Solvency & Financial Condition Report

Sofinsod Insurance DAC

Report Dated 31st August 2019

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Summary

This Solvency and Financial Condition Report ("SFCR") has been drafted in line with articles 290 through 299 of the Commission Delegation Regulation (EU) 2015/35 of 10 October 2014.

The objective of this report is to consolidate all material and key information relating to Sofinsod Insurance DAC ('SIDAC' or 'the Company') over the reporting period of 1 September 2018 through 31 August 2019, in respect of the following categories:

- Business and performance
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

The following summarises the information and findings in the subsequent sections of this report:

- The Company's business remained unchanged from the prior year with no adjustments to the lines of business licensed to be underwritten. While the Company incurred a net loss after tax for the current financial year, the reason for the loss has been identified and is not expected to be repeated in the near future. The net profit after tax was EUR 400K (2018: Loss EUR 1.1M).
- The Company's System of Governance is robust and fit for purpose with the appointed Board of Directors together with the respective Heads of Functions, adequately fulfilling their requirements over the reporting period.
- The risk profile of the Company has remained unchanged from the prior year with all insurance coverage being provided to Group entities. The levels of risk and retention for the various lines of business remain unchanged.
- The Company has calculated its solvency capital requirement ("SCR") using the standard formula. As at 31 August 2019 the Company's gross technical provisions as calculated under Solvency II valuation principles were EUR 6.0M (2018: EUR 3.0M) compared to IFRS technical provisions of EUR 6.1M (2018: EUR 4.0M), as booked in the statutory accounts.
- With eligible capital of EUR 7.3M (2018: EUR 6.6M) in place, the Company achieved SCR coverage of 155.0% (2018: 160.1%) and Minimum Capital Requirement ("MCR") coverage of 196.4% (2018: 177.3%) as at 31 August 2019.

A. Business Performance: Year Ended 31st August 2019

This Solvency and Financial Condition Report (SFCR) has been prepared to allow Sofinsod Insurance DAC ('SIDAC' or 'the Company') to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ('the Solvency II Directive')

The Company has set a target Solvency Capital Requirement (SCR) cover ratio of 120%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 10th October 2016 and is a wholly owned subsidiary of Sodexo S.A. The Company is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Sodexo S.A., a French incorporated entity.

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 587356

Auditor

KPMG

Risk Profile

Sofinsod Insurance DAC is licenced to write the following classes of business

- Class 3: Land vehicles
- Class 6: Ships
- Class 7: Goods in transit
- Class 8: Fire and natural forces
- Class 9: Other damage to property
- Class 10: Motor vehicle liability
- Class 12: Liability for ships
- Class 13: General liability
- Class 16: Miscellaneous financial loss

Material Geographical Areas

- EU/EEA: France, Germany, Sweden, United Kingdom and Ireland on a direct insurance basis. In addition, the Company accepts reinsurance inwards on a worldwide basis.
- Non-EU/EEA: None on a direct basis. The Company accepts reinsurance inwards on a worldwide basis.

Significant events in the reporting period

There were no significant events, outside the normal course of insurance business, within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

2019				
Gross Premium Written:	**PDBI**	**Motor**	**Marine Cargo**	**Total**
Risks located in France	914,636	982,735	302,000	2,199,371
Risks located in other EU countries	340,965	1,661,888	-	2,002,853
Risks Located outside EU	840,314	-	-	840,314
Total	2,095,915	2,644,623	302,000	5,042,538

2018				
Gross Premium Written:	**PDBI**	**Motor**	**Marine Cargo**	**Total**
Risks located in France	667,291	856,028	302,000	1,825,319
Risks located in other EU countries	238,402	1,921,827	-	2,160,229
Risks Located outside EU	1,109,772	-	-	1,109,772
Total	2,015,465	2,777,855	302,000	5,095,320

2019				
Technical Result:	**PDBI**	**Motor**	**Marine Cargo**	**Total**
Gross Earned Premium	2,085,801	2,604,236	302,000	4,992,037
Gross claims paid	(96,803)	(1,552,446)	-	(1,649,249)
Change in the gross claims provision	(1,466,657)	(390,310)	(211,750)	(2,068,717)
Gross operating expenses	(243,161)	(297,731)	(47,729)	(588,620)
Reinsurance balance	-	(228,146)	-	(228,146)
Net technical result	279,180	135,603	42,521	457,304

