310**		4						5,005
Gross - Proportional reinsurance accepted	**R0320**								0
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**								219
Net	**R0400**		4						4,786
Changes in other technical provisions									
Gross - Direct Business	**R0410**								-2,289
Gross - Proportional reinsurance accepted	**R0420**								
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**								839
Net	**R0500**								-3,128
Expenses incurred	**R0550**								
Other expenses	**R1200**								883
Total expenses	**R1300**								883

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	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**									883

S.05.02.01.01 Non-Life Premiums, claims and expense by country (Top 5 and home country)

			Home country	Top 5 countries (by amount of gross premium written) - non-life obligations					Total Top 5 and home country
			Home country	Australia	France	Italy	Netherlands	United Kingdom	
Premiums written	Gross - Direct Business	R0110	42	608	897	674	1,113	586	3,920
	Gross - Proportional reinsurance accepted	R0120	0						0
	Gross - Non-proportional reinsurance accepted	R0130	0						0
	Reinsurers' share	R0140	0	0	60				60
	Net	R0200	42	608	957	671	1,113	586	3,977
Premiums earned	Gross - Direct Business	R0210	61	906	1,254	919	1,049	835	5,024
	Gross - Proportional reinsurance accepted	R0220	0						0
	Gross - Non-proportional reinsurance accepted	R0230	0						0
	Reinsurers' share	R0240	0	10	(32)				(22)
	Net	R0300	61	896	1,286	919	1,049	835	5,046
Claims incurred	Gross - Direct Business	R0310	82	396	134	607	532	416	2,167
	Gross - Proportional reinsurance accepted	R0320	0						0
	Gross - Non-proportional reinsurance accepted	R0330	0						0
	Reinsurers' share	R0340	0						0
	Net	R0400	82	396	134	607	532	416	2,167
Changes in other technical provisions	Gross - Direct Business	R0410					(156)		(156)
	Gross - Proportional reinsurance accepted	R0420							0
	Gross - Non-proportional reinsurance accepted	R0430							
	Reinsurers' share	R0440							0
	Net	R0500							0
Expenses incurred		R0550							0
Other expenses		R1200							
Total expenses		R1300							0

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					259	2,723		199	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					15	421		-544	
Net Best Estimate of Premium Provisions	R0150					244	2,302	-	743	
Claims provisions										
Gross	R0160					362	10,526	1,133	4,089	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					2	5,736	8	596	
Net Best Estimate of Claims Provisions	R0250					360	4,790	1,125	3,493	
Total Best estimate - gross	R0260					621	13,249	1,133	4,288	
Total Best estimate - net	R0270					604	7,092	1,125	4,236	
Risk margin	R0280					21	391	65	173	
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

		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					642	13,640	1,198	4,461	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330					17	6,157	8	52	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340					625	7,483	1,190	4,409	

		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		97				173	- 534	2,917
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		5				27	15	- 61
Net Best Estimate of Premium Provisions	R0150		92				146	- 549	2,978
Claims provisions									
Gross	R0160		33	24			402	237	16,806
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		-	21			116	2	6,481
Net Best Estimate of Claims Provisions	R0250		33	3			286	235	10,325
Total Best estimate - gross	R0260		130	24			575	- 297	19,723
Total Best estimate - net	R0270		125	3			432	- 314	13,303
Risk margin	R0280		6	-			46	72	774
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		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		136	24			621	- 225	20,497
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		5	21			142	17	6,419
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340		131	3			479	-242	14,078

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	

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											-256	R0100	-256	-256
N-9	R0160	648	693	976	1,422	151	716	115	49	81	-		R0160	-	4,850
N-8	R0170	846	697	488	-8	352	234	95	26	130			R0170	130	2,859
N-7	R0180	772	967	637	323	223	780	727	-12				R0180	-12	4,417
N-6	R0190	1,281	1,159	191	2,513	579	267	190					R0190	190	6,181
N-5	R0200	1,013	1,902	178	414	383	113						R0200	113	4,002
N-4	R0210	934	1,388	145	197	387							R0210	387	3,049
N-3	R0220	1,038	1,703	814	114								R0220	114	3,670
N-2	R0230	1,452	1,219	38									R0230	38	2,709
N-1	R0240	3,106	4,047										R0240	4,047	7,153
N	R0250	255											R0250	255	255
													Total R0260	5,006	38,889

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												
	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											295	R0100	260
N-9	R0160	-	-	-	-	-	-	-	-	315	222		R0160	207
N-8	R0170	-	-	-	-	-	-	-	456	360			R0170	340
N-7	R0180	-	-	-	-	-	-	608	492				R0180	472
N-6	R0190	-	-	-	-	-	779	633					R0190	616
N-5	R0200	-	-	-	-	1,018	767						R0200	755
N-4	R0210	-	-	-	1,377	949							R0210	943
N-3	R0220	-	-	2,100	1,279								R0220	1,278
N-2	R0230	-	3,889	1,894									R0230	1,899
N-1	R0240	7,067	3,477										R0240	3,488
N	R0250	6,541											R0250	6,547
												Total	R0260	16,805

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	681	681		0	
Share premium account related to ordinary share capital	R0030	-	-		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		0	
Subordinated mutual member accounts	R0050	-		0	0	0
Surplus funds	R0070	-	-			
Preference shares	R0090	-		0	0	0
Share premium account related to preference shares	R0110	-		0	0	0
Reconciliation reserve	R0130	51,500	51,500			
Subordinated liabilities	R0140	-		0	0	0
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	-	-	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	52,181	52,181	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			0	
Unpaid and uncalled preference shares callable on demand	R0320	-			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			0	0
Other ancillary own funds	R0390	-			0	0
Total ancillary own funds	R0400	-			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	52,181	52,181	0	0	
Total available own funds to meet the MCR	R0510	52,181	52,181	0	0	
Total eligible own funds to meet the SCR	R0540	52,181	52,181	0	0	
Total eligible own funds to meet the MCR	R0550	52,181	52,181	0	0	
SCR	R0580	20,447				
MCR	R0600	5,112				
Ratio of Eligible own funds to SCR	R0620	255%				
Ratio of Eligible own funds to MCR	R0640	1021%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	52,181
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	681
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	51,500
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	481
Total Expected profits included in future premiums (EPIFP)	R0790	481

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	17,974		
Counterparty default risk	R0020	408		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	4,758		
Diversification	R0060	- 3,285		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	19,855		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	592
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	20,447
Capital add-on already set	R0210	
Solvency capital requirement	R0220	20,447
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	2,303

		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	604	428
Marine, aviation and transport insurance and proportional reinsurance	R0070	7,092	3,950
Fire and other damage to property insurance and proportional reinsurance	R0080	1,126	60
General liability insurance and proportional reinsurance	R0090	4,236	739
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120	125	144
Miscellaneous financial loss insurance and proportional reinsurance	R0130	3	
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160	432	357
Non-proportional property reinsurance	R0170		790

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	2,303
SCR	R0310	20,447
MCR cap	R0320	9,201
MCR floor	R0330	5,112
Combined MCR	R0340	5,112
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	5,112