
DLL RE DAC

SOLVENCY AND FINANCIAL CONDITION REPORT

31ST December 2021

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Executive Summary

This is the Solvency and Financial Condition Report (SFCR) of DLL RE Designated Activity Company (“DLL RE” or “the Company”) for year ended 31 December 2021.

The SFCR is produced as part of DLL RE's compliance with the reporting requirements under Solvency II. This report covers the business and performance of the Company, its system of governance, risk profile, valuation for solvency purposes and capital management.

Business and Performance

In 2021 DLL RE DAC moved office and now operates from its office at 7th Floor, 76 Sir John Rogerson's Quay, Dublin 2. Established in 2005 by De Lage Landen International B.V. (“DLL Group”) DLL RE is a non-life reinsurer regulated by the Central Bank of Ireland.

DLL RE's principle activity is to reinsure programs underwritten by insurance companies insuring risks related to assets, leases and financing currently provided by the DLL Group, its subsidiaries and selected vendor partners. The primary strategic objective of DLL RE is to generate non-life underwriting income in a controlled, compliant and sustainable manner via the provision of reinsurance coverage on risks relating to the leasing and financing enterprises of the DLL Group and selected vendor partners.

The Company's financial year runs to 31st December each year and it reports its results in Euro (€). Gross premiums written in 2021 were €31,078k and DLL RE reported a profit of €6,686k for the period. Investment income performed as expected during the year given the negative interest rate market environment.

Refer to Section A for further details relating to business and performance.

System of Governance

The Board of Directors is the supervisory and management body of DLL RE and is ultimately responsible for all activities of the Company. It has various governance and control functions in place to monitor and manage the business and to ensure that DLL RE adheres to all applicable laws and regulations at both an Irish and EU level.

Refer to Section B for further details on the Company's system of governance.

Risk Profile

DLL RE is exposed to a wide variety of risks that arise as a result of doing business. The principal risks and uncertainties that the business faces are from non-life underwriting risk, market risk, default risk, operational and other risks. DLL RE has implemented a set of limits and controls to manage these risks.

Refer to Section C for further detail on the Company's risk profile.

Valuation for Solvency Purposes

The Company's financial statements including the balance sheet have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

DLL RE's Solvency II balance sheet is prepared as of December 31. The balance sheet is prepared in compliance with Solvency II Regulations. There are no material changes to the valuation for solvency purposes over the reporting period.

Refer to Section D for further detail on valuation for Solvency purposes.

Capital Management

DLL RE manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth, maintaining capital in line with Solvency Capital Requirements (SCR) and delivering acceptable returns.

The Company applies the Standard Formula approach in calculating the Solvency Capital Requirement.

At the end of the reporting period the Company has own funds of €65,902k compared to a solvency capital requirement of €41,964k and a minimum capital requirement (MCR) of €10,491k. The SCR ratio of the company is 157.04% and MCR ratio is 628.18%. The Company was compliant with Solvency II capital requirements throughout the year.

Refer to Section E for further detail on Capital Management.

Any Other Information

Covid-19

Throughout 2021 DLL RE continued to monitor the impact of Covid-19 restrictions on premium income and claims development across the business. The Company delivered strong results in 2021 emanating mainly from new business volume growth in the US Agri Physical Damage program. This had a direct impact on the Other Motor segment. Similar to 2020 experience, claims incurred in 2021 continue to be below budget due predominately to a slowdown in claims handling as a result of Covid-19 restrictions and a parts shortage due to supply chain disruptions. DLL RE's prudent approach to claims reserving has been maintained for the period. In the Other Motor and Miscellaneous Financial Loss segments there was no adverse program performance experienced for the programs supported by DLL RE offering flexible terms and conditions during the Covid-19 moratorium period. DLL RE will however continue to monitor performance in 2022 and beyond.

Events since the end of the financial year

On 24 February 2022, Russia commenced an invasion of Ukraine. The invasion has had a significant impact on a number of financial markets. The directors have considered the impact of these developments on the Company and have determined that, to the best of their knowledge, there is no material exposure to its operations or financial position. The directors will continue to monitor this ongoing situation for further developments which may impact the Company.

Climate Risk

The directors recognise that climate change poses a risk to both the Company and its stakeholders. In line with regulatory expectations, the Company continues to develop processes and controls proportionate to the nature and scale of the business. The directors will continue to monitor the potential impact of climate change on operations and implement mitigating solutions when required.

Going concern

In making the going concern assessment, the Directors considered the principal risks faced by the Company, its existing financial and operational resources and its overall solvency position.

In making this assessment the directors considered the potential impact of Covid-19 on the Insurance industry and the wider company's business, including:

- a) the Company's capital position and the surplus over its required solvency capital ratio and minimum capital ratio;
- b) the potential range of impact that Covid-19 may have on this surplus taking account of the Company's ORSA stress testing where appropriate;
- c) the Company's initial assessment of the impact on its business and investments
- d) the Company's liquidity position.

On the basis of the above, the directors have concluded that the going concern basis of accounting is appropriate.

A. Business and Performance

A.1 Business

A.1.1 Name and legal form of the undertaking

DLL RE is a non-life reinsurance company limited by shares. The Company's operating address and registered office is:

DLL RE Designated Activity Company,
7th Floor,
76 Sir John Rogerson's Quay,
Dublin 2.

A.1.2 Name of Supervisory Authority

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is:

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

A.1.3 Name and contact details of external auditor

The name and contact details of the Company's external auditor is:

PricewaterhouseCoopers,
Chartered Accountants and Statutory Audit Firm,
One Spencer Dock,
North Wall Quay,
Dublin 1.

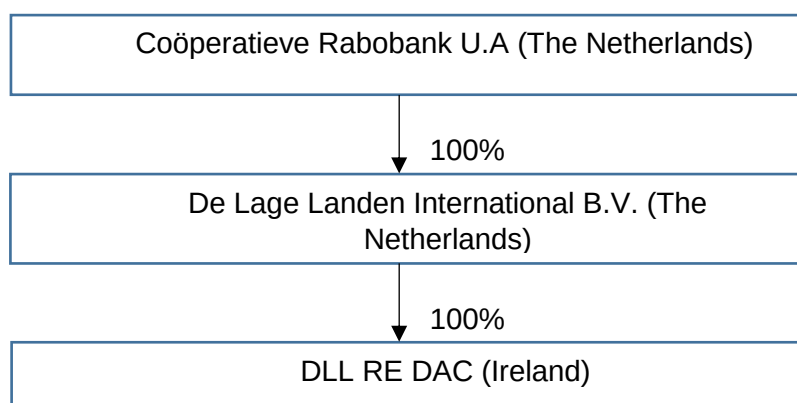
A.1.4 Holders of qualifying holdings in the undertaking

The Company is a 100% subsidiary of:

De Lage Landen International B.V.
Vestdijk 51,
5611 CA, Eindhoven,
The Netherlands.

A.1.5 Details of the undertaking's position within the legal structure of the group

The ultimate holding Company is Coöperatieve Rabobank U.A. based in The Netherlands. The ownership structure of DLL RE is listed below:



A.1.6 Material Lines of business and material geographical area where it carries out business

The material lines of business are Physical Damage, Motor Third Party Liability, Accident and Health, Extended Warranty and Miscellaneous Financial Loss.

DLL RE has reinsurance risks located as follows:

- **Europe:** Sweden, Norway, Denmark, Finland, the Netherlands, Belgium, UK, France, Germany, Spain, Italy.
- **North America :** United States and Canada
- **South America :** Brazil (run-off 31 July 2021)
- **Australia :** Australia

A.1.7 Significant business or other events occurring over the reporting period

The significant events that have occurred in the reporting period are as follows:

- DLL RE agreed a final commutation offer regarding a program located in the US and Canada in the Miscellaneous Financial Loss segment. Effective from 01.01.2021 the insurer assumed all in-force business releasing DLL RE from any future liabilities as of this date.
- In June 2021 the US Physical Damage insurance of agricultural equipment program was expanded into Canada.
- DLL RE ended its participation in a Physical Damage insurance in Brazil (Other Motor Segment) effective July 2021.
- The Company increased its participation share in one program in the Other Motor segment effective August 2021.
- No new programs were underwritten in 2021.

A.2 Performance from Underwriting Activities

DLL RE operates as a non-life reinsurance business, reinsuring programs underwritten by insurance companies insuring risks related to assets, leases and financing currently provided by the DLL Group, its subsidiaries and selected vendor partners. The DLL Group is a global provider of asset-based financial solutions working across nine key industries: Agriculture, Food, Healthcare, Clean Technology, Transportation, Construction, Industrial Equipment and Office Technology.

DLL RE works together with a range of brokers, insurers (investment grade) and the DLL Insurance Department (Product Overlay). DLL RE has seven active programs and has a wide geographical presence with reinsurance risks located in four continents.

An analysis of underwriting performance is provided for the years 2021 and 2020 below.

