

Solvency and Financial Condition Report

Sasol International Insurance DAC

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reaching new frontiers



Report Dated 30th June 2020

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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 Sasol International Insurance DAC (‘SIIDAC’ or ‘the Company’) over the reporting period of 1 July 2019 through 30 June 2020, 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. The financial performance of the Company was acceptable with a net profit after tax achieved of USD 20,711,458 (2019: USD 21,239,413).
- 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. There have been minor changes to the levels of risk and retention for the various lines of business versus the prior financial year.
- The Company has calculated its solvency capital requirement (“SCR”) using the standard formula. As at 30 June 2020 the Company’s gross technical provisions as calculated under Solvency II valuation principles were USD 40.07M (2019: USD 35.03M) compared to GAAP technical provisions of USD 38.03M (2019: USD 33.09M), as booked in the audited financial statements.
- With eligible capital of USD 203.97M (2019: USD 183.16M) in place, the Company achieved SCR coverage of 144.3% (2019: 231.2%) and Minimum Capital Requirement (“MCR”) coverage of 575.7% (2019: 922.3%) as at 30 June 2020.

A. Business Performance: Year Ended 30th June 2020

This Solvency and Financial Condition Report (SFCR) has been prepared to allow Sasol International Insurance DAC ('SIIDAC' 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 150% (2019: 150%).

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 25th July 2002 and is a wholly owned subsidiary of Sasol Investment Company (Pty) Limited which in turn is a wholly owned subsidiary of Sasol Limited. 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

Sasol Investment Company (Pty) Limited which is a wholly owned subsidiary of Sasol Limited, a South African registered group.

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

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

Registered Number: 358436

Auditor

PricewaterhouseCoopers

Risk Profile

Sasol International Insurance DAC is licenced to write the following classes of business

- Class 1: Accident
- Class 2: Sickness
- Class 7: Goods In Transit
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 13: General Liability
- Class 16: Miscellaneous Financial Loss

Material Geographical Areas

- EU/EEA (Italy, Germany)
- Non EU/EEA (South Africa, USA, Mozambique)

Significant events in the reporting period

The World Health Organisation officially classified Coronavirus (“Covid-19” or “the pandemic”) as a pandemic during March 2020; quarter 3 of the Company’s financial year. Covid-19 has created turbulence in financial markets and a decline in global economic activity which has impacted the demand for the group’s products. The impact of the pandemic on the Company’s balance sheet however has been limited. Please refer to section C6 ‘Other Material Risks’ wherein the directors have considered the impact of Covid-19 on both the Sasol Group and SIIDAC within the Going Concern Assessment carried out in the preparation of the Audited Financial Statements.

A.2 Underwriting Performance

2020 (all in USD)					
Gross Premium Written:	PDBI	General Liability	Personal Accident	Property Damage	Total
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	1,369,354	904,431	-	-	2,273,785
Risks Located outside EU	36,609,728	10,611,082	453,151	435,266	48,109,227
Total	37,979,082	11,515,513	453,151	435,266	50,383,012

2019 (all in USD)					
Gross Premium Written:	PDBI	General Liability	Personal Accident	Property Damage	Total
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	1,215,414	1,073,264	-	-	2,288,678
Risks Located outside EU	35,818,348	8,887,870	491,627	519,228	45,717,073
Total	37,033,762	9,961,134	491,627	519,228	48,005,751

2020 (all in USD)					
Technical Result:	PDBI	General Liability	Personal Accident	Property Damage	Total
Gross Earned Premium	37,979,082	11,515,513	453,151	435,266	50,383,012
Gross incurred claims	-	-	-	-	-
Change in the gross claims provision	(3,688,979)	(1,326,982)	19,238	62,971	(4,933,752)
Gross operating expenses	(886,812)	(174,614)	(3,212)	(3,086)	(1,067,724)
Reinsurance balance	(20,166,429)	(2,021,417)	-	-	(22,187,846)
Allocated investment return	218,263	66,179	2,604	2,501	289,547
Net technical result	13,455,125	8,058,679	471,781	497,652	22,483,237

2019 (all in USD)					
Technical Result:	PDBI	General Liability	Personal Accident	Property Damage	Total
Gross Earned Premium	37,033,762	9,961,134	491,627	519,228	48,005,751
Gross incurred claims	-	-	-	-	-
Change in the gross claims provision	(4,033,550)	(4,085,925)	41,048	65,028	(8,013,399)
Gross operating expenses	(1,299,271)	(256,411)	(7,226)	(7,632)	(1,570,540)
Reinsurance balance	(18,303,250)	795,448		-	(17,507,802)
Allocated investment return	297,989	80,151	3,956	4,178	386,274
Net technical result	13,695,680	6,494,397	529,405	580,802	21,300,284

A.3 Financial Performance

	2020 USD	2019 USD
Gross premiums written	50,383,012	48,005,751
Outward reinsurance premiums	(22,187,846)	(20,508,415)
Net premiums written	28,195,166	27,497,336
Change in the gross provision for unearned premiums	-	-
Change in the provision for unearned premiums, reinsurer's share	-	-
Change in the provision for unearned premiums, net of reinsurance	-	-
Earned premiums, net of reinsurance	28,195,166	27,497,336
Allocated investment return transferred from the non- technical account	289,547	386,274
Claims paid, gross and net	-	-
Change in the provision for gross claims	(4,933,752)	(8,013,399)
Change in reinsurers' share of the provision for claims	-	3,000,613
Claims incurred, net of reinsurance	(4,933,752)	(5,012,786)
Net operating expenses	(1,067,724)	(1,570,540)
Balance on the technical account for general business	22,483,237	21,300,284
Investment Income / (Expense)	2,480,429	3,510,398
Less: Investment Income Allocated to technical account	(289,547)	(386,274)
Foreign Exchange Gain / (Loss)	(1,000,585)	(150,793)
Profit on ordinary activities before taxation	23,673,534	24,273,615
Taxation charge	(2,962,076)	(3,034,202)
Profit on ordinary activities after taxation	<u>20,711,458</u>	<u>21,239,413</u>

A.4 Investment Performance

Total Investment Return for the financial year ended 30 June 2020 was USD 2,480,429 (2019: USD 3,510,398). The table below outlines a breakdown of the investment performance by asset class:

Asset Class	2020 USD	2019 USD
Bonds	42,953	2,466,135
Equities	(2,758,071)	(1,099,603)
Collective Investment Undertakings	103,455	724,338
Cash and Deposits	400,428	668,102
Foreign Exchange Instruments	-	128,992
Intercompany Loan	4,740,675	966,191
Investment Managers Expense	(49,011)	(343,757)

