Cuardaithe Designated Activity Company

Solvency and Financial Condition Report

Reporting period ended 31 December 2019

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SUMMARY

This report refers to the business of Cuardaithe Designated Activity Company ('Cuardaithe', 'the Company'), a captive insurer, authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2019.

Cuardaithe has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA. This is the first such report for Cuardaithe, having received its insurance authorisation on 20 February 2019, therefore there are no applicable comparatives or analyses of change to include within the report.

The Company's business strategy is to provide coverage for certain liability risks of the Group. The impact of insurance risk volatility on the Company's capital base is mitigated through the selection of appropriate policy limits. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which Cuardaithe is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Cuardaithe can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals.

Risks to which the Company is exposed are well understood by the key stakeholders and are used to determine the level of solvency and capital required over the business planning period and to better inform decision making within the Company.

As at 31 December 2019, the Company had eligible own funds of €27,374k available to meet its Solvency Capital Requirement (SCR) of €20,121k; resulting is a Solvency Ratio of 136% which is in compliance with the regulatory solvency requirements per the Solvency II regulations. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business operations. The Minimum Capital Requirement (MCR) was also satisfactorily met at the year-end. There were no instances of non-compliance with the capital requirements during the reporting period.

A. BUSINESS & PERFORMANCE

A.1 Business

Cuardaithe DAC is incorporated in Ireland as a designated activity company (DAC), limited by shares. Cuardaithe is a captive insurance company, underwriting only the risks of its parent group Alphabet Inc.

The Company's business address and registered office is 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland. Cuardaithe is authorised since 20 February 2019 by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance.

The Company has received a licence from the Central Bank of Ireland to write Class 13 - General Liability business.

The Company is a wholly owned indirect subsidiary of its parent company, Alphabet Inc., headquartered at Mountain View, California, (thereafter 'the Group') and insures solely the risks of the Group throughout the EEA. Alphabet Inc. is one of the leading technology companies in the world and is focused on organizing the world's information and making it universally accessible and useful. The Group is a large sophisticated structure with a significant number of subsidiaries. A list of all significant subsidiaries of Alphabet Inc. can be found by accessing the following link:
https://www.sec.gov/Archives/edgar/data/1652044/000165204420000008/googexhibit2101q42019.htm

Cuardaithe's position / chain of ownership within the Group is as reflected in the structure chart included at Annex 2. That structure chart identifies the companies in the chain which have qualifying holdings in Cuardaithe, as well as the relevant percentages (and the companies' locations).

In addition to the qualifying holdings held by companies in Cuardaithe's chain of ownership (see structure chart at Annex 2), certain shareholders at Alphabet Inc. level also have the ability to exercise influence over key decisions impacting Alphabet Inc.

The Alphabet Inc. Class B common stock has 10 votes per share. Its Class A common stock has one vote per share. Its Class C capital stock has no voting rights. As of December 31, 2019, Larry Page and Sergey Brin beneficially owned approximately 84.3% of Alphabet's outstanding Class B common stock, which represented approximately 51.2% of the voting power of Alphabet's outstanding common stock. Through their stock ownership, Larry and Sergey have significant influence over all matters requiring Alphabet Inc. stockholder approval.

The operation of the Company is subject to the local regulatory requirements in Ireland, within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimise the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

Cuardaithe conducts all significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland.

The Company's independent auditor Ernst and Young ('EY') is located at Harcourt Centre, Harcourt St, Dublin 2, D02 YA40.

The insurance supervision division at the CBI is located at New Wapping Street, North Wall Quay, Dublin 1, Ireland.

There have been no significant events during the reporting period which have had a material impact on the Company.

A.2 Underwriting Performance

Cuardaithe's business is the provision of insurance in a manner which enhances the risk management, economic and administrative efficiency of the Group. The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate reserves, with annual support and certification being provided by an external actuary.

Insurance is provided under one regulatory line of business, General Liability. During the reporting period, Cuardaithe provided Errors & Omissions liability cover for Group risks throughout the EEA, with the material portion of the risk arising in Ireland. The policy is subject to per event and annual aggregates.