Financial Performance (all amounts in k €)	Other Motor Insurance		Miscellaneous Financial Loss		Fire and other damage to property insurance		Motor Vehicle Liability Insurance		Income Protection Insurance		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net Written Premiums	25,263	23,207	1,926	5,322	3,887	3,697	0	0	2	0	31,078	32,226
Change in Provision for Unearned Premiums	-11,098	-10,957	684	-223	-83	-20	0	0	0	0	-10,497	-11,200
Net Earned Premiums	14,166	12,250	2,610	5,099	3,804	3,677	0	0	2	0	20,581	21,026
Net Claims Incurred	-5,813	-3,886	-1,790	-4,681	-1,518	-1,397	0	1	0	35	-9,122	-9,928
Commission Expenses	-2,080	-1,714	-169	-233	-241	-244	0	0	2	0	-2,488	-2,192
Net Underwriting Income	6,272	6,649	650	185	2,045	2,036	0	1	3	35	8,971	8,906

The Company recorded a strong underwriting performance for the financial year-end 2021. The technical result for the Company as per the audited financial statements was €8,971k (€8,905k in 2020).

An analysis of underwriting performance split into Non-European and European is provided for the years 2021 and 2020.

Financial Performance (all amounts in k €)	2021			2020		
	Non EU	EU	Total	Non EU	EU	Total
Net Written Premiums	24,805	6,273	31,078	26,555	5,671	32,226
Change in Provision for Unearned Premiums	-9,989	-507	-10,497	-10,860	-340	-11,200
Net Earned Premiums	14,816	5,765	20,581	15,695	5,331	21,026
Net Claims Incurred	-7,364	-1,758	-9,122	-8,351	-1,577	-9,928
Written Premiums ceded to reinsurer	0	0	0	0	0	0
Commission Expenses	-1,599	-889	-2,488	-1,464	-728	-2,192
Net Underwriting Income	5,853	3,118	8,971	5,880	3,026	8,906

A.3 Performance from Investment Activities

DLL RE manages its assets in a sound and prudent manner. DLL RE investment's comprises a mix of cash and deposits. DLL RE holds assets which adequately cover technical reserves and the required solvency margin. The Company's investment strategy is conservative in nature and DLL RE aims to maximise its returns subject to agreed risk constraints.

It is DLL RE's policy to maintain investments in:

- Separate cash deposits internally within the Rabobank Group or
- Externally with banks (subject to internal counterparty's approvals).

Any other investments, any new allowable investments or new bank relationships must be pre-approved by the Board. In 2021, due to negative interest rates the Company incurred an interest income loss of (€296k).

The performance for Investment Activities is summarized below:

Investment Income €'000	31.12.2021	31.12.2020
Interest income from financial assets not at fair value through P&L	-296	226
Total	-296	226

The result for Cash and Cash Equivalents is summarized below:

Cash and cash equivalents €'000	31.12.2021	31.12.2020
Cash at bank	57,487	54,476
Short term deposits with Rabobank	11,339	-
Total	68,826	54,476

A.4 Operating/other expenses

DLL RE's operating expenses consist of commissions, brokerage and other operating expenses. Other operating expenses include salaries and general operating expenses.

The breakdown of administrative expenses is summarised below.

Administration Expenses €'000	31.12.2021	31.12.2020
Commission	1,459	1,285
Brokerage	1,029	906
Other Operating expenses	910	757
Total	3,398	2,948

A5. Any other disclosures

There have been no further material developments regarding the business and performance of the Company during the reporting period.

B. System of Governance

B.1 General Information on the System of Governance

B.1.1 Roles and responsibilities of the Board and Committees

The Board

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

In accordance with the stipulated criteria of the Central Bank of Ireland, the Board of DLL RE is of sufficient size, composition and expertise to oversee adequately the Company's operations. The Board is the supervisory and management body of DLL RE and is ultimately responsible for all activities of the Company. It ensures that DLL RE adheres to all applicable laws and regulations at both an Irish and EU level.

The Board is responsible for, and maintains oversight of, the daily activities undertaken by the local management team. This oversight includes the selection and appointment of individuals demonstrating sufficient knowledge, integrity and competence to execute the daily activities of the Company. The Company's management team, located in the registered offices of DLL RE, consists of a General Manager, a Business Development Underwriter, Financial Controller and a Reinsurance Technician.

The Board of Directors are as follows:

Olivia Allen: Executive Director
Fergal O'Mongain: Non-Executive Director
Rob Burgerhout: Independent Non-Executive Director
Brendan Malley: Non-Executive Director
Philip Doyle: Independent Non-Executive Director
Andre Matthijssen: Independent Non-Executive Director (appointed 16th March 2021)
Jan van der Zee: Non-Executive Director (appointed 20th December 2021)

Ingrid Pompe resigned on 20th December 2021 and was replaced by Jan van der Zee.

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

The Board of the Company has delegated certain functional tasks and authority resulting from the Board's roles and responsibilities to executive members. The standing Committees of the Company are the Audit Committee and the Risk Committee, both of which include significant Board Member representation. These Committees are in compliance with the directives of the Central Bank of Ireland.

The Risk Committee

The purpose of the DLL RE Risk Committee is to make decisions on reinsurance programs, new business applications and on proposed material changes in existing programs and to assist the Board of DLL RE in making decisions on the company's current risk appetite, risk exposures and future risk strategy, the company's proposed strategic solvency targets and the integrity of the company's risk management framework. The Risk Committee has authority to approve business that falls within the scope of DLL RE's risk appetite and underwriting guidelines. The Risk Committee consists of such number of Non-executive and Independent Non-executive Directors as shall be appropriate to the nature, scale and complexity of the business but in any event shall have not less than three Board members. The Chairman of the Risk Committee is a non-executive director or an independent non-executive director.

The Risk Committee are as follows:

Brendan Malley (Chairman)
Rob Burgerhout
Philip Doyle
Andre Matthijssen

The Audit Committee

The purpose of the Audit Committee is to assist the Board of DLL RE in fulfilling its oversight responsibilities for the integrity of the company's financial statements, the company's compliance with legal and regulatory requirements and the performance of the company's internal audit function and independent auditors. The Audit Committee consists of three non-executive directors the majority of directors being independent. The membership is sufficient to handle the size and complexity of the business. The Chairperson is an Independent Non-executive Director. Attendance of non-members of the Audit Committee meetings is by invitation. Members of the Audit Committee and its Chairperson shall be appointed by the Board of DLL RE and their membership shall be subject to regular review.

The Audit Committee are as follows:

Rob Burgerhout (Chairman)
Brendan Malley
Philip Doyle
Andre Matthijssen

B.1.2 Material changes in the system of governance during the reporting period

There were no changes to the system of Governance during the reported period.

B.1.3. Remuneration policy of DLL RE

Due to the scale, nature and complexity of the company it does not have its own separate HR department. The HR responsibilities are shared between DLL RE Management and various other areas including DLL Ireland, DLL in Eindhoven and the Management Company. The Board is responsible for ensuring that DLL RE has robust governance arrangements and adequate control mechanisms, including remuneration policies and practices which are consistent with and promote sound and effective risk management and which do not promote excessive risk taking. For this purpose, DLL RE has adopted the Global Remuneration Policy of the DLL Group and is governed by the policies and practices set out in the Global Remuneration Policy of the DLL Group.

B.1.4 Material transactions during the reporting period with shareholders

There were no material transactions during the reporting period.

B.2 Fitness and Probity

Under the Fitness and Probity regime all regulated entities are required to confirm to the Central Bank of Ireland that they have undertaken due diligence in relation to all Pre-Approval Controlled Functions (“PCFs”).

The Board of Directors of DLL RE (the “Board”) will satisfy itself on reasonable grounds that a person has the necessary qualifications, knowledge and expertise to comply with the Fitness and Probity Standards before appointing that person to a control function position. The Board will not appoint a person to a PCF, until Central Bank has approved the appointment in writing.

The Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland’s Guidance on Fitness and Probity Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

The selection and recruitment process for Key Function Holders (PCF’s) is as follows:

- A written job description outlining the duties and responsibilities for the role.
- An assessment of the level of fitness and probity required for the role.
- Advertisement of the position.
- Interview process to match suitable candidates to the specific role.
- Capture fitness and probity due diligence referred to below.
- Upon Central Bank of Ireland approval, letter of appointment issued, and training provided.

The process for assessing the fitness and the probity of the persons in PCF positions is summarised as follows:

- Interview and application.
- The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland’s Guidance on Fitness and Probity Standards. The following is captured:
 - Evidence of a relevant professional qualification.
 - Confirmation of continuous professional development.
 - Evidence of professional membership of an organisation (where applicable).
 - Reference checks.
 - Review record of previous experience, including a review of curriculum vitae.
 - Record of experience gained outside the State (where applicable) – consider the extent to which the person can demonstrate competency that relates specifically to the function within the State.
 - Review of list of directorships and concurrent responsibilities.
 - Checks are also undertaken with the Regulator, Companies House and a judgment debt check is performed.
 - Signed Fitness and Probity declarations.
 - Individual Questionnaire
- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
- As part of the continuing obligations, annual declarations are sought from all PCF’s, each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk Management System including the Own Risk and Solvency Assessment

B.3.1 Risk Management System

The primary objective of risk management within DLL RE is safeguarding financial stability. By controlling risks, DLL RE reduces the impact on capital and profitability from potentially undesired developments.