2018				
Technical Result:	**PDBI**	**Motor**	**Marine Cargo**	**Total**
Gross Earned Premium	2,009,538	2,515,967	302,000	4,827,505
Gross claims paid	(2,712,735)	(1,225,842)	-	(3,938,577)
Change in the gross claims provision	(243,740)	(840,706)	(211,750)	(1,296,196)
Gross operating expenses	(260,419)	(309,846)	(51,109)	(621,372)
Reinsurance balance	-	(230,430)	-	(230,430)
Net technical result	(1,207,356)	(90,857)	39,141	(1,259,072)

A.3 Financial Performance

	2019 EUR	2018 EUR
Gross premiums written	5,041,298	5,094,450
Outward reinsurance premiums	(221,799)	(263,857)
Net premiums written	**4,819,499**	**4,830,593**
Change in the gross provision for unearned premiums	(49,261)	(266,946)
Change in the provision for unearned premiums, reinsurer's share	(6,347)	33,427
Change in the provision for unearned premiums, net of reinsurance	(55,608)	(233,519)
Earned premiums, net of reinsurance	**4,763,891**	**4,597,074**
Claims paid, gross and net	(1,649,249)	(3,938,578)
Change in the provision for gross claims	(2,068,717)	(1,296,196)
Change in reinsurers' share of the provision for claims	-	-
Claims incurred, net of reinsurance	**(3,717,966)**	**(5,234,774)**
Net operating expenses	(560,903)	(580,375)
Balance on the technical account for general business	**485,022**	**(1,218,075)**
Investment expense	(27,718)	(40,997)
Profit / (Loss) on ordinary activities before taxation	**457,304**	**(1,259,072)**
Taxation (charge) / credit	(57,163)	157,384
Profit / (Loss) on ordinary activities after taxation	**400,141**	**(1,101,688)**

A.4 Investment Performance

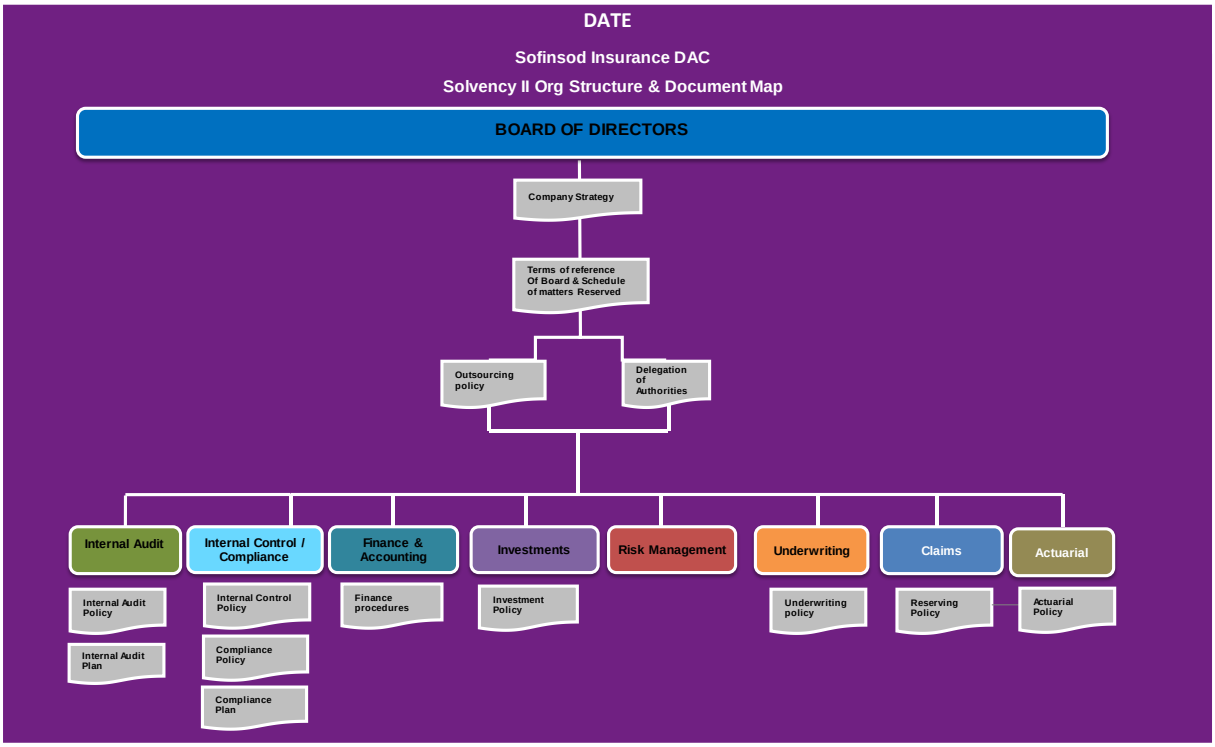
Investment income for the financial year ended 31 August 2019 was negative in the amount of EUR 27,718 (2018: (EUR 40,997)) owing to the negative interest rates being charged by BNP Paribas. The table below outlines a breakdown of the investment performance by asset class:

Asset Class	2019 EUR	2018 EUR
Cash and Deposits Interest	(37,649)	(40,997)
Intercompany Loan	9,931	-

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of Sofinsod Insurance DAC as at 31st August 2018 comprised as follows:

Name	PCF	Date Appointed by the Board	Date Resigned
Christophe Doray	Executive Director (PCF1)	10th October 2016	N/A
Philippe Gouraud	Non-Executive Director (PCF2) & Chairman of the Board (PCF3)	10th October 2016	N/A
Peter Rosiere	Non-Executive Director (PCF2)	10th October 2016	N/A
Laurent Arnaudo	Non-Executive Director (PCF2)	10th October 2016	N/A
Margot Slattery	Non-Executive Director (PCF2)	20th December 2017	N/A

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company
- Setting the business strategy for the Company
- Establishing Banking mandate/s
- Determining Investment Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including Reinsurance)
- Insurance pricing
- Loss Reserve strategy
- Appointment of Reinsurers
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Head of Actuarial Function
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors/Compliance Officer
- Dividend Recommendations
- Setting the Risk Appetite of the Company
- Overall Responsibility for the Company's Risk
- Establishing and maintaining the Company's Internal Control Framework

- Identification and appointment of the Key Functions within the Company
- Removal of the Head of a Pre-Approval Control Function ("PCF") and consequent notification of such decision to CBI within 5 working days
- Own Risk and Solvency Assessment ("ORSA") and related activities
- Own Risk and Solvency Assessment ("ORSA") approval procedures
- Review of the Company's Policies and Procedures (annually)
- Establishment (if appropriate) of various Committees and related delegation of duties
- Sign-off various Committees' Terms of Reference (if appropriate)
- Fit and Proper Procedures and approval process
- To monitor the financial reporting process.
- To monitor the effectiveness of the entity's systems of internal control, internal audit and risk management.
- Decide on the appointment of statutory auditor or audit firm.
- To monitor the statutory audit of the annual accounts.
- To monitor the Internal Audit Function and consider the recommendations of the internal audit reports.

Information on Remuneration Policies and Practices

As the Company has been classified as a captive insurance undertaking, there is no requirement to have Independent Non-Executive Directors (INED) serve on the Board thus the majority of director positions are held by Group employees. One INED currently sits on the Board and is individually remunerated for their expertise and time spent preparing and participating in biannual meetings. Remuneration is commensurate to the individual's experience and level of input into the activities of the Board, based on market rates for their role. The Company did not have any employees at any time during the year.

Overview of Year Ended 31st August 2019

Two Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 27th November 2018
- 12th June 2019

There were no changes to the composition of the board of directors during the period.

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Christophe Doray, CEO, as the designated person, with the overall responsibility for the outsourced functions. Mr. Doray has sufficient knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

Risk Management Function

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited (WTWMDL), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board performs a review of the composition of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Compliance Function

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson, Strategic Risk Consulting.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48). This function is provided to the Company by Willis Towers Watson, Strategic Risk Consulting in line with the terms and conditions of the Head of Actuarial Function (Addendum 1 to the Management Services Agreement) dated 10th May 2018.

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations.
- Co-ordinating the calculation of the Technical Provisions.
- Provision of an opinion on the underwriting and reinsurance policy of the Company.
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.
- Assess the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparison of best estimates against experience.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an outsourced service provided by a Sodexo Group Internal Audit with the Board acting as oversight. The Internal Audit mission is to independently examine and evaluate the adequacy and subsequent functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function has a formal reporting line to the Board at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13). This person oversees the work of the Internal Audit Function, which has been outsourced to Mazars, Ireland.