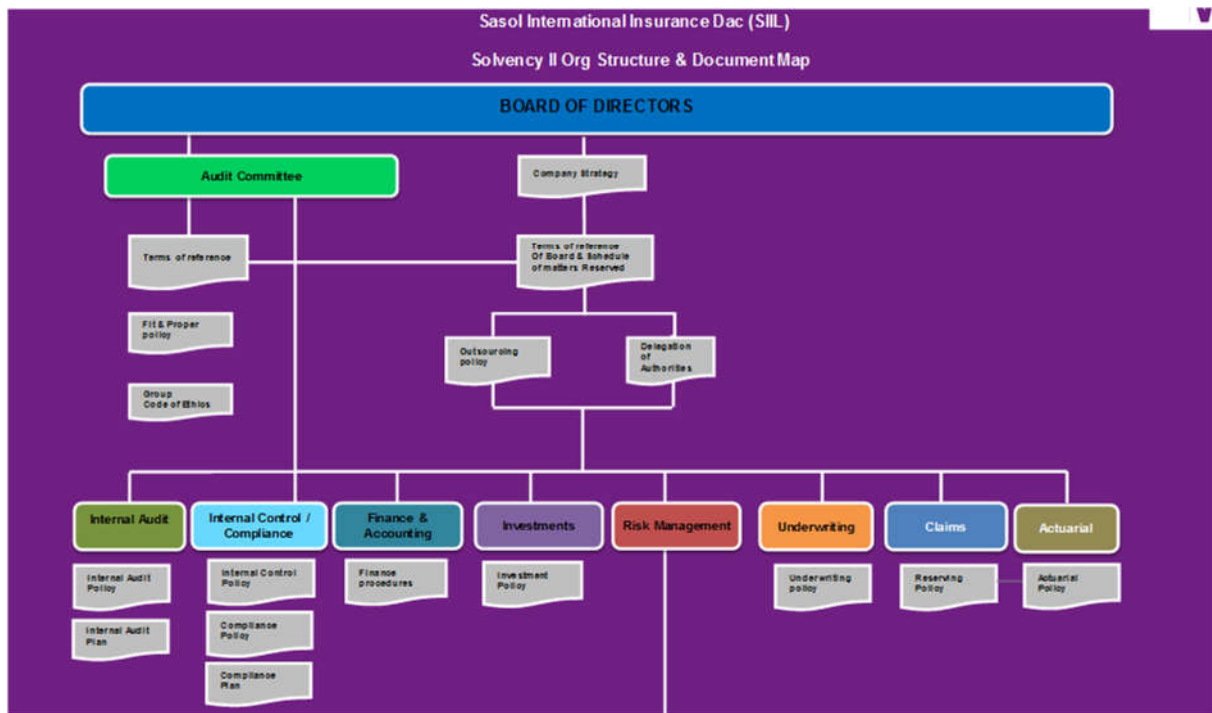
A.5 Any other information

No other information

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of Sasol International Insurance DAC as at 30th June 2020 comprised as follows:

Name	PCF	Date Appointed by the Board	Date Resigned
Pieter Van Vuuren	Executive Director (PCF1)	Appointed alternate director 26/6/2006 and director in 2009	N/A
Trevor Madden	Non-Executive Director (PCF2)	08/07/2013	N/A
Frederick Christiaan van den Berg	Executive Director (PCF1) & Chairman of the Board (PCF3)	01/01/2016	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
- Compliance with Regulatory Requirements

Audit Committee

Although not explicitly required by the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015, the Company established an Audit Committee at the Board Meeting held on 8th September 2015, in line with the criteria defined in Section 167 of the Companies Act 2014. The duties of the Audit Committee include:

- To monitor the financial reporting process.
- To monitor the effectiveness of the entity’s systems of internal control, internal audit and risk management.
- To make recommendations to the Board on 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.

At the Board of Director’s meeting of 29th May 2018, the Board noted that the Company is not currently meeting the criteria as defined in Section 167 of the Companies Act. It was therefore agreed that the Audit Committee would exist in a state of hiatus until such time as the Company again meets said criteria. Until such time the Board will be fulfilling the role of the Audit Committee.

Information on Remuneration Policies and Practices

As the Company is a Captive Insurance Company, all Director positions are held either by Group employees or members of outsourced service providers. No Board members are individually remunerated for the role as Director and the Company did not have any employees at any time during the year.

Overview of Year Ended 30th June 2020

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

- 24th September 2019
- 28th April 2020
- 11th June 2020

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. Pieter Van Vuuren, Executive Director as the designated person, with the overall responsibility for the outsourced functions. Mr. Van Vuuren 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 will review 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).

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.
- Issuing 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 third party audit firm (Mazars) with the Audit Committee 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 assurance on internal controls and advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to the Audit Committee and 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).

B.2 Fit and Proper Requirements

Sasol International 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 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.

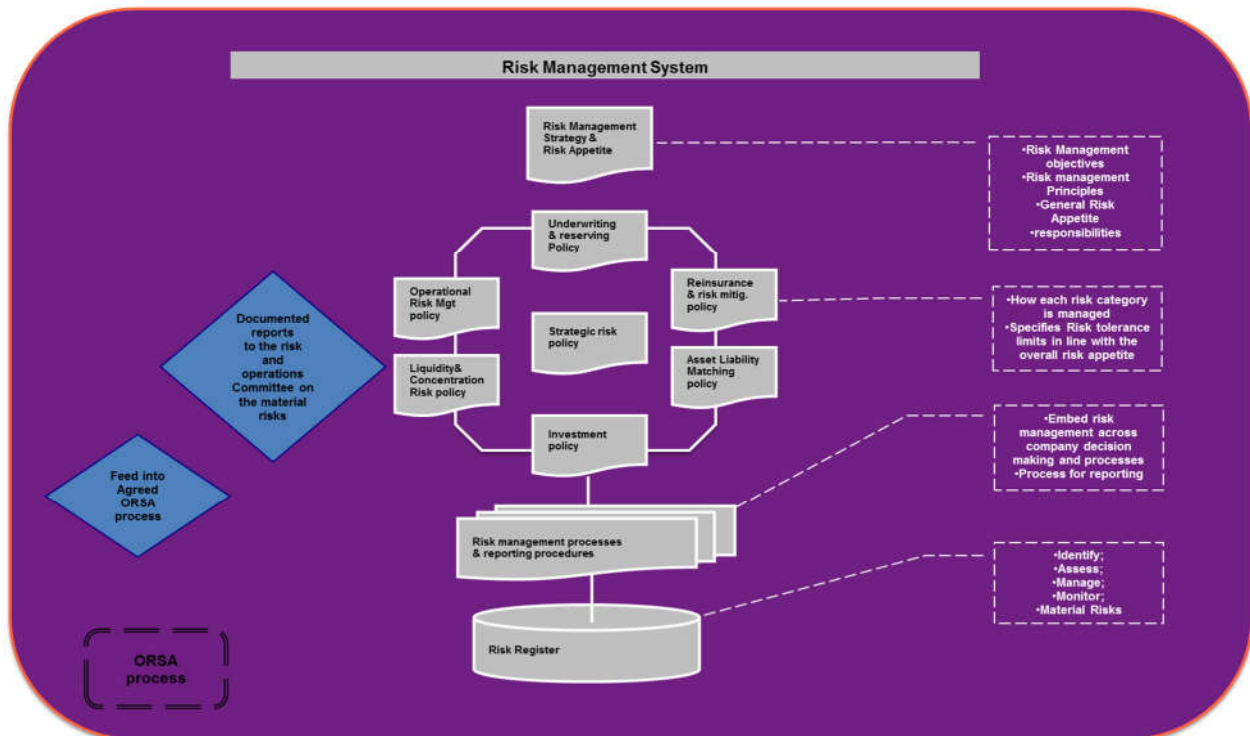
In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