The Company is aligned with the DLL Group's risk management system. The Company has developed a set of risk policies to ensure that adequate process and procedures are in place to manage all types of risk. Additionally, DLL RE adopts three lines of defence as follows:

<i>First Line</i>	<i>Second Line</i>	<i>Third Line</i>
Management of business lines	Risk Governance	Internal Audit
Measures, assesses and controls risks through the day-to-day activities of the business, within the frameworks set by the entity/board.	Provide independent oversight of the first line of defence. Report to Management and Board on risks associated with the company	Sets the internal audit framework. Provides independent assessment of first and second lines of defence.

B.3.2 Implementation of risk management system

Within DLL RE, ultimate responsibility for the risk management rests with the Board of DLL RE who may decide to delegate responsibilities to others, as they feel appropriate. However, such delegation does not absolve them of their responsibility. The DLL RE Board recognizes the specialist nature of reinsurance risk assessment and desires to protect the company by combining internal expertise within the DLL Group with external resources available. Accordingly, the Board has appointed a Chief Risk Officer and a DLL RE Risk Committee.

The Chief Risk Officer is responsible for the risk management function and for maintaining and monitoring the effectiveness of the DLL RE's risk management system. The nature, scale and complexity of the DLL RE's operations do not justify a dedicated exclusive CRO function. DLL RE has obtained the prior approval of the Central Bank prior to making this arrangement. The CRO of DLL RE's primary responsibility is to the board and reports to the board periodically with direct access to the Chairman of the board. The CRO also attends and reports to the DLL RE Risk committee on a regular basis.

DLL RE's risk identification is carried out by conducting a risk and control self-assessment (RCSA) which can be described as the process of identifying and measuring risks, and of developing and validating strategies to manage them.

The objective of this assessment is to identify risks, using a structured approach. This structured approach includes the following steps: identify risks, identify controls, rate/score risks, accept/mitigate and act/monitor. The last two steps ensure that risks are adequately followed up. DLL RE regards risk and control self-assessments as a key element of its Risk Management Framework and will conduct a RCSA on a regular basis.

DLL RE has a written Risk Appetite Statement (RAS) that for the material risks indicates the limits, tolerances of risks DLL RE is willing to take. As part of the RAS a framework is included regarding the approval process of the DLL RE RAS, the monitoring of the performance, breach

management as well as annual review of the DLL RE RAS. Reporting on the risk appetite performance is performed on a quarterly basis and includes a forward-looking outlook of the expected development of the risk performance in addition to the actual, current or prior period values. The report is discussed at the DLL RE Risk Committee who meets at least quarterly.

B.4 Own Risk and Solvency Assessment (ORSA)

B.4.1 ORSA Process

The ORSA is a complete quantitative and qualitative solvency and risk assessment of DLL RE. DLL RE has developed its own processes with appropriate and adequate techniques, tailored to fit into its organisational structure and risk management system, and takes into consideration the nature, scale and complexity of the risks inherent to DLL RE as low rated PRISM entity.

The material risks are considered and stress and scenario testing, including reverse stress testing are carried out.

The ORSA process coincides with the Business Planning/Budget/Forecasting process. The ORSA Process commences at the beginning of Q3 of each financial year. Draft results and a draft ORSA Report shall be presented to the DLL RE Board in Quarter 4 and at the same time the Business Plan for the upcoming financial year.

The forward-looking perspective is a key element of ORSA. Whereas quarterly reporting is based on one year of business, the forward-looking perspective within the ORSA reflects the necessity for DLL RE to look beyond this one year horizon in its assessment of how the Medium Term Plan influences the overall solvency needs. The goal of the forward-looking assessment is to demonstrate that DLL RE will remain a going concern and has sufficient funds for the planned business scenario as well as in adverse scenario situations.

B.4.2 Frequency of ORSA

DLL RE shall perform an ORSA annually. A full or partial ORSA shall be performed if any event occurs or is expected to occur such that the risk profile of the Company is or will be materially changed. The ORSA is the responsibility of the DLL RE Board and reviewed annually.

B.4.3 ORSA and Solvency Requirements

DLL RE manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth, maintaining capital in line with Solvency Capital Requirements and delivering acceptable returns. It is DLL RE's strategy to only enter into insurance programs that provide an acceptable balance between risk and reward and that enable the Company to further diversify its reinsurance portfolio geographically as well as in type of assets. While it is recognized that all participations carry risk, that risk must not endanger the overall stability of the company. In light of this DLL RE observes the following principles:

- Maintain a solid Solvency Ratio.
- Provide adequate sustainable Return on Capital.

When applying these principles, it is recognized that in any given year a series of individual loss events may occur resulting in losses which will challenge DLL RE's Return on Capital.

The capital management framework is designed to ensure that DLL RE is capitalised in line with its risk profile and regulatory requirements. The objectives of DLL RE's capital management are to:

- maintain sufficient capital resources to meet minimum regulatory capital requirements in accordance with Solvency II requirements
- maintain sufficient capital resources to support DLL RE's risk appetite and other capital requirements
- ensure DLL RE holds capital in excess of minimum requirements to achieve the target capital adequacy ratios set by the Board and to withstand the impact of potential stress events

Results

The following table summarises the Company's forecast base case SCR position, using the Standard Formula, over a 3-year projection period ending 2023:

Solvency Position	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Eligible Own Funds	50,994,649	60,976,903	66,332,752	73,735,742
SCR	35,663,992	43,569,758	48,004,530	52,608,932
Solvency Margin Cover	142.99%	139.95%	138.18%	140.16%

B.5 Internal Control and Compliance Function

B.5.1 Internal Control System

DLL RE relies heavily on the integrity of information supplied by counterparties. Although DLL RE works with reputable counterparties it must however be recognized that total reliance on the accuracy of counterparty information leaves DLL RE exposed to potential data errors.

The principal control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters, minutes of board meetings. The policies describe the Boards approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Insurance Undertakings - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Additionally, DLL RE has an internal control framework in place to evaluate the accuracy of information from counterparties for material DLL RE insurance programs.

This procedure is conducted on a high-level reconciliation basis and will provide the following:

1. A check on the accuracy of premium and claims information from counterparties.
2. A review of claims carried out by way of random selection of claims above a reasonable threshold level.

3. A claims ratio analysis conducted quarterly and provided to the DLL RE Risk Committee for review.

DLL RE in conjunction with DLL Corporate IT have developed a unique DLL RE Database. The purpose of this database is 1) test data accuracy and 2) data extraction for Technical Provisions and other calculation purposes.

B.5.2 Implementation of the compliance function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's Compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through Compliance monitoring.

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company. The activities of the Compliance function are subject to periodic reviews by Internal Audit and DLL Group Compliance.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

B.6 Internal Audit Function

B.6.1. Implementation of the internal audit function

The internal audit function of DLL RE is outsourced to the Internal Audit Department of the DLL Group, with prior approval of the Central Bank of Ireland.

The objectives of an internal audit are derived from the long-term objectives of DLL RE and the external influences that have relevance to DLL RE achieving those objectives. This includes areas such as corporate culture, governance, risk management, internal control, and implementation of new regulations.

The scope of an internal audit is to determine whether the setup of governance, risk management and control processes as designed and implemented by management is adequate and functioning. The scope and processes of an internal audit will be consistent with the philosophy that acknowledges that the primary responsibility of the management itself for

the implementation and operation of effective and efficient governance, risk management and control processes.

Internal Audit discuss their findings with the management team of DLL RE on completion of the audit, they will prepare a written report on each audit assignment. The report is submitted to the DLL RE Management Team for a written management response. The final audit report is submitted to the Audit Committee of DLL RE with an overall rating.

During 2021 internal audit performed an audit of DLL RE. The primary attention areas included governance and management oversight, regulatory compliance and data management. DLL RE received a good audit rating. Additionally no significant changes were identified compared to the previous audit.

The Company is on an annual audit cycle as agreed with Internal Audit and approved by the Board.

B.6.2. Independence of the internal audit function

Internal Audit De Lage Landen is an independent internal audit function within the governance structure of De Lage Landen International B.V. It provides assurance regarding the adequacy and efficiency of processes, the related internal control framework and management information. The internal auditor reports to the chair of the DLL RE Audit Committee, which is an independent non-executive director role.