B.2 Fit and Proper Requirements

Sofinsod Insurance DAC deems the following personnel to hold Pre-Approval Controlled Functions and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

- The Board of Directors
- The Chief Risk Officer
- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance

Fitness:

The members of the Board of the Company collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;

- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- Generally, to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with the Fitness and Probity Standards ("The Standards").

Probity:

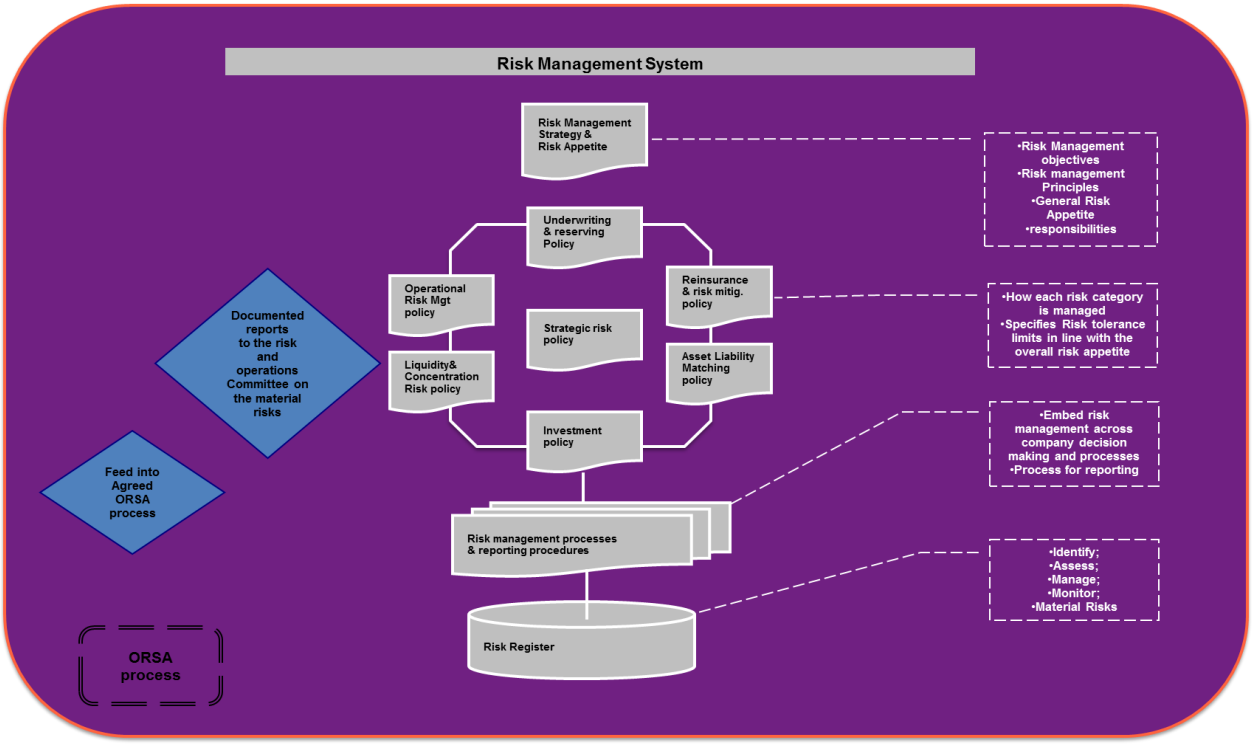
The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements;

- Risk Appetite Statement (RAS)
- Risk Register
- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment (ORSA)
- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risks which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision-making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors;

Nature:

The nature of the Company's risk is confined within the Sodexo Group only with no third-party policy holders and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

Complexity:

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Management Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement.

Risk Categories & Key Risks

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are;

- Underwriting and Reserving Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least;

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a Risk Appetite Statement (RAS). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision-making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the RAS.

Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an Own Risk and Solvency Assessment ('ORSA') at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following approach provides a summary of the approach to be taken in 2019:

- The ORSA was discussed in detail initially during the 12th June 2019 meeting of the Board, where the assumptions relating to the Company's financial projections were agreed, stressed scenarios were identified by the Board for testing together with a review of the Risk Appetite Statement and Risk Register. At the November Board meeting, the 2019 ORSA Report will be presented for review together with related items including the Board's determination of Own Solvency Needs and the Head of Actuarial Function's ORSA Opinion.

