



SOLVENCY AND FINANCIAL CONDITION REPORT 2021

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Solvency and Financial Condition Report

Executive Summary

The Solvency and Financial Condition Report (“SFCR”) hereby presented aims to provide the user with an overview of the business and performance, system of governance, risk profile, the valuation for solvency purposes and the capital management of Probus Insurance Company Europe DAC (“the Company” or “Probus”) for the year ended 31 December 2021.

Under business and performance there have been no major changes to the way the Company operates, other than the new outsourced arrangement related to claims management described below. The Company has made a €5.5m profit on the technical account in 2021.

With respect to 2022 year-end forecasting, the Company expects a 9% decrease in premium written compared to 2021 performance.

The overall structure of the Company’s system of governance has remained unchanged. There has been one change in the Board of the Directors (“the Board”) composition, due to the resignation of the Group Non-Executive Director (PCF-2) who was also holding the role of Chairman of the Board (PCF-3) with effect from 17th December 2021. No modifications in the Audit and Risk Committees with respect to membership and no amendments in the respective Committees’ Terms of Reference (“ToR”).

The outsourced arrangement with Sedgwick Outsource Services Ireland Limited (“Sedgwick”) regarding the provision of claims handling services became effective in July 2021, with relevant Probus designated person responsible for this outsourced arrangement being approved by the Central Bank of Ireland (“CBI”) as Company’s Head of Claims (PCF-43).

With respect to its risk profile, Probus has implemented effective processes for assessing and mitigating its material risk exposures. Stress testing of the relevant risks is completed at least annually as part of the Own Risk and Solvency Assessment (“ORSA”) process. Probus ORSA submission to the Central Bank of Ireland (“CBI”) was completed as required on 17th December 2021.

Following the non-renewal and the consequent drawdown of the €62.7m Letter of Credit (“LoC”) issued by Natixis, held by Probus and treated as collateral, a new LoC was put in place with a value of €56m split between two A+ rated counterparties (BNP Paribas and Credit Agricole). Please refer to **section C.2** for more relevant information.

During 2021 no amendments were made to the below Company’s reinsurance programme:

- US\$5mxsUS\$5m stayed with Chubb Insurance and remained in the Hertz Group structure above US\$10m.

In terms of valuation for solvency purposes, the only difference between the financial statements’ values and the valuation for solvency purposes for the Company’s assets and liabilities is in the technical reserves and premium receivables and reinsurance payables. The Company has used the standard formula for the purposes of calculating its Solvency Capital Requirement (“SCR”) and no alternative valuation techniques have been employed.

Under capital management there have been no changes to the composition of the Company’s own funds held during 2021. The Company has increased the SCR cover from 222% in December 2020 to

267% as at 31st December 2021. There were no instances of non-compliance with the SCR and the Minimum Capital Requirement ("MCR") during the reporting period ended 31st December 2021.

Section A Business and Performance

A.1 Business

Probus Insurance Company Europe DAC ("Probus" or "the Company"), LEI code 635400Q3OJTNLWUODN38, is a designated activity company limited by shares. The Company is incorporated in the Republic of Ireland registered under the company number 252557. The Company's registered office is located at Hertz Europe Service Centre, Swords Business Park, Swords, Co. Dublin.

The Company is part of the Hertz Rent-a-Car organisation. The Company's immediate parent is Hertz International RE Limited ("Hire Dublin") which is incorporated in Ireland with a registered office at Hertz Europe Service Centre, Swords Business Park, Swords, Co. Dublin, Republic of Ireland. Hire Dublin owns 100% of the issued shares of the Company. The ultimate holding company is Hertz Global Holdings, Inc. ("Hertz Holdings") which is incorporated in the United States with a registered office at 8501 Williams Road, Estero, FL 33928, United States and is listed on the NASDAQ stock exchange with effect from 9th November 2021.

On 30th June 2021, Hertz Holdings, Probus ultimate parent company, successfully completed its restructuring process and has emerged from bankruptcy as a financially and operationally stronger and a more competitive company, with the support of a new investor group, Knighthead Capital Management LLC, Certares Opportunities LLC and Apollo Capital Management, LP.