B.7 Actuarial Function

The Actuarial Function is outsourced to KPMG. KPMG's actuaries attend board meetings on a regular basis and receive regular updates on claim activity. The Company's Technical Provisions are subject to half yearly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

The responsibilities of the Actuarial Function are in line with guidance from the Central Bank of Ireland and the Society of Actuaries and include but are not limited to implementing/overseeing the following:

- Coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in the cases set out in Article 82;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment

Additionally, DLL RE utilises the services of an external actuarial company, Barnett Waddingham, who provide DLL RE with quarterly support on actuarial reserving for material lines of business.

B.8 Outsourcing

The Company adheres to the DLL Group Standard on the Management of Outsourcing and Cloud Risk the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing
- Outsourcing risks
- Risk mitigation
- Board and management responsibility
- Assessment and due diligence on Outsourced Service Provider
- Essential requirements for inclusion in Service Level Agreements
- Management and oversight of Outsourced activities
- Reporting requirements
- Table of Outsourced Service Providers
- Business continuity and contingency planning

The Company only enters into an Outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adheres to the Central Bank of Ireland Notification Process for (Re)/Insurance Undertakings when Outsourcing Critical or Important Function or Activities under Solvency II Regulations.

The Board appointed Ms Olivia Allen to act as the designated PCF with responsibility for all outsourced key functions.

The following is a list of the critical or important functions the Company has outsourced and the jurisdiction in which the Outsourced Service Providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	KPMG	Ireland
Actuarial Services	Barnett Waddingham	UK
Compliance Function	Allied Risk Management Limited	Ireland
Management Accounting	Allied Risk Management Limited	Ireland
Company Secretarial	Allied Risk Management Limited	Ireland
Solvency II Reporting	Allied Risk Management Limited	Ireland

The internal audit function of DLL RE is outsourced to the Internal Audit Department of the DLL Group and the Chief Risk Officer function is provided by DLL Integrated Risk. Both roles have approval of the Central Bank of Ireland.

B.9 Assessment of the adequacy of the system of governance

DLL RE's system of governance is tailored to fit into its organisational structure and risk management system, and takes into consideration the nature, scale and complexity of the risks inherent to DLL RE as low rated PRISM entity.

B.10 Any other material information regarding the system of governance

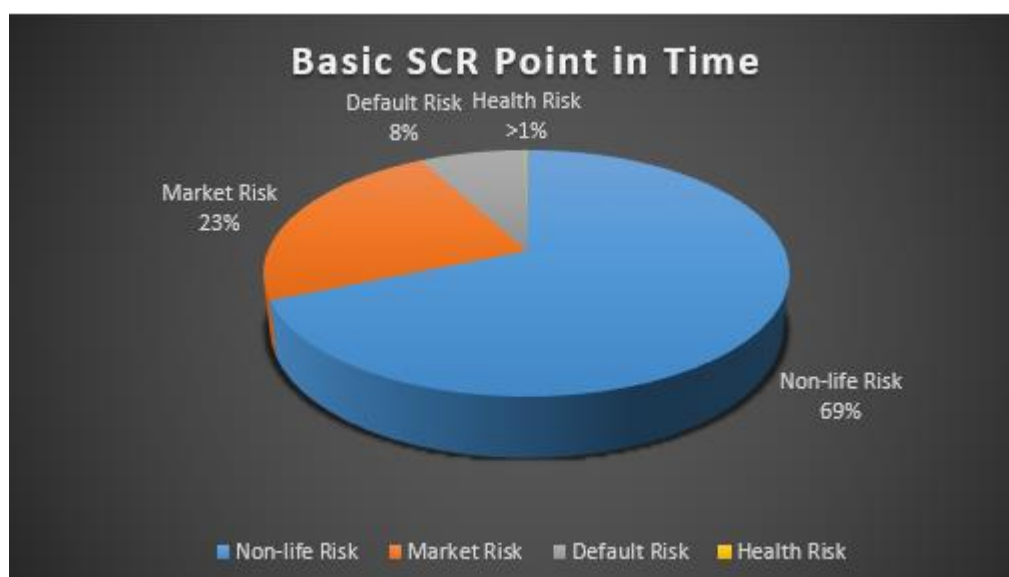
There is no other material information regarding the system of governance of the Company.

C. Risk Profile

DLL RE is exposed to a wide variety of risks, which have an impact on DLL RE's business objectives. This section describes the main risks to which the Company is exposed through its business.

DLL RE is using the standard formula to quantify its solvency capital requirements (SCR). The table below details the Solvency Capital requirement per risk category.

At year-end 2021 the Company's solvency capital requirement amounted to €41,964k. The graph below shows the BSCR (Basic SCR) before diversification, loss-absorbing capacity of deferred taxes and operational risk. The main components of the risks exposure are non-life underwriting risk (69%), market risk (23%), default risk (8%) and health risk (<1%).



C.1 Underwriting Risk

C.1.1 Description of the measures to assess underwriting risk

Underwriting Risk refers to the risk of loss, or of adverse change in the value of Insurance Liabilities, due to inadequate pricing and/or reserving assumptions which includes the fluctuations in the timing, frequency and severity of insured events, relative to the expectations of DLL RE at the time of underwriting. Underwriting risk arises from two sources, adverse claims development (reserve risk) and inappropriate underwriting (premium risk). Underwriting risk is managed by having in place a clear underwriting philosophy, procedures and controls in relation to new program authorisation criteria and diversification of risks.

DLL RE has in place underwriting procedures adopted by the Board which outlines the roles, responsibilities, insurance procedures and reporting requirements within DLL RE to enable the management of underwriting risk in line with the limits and tolerances set out in DLL RE's Risk Appetite Statement.

DLL RE's underwriting year varies by line of business. Although the term of the underlying insurance policies can range from 12 months to 78 months, all reinsurance policies underwritten by DLL RE are written on an annual basis, with automatic renewal of policies if they are not cancelled within a specified timeframe.

When considering any proposed new line of business, the management team prepares an underwriting application for presentation to and approval by the Risk Committee. Each existing

program is subject to an annual review by the Risk Committee in order to assess the performance of the program to date and provide recommendations for future action.

C.1.2 Description of the material underwriting risks

The main underwriting risk present in DLL RE's portfolio is premium and reserve risk and catastrophe risk. By setting a maximum loss limit and having effective underwriting procedures, DLL RE protects its solvency position and the profitability of the company.

C.1.3 Concentration risk

Underwriting concentration risk is limited due to the spread of classes and jurisdictions. Concentrations of risk may arise as DLL RE only writes reinsurance business for the DLL Group and selected vendor partners and have not established any open-market reinsurance relationships. This is mitigated by way of the quota share arrangements in place and the submission of an underwriting application for each proposed line of business which considers the geographical spread of a program as well as its potential to result in an aggregation of exposure within the portfolio.

C.1.4 Risk mitigation techniques used for underwriting risks

When considering any proposed new line of business, the Management Team prepares an underwriting application for presentation to and approval by the Risk Committee. The Underwriting Application must include at a minimum the following details:

- Counterparties with specific reference to credit rating by a leading ratings agency, reputation and expertise.
- Portfolio details to include insured object profile, geographical spread, historical premium and claims data, potential trends and probable underwriting performance.
- Reinsurance structures and proposed reinsurance share.
- The premium volume and its relationship to risk/volatility.
- Existing Exposures which may reasonably be expected to aggregate to those risks assumed under the proposed program.
- Solvency Capital Requirements and any impact arising from execution of the proposed program.
- Evaluation of standard risks to include: Solvency, Profitability, Underwriting, Concentration, Credit, Liquidity, Currency, Compliance, Operational and Reputational.

Additionally, DLL RE does not accept an Average Combined Ratio over a specific period to be above acceptable limits. DLL RE monitors the average combined ratio and on a quarterly basis and this is reported to the Risk Committee.

Retrocession is currently not utilised by the Company however it may be used by the Company as a secondary measure to limit its net exposures. The Company primarily seeks to limit its exposure to an optimal level by limiting that risk which is assumed from the Reinsured. It is the responsibility of the DLL RE management team and the Risk Committee to determine if retrocession should be arranged for any new business proposal. In the event of retrocession being required it is Company policy to follow the minimum credit ratings as set out in the Risk Appetite Statement of DLL RE.

C.2 Market Risk

C.2.1 Description of the measures to assess market risk

DLL RE investments are comprised of a mix of cash and deposits. It is Company policy to maintain investments in separate cash deposits internally within the Rabobank Group and externally with other banks (pre-approved counterparties).

C.2.2 Description of the material market risks

The main market risks present in the Company are interest rate risk and translation risk. Interest rate risk is the exposure of DLL RE's financial condition to adverse movements in interest rates. DLL RE is not exposed to excessive levels of interest rate risk. It aims to earn the highest possible rate on deposits whilst accepting that the options available for investment are limited by DLL Group minimum requirements. The board of directors of DLL RE adheres to the DLL Group Policy in relation to equity investments, which will be annually reviewed by the DLL Group Asset and Liability Committee.