- The Board will approve the ORSA Report before the ultimate regulatory deadline of 31st December 2019.

The Board of Directors provide substantial input and discuss in detail the various aspects of the ORSA, and adjust as and when considered necessary, as documented in the minutes of the Board meetings where the ORSA process is an Agenda item.

Own Solvency Needs Assessment

The first element of the ORSA process is to ascertain the Company's assessment of its Overall Solvency Needs (OSN). OSN is a method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment are identified in respect of the Company's material risks:

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Inclusion of appropriate and reasonable stressed amounts to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are at risk of being breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Reinsurance
- Claims reserving
- Claims settlement
- Management accounts preparation

- General bank payments
- Bank reconciliations
- Compliance

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Monthly financial reporting to Group
- Detailed bi-annual reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients

External Audit

- The Company's accounts are audited annually by the external Auditor, providing assurance to the Board that no material issues have been raised to date on the operations of the Company.

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The

Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ('SLA'). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers is formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies noted.

C. Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable.

As its primary insurance activity, the Company assumes risks relating to Auto Liability across Europe. Additionally, the Company accepts inwards reinsurance placements for Property Damage and Business Interruption (PDBI) and Marine Cargo with worldwide coverages. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages it insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverables that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company monitors the

financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The Company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board of Directors.

The Company and the Board will annually review the amount of funds invested with any one institution. The Company has little appetite for counterparty default risk in relation to investments and seeks to invest in institutions with an investment grade rating.

All of the Company's liabilities can be considered short term in nature and hence the Company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium. Currently, the Company hold its operational funds in call accounts with a strongly rated bank as well as an intercompany loan, extended to another group company, which is also investment grade.

Counterparty Default Risk

The Company recognises potential exposure to the failure of its counterparties. The exposure is reduced as the counterparties have strong market presence and also the credit default risk is managed by ensuring a general minimum credit rating of A or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when policyholder obligations will and could fall due given the nature and scale of the Company being a Captive Insurer. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Other Material Risks

The Company considers that there are no other Material Risk to be considered at this time.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive with the valuation and recognition for material classes as follows:

Intangible Assets

Intangible assets are recognised under International Financial Reporting Standards (IFRS) on the basis that the expected future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. The Company holds no intangible asset and thus no recognition and valuation methodology were applied in respect of this category.

Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company holds no Deferred Tax Asset balance as at the reporting date.

Investments

Investments are recognised under IFRS on the basis that the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

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

Material Differences in the above used for valuation in Financial Statements

Sofinsod Insurance DAC Assets (EUR)	2019	
	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	58,159	-
Other mortgages & loans	7,500,000	7,500,000
Reinsurance share of TP - non-life excluding health	82,371	76,721
Reinsurance share of TP - health similar to non-life	-	-
Insurance & Intermediaries Receivable	5,095	-
Cash & Cash Equivalents	5,439,042	5,439,042
Any Other Assets, Not Elsewhere Shown	383,667	383,667
Total assets	**13,468,334**	**13,399,430**

Sofinsod Insurance DAC Assets (EUR)	2018	
	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	53,145	-
Deferred Tax Asset	-	35,315
Reinsurance share of TP - non-life excluding health	88,718	94,812
Reinsurance share of TP - health similar to non-life	-	-
Insurance & Intermediaries Receivable	1,876,644	212,047
Cash & Cash Equivalents	9,133,897	9,133,897
Any Other Assets, Not Elsewhere Shown	169,790	626,841
Total assets	**11,322,195**	**10,102,912**

The tables above compare the Company's assets under the current accounting bases reflected in the financial statements with the asset values having applied Solvency II ("SII") valuation principles.

Key points to note:

The Solvency II reinsurance share of technical provisions ("TPs") value is a discounted best estimate which is derived by the Company's Head of Actuarial Function ("HoAF").

Premium receivable relating to unexpired policies is considered within the calculation of TPs and as such is removed from the list of assets under SII calculation principles.

All other assets remain unchanged when presented under SII valuation principles with the exception of deferred acquisition costs which are removed completely under Solvency II.

Overview of any assets not regularly traded in Financial Markets

The Company does not currently hold financial assets that are not regularly traded in financial markets with the exception of the intercompany loan extended to another group entity.