Profit after tax for the financial year ended 31 December 2019 amounted to €1,442k.

Premiums written relate to business incepted during the financial year and represents a 13 month policy period commencing on 1 May 2019. Premium pricing will be re-assessed annually taking into account the underlying risks being insured, historical claims performance and the relevant costs associated with the administration of the programme.

The Company's underwriting performance (gross and net) for this sole line of business for the reporting period ended 31 December 2019 is set out below:

	2019 (€'000)
Written premium	15,781
Movement in unearned premium	(6,064)
Earned premiums	9,717
Claims incurred	(7,288)
Underwriting Profit	**2,429**

There were no claims paid in the reporting period. Claims incurred represents reserves for reported incidents and a provision for incurred but not reported (IBNR) claims.

Net operating expenses for the year amounted to €594k.

A.3 Investment Performance

The investment position of the Company is monitored by the Board of Directors and Group Treasury on a regular basis, to ensure the investment guidelines of the Company are adhered to.

In line with the Company's documented investment policy, investments during the period included Money

Market Funds and cash and deposits with a range of credit institutions. Investment income for the reporting period was negative €189k as a result of market prevailing negative interest rates.

The Company has no direct investments in securitised asset classes and all investment income is recognised in the Company's income statement.

A.4 Performance of other activities

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

A.5 Any other information

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

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

In order to meet the requirements for sound corporate governance, ensure efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

The Board of Directors of the Company (thereafter 'the Board') acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities. The Board is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company.

All authority emanates from the Board and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision and that business is undertaken in a controlled and responsible manner.

The overriding goal of the Company's risk management strategy is to control and to achieve, as much as possible, a reduction in the Company's risk exposure as a means of minimising the impact of undesired and/or unexpected events.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1. A Governance Framework aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

2. A Risk Management System which details the Company's strategic objectives in documented Risk Policies. Limits and operational checkpoints as well as functional identification, mitigation and monitoring processes are documented for each risk.

3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

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

The Board annually reviews the governance framework, the risk appetite framework setting out tolerance limits and operational limits for all risk categories, risk management policies for all risk categories and the risk register for the Company.

The Board members have:

- The necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties;
- A full understanding of the nature of the Company's business, material activities and related risks;
- A full understanding of their individual direct and indirect responsibilities and collective responsibilities; and
- An understanding of the Company's financial statements and key performance drivers.

The Company comprises the following senior personnel who have been selected to ensure that the Company is being run by individuals of appropriate expertise and integrity and who meet the criteria set out above:

Elizabeth Cunningham
Garrett Wilson
Paul Manicle
Rory Maloney
Marian Fenton

There have been no material changes in the system of governance since authorisation. Given the limited scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board is satisfied that the system of governance in place is adequate.

The Board undertake responsibility for performing the equivalent function of an Audit Committee in relation to the reporting period ended 31 December 2019.

Key Functions

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

Remuneration and material transactions

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

As a captive insurer, all premium flows and claims payments relate to insured risks of the Group. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit and proper requirements

Cuardaithe has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

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

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest

- time requirements and other commitments
- competence and integrity
- financial soundness

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

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

Cuardaithe is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualifications in order to enable them to carry out their respective duties.

B.3 Risk Management System including the own risk and solvency assessment

The Company has taken appropriate actions in order to:

- embed risk management as a key function within its governance structure; and
- develop and maintain effective processes and reporting procedures to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the Company is exposed.

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (risk appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ('ALM')
- Investment
- Liquidity and concentration

- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

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

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') process annually in order to provide its Board of Directors with a forward-looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account. The approach may be summarised as follows:

Define the Stress scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital is sufficient in expected and stressed situations.

Business projections, stresses and scenarios are compiled by the Operations Function with input and agreement from the Board of Directors to ensure that these are appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan. Related solvency capital requirements and solvency ratios are then calculated for each year, resulting in a stressed financial plan and the solvency impact of adverse scenarios. This exercise is conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the stress scenarios. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching between risks to which the Company is or can be exposed and the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to the Solvency Capital Requirements.	Gather information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensure that risk exposures are measured on a regular basis triggering exception reports for the Board.