Translation Risk is defined as the exposure of the company's financial condition to movements in Foreign Exchange rates. DLL RE is not permitted to have Foreign Exchange risk, but sometimes this is unavoidable and this is controlled by having a limit in place.

C.2.3 Investment assets and prudent person principle as applied to market risks

The Company verifies the appropriateness of credit assessments from external credit assessment institutions by (i) always obtaining a credit rating where available from one of the 4 main rating agencies (AM Best, S&P, Moody's and Fitch) and (ii) relying on its own market knowledge, including input from Group treasury. Credit assessments from credit assessment institutions are used in assessing minimum security requirements for investment counterparties.

C.2.4 Concentration risk

DLL RE maintains separate cash deposits internally within the Rabobank Group and also with an external bank. Both counterparties have an A+ rating by a leading ratings agency and have stable outlooks.

C.2.5 Risk mitigation techniques used for market risks

DLL RE's translation risk policy seeks to protect DLL RE against exchange rate fluctuations. Translation Risk is defined as the exposure of the company's financial condition to movements in Foreign Exchange rates.

DLL RE conducts business with many companies in differing jurisdictions and with differing base currency. In all cases, the currency of the liability will be determined by the underlying policy/treaty. To protect existing business, it is the policy of the Company to maintain assets in the same currency as the corresponding liability. The one exception is Brazilian Real (BRL), whereby assets are not held as payments cannot be received by the Company in the form of BRL as it is a non-deliverable currency. Payments relating to Brazilian business are paid/received in the form of USD.

In minimizing DLL RE's exposure to FX risk, DLL RE will hedge DLL RE's forecasted material FX annual earnings, with the objective of achieving our EUR budget translation rate (or better). Material is defined as budgeted earnings > EUR 250,000 currency equivalent (currently USD, SEK, NOK, and DKK), other less material FX earnings are hedged as earned.

C.3 Credit Risk

C.3.1 Description of the measures to assess credit risk

Credit risk is the risk of loss or of adverse change in the financial situation resulting from fluctuations in the credit standing of counterparties to which reinsurance undertakings are exposed, in the form of counterparty default risk. DLL RE's policy intends to limit this credit risk to an acceptable standard.

C.3.2 Description of the material credit risks

The largest credit risk exposure for the Company arises from the counterparties holding the company's assets.

C.3.3 Risk mitigation techniques used for credit risks

Credit risk is managed by carrying out appropriate due diligence on prospective counterparties and having limits in place.

For third party insurance companies 90% of DLL RE's portfolio shall be placed with companies who have an investment rating of S&P "BBB" or better (or the equivalent).

For third party banks, all cash deposits will be placed with banks who have an investment rating of S&P "BBB" or better (or the equivalent).

Credit ratings of counterparties are reviewed and monitored quarterly by the Risk Committee.

In the event DLL RE wants to deviate from these guidelines, this will be subject to approval from the DLL RE Board and the impact on Solvency requirements evaluated.

C.4 Liquidity Risk

C.4.1 Description of the measures to assess liquidity risk

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle their financial obligations where they fall due. DLL RE's liquidity policy seeks to ensure that there is always sufficient cash available to settle its financial obligations.

C.4.2 Description of the material liquidity risk

None.

C.4.3 Risk mitigation techniques used for liquidity risks

DLL RE ensures that amounts of available / readily accessible cash is always higher than €4,000k. This is reported quarterly to the Risk Committee.

Additionally, an overview of the investments and liquidity position of the Company is a standing item on the DLL RE Board agenda.

C.4.4 Expected Profit Included in future premiums

The expected profit in future premiums is €11,249k.

C.5 Operational Risk

C.5.1 Description of the measures to assess operational risk

Operational Risk covers losses resulting from inadequate or failed internal processes, people, systems, or from external events.

C.5.2 Description of the material operational risk

DLL RE does not consciously take on these types of risks but only tolerates these risks as an inevitable part of executing business activities.

C.5.3 Risk mitigation techniques used for operational risks

DLL RE falls within the scope of DLL Group Operational Risk Management as well as DLL Group's Information Security Policy. DLL RE will not tolerate an aggregate operational risk net loss that exceeds 2% of budgeted annual gross income.

For a single event loss, the maximum tolerated loss has been set at:

Operational Risk ORM losses (EUR)	EWL	RAL
Net loss amount year to date (per quarter)	155,000	190,000

C.6 Risk Sensitivities

DLL RE undertakes an annual forward-looking stress/scenario analysis as part of the ORSA process. A range of scenarios are considered encompassing different events and degrees of severity. DLL RE scenarios will:

- Address the main risk factors DLL RE is exposed to
- Address DLL RE specific vulnerabilities (sectoral characteristics, business line exposures, concentration risk)
- Be forward looking and include severe outcomes. The time horizon should reflect the characteristics of the business.
- Identify interdependencies if these exist.

This section presents the results of the stress test on DLL RE's financial outlook 2021 to 2023 in term of impact on capital. The scenarios are selected annually by the management team and circulated to the Risk Committee and Head of Actuary for approval. The impact is measured comparative to a base case scenario which is derived from the mid-term plan projection 2021-2023.

A summary of the scenario testing results has been provided by risk category in the table below.

Scenario Description	Method	Outcome
Scenario 1 Macro Economic Risk - Climate Risk Mix of business changes for a material program, a major climate event impacts the largest US programs in 2022 and the EU has a major flood event in 2023.	- For mix of business change a 5% increase in loss ratio is applied to both the claims provision and the premium provision. - US hurricane in 2022 with a loss equal to 2% of sums insured in US State with highest concentration of assets (equates to €2,100k in 2022) and an additional amount of €500k for second US program. - EU Flood in 2023 with a loss of €2,000k.	Technical Provisions increase due to more claims reported caused by weather related events in 2022 and 2023, this has a direct impact on total assets. The eligible own funds decrease as technical provisions grow more than available total assets. This combination results in a reduction in the solvency margin cover from 138.18% (base case) to 121.17% in 2022 and from 140.16% (base case) to 121.00% in 2023. The most significant impact is the reduction in cash, the impact on the SCR itself is small.
Scenario 2 Reverse Stress Test Increase premium volume and increase loss ratio's to project what is the maximum DLL RE can absorb before breaching regulatory capital requirements (exhaust its eligible and available capital).	- For a material program in the USA an uplift to the base case loss ratio of 37.5% is applied to existing and new business. - Simultaneously an increase of 10% in Gross Written Premium is applied.	The Solvency Margin Cover decreases from 138.18% (base case) to 99.98% in 2022. The Solvency Margin Cover deteriorates further in 2023 from 140.16% (base case) to 96.12%, assuming no program performance mitigation strategies has been put in place.
Scenario 3 Credit Rating downgrade Assess the impact of a rating downgrade of Rabobank. This change is for 2022 and 2023 only.	3.1) Rabo is downgraded from credit quality step 2 to 3 (equivalent to moving from Fitch rating of A to BBB). 3.2) In addition to 3.1 above move €50,000k from cash to a term deposit and increase the duration by 1 year. These changes are for 2022 and 2023 only.	3.1) The downgrade of Rabobank from credit quality step 2 to 3 increases the SCR capital charge. The Solvency Margin Cover is materially impacted across all years i.e. 138.18% (base case) to 124.57% for YE 2022 and from 140.16% (base case) to 126.60% for YE 2023. 3.2) This scenario impacts Market Risk and Default Risk sub-modules. The sub-modules impacted by this scenario are Market Risk and Default Risk. The SCR falls dramatically from 138.18% (base case) to 115.49% for YE 2022 and from 140.16% (base case) to 118.42% for YE 2023.

C.7 Other Material Risks

Letter of Credit Availability Risk

One of the main risks for DLL RE is the availability of Letters of Credit ('LoC'). As an unrated entity access to well rated Letter of Credit Capacity is a necessary commercial requirement for DLL RE to secure its existing liabilities to 3rd parties and may act to limit its ability to pursue new opportunities. Unavailability of LoC's could have a very negative effect on DLL RE's ability to undertake business. Ongoing availability of LoC's is therefore a regular agenda item and consideration for the DLL RE Risk Committee.

Compliance Risk

Compliance risk is the risk arising from incomplete, ineffective or inaccurate contractual documentation noting also the relevance of fiscal or regulatory requirements and foreseeable future events, which would trigger subsequent comprehensive attention.

DLL RE at all times seeks to operate in compliance with all applicable laws and regulations. In particular, it works to adhere to the rules relating to behaviour and prudent supervision as this is a key element within the DLL/Rabobank Group. The compliance officer shall ensure that DLL RE complies with local Irish matters. The international aspects of compliance and in particular compliance with DLL Group requirements are subject to the Group Code of Conduct and the employees of DLL RE are responsible to act in compliance with this Code.