The involvement of such new investor group led to the acquisition of an indirect qualifying holding in Probus by a limited partnership formed by Certares and Knighthead, which pursuant to Regulations 60 and 62 of the S.I. No. 485/2015 - European Union (Insurance and Reinsurance) Regulations 2015 was notified to the CBI and consequently approved by the regulator on 29th June 2021. See **Appendix 1** for an abbreviated group structure chart as at 31st December 2021.

Probus is authorised by the CBI to carry out the business of non-life insurance and has been designated as a low impact undertaking by the CBI under its risk-based framework for the supervision of regulated undertakings subject to Solvency II. Probus is reporting as an individual undertaking for Solvency II purposes.

Therefore, the Company is subject to financial supervision and regulation by the CBI's Insurance Supervision Division located at New Wapping Street, North Wall Quay, Dublin 1 (relevant supervisor within the CBI is Mr Grant Silliss).

The Company is subject to annual external audits. Audit services are performed by Ernst & Young ("EY") located at Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

The Company had two lines of business as at 31st December 2021, Third Party Motor Vehicle Liability Insurance ("Motor Vehicle Liability") and Personal Accident Insurance ("Assistance"). The business is sourced from Hertz European corporate entities on a freedom of services basis. Motor Vehicle Liability is by far the more material comprising approximately 91% of the premium written (gross of reinsurance). France, Germany, Italy, Belgium and the Netherlands are the five largest countries where premium was written for 2021.

	Total €	France €	Germany €	Italy €	Netherlands €	Belgium €
<i>Gross Written Premium</i>						
Motor Vehicle Liability	10,784,246	4,852,344	4,208,737	-	944,890	778,275
Assistance	950,418	93,860	14,994	829,883	8,555	3,126
Total Gross Premium	11,734,664	4,946,204	4,223,731	829,883	953,445	781,401

As a result of the withdrawal of the UK from the European Union, the Hertz UK motor policy entered into run-off as at 31st December 2020 and the distribution of Personal Accident Insurance in UK was terminated with effect from 31st December 2020.

As stated above in the Executive Summary, in the reporting year no changes were made to Probus reinsurance structure, therefore the US\$5mxsUS\$5m stayed with Chubb Insurance and remained in the Hertz Group structure above US\$10m.

Two Letters of credit are in place to mitigate against the risk of default in respect of the remaining HIRE Bermuda exposure, as outlined in section C.3 below.

A.2 Underwriting Performance

Underwriting performance -	31-Dec-21 €	31-Dec-20 €	Movement year over year €
<i>Net premium earned</i>			
Motor Vehicle Liability	9,316,045	1,874,016	7,442,029
Assistance	1,038,187	1,176,390	(138,203)
	10,354,232	3,050,406	7,303,826
<i>Net claims incurred</i>			
Motor Vehicle Liability	(1,828,089)	(1,951,353)	123,264
Assistance	(83,512)	(12,212)	(71,300)
	(1,911,601)	(1,963,565)	51,964
Commission received (motor)	-	386,989	(386,989)
Underwriting profit/(loss)	8,442,631	1,473,830	6,968,801

On an overall level underwriting profit has increased 473% year over year. During 2021, the Company made an underwriting profit of €8,442,631.

Please see **Appendix 6** for the full QRTs as submitted. The technical profit and loss account taken from the 2021 financial statements is also given here.

As mentioned above, Motor Vehicle Liability continues to be the larger of the two lines of business written contributing 91% of the gross written premium in 2021. From an underwriting profit perspective Assistance contributed a profit of €1.0m in 2021 while Motor Vehicle Liability contributed €7.49m. The Company no longer receives commission due to the cancellation of the quota share reinsurance contract with Hire Bermuda.

In accordance with Article 293 (2) of the Commission Delegated Regulation (EU) 2015/35, the tables below show the detailed information on underwriting performance split by material geographical areas where Probus carries out its business.