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

The valuation was carried out for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in the premium and claims provisions between financial statements and Solvency II.

The tables below compare the Company’s technical provisions under the current accounting bases reflected in the financial statements with their equivalent values having applied Solvency II (“SII”) valuation principles.

Sofinsod Insurance DAC Technical Provisions (EUR)	2019	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	6,101,848	6,003,737
TP calculated as a whole (Best estimate + Risk margin)	6,101,848	-
Best Estimate	-	5,700,144
Risk Margin	-	303,593
Total technical provisions	**6,101,848**	**6,003,737**

Sofinsod Insurance DAC Technical Provisions (EUR)	2018	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	3,983,870	3,011,790
TP calculated as a whole (Best estimate + Risk margin)	3,983,870	-
Best Estimate	-	2,730,042
Risk Margin	-	281,748
Total technical provisions	**3,983,870**	**3,011,790**

Key points to note:

The Solvency II Gross Technical Provisions value is a discounted best estimate which is derived by the Company's HoAF and also includes a portion of Events Not In Data ("ENIDs") along with run-off expenses of EUR 610,848 (2018: EUR 620,834); the latter being specifically required by the Solvency II Directive.

The majority of the increase in the Solvency II Balance Sheet is explained by the addition of the Risk Margin to the Gross Technical Provisions.

Premium Provision

As at the reporting date, the Company had an unearned premium reserve of EUR 1.23M (2018: EUR 1.18M) booked in the audited financial statements.

Claims Provision

As at the reporting date, the Company had known losses reported with combined reserves of EUR 2.15M (2018: EUR 1.12M) booked in the audited financial statements together with Incurred but not Reported (IBNR) provisions in the amount of EUR 2.72M (2018: EUR 1.68M).

Material Differences in the above used for valuation in Financial Statements

The above tables outline the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement ('SCR'). Simplification method two is used for the standard formula.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Settlement period:** Vary according to the line of business. There is a combination of risks being underwritten which are both short-tailed and long tailed. We have assumed that the property risk would run off within 3 years and that the auto liability risk would run off within 9 years. The Marine risk is assumed to run off within 3 years.

- **Discount rate:** Current yields are very low, which means that minimal discounting is applied to the Technical Provisions. EUR yields are negative for the first 20 years at present. Similarly, SEK yields are negative for the first 9 years. Overall, however, the effect of the discounting is a small increase to the value of the technical provisions held when valued using Solvency II principles.

- **Expenses:** The total expenses involved in the operation of the Company are relatively small when compared to other elements in the calculation of the technical provisions.

- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

The above assumptions are consistent with the latest Actuarial Function Report therefore there have been no material changes in technical provisions due to underlying changes in the assumptions.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to decrease the Company's Reinsurer's Portion of Technical Provisions by EUR 5,650 (2018: increase of EUR 6,094) owing to the discounting effect.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, last approved on 10th December 2018 refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement.

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels." The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

It is also noted that, the Sodexo Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made

in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

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

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

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

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

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

Sofinsod Insurance DAC Other Liabilities (EUR)	2019	
	Current Accounting Bases	SII Valuation Principles
Deferred tax liabilities	-	3,651
Insurance & intermediaries payable	2,271	2,271
Any other liabilities, not elsewhere shown	122,305	122,305
Total other liabilities	**124,576**	**128,227**

Sofinsod Insurance DAC Other Liabilities (EUR)	2018	
	Current Accounting Bases	SII Valuation Principles
Insurance & intermediaries payable	366,913	366,913
Any other liabilities, not elsewhere shown	129,642	129,642
Total other liabilities	**496,555**	**496,555**

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under IFRS financial statements and Solvency II valuation with the exception of the creation of a deferred tax liability which is generated as a result of the revaluation of the technical provisions.

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

D.5 Any other Information

None

E. Capital Management

E.1 Own Funds

The Company has the following components of own funds: Tier 1 basic own funds; ordinary share capital, and retained earnings and Tier 3, deferred tax asset.