HR Risk

The employees of DLL RE are a critical success factor to realize its ambitions. DLL RE is a small operation and is therefore vulnerable to movements in its personnel. It remains important for DLL RE to maintain proper succession planning. In addition, integrity is a key value. Under no circumstances will fraud perpetrated by employees or by customers be tolerated. However, as the business is conducted by humans, fraud within the organization cannot be

ruled out. Annual training is provided (as part of DLL Group training) to create and maintain awareness for compliance as well as fraud risks.

DLL Group follows a balanced remuneration policy benefitting its strategy, risk appetite, objectives, values and country specifics. The policy takes into account the global perspective with some local factors. DLL RE falls within the scope of this Group HR policy.

Business Continuity Risk

By organizing Business Continuity Management (“BCM”) DLL Group aims to reduce to an acceptable level the consequences of internal or external disturbances on the processes of the organization. DLL RE falls within the scope of the DLL Group BCM and has a BCM cycle operative.

Outsourcing Risk

DLL RE has chosen to outsource certain key activities. The advantages of out-sourcing include supplementing limited internal resources as well as accessing expertise. The risks of out-sourcing include poor planning, oversight and controls exercised by DLL RE over the party, which might result in misunderstandings as to scope of work or problems in service quality. In deciding to out-source an activity, DLL shall endeavour to strike an optimal balance between doing activities in-house and outsourcing other activities. DLL RE adheres to all laws and regulations and additionally falls within the scope of the DLL Group Standard on the Management of Outsourcing and Cloud Risk and will ensure there are adequate processes in place for third party selection, supervision, control, monitoring and contingency planning.

Any other disclosures

There is no other material information regarding the risk profile of the Company during the reporting period.

D. Valuation for Solvency Purposes

D.1 Assets

D.1.1 Solvency II valuation for each material class of asset

The following table analyses the Company's financial assets at 31.12.2021. For information purposes the figures at 31.12.2020 are also provided.

Balance Sheet Assets	2021 €'000	2020 €'000	Movement €'000
Deposits other than cash equivalents	61,684	56,612	5,072
Receivables (trade, not insurance)	49	50	-2
Cash and cash equivalents	57,460	54,451	3,008
Any other assets, not elsewhere shown	13	11	2
Insurance and intermediaries receivables	1,454	1,001	453
Total Assets	120,659	112,125	8,533

The following are the Company's assets as at 31 December 2021 as reported under IFRS and as valued in accordance with the Solvency II Directive with the main differences identified.

Balance Sheet Projection	Valuation per IFRS 31/12/2021	Valuation per SII 31/12/2021	Difference	Valuation per IFRS 31/12/2020	Valuation per SII 31/12/2020	Difference
Deposits other than cash equivalents	50,354	61,684	-11,330	56,596	56,612	-15
Cash and cash equivalents	68,826	57,460	11,366	54,476	54,451	25
Receivables (trade, not insurance)	0	49	-49	0	50	-50
Any other assets, not elsewhere shown	0	13	-13	15	11	4
Deferred acquisition costs	8,443	0	8,443	7,053	0	7,053
Insurance and intermediaries receivables	5,427	1,454	3,973	5,042	1,001	4,041
Current Tax Receivable	0	0	0	0	0	0
Total assets	133,049	120,659	12,391	123,183	112,125	11,057

D.1.1.1 Deposits other than cash equivalents

Deposits other than cash equivalents are the Company's term deposits with Rabobank and the external bank. These are short term deposits with a duration of less than one year. At year-end the Company had a number of deposits with a duration of less than three months. Under IFRS these are classified under Cash and cash equivalents, whereas under Solvency II these remain classified as Deposits other than cash equivalents.

Any non-Euro deposit is valued at the amount held at the reporting period end, translated using the year-end exchange rates. In 2021, due to negative interest rates the Company incurred an interest income loss, and an accrued expense at year-end relating to this is allocated to other payables under IFRS.

D.1.1.2 Receivables (trade, not insurance)

Receivables (trade, not insurance) are DLL RE's intercompany treasury account balance and VAT receivable at year-end. The difference of €49k is allocated to Insurance and intermediaries receivable under Solvency II.

D.1.1.3 Cash and cash equivalent

IFRS compared Solvency II valuations show a difference of €11,366k. Under IFRS Cash and cash equivalents comprise cash balances and short-term deposits with maturity dates less than three months, whereas under Solvency II these remain classified as Deposits other than cash equivalents. The difference of €37k (Deposits other than cash equivalents -€11,330k and Cash and cash equivalents €11,366k) is allocated to Interest payable under IFRS.

D.1.1.4 Any other asset, not elsewhere shown

Other assets refer to prepayments of the Company's administration fees. The difference of €13k relates to a prepayment and under IFRS this is allocated to other receivables.

D.1.1.5 Insurance and intermediaries receivables

Insurance and intermediaries receivables are premiums due from the Company's cedants and relate to premiums due from expired risks. Under IFRS, the amount of €5,427k is the net position of premiums due that are in excess of claims payable to cedants.

D.1.2 Differences between Solvency II Valuation and local IFRS valuation by material class of asset

The two material class of assets are as follows:

- Deferred acquisition costs are not included in the Solvency II balance sheet.
- Under Solvency II premium receivables classified as expired risk are captured under insurance and intermediaries receivable.

D.2 Technical Provisions

D.2.1 Technical provisions analysed by each material line of business

Below table displays the difference between the Best Estimate Reserve under IFRS and the booked IFRS Reserve:

Segment	Best Estimate Reserves €'000	IFRS Reserves €'000	Difference €'000
Other motor insurance	3,350	6,359	3,009
Miscellaneous financial loss	635	1,397	762
Fire and other damage to property insurance	525	1,264	740
Motor vehicle liability insurance	5,964	8,390	2,426
Income protection insurance	155	150	(5)
Total	10,628	17,560	6,932

The difference of €6,932k is comprised of:

- €5,599k is the difference in best estimate between Solvency II and IFRS booked reserves
- €1,333k is the booked margin over the IFRS booked reserves

The technical provisions comprise the Best Estimate of Liabilities and the Risk Margin. At the 31.12.2021, the technical provisions were:

DLL RE Movements in Technical Provisions from Accounting basis to SII for 2020															
€000's	Claims Provision					Premium Provision									
	Best Estimate Reserves	ENIDs	Expenses	Discountin g	Claims Provision	PP Claims	Future Premium less Commissi on	Future Return Premium	ENIDs	Expenses	Discountin g	Premium Provision	Discounte d SII TP Excl RM	Risk Margin	Total Net SII TP
Other motor insurance	3,371	101	-	(12)	3,461	21,614	- 30,712	21,205	9,288	2,944	(72)	24,266	27,726	3,374	31,100
Miscellaneous financial loss	2,483	74	-	5	2,563	15,472	- 3,726	209	2,044	648	0	14,647	17,210	1,309	18,519
Fire and other damage to property insurance	541	16	-	(0)	557	4,182	- 9,180	-	1,305	414	4	(3,275)	(2,718)	349	(2,369)
Motor vehicle liability insurance	7,519	226	-	136	7,881	-	-	-	-	-	-	-	7,881	563	8,444
Income Protection insurance	150	5	-	1	155	-	-	-	-	-	-	-	155	17	173
Total	14,065	422	-	130	14,617	41,267	(43,618)	21,414	12,638	4,005	(68)	35,638	50,255	5,612	55,867

DLL RE Movements in Technical Provisions from Accounting basis to SII for 2021															
€000's	Claims Provision					Premium Provision									
	Best Estimate Reserves	ENIDs	Expenses	Discounting	Claims Provision	PP Claims	Future Premium less Commission	Future Return Premium	ENIDs	Expenses	Discounting	Premium Provision	Discounted SII TP Excl RM	Risk Margin	Total Net SII TP
Other motor insurance	3,296	99	-	(45)	3,350	30,039	- 39,013	28,163	12,482	4,297	(945)	35,023	38,373	5,292	43,665
Miscellaneous financial loss	615	18	-	1	635	2,748	- 1,664	223	588	202	12	2,110	2,744	343	3,087
Fire and other damage to property insurance	510	15	-	(1)	525	4,372	- 10,898	-	1,549	533	50	(4,395)	(3,870)	549	(3,320)
Motor vehicle liability insurance	5,766	173	-	24	5,964	-	-	-	-	-	-	-	5,964	516	6,479
Income Protection insurance	150	5	-	1	155	-	-	-	-	-	-	-	155	24	179
Total	10,338	310	-	(20)	10,628	37,159	(51,575)	28,386	14,619	5,033	(883)	32,738	43,366	6,724	50,090

The claims provision for 2021 has decreased by €3,989k. This decrease is in the main driven by the miscellaneous financial loss segment¹ and by the motor vehicle liability segment².

The premium provision for 2021 has decreased by €2,900k. This decrease predominately relates to the miscellaneous financial loss segment which is offset by a large increase in the other motor insurance segment.

Segmentation

The Technical Provision analysis is performed at a program level. Each program is mapped to a Solvency II line of business and the programs are not unbundled.