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 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 Sasol 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 bi-annual 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;

- Bi - Annually
- 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 bi-annual 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 the 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 taken in 2020:

- A Board Meeting was held in June 2020 where the Board reviewed the Risk Register and Risk Appetite Statement and approved the 2020 ORSA framework and related items including determination of the Own Solvency Needs as well as appropriate scenarios for analysis and stress testing.
- The Board will review and approve the full suite of ORSA documentation including the ORSA Report, Regulatory Reporting Template and Directors' Compliance Statement before the 31st December 2020.

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 was to ascertain the Company's assessment of its Own 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 were 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.
- Application of appropriate and reasonable stresses 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 bi-annual 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 existence 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 adequacy and effectiveness of the controls in place; and
- Ensuring 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 and Management/Board 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
- Risk and Compliance
- Investment

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
- Quarterly Financial reporting to Group
- Detailed bi-annual reporting to the Board on Financial, Risk and 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 the financial statements provide a true and fair view of the company's assets, liabilities and financial position and that no material matters have been raised 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 with the required performance as per the agreed Service Level Agreement ('SLA'). The SLAs 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 are formally assessed and noted 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 are noted.

B.6 Any other information

No other information

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 Property Damage and Business Interruption (PDBI) coverage and General Liability (GL) coverage relating to the Group's Production Facilities in South Africa, Italy, Germany, USA and Mozambique. Additionally the Company accepts inwards reinsurance placements for Personal Accident and Non Production Assets All Risks coverages in South Africa only. 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 its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance, monitoring of emerging issues and actuarial reviews.

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 on reinsurance recoverable 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. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

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.

In FY20, the Company extended the intercompany loan by a further USD 65M bringing the total intercompany loan amount to USD 165M continuing to provide support to group financing requirements. The terms of the loan were determined in line with the Company's liquidity requirements and it remains immediately redeemable should solvency requirements deem it necessary. Please refer to section C6 'Other Material Risks' wherein the directors have considered the importance of the Intercompany Loan within the Going Concern Assessment carried out in the preparation of the Audited Financial Statements.

The Company has appointed an appropriately experienced investment manager to manage the Company's portfolio of debt and equity securities in order to keep market risk to a minimum. To facilitate the increase to the Intercompany loan the Company has reduced the value of its holdings in the managed portfolio

The Company seeks to spread investments across a number of institutions to reduce concentration risk.

The Company and the Board will annually review the amount of funds invested with any one institution and will maintain a minimum of three credit institutions.

The Company has little appetite for counterparty default risk in relation to investments and seeks to invest in institutions with an investment grade rating as a minimum requirement.

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, which is achieved in a number of ways such as investing in low risk asset classes such as government guaranteed bonds.

Counterparty Default Risk

The Group utilises reinsurance to efficiently manage insurance risk. The Group is therefore exposed to the failure to perform by these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a minimum credit rating of A or greater for reinsurers, as documented in the Reinsurance Policy (one exception currently in respect of Santam Ltd. who are rated BB as approved by the Board)

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 the estimates of frequency and severity of possible events are assessed and captured in the Operational Risk Policy. This process safeguards the ongoing sustainability and 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 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

Going Concern

In determining the appropriate basis of preparation of the annual financial statements, the Directors are required to consider whether the Company can continue in operational existence for 12 months from the date of approval of the financial statements ('the period of assessment'). The directors of SIIDAC note the inclusion of a Material Uncertainty which casts a significant doubt over the Group's ability to continue as a Going Concern in the Audited Financial Statements of Sasol Limited, the ultimate beneficial owner of the Company. SIIDAC has an intercompany asset on its balance sheet by way of a loan to another group entity, Sasol Financing International Limited ('SFIL'), which represents 67% of Total Assets and 80% of Shareholders Funds as at 30th June 2020. In light of this material exposure to another group entity the Directors have considered the extensive Going Concern disclosure note included in the Sasol Limited financial statements while also performing a comprehensive going concern assessment for SIIDAC. The results of these considerations and assessments are set-out below.

Sasol Limited

The directors of SIIDAC have noted the detailed Going Concern disclosures included in the Sasol Limited financial statements. The relevant points from which are as follows:

- The financial performance of the Group was significantly impacted by an unprecedented set of combined challenges driven by significant decline in global oil and chemical prices and the global COVID-19 pandemic.
- These events came at a time when the balance sheet was under severe pressure due to the additional expenditure required to complete the Lake Charles Chemical Project ('LCCP') business segment.

- The ability of the Group to meet its debt covenant requirements at 31 December 2020 and 30 June 2021 and repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the ability to realise cash through a combination of asset disposals, or part thereof, and the successful raising of equity.
- In March 2020, Sasol announced a comprehensive response plan to stabilise the Group in the short-term. This entailed conserving cash through self-help management actions in operational and capital expenditure, accelerating asset disposals, and pursuing a rights issue.
- By 30 June 2020, the Group had exceeded its self-help management actions targets by reducing external expenditure and saving costs across various human capital levers, optimising working capital and capital expenditure by curtailing discretionary capital and keeping sustenance capital at the minimum level required to ensure safe and reliable operations.
- The Board (of Sasol Limited) has considered management's plans and appointed an international external advisor to provide an independent opinion on the risks related to going concern, the timing and successful execution of asset disposal transactions to ensure that the debt covenants are met as well as the credibility of the plans presented by management.
- The Board (of Sasol Limited) has appointed capital market advisors and is considering various capital raising alternatives. In assessing the various options available to reduce debt, the Board is mindful of the impact that different potential disposals may have on the business's cash flow generation thereafter and believes that a rights issue of up to US\$2 billion will still be required.
- The Board (of Sasol Limited) has no intention to cease trading, curtail operations or liquidate the businesses, other than planned asset disposals which are aligned with the Group's revised strategy to create a more focused portfolio.
- As a result of the liquidity constraints, weak trading environments and the risk of a second COVID-19 outbreak, the Board (of Sasol Limited) undertook a comprehensive assessment of the Group, including its solvency and liquidity statuses.
- Solvency: At 30 June 2020, after impairments, the valuations of the Group's assets indicate that their fair values exceed their carrying values as well as the external debt. The asset base of the Group comprises mainly tangible assets with significant value, reflected in the records of the underlying businesses. As such, the Board is of the view that given the significant headroom in the fair value of the assets over the fair value of the liabilities (including contingent liabilities), the Company and Group are solvent as at 30 June 2020.
- Liquidity: Sasol has undertaken a series of Performance and Liquidity Improvement Initiatives during 2020, which will continue into 2021. In addition, the Company signed a covenant waiver with its lenders in June 2020. In the waiver agreement, the lenders agreed to waive the covenant at June 2020 and lift the December 2020 covenant from a Net debt: EBITDA of 3,0 times to 4,0 times.