The Company's ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The difference between the Company's equity as shown in its IFRS financial statements and the excess of assets over liabilities as calculated for solvency purposes is:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- removal of deferred acquisition costs
- deferred tax adjustment in relation to the above differences

Reconciliation of Basic Own Funds to Equity as per Audited Financial Statements	2019 EUR	2018 EUR
Solvency II - Basic Own Funds	7,267,468	6,594,568
Total Equity as per financial statements	7,241,912	6,841,770
Difference:	**25,556**	**(247,202)**
Represented by:		
Difference between Net Technical Provisions and BEL	396,054	1,259,922
Risk Margin – Non-Life	(303,593)	(281,748)
Removal of premium receivable on unexpired policies	(5,095)	(1,207,546)
Removal of Deferred Acquisition Costs	(58,159)	(53,145)
Adjustment to Deferred Tax	(3,651)	35,315
Difference:	**25,556**	**(247,202)**

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.

There are no ancillary own funds items.

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

The Minimum Capital Requirement ('MCR') and SCR were calculated using the standard formula.

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 120% of the Pillar 1 solvency capital requirement. On an annual basis and having regard to the results of stress tests applied to projections over the three-year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target.

At the reporting date, no dividends have been declared or paid to Group.

Solvency Capital Position

The table below sets out the Company's pillar 1 capital position as at 31 August 2019:

Composition	Available Capital	Eligible Capital
Tier 1 unrestricted	7,267,468	7,267,468
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	-	-
Tier 3	-	-
Total	7,267,468	7,267,468

E.2 Solvency Capital Requirement & Minimum Capital Requirement

The Company has achieved SCR coverage of 155% (2018: 160%) and MCR coverage of 196% (2018: 177%) as at 31st August 2019.

2019				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	4,689,469	7,267,468	155.0%	78.9%
MCR	3,700,000	7,267,468	196.4%	

2018				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	4,118,263	6,594,568	160.1%	89.8%
MCR	3,700,000	6,559,253	177.3%	

The table below shows the SCR components by risk module (using the Standard Formula) at 31st August 2019:

SCR Overview	EUR 2019	EUR 2018
Market Risk	1,546,372	42,948
Counterparty Default Risk	438,975	718,870
Health underwriting risk	0	0
Non-life underwriting risk	3,620,086	3,508,881
Diversification	(1,086,968)	(340,804)
Basic Solvency Capital Requirement	4,518,465	3,929,895
Operational Risk	171,004	188,367
Loss Absorbing Capacity of Deferred Taxes	0	0
Solvency Capital Requirement	**4,689,469**	**4,118,263**

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

The Company does not use undertaking specific parameters in its computation

The Minimum Capital Requirement is calculated using the Standard Formula specifications

The table below shows the inputs into the MCR calculation as at 31st August 2019:

SCR Overview	EUR 2019	EUR 2018
Linear MCR	900,027	627,601
SCR	4,689,469	4,118,263
MCR cap	2,110,261	1,853,218
MCR floor	1,172,367	1,029,566
Combined MCR	1,172,367	1,029,566
Absolute floor of the MCR	3,700,000	3,700,000
Minimum Capital Requirement	**3,700,000**	**3,700,000**

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

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

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 Minimum Capital Requirement and Solvency Capital Requirement during the period

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

E.6 Any Other Information

None

Sofinsod Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 August

2019

(Monetary amounts in EUR thousands)

General information

Undertaking name	Sofinsod Insurance DAC
Undertaking identification code	635400BDJCCKD3GGYL71
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 August 2019
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	7,500
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	7,500
R0270	Reinsurance recoverables from:	77
R0280	*Non-life and health similar to non-life*	77
R0290	*Non-life excluding health*	77
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding 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	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	5,439
R0420	Any other assets, not elsewhere shown	384
R0500	**Total assets**	13,399

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	6,004
R0520	*Technical provisions - non-life (excluding health)*	6,004
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	5,700
R0550	*Risk margin*	304
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	4
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	2
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	122
R0900	**Total liabilities**	6,132
R1000	**Excess of assets over liabilities**	7,267

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		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
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business				1,043	1,254												2,297
R0120	Gross - Proportional reinsurance accepted				347		302	2,096										2,745
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share				222	0	0	0										222
R0200	Net				1,168	1,254	302	2,096										4,819
	Premiums earned																	
R0210	Gross - Direct Business				1,064	1,202												2,266
R0220	Gross - Proportional reinsurance accepted				338		302	2,086										2,726
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share				228	0	0	0										228
R0300	Net				1,174	1,202	302	2,086										4,764
	Claims incurred																	
R0310	Gross - Direct Business				1,557	-132												1,425
R0320	Gross - Proportional reinsurance accepted				518		212	1,563										2,293
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net				2,075	-132	212	1,563										3,718
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net				0	0	0	0										0
R0550	**Expenses incurred**				172	110	46	229										556
R1200	**Other expenses**																	
R1300	**Total expenses**																	556