Claims Provision

DLL RE calculates the Claims Provision as the discounted best estimate of all future cash flows relating to claims events prior to the valuation date. Claims technical provisions are determined using standard actuarial techniques including the Chain Ladder, Bornhuetter-Ferguson and Loss Ratio methods were deemed appropriate.

Premium Provision

As at 31 December 2021 DLL RE has unexpired exposure for a number of programs. Future premium receivables and commissions payable in respect of unexpired exposure are included in the Premium Provision calculation. These amounts have been estimated based on the payment frequency by program.

There are also pre-incepted contracts i.e. renewals signed in advance of year-end that have 1 January 2022 inception dates or premium that will be written by the cedant during 2022 that will attach to the contracts that are already in force. Future premium and commission cash flows in respect of Written but Not Yet Incepted business are based on the business planning forecasts of DLL RE.

Claims cash flows relating to the unexpired period of risk are estimated by applying ultimate loss ratios to unexpired premium. Loss ratio assumptions for all segments are based on the 2022 budget loss ratios, which are set using the historical experience of the program with

¹ Commutation of extended warranty program

² Run-off of motor liability program

smoothing where there is a history of large losses, and adjusted for an assumed level of claims inflation and known rate changes.

Contract Boundaries

The objective of the contract boundaries principle is to determine when an existing contract ends and a new contract begins. The term of the underlying insurance policies can range from 12 months to 78 months. Although DLL RE's reinsurance policies are written on an annual basis (with automatic renewal of policies if they are not cancelled within a specified timeframe), DLL RE is bound to the underlying insurance policy term and the associated exposure for that term.

Options and Guarantees

Contracts with "optionality" e.g. cancellations, mid-term adjustments etc., are valued using full cash flows for the duration of the "option" period. There are four programs where cancellations and return premiums are a significant feature of the business.

For two of these programs lessees are automatically insured unless they provide evidence that they already have insurance cover in place. However policyholders often provide evidence of alternative insurance and then cancel the policy soon after the premium is charged. This leads to particularly high cancellation rates. For the remaining programs the high cancellation rate is based on historic experience.

Expenses

Across all programs the claims handling expenses are included in the commission and netted off the premium cash flow. Therefore DLL RE is not exposed to any future claims handling liabilities which have not already been accounted for in the commission.

Acquisition and other underwriting expenses are contractually defined between DLL RE and the cedants and/or brokers (where applicable) and they are included based on planned 2022 projections in the calculation of the Premium Provision.

The loss ratios forming the basis for the Premium Provision include a loading for overhead expenses based on historic operational costs. The uplifts to the claims cash flows are consistent with allowing for a similar level of the current annual expenses over the discounted mean term of the liabilities. Total expense uplift is €5,033k (€4,005k at 31.12.2020) which compares to annual operating expenses and investment charges of €910k (€757k at 31.12.2020).

ENIDS

The Solvency II Technical Provision's include an ENID allowance of

- €14,619k based on a 13% uplift to the loss ratio applied to the Premium Provision and
- €310k based on a 3% uplift applied to the best estimate Claims Provisions.

Payment Patterns and Discounting

Future claims settlement cash flows for both the Claims and Premium Provisions were modelled using payment patterns based on DLL RE's actual historical claims experience combined with Expert Actuarial Judgement. These were discounted using the appropriate yield curves by currency as published by EIOPA in December 2021.

Reinsurance – Premiums and Recoveries

DLL RE does not have any retrocession in place.

Risk Margin

The Company has used Method 2 from Guideline 61 of the Solvency II 'Guidelines on the valuation of technical provisions'. This involves approximating the whole SCR for each future year, inter alia by using the ratio of the best estimate at that future year to the best estimate at the valuation date. This results in a risk margin of €6,724k at 31 December 2021.

D.2.2 Uncertainty associated with the value of technical provisions

The key sources of uncertainty for the Company are expenses, policyholder behaviour assumptions and changes in local legislation.

D.2.3 Differences between Solvency II valuation and local Financial Statements (IFRS) valuation of Technical Provisions analysed by each material line of business

The technical provisions in the financial statements are shown as an amount of €81,986k. This is made up of a provision for unearned premium €64,426k, an IBNR reserve of €12,078k, and an outstanding loss reserve of €5,482k. There was no additional unexpired risk reserve reported in 2021.

The differences between Solvency II valuation and the IFRS valuation of technical provisions is mainly due to premium provisions (IFRS €64,426k versus Solvency II €32,738). The Solvency II difference is comprised of the following: the exclusion of deferred acquisition cost, the inclusion of written but not incepted premiums, future return premium estimates, ENIDS/expense loadings and an allowance for discounting.

D.2.4 Matching adjustments

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

D.2.5 Volatility adjustments

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

D.2.6 Transitional risk-free interest rate-term structure

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

D.2.7 Transitional deduction

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

D.2.8 Recoverable from special purpose vehicles

Not applicable to the Company.

D.3 Other Liabilities

At the 31st December 2021 the Company recorded the following classes of other liabilities for solvency purposes:

- DLL RE has recorded a claims payable amount of €2,155k. Under IFRS this is €389k which is net payables in excess of premiums due.
- DLL RE has recorded a deferred tax liability of €2,274k at the end of the reporting period arising due to the change in the basis of valuation in IFRS Financial Statements and Solvency II principles. The Loss Absorbing Capacity for deferred Tax has been

capped at the deferred tax liability on the Solvency II balance sheet. This DLL RE considers to be a prudent approach.

- An amount of €237k refers to expense accruals, there is a difference of €37k between the IFRS and Solvency II balance sheet due negative interest rate charges on deposits and current account balances.

D.4 Alternative methods for valuation

Not applicable for the Company.

D.5 Any other information

No further information.

E. Capital Management

E.1 Own Funds

E1.1. Objectives, policies and processes for managing own funds

DLL RE seek to maintain sufficient own funds to cover Solvency Capital Requirements at all times. The management team review the ratio of eligible own funds over SCR and MCR at least quarterly. The Board is provided with this overview at each Board Meeting. As part of own funds management the Company prepares an Own Risk and Solvency Assessment exercise at least annually, or when the risk profile of the Company changes. The ORSA exercise incorporates the business planning process which is typically a three-year time horizon.

The Company's own funds are as follows:

Own Funds Solvency II	2021 €'000	2020 €'000
Paid up share capital	4,635	4,635
Other reserves	365	365
Profit and loss account	45,380	38,694
Reconciliation reserve	15,522	7,300
Basic own funds	65,902	50,995

The Company's own funds are invested in cash deposits in bank accounts. There is no intention to change the disposition of own fund items. No dividend has been paid to the parent in the reporting period and no dividend has been paid since the establishment of the Company.

Own funds are comprised of paid up share capital, other reserves, profit and loss retained earnings and the reconciliation reserve. The reconciliation reserve represents the differences between the equity in the financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes during the reporting period.

E1.2 Own Funds classified by tiers

The Company's available own funds by Tier are as follows:

Own Funds by Tier	2021 €'000	2020 €'000
Tier 1 Basic Own Funds (unrestricted)	65,902	50,995
Eligible Capital for SCR	65,902	50,995

All Own Funds for the Company are Tier 1.

E1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The eligible own funds available to meet the SCR is €65,902k. The SCR ratio is calculated at 157.04% at 31st December 2021 (142.99% at 31st December 2020).

E1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The eligible own funds available to meet the MCR is €65,902k. The MCR ratio is calculated at 628% at 31st December 2021 (572% at 31st December 2020).

E1.5 Difference between equity as shown in the Financial Statements (IFRS) and the Solvency II value excess of assets over liabilities

The following table shows the difference between equity as shown in the financial statements and the Solvency II balance sheet.

Own Funds (Solvency II)	2021 €'000	2020 €'000	Own Funds (IFRS)	2021 €'000	2020 €'000
Paid up share capital	4,635	4,635	Paid up share capital	4,635	4,635
Other reserves	365	365	Other reserves	365	365
Profit and loss account	45,380	38,694	Profit and loss account	45,380	38,694
Reconciliation reserve	15,522	7,300	Reconciliation reserve		
Basic own funds	65,902	50,995	Basic own funds	50,380	43,694

The difference relates to the reconciliation reserve which represents the differences between the equity in the financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes during the reporting period.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement of DLL RE at 31st December 2021 is €41,964k. The Minimum Capital Requirement of the Company at 31st December 2021 is €10,491k. The Company applies the standard formula without any modifications and has not used any simplifications allowed by the regulations.