Underwriting performance - 2021	Belgium €	France €	Germany €	Italy €	Netherlands €	Spain €	Switzerland €	UK €	Total €
<i>Net premium earned</i>									
Motor Vehicle Liability	675,059	4,170,842	3,650,567	-	819,577	-	-	-	9,316,045
Assistance	3,391	93,860	14,994	829,883	8,556	87,503	-	-	1,038,187
	678,450	4,264,702	3,665,561	829,883	828,133	87,503	-	-	10,354,232
<i>Net claims incurred</i>									
Motor Vehicle Liability	(554,837)	86,177	(2,768,499)	1,071,452	210,305	4,776	60,487	62,052	(1,828,087)
Assistance	(20)	(60,170)	2,197	(6,257)	(4,870)	(22,846)	0	8,455	(83,512)
	(554,857)	26,007	(2,766,302)	1,065,195	205,435	(18,070)	60,487	70,507	(1,911,599)
<i>Commission received (motor)</i>	-	-	-	-	-	-	-	-	-
Underwriting profit/(loss)	123,593	4,290,709	899,259	1,895,078	1,033,568	69,433	60,487	70,507	8,442,633

Underwriting performance - 2020	Belgium €	France €	Germany €	Italy €	Netherlands €	Spain €	Switzerland €	UK €	Total €
<i>Net premium earned</i>									
Motor Vehicle Liability	90,589	601,929	631,995	-	107,900	-	-	441,605	1,874,018
Assistance	3,296	115,721	20,802	930,721	7,327	85,976	-	12,545	1,176,388
	93,885	717,650	652,797	930,721	115,227	85,976	-	454,150	3,050,406
<i>Net claims incurred</i>									
Motor Vehicle Liability	(104,294)	(729,495)	(1,672,337)	902,205	170,833	27,837	(662,087)	115,985	(1,951,353)
Assistance	(5,028)	(11,565)	6,924	77,918	72	(93,947)	-	13,414	(12,212)
	(109,322)	(741,060)	(1,665,413)	980,123	170,905	(66,110)	(662,087)	129,399	(1,963,565)
<i>Commission received (motor)</i>	18,705	124,300	130,509	-	22,282	-	-	91,193	386,989
Underwriting profit/(loss)	3,268	100,890	(882,107)	1,910,844	308,414	19,866	(662,087)	674,742	1,473,830

The top four countries (in terms of gross written premium) for Motor Vehicle Liability in 2021 were France, Germany, Netherlands, and Belgium. The top five countries (in terms of gross written premium) for Assistance in 2021 were Italy, Spain, France, Germany, and Netherlands.

A.3 Investment Performance

Investments	Solvency II balance sheet heading	31 December 2021 €	31 December 2020 €	Movement year over year €
Investments (cash on deposit)	Deposits other than cash equivalents	-		
Cash at bank	Cash and cash equivalents	95,741,079	78,252,658	17,488,421
Total investments		95,741,079	78,252,658	17,488,421

The Company holds excess cash on deposit for periods not exceeding three months, during 2021 these assets were reclassified as cash and cash equivalents as they are on demand deposits. Remaining cash remains in current accounts to meet payments as they fall due. Interest earned on all these accounts amounted to €2,783 in 2021, compared to €8,057 in 2020. In addition, charges (including negative interest charged for certain deposits) came to €709,542 for 2021, compared to €232,482 for 2020.

In 2021, the Company reclassified the bank accounts classified within 'Financial investments' to 'Cash at bank and in hand'. These accounts were previously held as short-term deposit accounts. However, this term was removed and the accounts should be classified as cash in line with the accounting policy. As a result, we have restated our 2020 comparative financial statements to reflect the reclassification retrospectively. The reclassification did not result in a change in the total assets

of the Company for the year ended 31 December 2020.

The impact of the prior period adjustments on the Company's financial statements are as follows:

Statement of Financial Position	01 January 2021		
	As previously reported €	Increase (decrease) €	As restated (€)
Financial investments	45,378,607	(45,378,607)	-
Cash at bank and in hand	32,875,051	45,378,607	78,253,658

A.4 Performance of Other Activities

Other material expenses of the Company are split between insurance and administration costs. Under insurance costs the material expenses relate to VAT, claims handling and data processing and MIB payments. Under administration costs the material expenses relate to salaries and related staff costs, legal fees, actuarial fees, audit and tax fees. The Company had no leasing arrangements in place during 2021 or 2020. See below table for comparison with prior period. Claims handling has increased year over year due to a change in provider from a group company to external provider.