The directors of SIIDAC have further noted the conclusions included in the Report of the Audit Committee in the Sasol Limited financial statements which form part of their extensive GC assessment of the Company:

- A review was performed based on a request from the Committee on the completeness of financial guarantees.
- After examining the forecast and stress tested scenarios along with Sasol's progress on asset disposals and ability to generate capital and raise funding in current market conditions, given the net debt and financing facilities available and utilised by the Group, debt structure, debt maturity profile and covenants and considering the independent assurance provided, the Committee concluded that Sasol's liquidity and capital position for the foreseeable future was adequate and that the going concern basis could be applied.
- Accordingly, the Committee recommended to the Board the adoption by the Group of the going concern basis of preparation.

The directors of SIIDAC have also noted the ultimate conclusions of the Board (of Sasol Limited) in respect of going concern

- Based on the going concern assessment, the Board is of the view that the company and group have adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis. The Board is not aware of any new material changes that may adversely impact the company and group other than those disclosed in the going concern note to the financial statements.
- The events, conditions, judgements and assumptions described above inherently include material uncertainty on the timing of future cash flows and therefore any significant deviations may cast significant doubt on the Group and Company's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business.
- Whilst there are material uncertainties, the directors have, based on the information available to them, considered the financial plans and forecasts, the actions taken by the Company, the historic track record of the Group to deliver on previous response plans and cost optimisation targets and the skills and acumen of management to execute on asset disposals.
- Based on the above, the Directors are of the opinion that the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.

Sasol International Insurance DAC

The financial stability of the Sasol Group is of utmost importance to SIIDAC as the Company has an intercompany asset on its balance sheet by way of a loan to another group entity, Sasol Financing International Limited ('SFIL'), which represents 67% of Total Assets and 80% of Shareholders Funds as at 30th June 2020. Notwithstanding the significant actions being taken at Group level to address the above material uncertainty and the ultimate conclusion of the Board of Sasol Limited that the going concern assumption is appropriate in the preparation of its financial statements the Board of SIIDAC requested its annual Going Concern assessment, which is carried out to demonstrate that the Company is and will continue to be a going concern for the period of assessment, to consider the implications of the material uncertainty. The results of this assessment are as follows:

- Management conducted a quantitative analysis on the capital position of the Company to determine the degree of stress that could be endured in respect of the intercompany asset. The results of this analysis demonstrate that the Company has sufficient capital to absorb further downgrades to the rating of the counterparty (SFIL) or impairments to the carrying value of the intercompany asset without materially breaching their Solvency Capital Requirement ('SCR').
- Management conducted a quantitative analysis on the liquidity position of the Company to determine if the Company will have sufficient liquid assets to meet its obligations as they fall due over the coming 12-month period including considering the impact of COVID 19 and known loss events. In performing this liquidity assessment a prudent approach was adopted in respect of all claims estimates. The result of this analysis demonstrates that the Company has sufficient liquid funds available to meet its potential liabilities before resorting to a recall of any part of the intercompany loan balance.
- The directors have assessed whether any objective evidence exists that might indicate that the carrying value of the intercompany loan is impaired as at 30th June 2020. The directors note that the credit rating of the counterparty (SFIL) was downgraded by Moody's in the third quarter of the financial year in line with the downgrade to the Sasol Limited Corporate Family Rating. Notwithstanding this downgrade the Company continues to receive its scheduled interest payments on time and in accordance with the original terms specified within the intercompany loan agreement. It is therefore the directors contention that the absence of any default or concession on the scheduled interest payments coupled with the cash position of the counterparty's balance sheet indicates that no conditions are in existence at the reporting date that would suggest an impairment event has occurred or support an impairment to the carrying value of the loan is required in accordance with FRS 102

- The directors, as part of the Going Concern Assessment, have considered the significant and meaningful actions, outlined above, being taken by the wider Sasol Group to stabilise the Group finances. As per the Stock Exchange News Service announcement of October 2nd 2020 the Group has agreed a deal to dispose of a 50% interest in the LCCP Base Chemicals Business and the portion of the Lake Charles property from which it operates for a purchase consideration of US\$2 billion. The Transaction will represent a significant step towards achieving Sasol's strategic and financial objectives by materially reducing net debt and catalysing a rapid shift towards the Future Sasol Strategy.
- The Directors also note the opinions and conclusions of the Group Directors, outlined above, that despite the considered material uncertainties, the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.
- The directors have also considered the potential impact of Covid-19 on the insurance industry and the Company's business, including:

(a) the Company's capital position and the surplus over its required solvency capital requirement ("SCR") and minimum capital requirement ("MCR");

The Directors note that as at 30th June 2020 that the Company had a SCR ratio of 144% and a MCR ratio of 576%. The directors therefore do not anticipate any issue with the Company's ability to satisfy regulatory solvency requirements over the period of assessment.

(b) the potential range of impact that Covid-19 may have on its business, claims and investments

The value of the Company's equity portfolio at USD 1.7m is immaterial in the context of its total investments limiting the potential impact to the Company if there is further financial market disruption caused by the COVID-19 pandemic. Similarly the potential insurance liabilities which may arise due to the COVID-19 are limited as the insurance program requires there to be an element of property damage in order for a business interruption claim to be covered.

(c) the level of reinsurance and the credit rating of Company's reinsurance counterparties;

To meet its potential claims the Company has a strong panel of 37 reinsurers across the Property Damage and Business Interruption and General Liability panels with a minimum rating of BBB.

(d) the credit rating of the Sasol Group; and

The credit rating of Sasol Limited was downgraded by Moody's to Ba2 in the third quarter of the financial year. The decision to downgrade the ratings to Ba2 reflects Moody's view that "*credit metrics will deteriorate in the next 12 to 18 months, contrary to the rating agency's previous expectation of a moderate deleveraging*". Any further downgrades to the credit rating of the wider group is not expected to materially impact the solvency position of the Company.