In line with CBI requirements, the Head of Actuarial Function provides an actuarial Opinion to the Board of Directors in respect of the ORSA once the results of the ORSA process are presented to the Board for review and challenge.

The capital risk appetite for Cuardaithe is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Company has implemented a capital management plan with appropriate escalation triggers linked to the solvency capital operational limit within the risk appetite to ensure that this is achieved.

The Group would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in Cuardaithe so that solvency capital compliance can be demonstrated. The Group is expected to continue to have ample capacity to provide this support to Cuardaithe.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
Control Environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight by the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the Company's Governance Manual.
Risk Assessment	Procedures and policies are detailed and formalised in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
Reporting Channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
Monitoring Process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
Control Activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

In order to set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Tasks and actions are shared between the key functions of the Company. This serves to clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company has outsourced its Compliance Function to its Insurance Managers. The Insurance Managers have appointed a Head of Compliance who is responsible for overseeing all compliance activities and ensuring the Compliance Function of the Company is adequately resourced. The Compliance Function reports directly to the Board at each and every Board meeting on its activities.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risk faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;

- identification and communication throughout the Company the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's internal control system by facilitating an objective and independent assessment.

It assists the Company achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes of the Company. The audit approach is risk based and in line with an annual audit plan which is provided by the Head of Internal Audit to the Board of Directors.

The Board has developed effective policies and practices and will take appropriate corrective action in response to any weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function is independent of the operational activities audited, and the individuals involved in the planning, execution and reporting of internal activities have no involvement in the underlying transactions.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function ensures that the Internal Audit Function reports directly to the Board of the Company.

B.6 Actuarial Function

The Company has established an effective Actuarial Function, including a nominated Head of Actuarial Function ('HoAF'), Mr. David Rowson approved by the CBI, which carries out the following key tasks:

- coordinate the calculation of technical provisions;
- identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- explain any material effects of changes of data, methodologies or assumptions between valuation dates on the amount of technical provisions;
- assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function will provide recommendations on internal procedures to improve data quality;
- take into consideration the interrelations between the Underwriting Policy, insurance arrangements and technical provisions, when providing its opinion;
- report in writing at least annually to the Board of Directors. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
    i. details of the technical provisions

ii. methodologies & assumptions
iii. data sufficiency & quality
iv. experience analysis
v. report to the Board on reliability & adequacy
vi. opinion on Underwriting Policy
vii. opinion on reinsurance arrangements.

Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- contribute to the effective implementation of the risk management system in particular:
  i. with regard to risk modelling underlying the calculation of the Solvency and Minimum Capital Requirement; and
  ii. the ORSA process.
- think critically and organise the execution of actuarial approaches
- provide an Actuarial Opinion to the Board of Directors in respect of the ORSA

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7 Outsourcing

The objectives of Cuardaithe's Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over, key functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest; or
- Breach of the Company's data protection obligations.

All functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business.

The Board is responsible for ensuring notification to the CBI is made in a timely manner prior to the outsourcing of critical or important functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities, carrying out the appropriate due diligence on the outsourced service provider and

for reviewing the performance of outsourced service providers against their agreed and documented Service Level Agreements ('SLA').

The management of the Company is coordinated and carried out at its place of business in Ireland. Cuardaithe engages outsourced service providers in order to access the expertise and strength and depth of resources necessary to manage the specific requirements of a regulated captive insurance company.

The following critical or important functions / activities are outsourced:

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting and claims administration	Aon Insurance Managers (Dublin) Limited (AIMD)	Ireland
Finance and accounting	AIMD	Ireland
Compliance Function	AIMD	Ireland
Risk Management Function	Google Ireland Limited (GIL), Tony Altobelli (Chief Risk Officer), supported by AIMD	Ireland and USA
Actuarial Function	Aon UK Limited (Aon UK), David Rowson (Head of Actuarial Function)	United Kingdom
Internal Audit Function	Loren Nickel (Head of Internal Audit Function) supported by Aon Commercial Services Ireland Limited (ACSIL)	Ireland and USA

B.8 Any other information

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

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

C. RISK PROFILE

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

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

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

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

C.1 Underwriting risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient available assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term.