The Solvency Capital Requirement and the Minimum Capital Requirement of the Company is as follows:

Solvency Capital Requirement Sub Module	2021 €'000	2020 €'000	Movement
Non-life Risk	35,890	28,941	6,949
Health Risk	65	65	0
Market Risk	12,252	10,484	1,769
Default Risk	4,019	3,765	255
Operational Risk	1,301	1,508	(207)
LACDT	(2,274)	(1,093)	(1,182)
Diversification	(9,289)	(8,005)	(1,284)
Total SCR	41,964	35,664	6,300

Minimum Capital Requirement	2021	2020	Movement
Floor	10,491	8,916	1,575
Cap	18,884	16,049	2,835
MCR (linear)	6,337	8,638	-2,301
MCR (combined)	10,491	8,916	1,575
Absolute floor	3,600	3,600	0
Minimum Capital Requirement	10,491	8,916	1,575

The Solvency Capital Requirement split by risk module is as follows:

Underwriting Risk

Non Life Underwriting Risk	2021 €'000	2020 €'000	Movement
NL Premium & Reserve Risk	25,809	22,797	3,012
NL Lapse Risk	8,134	6,026	2,108
NL Catastrophe Risk	17,991	12,022	5,969
Diversification Benefit	(16,043)	(11,904)	(4,139)
SCR	35,890	28,941	6,949

Underwriting Risk is comprised of the following:

- There is a capital charge of €25,809k due to Non-Life Premium and Reserve Risk. These are standardised charges on DLL RE's Solvency II premium volume measurement (including future premium within the contract boundary) and Solvency II claims provisions at 31 December 2021.
- At the end of the reporting period there has been an increase in Premium and Reserve Risk. This is driven by the increased premium volumes in the Other Motor Insurance segment.
- Lapse Risk arises from the effect of immediate cancellations for programs in Other Motor Insurance and Fire and Other Damage to Property Insurance segments.
- The Non-Life CAT risk charge has increased by €5,969k and is driven by the Cresta Zone weightings for Nat CAT. The capital charge remains largely driven by the Other Motor Insurance and Fire and Other Damage to Property Insurance segments.
- The Man-Made CAT risk arises in Fire and Other Damage to Property Insurance segment.
- Premium and Reserve, CAT and Lapse Risk are not 100% correlated and the non-life underwriting risk charge benefits from a €16,043k diversification effect.

Health Risk

The Health Risk charge of €65k relates in the main to Miscellaneous Financial Loss Cover in the Netherlands and to a lesser extent Income Protection Insurance (Personal Accident Cover) which are now both in run-off.

Market Risk

Market Risk	2021 €'000	2020 €'000	Movement
Interest Rate	326	50	276
Equity	0	0	0
Property	0	0	0
Spread	884	793	90
Currency	5,913	4,225	1,688
Concentration	10,507	9,466	1,042
Diversification benefit	(5,378)	(4,051)	(1,327)
Market Risk SCR	12,252	10,484	1,769

Market Risk is comprised of the following:

- The interest rate risk relates to the risk of a change in the term structure/volatility of interest rates within the discounted best estimate liability valuation.
- Equity and property are not applicable to DLL RE.
- Spread risk stresses the duration of term deposits.
- The currency charge relates to the assets and liabilities of non-Euro exposures (USD is the main driver).
- The concentration risk stresses the counterparty default credit rating related to DLL RE's short term deposits. This is driven by DLL RE having a limited number of banking counterparties.

Default Risk

- The Counterparty Default charge of €4,019k (€3,765k at 31st December 2020) relates to DLL RE's credit exposure to immediately accessible cash held with Rabobank, the external bank and premiums due from cedants for expired risk.

Operational Risk

- Operational Risk charge is a formulaic calculation under Solvency II. The charge for DLL RE at the end of the reporting period is €1,301k.

Operational Risk	2021 €'000	2020 €'000	Movement
Op Premiums	827	893	-66
Op Provisions	1,301	1,508	-207
SCR Operational Risk	1,301	1,508	-207

Loss Absorbing Capacity for Deferred Tax (LACDT)

- The Loss Absorbing Capacity for Deferred Tax is €2,274k (€1,093k at 31st December 2020). This has been capped at the Deferred Tax Liability on the Solvency II balance sheet. This is considered a prudent approach by DLL RE.

Diversification

- The diversification benefit across the risk modules is €9,289k (€8,005k at 31st December 2020).

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

Not applicable for the Company.

E.4 Difference between the Standard Formula and any Internal Model used

The Company applies the Standard formula model as defined by EIOPA and does not use an internal model to calculate the Solvency Capital Requirement.

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

The Company has maintained sufficient capital to meet its MCR and SCR throughout the period covered by this report.

E.6 Any Other Information

There is no other material information to report regarding the Company's capital management.

Annex 1 SFCR Disclosed QRT's

Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses
S.05.02.02	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

Annex I**S.02.01.02****Balance sheet****Assets**

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	
R0070	61,684
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	61,684
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	
R0280	
R0290	
R0300	
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	1,454
R0370	
R0380	49
R0390	
R0400	
R0410	57,460
R0420	13
R0500	120,659

Annex I**S.02.01.02****Balance sheet****Liabilities**

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities**Excess of assets over liabilities**

	Solvency II value
	C0010
R0510	50,090
R0520	49,911
R0530	
R0540	43,211
R0550	6,700
R0560	179
R0570	
R0580	155
R0590	24
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	2,274
R0790	
R0800	
R0810	
R0820	2,155
R0830	
R0840	
R0850	
R0860	
R0870	
R0880	237
R0900	54,757
R1000	65,902

[illegible]

Annex I

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		US	NL	FR	AU	CH	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	3,469	23,762	2,802	2	206	838	31,078
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200	3,469	23,762	2,802	2	206	838	31,078
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	2,960	13,940	2,804	2	163	713	20,581
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300	2,960	13,940	2,804	2	163	713	20,581
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	915	6,492	844		126	746	9,122
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400	915	6,492	844		126	746	9,122
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	788	2,148	287	-2	18	159	3,398
Other expenses	R1200							
Total expenses	R1300							3,398

Annex I
S.05.02.01
Premiums, claims and expenses by country

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

R0270

Risk margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

R0310

Technical provisions - total

Technical provisions - total

Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
C 0020	C 0030	C 0040	C 0050	C 0060	C 0070	C 0080	C 0090	C 0100	C 0110	C 0120	C 0130	C 0140	C 0150	C 0160	C 0170	C 0180
R0010																
R0050																
R0060				35,023		-4,395					2,110					32,738
R0140																
R0150				35,023		-4,395					2,110					32,738
R0160	155		5,964	3,350		525					635					10,628
R0240																
R0250	155		5,964	3,350		525					635					10,628
R0260	155		5,964	38,373		-3,870					2,744					43,366
R0270	155		5,964	38,373		-3,870					2,744					43,366
R0280	24		516	5,292		549					343					6,724
R0290																
R0300																
R0310																
R0320	179		6,479	43,665		-3,320					3,087					50,090
R0330																
R0340	179		6,479	43,665		-3,320					3,087					50,090

[illegible]

Annex I
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 (EU) 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
Unpaid and uncalled preference shares callable on demand
A legally binding commitment to subscribe and pay for subordinated liabilities on demand
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

Excess of assets over liabilities
Own shares (held directly and indirectly)
Foreseeable dividends, distributions and charges
Other basic own fund items
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	4,635	4,635			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	61,267	61,267			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	65,902	65,902			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	65,902	65,902			
R0510	65,902	65,902			
R0540	65,902	65,902			
R0550	65,902	65,902			
R0580	41,964				
R0600	10,491				
R0620	157,04%				
R0640	628,18%				

	C0060
R0700	65,902
R0710	
R0720	
R0730	4,635
R0740	
R0760	61,267
R0770	
R0780	11,249
R0790	11,249

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
Total amount of Notional Solvency Capital Requirement for remaining part
Total amount of Notional Solvency Capital Requirements for ring fenced funds
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	12,252		
R0020	4,019		
R0030			
R0040	65		
R0050	35,890		
R0060	-9,289		
R0070			
R0100	42,938		
	C0100		
R0130	1,301		
R0140			
R0150	-2,274		
R0160			
R0200	41,964		
R0210			
R0220	41,964		
R0400			
R0410			
R0420			
R0430			
R0440			

Annex I
S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result		C0010			
	R0010	6,337			
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	
			C0020	C0030	
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030	155		2	
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050	5,964			
Other motor insurance and proportional reinsurance	R0060	38,373		25,263	
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080			3,887	
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2,744		1,926	
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

Linear formula component for life insurance and reinsurance obligations

MCR _L Result		C0040			
	R0200				
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	
			C0050	C0060	
Obligations with profit participation - guaranteed benefits	R0210				
Obligations with profit participation - future discretionary benefits	R0220				
Index-linked and unit-linked insurance obligations	R0230				
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				

Overall MCR calculation

		C0070	
Linear MCR	R0300	6,337	
SCR	R0310	41,964	
MCR cap	R0320	18,884	
MCR floor	R0330	10,491	
Combined MCR	R0340	10,491	
Absolute floor of the MCR	R0350	3,600	
		C0070	
Minimum Capital Requirement	R0400	10,491	