(e) the Company's liquidity position.

As outlined in the going concern assessment above there are significant liquid funds available to meet obligations as they fall due therefore the Directors do not anticipate any liquidity issues in the next 12 months in the context of COVID-19.

The intercompany loan becomes repayable if the solvency of the Company is threatened or if the regulator requires it to be repaid. Consequently, there is a risk given the facts outlined above that the regulator could require part or all of the intercompany loan to be repaid.

The directors have discussed the above position with its ultimate parent and have received assurances that the group has the ability and will repay the intercompany loan or part thereof if required to do so over the period of assessment.

The assessment outlined above confirms that there is material uncertainty in respect of the Going Concern assumption at a Group level which may cast a significant doubt on the ability of other group entities to discharge their liabilities in the normal course of business. By extension a material uncertainty which may cast a significant doubt on the company to continue as a going concern exists in relation to SIIDAC given the material intercompany receivable balance that forms part of the liquid assets within the entity at the reporting date.

Notwithstanding the existence of this material uncertainty, the Directors, having carefully considered the results of the going concern assessment detailed above including discussions with its ultimate parent, are of the opinion that the going concern assumption is appropriate for the period of assessment.

C.7 Any Other Information

No other information

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 Financial Reporting Standard 102 (FRS102) 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 was 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.

Investments

Investments are recognised under FRS102 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

The table below sets out the values in the financial statements along with the corresponding current accounting basis used to calculate the Solvency II valuation.

Sasol International Insurance DAC Assets (USD)	2020	
	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	355,950	-
Deferred Tax Assets	-	497,955
Total Investments	55,052,961	55,052,961
Participations and related undertakings	5,000	5,000
Equities (Other than Participations) – Listed	1,732,328	1,732,328
Government and Multilateral Banks	2,234,900	2,234,900
Collective Investment Undertakings	346,128	346,128
Deposits Other Than Cash Equivalents	50,734,605	50,734,605
Other Mortgages and Loans	165,000,000	165,000,000
Reinsurance share of TP - non-life excluding health	14,000,000	12,420,179
Cash & Cash Equivalents	11,835,583	11,835,583
Any Other Assets, Not Elsewhere Shown	277,241	277,241
Total assets	246,521,735	245,083,919

Sasol International Insurance DAC Assets (USD)	2019	
	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	376,872	-
Deferred Tax Assets	-	511,583
Total Investments	79,094,411	79,094,411
Participations and related undertakings	5,000	5,000
Equities (Other than Participations) – Listed	6,742,349	6,742,349
Government and Multilateral Banks	30,566,993	30,566,993
Collective Investment Undertakings	23,563,383	23,563,383
Deposits Other Than Cash Equivalents	18,216,686	18,216,686
Other Mortgages and Loans	100,000,000	100,000,000
Reinsurance share of TP - non-life excluding health	14,000,000	12,221,070
Cash & Cash Equivalents	25,755,681	25,755,681
Any Other Assets, Not Elsewhere Shown	1,238,950	1,238,950
Total assets	220,465,914	218,821,695

Key points to note:

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

All other assets remain unchanged when presented under Solvency II valuation principles with the exception of deferred acquisition costs which are removed under Solvency II and the creation of a deferred tax asset which is generated as a result of the revaluation of the technical provisions under Solvency II.

Overview of any assets not regularly traded in Financial Markets

With the exception of the investment portfolio the Company has no financial assets that are not regularly traded in financial markets other than a nominal shareholding in a mutual insurance company and an intercompany loan agreement with another Sasol group company.

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 claims provision between financial statements and Solvency II.

The table below sets out the results of the Technical provision calculations on the financial statements and Solvency II basis.

Sasol International Insurance DAC Liabilities (USD)	2020	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	37,800,121	39,874,420
TP calculated as a whole (Best estimate + Risk margin)	37,800,121	-
Best Estimate	-	35,541,660
Risk Margin	-	4,332,760
Gross Technical Provisions - Health (Similar to Non-Life)	226,576	200,135

TP calculated as a whole (Best estimate + Risk margin)	226,576	-
Best Estimate	-	183,816
Risk margin	-	16,319
Insurance and Intermediaries Payable	496,653	496,653
Any other liabilities, not elsewhere shown	541,962	541,962
Total liabilities	39,065,312	41,113,170

Sasol International Insurance DAC Liabilities (USD)	2019	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	32,847,131	34,821,328
TP calculated as a whole (Best estimate + Risk margin)	32,847,131	-
Best Estimate	-	30,426,966
Risk Margin	-	4,394,362
Gross Technical Provisions - Health (Similar to Non-Life)	245,814	208,480
TP calculated as a whole (Best estimate + Risk margin)	245,814	-
Best Estimate	-	193,507
Risk margin	-	14,973
Insurance and Intermediaries Payable	538,498	538,498
Any other liabilities, not elsewhere shown	89,507	89,507
Total liabilities	33,720,950	35,657,813

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") of USD 97,500 (2019: USD 97,500) along with run-off expenses of USD 600,670 (2019: USD 1,003,982); 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.

Claims Provision

As at the reporting date, the Company had three (2019: two) known losses reported with reserves of 24.8 M (2019: USD 23.5M) booked in the audited financial statements together with Incurred but not Reported (IBNR) provisions in the amount of USD 13.2M (2019: USD 9.6M).

Material Differences in the above used for valuation in Financial Statements

The above table outlines 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:** Most of the risks being underwritten are short-tailed. We have assumed that risk would run off within 4 years.
- **Discount rate:** Current yields are very low, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by the Company are short-tailed.
- **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 previous 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 Reinsurers' Portion of Technical Provisions by USD 1,579,821 (2019: decrease of USD 1,778,930).

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, last approved on 23rd September 2019, 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 Sasol 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.

LIABILITIES	2020
	USD
Creditors arising out of insurance operations	496,653
Other creditors including taxation and social security	541,962
Total	1,038,615

LIABILITIES	2019
	USD
Creditors arising out of insurance operations	538,498
Other creditors including taxation and social security	89,507
Total	628,005

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under Irish GAAP financial statements and Solvency II valuation.

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

D.5 Any other Information

No other information

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 Irish GAAP 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 financial statements as at 30th June 2020	2020 USD	2019 USD
Solvency II - Basic Own Funds	203,970,749	183,163,882
Total Equity as per financial statements	207,456,424	186,744,966
Difference:	(3,485,675)	(3,581,084)
<u>Represented by:</u>		
Difference between Net Technical Provisions and BEL	721,399	693,540
Risk Margin – Non Life	(4,349,079)	(4,409,335)
Removal of Deferred Acquisition Costs	(355,950)	(376,872)
Adjustment to Deferred Tax	497,955	511,583
Difference:	(3,485,675)	(3,581,084)

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 Solvency Capital Requirement ('SCR') were calculated using the standard formula.