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

Underwriting risk is managed through:

- the adoption of documented controls and policies in relation to the underwriting and reserving processes;
- the setting of a risk appetite by the Board with reporting triggers and limits which are monitored and escalated in accordance with the Company's documented policies;
- the deployment of event and annual aggregate limits for the risks it insures; and
- the calculation of technical provisions in a prudent, reliable and objective manner using appropriate and consistent data.

The Company issued its first insurance policy effective 1 May 2019 and there have been no changes to the Company's underwriting risk exposures or the basis by which they are assessed during the reporting period.

When calculating the technical provisions, reliable, sufficient and adequate statistical and accounting data is considered in the loss reserve estimation and recording process. Whilst considerable judgment is involved, the directors have put in place suitable processes to ensure that reserves established are appropriate. The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

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

As part of the Company's ORSA process, stress and scenario tests incorporating differing claims experience are considered. The impact of a 125% loss ratio occurring in calendar year 2022 was projected as part of the ORSA carried out in this reporting period. In the event of such a scenario, the Board has identified appropriate mitigation actions including the injection of additional capital in order to increase the capital surplus and alleviate the stress posed by the increased loss ratio.

In addition, the inclusion of risk mitigation by way of reinsurance was considered in the ORSA. This involved a scenario whereby the Company enters into a 35% quota share agreement with a reinsurer holding a BBB credit rating. While the rate of capital growth is slower as a result of the quota share, Cuardaithe's solvency position is stronger under this scenario, and the captive would be better able to absorb poor loss experience. The lower SCR is driven by the lower underwriting risk.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in future claims development for financial statements purposes and holding all other assumptions constant. The resultant impact on Gross and Net claims reserves, Profit Before Tax (PBT) and equity is shown below, noting that the PBT for the year-end 31 December 2019 amounted to €1.6m:

31 December 2019 (€'000)	Gross claims reserve	Net claims reserve	PBT	Equity
Increase in ULRs by 10%	729	729	(729)	(638)
Decrease in ULRs by 10%	(729)	(729)	729	638

C.2 Market risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. The Company diversifies its portfolio to reduce the exposure to market fluctuations and market risk concentrations.

Cuardaithe has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

Given the short-term nature of the Company's investments, the impact of interest rate risk is limited. The exposure is kept under review through the monthly financial reporting process. A change of 50 basis points equates to an annualised impact of €209k.

C.3 Credit risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents
- Investments, deposits with credit institutions
- Insurance balances receivable

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

Investments and deposits are managed under the Investment strategy (market risk).

C.4 Liquidity risk

The Company may be exposed if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company has the potential to be exposed to calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring material costs or penalties.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has its investments held in highly liquid assets which it can access immediately or within a very short time frame without incurring material costs or penalties. Investments are in compliance with the Company's investment guidelines.

There were no material changes to the measures used to assess the liquidity risk exposure or the material risks over the reporting period.

C.5 Operational risk

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

Operational risk is managed by a strong governance structure being put in place, which includes the extensive oversight by the shareholder, the Board of Directors and the Heads of Functions.

The Company has a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

In addition, Cuardaithe is subject to Internal and External Audit review.

Cuardaithe maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, Cuardaithe has put in place service level agreements and regularly reviews

the outsourced service providers.

The Company does not consider that it is exposed to material residual risk in this area due to the formality that has been created around the Company's processes and procedures including those for financial and regulatory reporting. There is no specific risk concentration associated with this category as internal controls include appropriate segregation of duties.

There were no material changes to the measures used to assess the operational risk exposure or the material risks over the reporting period.