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			FR	GB	DE	SE	US	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	39	628	630	715	284		2,297
R0120	Gross - Proportional reinsurance accepted		2,119				625	2,745
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share		222					222
R0200	Net	39	2,526	630	715	284	625	4,819
	Premiums earned							
R0210	Gross - Direct Business	-40	-607	-635	-710	-274		-2,266
R0220	Gross - Proportional reinsurance accepted		2,205				521	2,726
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		228					228
R0300	Net	-40	1,369	-635	-710	-274	521	231
	Claims incurred							
R0310	Gross - Direct Business	35	-27	472	596	213	136	1,425
R0320	Gross - Proportional reinsurance accepted		2,293					2,293
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	35	2,267	472	596	213	136	3,718
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**							0
R1200	**Other expenses**							
R1300	**Total expenses**							0

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Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	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																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross				505	416	0	264										1,185
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				77	0	0	0										77
R0150	**Net Best Estimate of Premium Provisions**				428	416	0	264										1,108
	Claims provisions																	
R0160	Gross				1,437	598	466	2,014										4,515
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				0	0	0	0										0
R0250	**Net Best Estimate of Claims Provisions**				1,437	598	466	2,014										4,515
R0260	**Total best estimate - gross**				1,942	1,014	466	2,278										5,700
R0270	**Total best estimate - net**				1,865	1,014	466	2,278										5,623
R0280	**Risk margin**				91	56	38	119										304
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**				2,032	1,070	504	2,397										6,004
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**				77	0	0	0										77
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**				1,955	1,070	504	2,397										5,927

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Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Underwriting Year	

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

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	2010	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2011	0	0	0	0	0	0	0	0	0			0	0
R0180	2012	0	0	0	0	0	0	0	0				0	0
R0190	2013	0	0	0	0	0	0	0					0	0
R0200	2014	0	0	0	0	0	0						0	0
R0210	2015	0	0	0	0	0							0	0
R0220	2016	0	0	0	0								0	0
R0230	2017	690	3,388	91									91	4,169
R0240	2018	551	1,134										1,134	1,685
R0250	2019	425											425	425
R0260												Total	1,649	6,278

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2010	0	0	0	0	0	0	0	0	0	0		0
R0170	2011	0	0	0	0	0	0	0	0	0			0
R0180	2012	0	0	0	0	0	0	0	0				0
R0190	2013	0	0	0	0	0	0	0					0
R0200	2014	0	0	0	0	0	0						0
R0210	2015	0	0	0	0	0							0
R0220	2016	0	0	0	0								0
R0230	2017	1,672	465	297									298
R0240	2018	2,034	2,072										2,080
R0250	2019	2,129											2,138
R0260												Total	4,515

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Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	7,868	7,868		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-601	-601			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	7,267	7,267	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	7,267	7,267	0	0	0
R0510	Total available own funds to meet the MCR	7,267	7,267	0	0	
R0540	Total eligible own funds to meet the SCR	7,267	7,267	0	0	0
R0550	Total eligible own funds to meet the MCR	7,267	7,267	0	0	
R0580	**SCR**	4,689				
R0600	**MCR**	3,700				
R0620	**Ratio of Eligible own funds to SCR**	154.97%				
R0640	**Ratio of Eligible own funds to MCR**	196.42%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	7,267				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	7,868				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	-601				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,546		
R0020	Counterparty default risk	439		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	3,620		
R0060	Diversification	-1,087		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	4,518		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	171
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	4,689
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	4,689
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	900

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	1,865	1,168
R0060	Other motor insurance and proportional reinsurance	1,014	1,254
R0070	Marine, aviation and transport insurance and proportional reinsurance	466	302
R0080	Fire and other damage to property insurance and proportional reinsurance	2,278	2,096
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

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

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

	Overall MCR calculation	C0070
R0300	Linear MCR	900
R0310	SCR	4,689
R0320	MCR cap	2,110
R0330	MCR floor	1,172
R0340	Combined MCR	1,172
R0350	Absolute floor of the MCR	3,700
R0400	**Minimum Capital Requirement**	3,700