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 150% 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 30 June 2020:

Composition	Available Capital	Eligible Capital
Tier 1 unrestricted	203,472,795	203,472,795
Tier 1 restricted		
Tier 2 basic		
Tier 2 ancillary		
Tier 3	497,954	497,954
Total	203,970,749	203,970,749

E.2 Solvency Capital Requirement & Minimum Capital Requirement

The Company has achieved SCR coverage of 144% (2019: 231%) and MCR coverage of 576% (2019: 922%) as at 30th June 2020.

2020				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	141,383,593	203,970,749	144.3%	25.0%
MCR	35,345,898	203,472,795	575.7%	

2019				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	79,218,519	183,163,882	231%	25.0%
MCR	19,804,630	182,652,299	922%	

The table below shows the SCR components by risk module (using the Standard Formula) at 30th June 2020:

SCR Overview	USD 2020	USD 2019
Market Risk	118,765,652	35,466,401
Counterparty Default Risk	17,112,688	22,898,388
Health underwriting risk	5,812,746	7,143,669
Non-life underwriting risk	57,644,151	56,514,767
Diversification	(45,792,434)	(32,927,948)
Basic Solvency Capital Requirement	153,542,803	89,095,277
Operational Risk	1,511,490	1,440,173
Loss Absorbing Capacity of Deferred Taxes	(13,670,700)	(11,316,931)
Solvency Capital Requirement	141,383,593	79,218,519

In respect of the loss absorbing capacity of deferred taxes (LACDT) the probable future taxable profit against which it may be utilised has been calculated over a five year horizon with reference to both historical profits and stressed projected future profits.

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 30th June 2020:

SCR Overview	USD 2020	USD 2019
Linear MCR	4,901,427	4,279,599
SCR	141,383,593	79,218,519
MCR cap	63,622,617	35,648,333
MCR floor	35,345,898	19,804,630
Combined MCR	35,345,898	19,804,630
Absolute floor of the MCR	4,126,980	4,187,660
Minimum Capital Requirement	35,345,898	19,804,630

The observed changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period are as a result of a downgrade to a key counterparty combined with the expansion of cover provided by the insurance programme.

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

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

E.6 Any Other Information

Significant events in the reporting period

Going Concern

In determining the appropriate basis of preparation of the annual financial statements, the Directors are required to consider whether the Company can continue in operational existence for 12 months from the date of approval of the financial statements ('the period of assessment'). The directors of SIIDAC note the inclusion of a Material Uncertainty which casts a significant doubt over the Group's ability to continue as a Going Concern in the Audited Financial Statements of Sasol Limited, the ultimate beneficial owner of the Company. SIIDAC has an intercompany asset on its balance sheet by way of a loan to another group entity, Sasol Financing International Limited ('SFIL'), which represents 67% of Total Assets and 80% of Shareholders Funds as at 30th June 2020. In light of this material exposure to another group entity the Directors have considered the extensive Going Concern disclosure note included in the Sasol Limited financial statements while also performing a comprehensive going concern assessment for SIIDAC. The results of these considerations and assessments are set-out below.

Sasol Limited

The directors of SIIDAC have noted the detailed Going Concern disclosures included in the Sasol Limited financial statements. The relevant points from which are as follows:

- The financial performance of the Group was significantly impacted by an unprecedented set of combined challenges driven by significant decline in global oil and chemical prices and the global COVID-19 pandemic.
- These events came at a time when the balance sheet was under severe pressure due to the additional expenditure required to complete the Lake Charles Chemical Project ('LCCP') business segment.
- The ability of the Group to meet its debt covenant requirements at 31 December 2020 and 30 June 2021 and repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the ability to realise cash through a combination of asset disposals, or part thereof, and the successful raising of equity.
- In March 2020, Sasol announced a comprehensive response plan to stabilise the Group in the short-term. This entailed conserving cash through self-help management actions in operational and capital expenditure, accelerating asset disposals, and pursuing a rights issue.
- By 30 June 2020, the Group had exceeded its self-help management actions targets by reducing external expenditure and saving costs across various human capital levers, optimising working capital and capital expenditure by curtailing discretionary capital and keeping sustenance capital at the minimum level required to ensure safe and reliable operations.
- The Board (of Sasol Limited) has considered management's plans and appointed an international external advisor to provide an independent opinion on the risks related to going concern, the timing and successful execution of asset disposal transactions to ensure that the debt covenants are met as well as the credibility of the plans presented by management.
- The Board (of Sasol Limited) has appointed capital market advisors and is considering various capital raising alternatives. In assessing the various options available to reduce debt, the Board is mindful of the impact that different potential disposals may have on the business's cash flow generation thereafter and believes that a rights issue of up to US\$2 billion will still be required.
- The Board (of Sasol Limited) has no intention to cease trading, curtail operations or liquidate the businesses, other than planned asset disposals which are aligned with the Group's revised strategy to create a more focused portfolio.
- As a result of the liquidity constraints, weak trading environments and the risk of a second COVID-19 outbreak, the Board (of Sasol Limited) undertook a comprehensive assessment of the Group, including its solvency and liquidity statuses.
- Solvency: At 30 June 2020, after impairments, the valuations of the Group's assets indicate that their fair values exceed their carrying values as well as the external debt. The asset base of the Group comprises mainly tangible assets with significant value, reflected in the records of the underlying businesses. As such, the Board is of the view that given the significant headroom in the fair value of the assets over the fair value of the liabilities (including contingent liabilities), the Company and Group are solvent as at 30 June 2020.
- Liquidity: Sasol has undertaken a series of Performance and Liquidity Improvement Initiatives during 2020, which will continue into 2021. In addition, the Company signed a covenant waiver with its lenders in June 2020. In the waiver agreement, the lenders agreed to waive the covenant at June 2020 and lift the December 2020 covenant from a Net debt: EBITDA of 3,0 times to 4,0 times.

The directors of SIIDAC have further noted the conclusions included in the Report of the Audit Committee in the Sasol Limited financial statements which form part of their extensive GC assessment of the Company:

- A review was performed based on a request from the Committee on the completeness of financial guarantees.
- After examining the forecast and stress tested scenarios along with Sasol's progress on asset disposals and ability to generate capital and raise funding in current market conditions, given

the net debt and financing facilities available and utilised by the Group, debt structure, debt maturity profile and covenants and considering the independent assurance provided, the Committee concluded that Sasol's liquidity and capital position for the foreseeable future was adequate and that the going concern basis could be applied.