C.6 Other material Risks

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company, the major risks facing the Company and the Risk Appetite for each of these major risks identified. The Board of Directors will ensure continuing appropriateness, at least annually and revisions shall be affected where necessary
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

Sensitivity Risk

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

No other material risks have been identified.

C.7 Any other information

The outbreak of the novel coronavirus (COVID-19) is leading to a global market disruption. Such an operating environment has the potential to have an adverse impact on the Company's operations and financial position. The future impact of the current economic situation is uncertain and difficult to predict. The Board are actively monitoring developments and any potential impact on the risk profile of the Company.

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D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Cuardaithe prepares its financial statements in accordance with Financial Reporting Standard 102 and 103, as issued by the Financial Reporting Council, applicable accounting standards, the relevant provisions of the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Cuardaithe has the following classes of assets:

- Cash and cash equivalents
- Collective Investments Undertakings
- Other Debtors (prepaid expenses)
- Deferred tax

Cash and cash equivalents refers to a current account with daily liquidity. The Company utilises custodians deemed to be of high credit quality to hold its cash. Carrying amounts approximate fair value due to the high liquidity of the instruments.

Collective investment undertakings, is the market value of a money market fund investments held with Morgan Stanley.

Other debtors consist primarily of taxes prepaid to a European fiscal authority.

The deferred tax asset arises due to valuation differences on the technical provisions between the Financial Statement Balance Sheet and the Solvency II Balance Sheet, multiplied by the applicable tax rate (12.5%).

A reconciliation of the valuation for Solvency II purposes is as follows:

Asset in €'000	Financial Statements	Solvency II	Reclass.	Fair Value Adj.
Cash at bank	41,809	17,356	(24,453)	-
Collective investment undertakings	-	24,453	24,453	-
Other Debtors	9	-		(9)
Deferred tax asset	-	93		93
Total	**41,818**	**41,903**	**-**	**84**

D.2 Technical Provisions

Provision is made for notified losses on the 2019 underwriting year. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for insurance contract liabilities are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not reported ('IBNR').

Solvency II Technical Provisions

The Solvency II technical provisions are comprised of a Best Estimate of Liabilities ('BEL') and a Risk Margin ('RM').

The Solvency II BEL is comprised of a provision for claims outstanding ('PCO') and a premium provision ('PP'). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ('BBNI). The PCO is derived from an actuarial estimate of Cuardaithe's unpaid claim liabilities. The adjustment of the estimate of unpaid claim liabilities, between the financial statements reserving basis and the Solvency II valuation basis, requires that unpaid claim liabilities per the financial statements are discounted to a present value basis. The evaluation of the best estimate outstanding claims reserves ('OSCR') is used as a starting point to evaluate the Solvency II technical provisions. The actuary utilises the basic risk-free rate curves with no volatility adjustment as of 31 December 2019, as published by EIOPA, to discount the cash flows underlying the PCO. These interest rates are utilised to discount all cash flows underlying the calculation of the Solvency II technical provisions. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the financial statements estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that Cuardaithe will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations. The BEL is calculated as the sum of the PCO and the PP. Actuarial methods used include Loss Ratio, Chain Ladder, Bornhuetter-Ferguson and Benktander-Hovinen. The actuarial reserves are "best estimates" in the sense that they represent the average of all possible outcomes. The actual amounts required to meet future claim payments may differ, even significantly, from estimates. This estimation error can arise for a number of reasons, such as model specification error, parameter error and random error.

Risk Margin

The Solvency II risk margin is intended to represent an amount that Cuardaithe would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running off the existing liabilities.