- Accordingly, the Committee recommended to the Board the adoption by the Group of the going concern basis of preparation.

The directors of SIIDAC have also noted the ultimate conclusions of the Board (of Sasol Limited) in respect of going concern

- Based on the going concern assessment, the Board is of the view that the company and group have adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis. The Board is not aware of any new material changes that may adversely impact the company and group other than those disclosed in the going concern note to the financial statements.
- The events, conditions, judgements and assumptions described above inherently include material uncertainty on the timing of future cash flows and therefore any significant deviations may cast significant doubt on the Group and Company's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business.
- Whilst there are material uncertainties, the directors have, based on the information available to them, considered the financial plans and forecasts, the actions taken by the Company, the historic track record of the Group to deliver on previous response plans and cost optimisation targets and the skills and acumen of management to execute on asset disposals.
- Based on the above, the Directors are of the opinion that the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.

Sasol International Insurance DAC

The financial stability of the Sasol Group is of utmost importance to SIIDAC as the Company has an intercompany asset on its balance sheet by way of a loan to another group entity, Sasol Financing International Limited ('SFIL'), which represents 67% of Total Assets and 80% of Shareholders Funds as at 30th June 2020. Notwithstanding the significant actions being taken at Group level to address the above material uncertainty and the ultimate conclusion of the Board of Sasol Limited that the going concern assumption is appropriate in the preparation of its financial statements the Board of SIIDAC requested its annual Going Concern assessment, which is carried out to demonstrate that the Company is and will continue to be a going concern for the period of assessment, to consider the implications of the material uncertainty. The results of this assessment are as follows:

- Management conducted a quantitative analysis on the capital position of the Company to determine the degree of stress that could be endured in respect of the intercompany asset. The results of this analysis demonstrate that the Company has sufficient capital to absorb further downgrades to the rating of the counterparty (SFIL) or impairments to the carrying value of the intercompany asset without materially breaching their Solvency Capital Requirement ('SCR').
- Management conducted a quantitative analysis on the liquidity position of the Company to determine if the Company will have sufficient liquid assets to meet its obligations as they fall due over the coming 12-month period including considering the impact of COVID 19 and known loss events. In performing this liquidity assessment a prudent approach was adopted in respect of all claims estimates. The result of this analysis demonstrates that the Company has sufficient liquid funds available to meet its potential liabilities before resorting to a recall of any part of the intercompany loan balance.
- The directors have assessed whether any objective evidence exists that might indicate that the carrying value of the intercompany loan is impaired as at 30th June 2020. The directors note

that the credit rating of the counterparty (SFIL) was downgraded by Moody's in the third quarter of the financial year in line with the downgrade to the Sasol Limited Corporate Family Rating. Notwithstanding this downgrade the Company continues to receive its scheduled interest payments on time and in accordance with the original terms specified within the intercompany loan agreement. It is therefore the directors contention that the absence of any default or concession on the scheduled interest payments coupled with the cash position of the counterparty's balance sheet indicates that no conditions are in existence at the reporting date that would suggest an impairment event has occurred or support an impairment to the carrying value of the loan is required in accordance with FRS 102

- The directors, as part of the Going Concern Assessment, have considered the significant and meaningful actions, outlined above, being taken by the wider Sasol Group to stabilise the Group finances. As per the Stock Exchange News Service announcement of October 2nd 2020 the Group has agreed a deal to dispose of a 50% interest in the LCCP Base Chemicals Business and the portion of the Lake Charles property from which it operates for a purchase consideration of US\$2 billion. The Transaction will represent a significant step towards achieving Sasol's strategic and financial objectives by materially reducing net debt and catalysing a rapid shift towards the Future Sasol Strategy.
- The Directors also note the opinions and conclusions of the Group Directors, outlined above, that despite the considered material uncertainties, the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.
- The directors have also considered the potential impact of Covid-19 on the insurance industry and the Company's business, including:

(a) the Company's capital position and the surplus over its required solvency capital requirement ("SCR") and minimum capital requirement ("MCR");

The Directors note that as at 30th June 2020 that the Company had a SCR ratio of 144% and a MCR ratio of 576%. The directors therefore do not anticipate any issue with the Company's ability to satisfy regulatory solvency requirements over the period of assessment.

(b) the potential range of impact that Covid-19 may have on its business, claims and investments

The value of the Company's equity portfolio at USD 1.7m is immaterial in the context of its total investments limiting the potential impact to the Company if there is further financial market disruption caused by the COVID-19 pandemic. Similarly the potential insurance liabilities which may arise due to the COVID-19 are limited as the insurance program requires there to be an element of property damage in order for a business interruption claim to be covered.

(c) the level of reinsurance and the credit rating of Company's reinsurance counterparties;

To meet its potential claims the Company has a strong panel of 37 reinsurers across the Property Damage and Business Interruption and General Liability panels with a minimum rating of BBB.

(d) the credit rating of the Sasol Group; and

The credit rating of Sasol Limited was downgraded by Moody's to Ba2 in the third quarter of the financial year. The decision to downgrade the ratings to Ba2 reflects Moody's view that "*credit metrics will deteriorate in the next 12 to 18 months, contrary to the rating agency's previous expectation of a moderate deleveraging*". Any further downgrades to the credit rating of the wider group is not expected to materially impact the solvency position of the Company.

(e) the Company's liquidity position.

As outlined in the going concern assessment above there are significant liquid funds available to meet obligations as they fall due therefore the Directors do not anticipate any liquidity issues in the next 12 months in the context of COVID-19.

The intercompany loan becomes repayable if the solvency of the Company is threatened or if the regulator requires it to be repaid. Consequently, there is a risk given the facts outlined above that the regulator could require part or all of the intercompany loan to be repaid.

The directors have discussed the above position with its ultimate parent and have received assurances that the group has the ability and will repay the intercompany loan or part thereof if required to do so over the period of assessment.

The assessment outlined above confirms that there is material uncertainty in respect of the Going Concern assumption at a Group level which may cast a significant doubt on the ability of other group entities to discharge their liabilities in the normal course of business. By extension a material uncertainty which may cast a significant doubt on the company to continue as a going concern exists in relation to SIIDAC given the material intercompany receivable balance that forms part of the liquid assets within the entity at the reporting date.

Notwithstanding the existence of this material uncertainty, the Directors, having carefully considered the results of the going concern assessment detailed above including discussions with its ultimate parent are of the opinion that the going concern assumption is appropriate for the period of assessment.