Line of Business (in €'000)	SII BE OSCR + BE Premium (Discounted)	Risk Margin	SII Technical Provisions
General Liability	12,825	1,264	14,089
Total	12,825	1,264	14,089

The reconciliation between the value of technical provisions for solvency purposes and the financial statements at 31 December 2019 is shown below:

	Value (in €'000)
Technical provisions per financial statements	**13,352**
Adjustment to best estimate	(1,402)
Undiscounted technical provisions	**11,950**
Allowance for events not in data	182
Expected expenses from future claims	591
Undiscounted technical provisions (incl. expenses)	**12,723**
Discounting on claims provision	64
Discounting on premium provision	38
Discounted technical provisions	**12,825**
Risk margin	1,264
Solvency II technical Provisions	**14,089**

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

The Company is satisfied that it has access to sufficient claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Cuardaithe has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other liabilities

Aside from Technical Provisions, the valuation of which is detailed in Section D2, Cuardaithe has one other principal class of liabilities:

- Other creditors and accruals

A reconciliation of the valuation for Solvency II purposes is as follows:

Other liability in €'000	Financial Statements	Solvency II	Reclass.	Fair Value Adj.
Other creditors and accruals	439	439	-	-
Total	**439**	439	**-**	**-**

The amounts in the Solvency II Balance Sheet, consist of accrued expenses, creditors, tax payable and amounts due to Group subsidiaries, are held at the lower of cost or market value/realisable value.

D.4 Alternative methods for valuation

No alternative methods were used.

D.5 Any other information

There is no other information to report.

E. CAPITAL MANAGEMENT

E.1 Own funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that, on an on-going basis, the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

On an annual basis the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). A 3 year forward looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the shareholder.

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted quarterly to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund items are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period are as follows:

Value (in €'000)	2019
Ordinary paid up share capital	26,600
Reconciliation reserve	681
Deferred tax asset	93
Total basic own funds	**27,374**

The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principles. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

At the end of the current reporting period eligible own funds available to meet the Company's SCR are €27.4m, comprised of Tier 1 and Tier 3 capital. The Company had €27.3m of Tier 1 unrestricted funds eligible to meet its MCR at the end of the reporting period.

The equity position as shown in the Company's 2019 year-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

Value (in €'000)	2019
Equity per the Company's financial statements	28,029
Adjustments to technical provisions	(738)
Removal of insurance debtors	(9)
Deferred tax asset	93
Own funds (excess of assets over liabilities for solvency purposes)	**27,374**

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. This results in the removal of insurance debtors which are dealt with as part of the calculation of technical provisions. Deferred tax is provided on these adjustments at the applicable tax rate. These adjustments are reflected in the Company's reconciliation reserve.

Cuardaithe has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2 Solvency capital requirement and minimum capital requirement

At the end of the current reporting year, Cuardaithe's SCR and MCR have been calculated as €20.1m and €5.0m respectively.

The SCR is intended to correspond to the capital the Company needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur less than once in every 200 years. The SCR calculated at the end of the current reporting period, relates to the capital required to support the business over the prospective 12 months, covering both existing liabilities and business written during 2020. Based on the Company's eligible own funds of €27.4m the Company has a solvency ratio at 31 December 2019 of 136%.

The SCR has been calculated using the standard formula and without the application of any undertaking specific parameters. In the non-life risk module, the risk margin on technical provisions has been calculated using the second simplification provided in EIOPA's technical specifications. This is considered appropriate given the nature of the Company's business as a captive insurer.

The split of SCR by risk modules is shown below:

In €'000	31-Dec-19
Market Risk	**616**
Interest Rate	-
Spread	281
Currency	-
Concentration	548
Default Risk	**1,166**
Non-Life Risk	**18,761**
Premium/Reserve	7,511
Lapse	455
Catastrophe	15,410
Diversification	**(1,005)**
BSCR	**19,538**
Adjustment for deferred taxes	-
Operational Risk	583
SCR	**20,121**
MCR	**5,030**
Eligible Own Funds	**27,374**
SCR Solvency Ratio	**136%**

The non-life underwriting risk is the largest contributor to the SCR charge. This is driven by the catastrophe risk charge, which is based on earned premium. Relative to the non-life underwriting risk, the market risk charge is small. It is driven by the holding in the Morgan Stanley money market fund.

The default risk charge is also small relative to the non-life underwriting risk charge. This risk charge arises from the Citibank current account.