Sasol International Insurance DAC

Solvency and Financial Condition Report

Disclosures

30 June
2020

(Monetary amounts in USD thousands)

General information

Undertaking name	Sasol International Insurance DAC
Undertaking identification code	635400N4ZSEO8SUHF198
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	30 June 2020
Currency used for reporting	USD
Accounting standards	Local GAAP
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	498
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)	55,053
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	5
R0100	<i>Equities</i>	1,732
R0110	<i>Equities - listed</i>	1,732
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	2,235
R0140	<i>Government Bonds</i>	2,235
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	346
R0190	<i>Derivatives</i>	0
R0200	<i>Deposits other than cash equivalents</i>	50,735
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	165,000
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	0
R0260	<i>Other loans and mortgages</i>	165,000
R0270	Reinsurance recoverables from:	12,420
R0280	<i>Non-life and health similar to non-life</i>	12,420
R0290	<i>Non-life excluding health</i>	12,420
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
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	11,836
R0420	Any other assets, not elsewhere shown	277
R0500	Total assets	245,084

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	40,075
R0520	<i>Technical provisions - non-life (excluding health)</i>	39,874
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	35,542
R0550	<i>Risk margin</i>	4,333
R0560	<i>Technical provisions - health (similar to non-life)</i>	200
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	184
R0590	<i>Risk margin</i>	16
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
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	0
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	497
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	0
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	542
R0900	Total liabilities	41,113
R1000	Excess of assets over liabilities	203,971

S.05.02.01

Premiums, claims and expenses by country

Non-life

R0010

Premiums written

R0110 Gross - Direct Business

R0120 Gross - Proportional reinsurance accepted

R0130 Gross - Non-proportional reinsurance accepted

R0140 Reinsurers' share

R0200 Net

Premiums earned

R0210 Gross - Direct Business

R0220 Gross - Proportional reinsurance accepted

R0230 Gross - Non-proportional reinsurance accepted

R0240 Reinsurers' share

R0300 Net

Claims incurred

R0310 Gross - Direct Business

R0320 Gross - Proportional reinsurance accepted

R0330 Gross - Non-proportional reinsurance accepted

R0340 Reinsurers' share

R0400 Net

Changes in other technical provisions

R0410 Gross - Direct Business

R0420 Gross - Proportional reinsurance accepted

R0430 Gross - Non-proportional reinsurance accepted

R0440 Reinsurers' share

R0500 Net

R0550 Expenses incurred

R1200 Other expenses

R1300 Total expenses

	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
		ZA	US	IT	DE	MZ	
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
		42,224	4,577	621	1,653		49,075
		888				420	1,308
							0
		18,757	2,185	348	898		22,188
	0	24,355	2,392	273	755	420	28,195
		42,224	4,577	621	1,653		49,075
		888				420	1,308
							0
		18,757	2,185	348	898		22,188
	0	24,355	2,392	273	755	420	28,195
		5,177	289	-153	-298		5,016
		-63				-19	-82
							0
							0
	0	5,114	289	-153	-298	-19	4,934
							0
							0
							0
							0
	0	0	0	0	0	0	0
		986	87	19	2	23	1,117
							1,117

Non-Life Technical Provisions

R0010	Technical provisions calculated as a whole
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

Technical provisions calculated as a sum of BE and RM
Best estimate

Premium provisions

R0060	Gross	0					0	0									0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0					0	0									0
R0150	Net Best Estimate of Premium Provisions	0					0	0									0

Claims provisions

R0160	Gross	184					13,594	21,948								35,725
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0					0	12,420								12,420
R0250	Net Best Estimate of Claims Provisions	184					13,594	9,528								23,305

R0260	Total best estimate - gross	184					13,594	21,948								35,725
R0270	Total best estimate - net	184					13,594	9,528								23,305
R0280	Risk margin	16					1,147	3,186								4,349

Amount of the transitional on Technical Provisions

[illegible]

R0320	Technical provisions - total	200					14,740	25,134								40,075
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0					0	12,420								12,420
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	200					14,740	12,714								27,654

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year	Underwriting Year
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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	
R0160	2011	7,561	0	0	0	0	0	0	0	0	0		0	7,561	
R0170	2012	9,743	14,892	1,065	0	0	0	0	0	0			0	25,699	
R0180	2013	0	0	0	0	0	0	0	0				0	0	
R0190	2014	0	0	0	0	0	0	0					0	0	
R0200	2015	0	1,179	0	0	0	0						0	1,179	
R0210	2016	0	0	0	0	0							0	0	
R0220	2017	6,669	3,254	0	0								0	9,923	
R0230	2018	0	0	0									0	0	
R0240	2019	0	0										0	0	
R0250	2020	0											0	0	
R0260													Total	0	44,363

[illegible]

S.23.01.01	
Own Funds	
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	
R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
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
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions
Ancillary own funds	
R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds
Available and eligible own funds	
R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR
R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR
Reconcillation reserve	
R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve
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)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
624	624		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
202,849	202,849			
0		0	0	0
498				498
0	0	0	0	0
0				
0	0	0	0	
203,971	203,473	0	0	498

0		0	
0		0	
0		0	0
0		0	0
0		0	
0		0	0
0		0	
0		0	0
0		0	0
0		0	0
203,971	203,473	0	498
203,473	203,473	0	
203,971	203,473	0	498
203,473	203,473	0	

141,384
35,346
144.27%
575.66%

C0060
203,971
0
0
1,122
0
202,849

0

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

R0010	Market risk
R0020	Counterparty default risk
R0030	Life underwriting risk
R0040	Health underwriting risk
R0050	Non-life underwriting risk
R0060	Diversification
R0070	Intangible asset risk
R0100	Basic Solvency Capital Requirement
Calculation of Solvency Capital Requirement	
R0130	Operational risk
R0140	Loss-absorbing capacity of technical provisions
R0150	Loss-absorbing capacity of deferred taxes
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
R0200	Solvency Capital Requirement excluding capital add-on
R0210	Capital add-ons already set
R0220	Solvency capital requirement
Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module
R0410	Total amount of Notional Solvency Capital Requirements for remaining part
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
R0440	Diversification effects due to RFF nSCR aggregation for article 304
Approach to tax rate	
R0590	Approach based on average tax rate
Calculation of loss absorbing capacity of deferred taxes	
R0640	LAC DT
R0650	LAC DT justified by reversion of deferred tax liabilities
R0660	LAC DT justified by reference to probable future taxable economic profit
R0670	LAC DT justified by carry back, current year
R0680	LAC DT justified by carry back, future years
R0690	Maximum LAC DT

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
118,766		
17,113		
0		
5,813		
57,644		
-45,792		
0	USP Key	
153,543	For life underwriting risk: 1 - Increase in the amount of annuity benefits 9 - None	
C0100	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	
1,511	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	
0		
-13,671		
0		
141,384		
0		
141,384		
0		
0		
0		
0		
C0109		
Yes		
LAC DT		
C0130		
-13,671		
0		
-13,671		
0		
0		
0		

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

R0010 MCR_{NL} Result