The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of Cuardaithe, as a non-life captive insurer this absolute floor is a fixed amount of €3.7m. Having carried out the calculations and applied the relevant limits, the resultant MCR for the Company is €5.0m.

E.3 Use of duration-based equity risk sub module in calculation of the solvency capital requirement

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

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

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

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

There are no issues with non-compliance with the MCR and SCR.

E.6 Any other information

There is no other information to report.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands, while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.05.01.02 – Premiums, claims and expenses

S.17.01.02 – Non-Life technical provisions*

S.19.01.21 – Claim development triangles*

S.23.01.01 – Own funds*

S.25.01.21 – SCR using standard formula*

S.28.01.01 – MCR*

*templates subject to external audit.

Amounts are in EUR'000 (kEUR).

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

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	93
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	24,453
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	24,453
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	17,356
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	41,903

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

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	14,090
R0520	Technical provisions – non-life (excluding health)	14,090
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	12,825
R0550	Risk margin	1,264
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	260
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	179
R0900	Total liabilities	14,528
R1000	**Excess of assets over liabilities**	27,374

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110								15,781	
Gross - Prop reinsurance accepted	R0120									
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140									
Net	R0200	0	0	0	0	0	0	0	15,781	0
Premiums earned										
Gross - Direct Business	R0210								9,718	
Gross - Prop reinsurance accepted	R0220									
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240									
Net	R0300	0	0	0	0	0	0	0	9,718	0
Claims incurred										
Gross - Direct Business	R0310								7,288	
Gross - Prop reinsurance accepted	R0320									
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	0	0	0	0	0	0	0	7,288	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550								596	
Other expenses	R1200									
Total expenses	R1300									

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								15,781
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	0	0	0	0	0	15,781
Premiums earned									
Gross - Direct Business	R0210								9,718
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	0	0	0	0	0	9,718
Claims incurred									
Gross - Direct Business	R0310								7,288
Gross - Prop reinsurance accepted	R0320								0
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	7,288
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								596
Other expenses	R1200								
Total expenses	R1300								596

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

		Line of Business for: life insurance obligations						Life reinsurance obligations		TOTAL
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Other expenses	R2500									
Total expenses	R2600									0

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

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060								4,926				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	0	4,926	0	0	0	0
Claims provisions													
Gross	R0160								7,899				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	0	7,899	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	0	0	12,825	0	0	0	0
Total Best estimate - net	R0270	0	0	0	0	0	0	0	12,825	0	0	0	0
Risk margin	R0280								1,264				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	0	0	14,090	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	0	14,090	0	0	0	0

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

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					4,926
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	4,926
Claims provisions						
Gross	R0160					7,899
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	7,899
Total Best estimate - gross	R0260	0	0	0	0	12,825
Total Best estimate - net	R0270	0	0	0	0	12,825
Risk margin	R0280					1,264
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	14,090
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	14,090

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

Gross Claims Paid (non cumulative absolute amount)

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

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

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												
N-9	R0160												
N-8	R0170												
N-7	R0180												
N-6	R0190												
N-5	R0200												
N-4	R0210												
N-3	R0220												
N-2	R0230												
N-1	R0240												
N	R0250	7,835											7,899
												Total	7,899

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	26,600	26,600			
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				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	681	681			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	93				93
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	27,374	27,281	0	0	93
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	27,374	27,281	0	0	93
Total available own funds to meet the MCR	R0510	27,281	27,281	0	0	
Total eligible own funds to meet the SCR	R0540	27,374	27,281	0	0	93
Total eligible own funds to meet the MCR	R0550	27,281	27,281	0	0	
SCR	R0580	20,121				
MCR	R0600	5,030				
Ratio of Eligible own funds to SCR	R0620	1.36051781				
Ratio of Eligible own funds to MCR	R0640	5.423505768				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	27,374
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	26,693
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	681
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	0

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

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	616		
Counterparty default risk	R0020	1,166		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	18,761		
Diversification	R0060	-1,005		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	19,538		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	583
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	20,121
Capital add-on already set	R0210	
Solvency capital requirement	R0220	20,121
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of EUR)

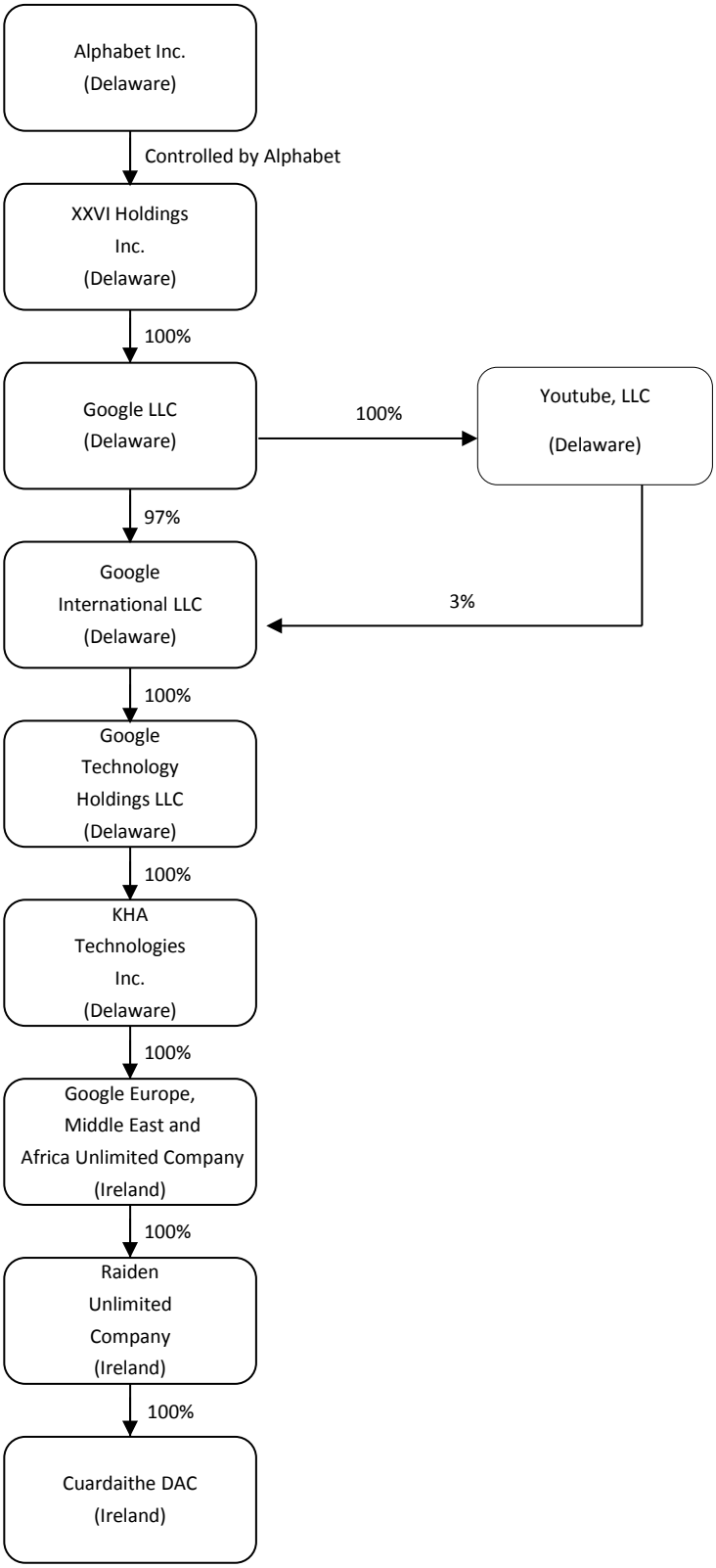
Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	3,388

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090	12,825	15,781
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

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

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation		C0070
Linear MCR	R0300	3,388
SCR	R0310	20,121
MCR cap	R0320	9,054
MCR floor	R0330	5,030
Combined MCR	R0340	5,030
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	5,030

ANNEX II – GROUP STRUCTURE CHART

As at 31 December 2019