Insurance costs	31-Dec-21	31-Dec-20	Difference year over year	% Difference year over year
	€	€	€	
VAT	26,194	17,060	9,134	54%
Claims handling	1,007,594	159,698	847,896	531%
Data processing	20,075	16,203	3,872	24%
MIB payments	117,032	302,007	-184,975	-61%
<i>Total</i>	<i>1,170,896</i>	<i>494,968</i>	<i>675,928</i>	<i>137%</i>
Administration costs	31-Dec-21	31-Dec-20	Difference year over year	% Difference year over year
	€	€	€	
Salaries and related staff costs	984,473	796,867	187,606	24%
Actuarial fees	100,030	240,477	-140,447	-58%
Audit and tax fees	292,340	282,555	9,785	3%
Claims audit fees	15,375	6,050	9,325	154%
<i>Total</i>	<i>1,392,219</i>	<i>1,325,949</i>	<i>66,270</i>	<i>5%</i>

Forecast

With respect to 2022 year-end forecasting, the Company expects a 9% decrease in premium written compared to 2021 performance driven by repricing the risk (these forecasts are based on Hertz forecasting which is believed to be on a prudent basis).

The 2022 performance would reflect a 9% decrease from 2021:

Gross premiums Written	€10,694,860
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Outward reinsurance premiums paid	(€1,234,956)
Net premiums earned	€9,459,904

Covid-19

Since the situation regarding Covid-19 and the travel restrictions imposed due the pandemic have evolved, Probus Senior Management continues to monitor the impact on the relevant capital and solvency position (together with an assessment of the attached key risks) on a regular basis.

The Company is also regularly monitoring the impact of Covid-19 on its panel of reinsurers supporting Probus motor liability program and it is confirmed that currently they are unaffected from a ratings perspective.

A.5 Any Other Information

There is no other material information beyond what has been discussed above to note.

Section B System of Governance

B.1 General Information on System of Governance

Probus has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as presented in the organisation chart which can be found at **Appendix 5** of this report.

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

Both the General Manager and the Finance Manager sit on the Board as Executive Directors (PCF 1). The Board also currently consist of one Non-Executive Directors (“NEDs”) from the wider Hertz Group and, as required, two Independent Non-Executive Directors (“INEDs”). The Board is supported by a Risk and an Audit Committee. Each Committee is made up of three Board members (the two INEDs plus a third member) and both are chaired by an INED. The Terms of Reference of the Board and the Committees are reviewed and updated on an annual basis.

There have been no material changes in the system of governance during 2021.

The remuneration for staff is determined on industry averages and Hertz Group internal policies. Probus Senior Management evaluate employees annually against set objectives and the results feed into the Hertz bonus calculation. Potential staff annual bonus is also dependant on the performance of Hertz in Europe and Hertz in the US with a 50/50 split. There are currently no supplementary pension/early retirement schemes in place for any staff member.

There have been no material transactions during 2021 with any Board member or any other influential party.

The Compliance Function is overseen by the Company’s Head of Compliance and all relevant views, advice and findings are reported to the Risk Committee, the Audit Committee, and the Board on a

quarterly basis. It is ensured that the Head of Compliance is provided with the necessary operational independence and appropriate resources as required.

The Risk Management Function is overseen by the Company's Chief Risk Officer ("CRO") and all relevant views, advice and findings are reported to the Risk Committee and the Board on a quarterly basis. It is ensured that the CRO is provided with the necessary operational independence and appropriate resources as required. Following the resignation of the Company's CRO effective 26th June 2018, due to the small size, simple scale and low complexity of the Probus business model, plus the existence of an already well-established risk management framework, it was resolved to outsource the CRO role (PCF-14) to an external service provider, Augmented Actuary Limited. This outsourcing arrangement is overseen by Probus General Manager.

The Finance Department is managed by the Finance Manager with responsibility for monthly, quarterly and annual reporting. External Audit is overseen by the Finance Manager. Sufficient staff levels are maintained within the Finance Department to ensure segregation of duties and appropriate levels of review. All relevant finance and audit views, advice and findings are reported to the Risk Committee, the Audit Committee and the Board on a quarterly basis.

The Internal Audit Function for year 2021 was outsourced to KPMG Ireland who performed annual reviews.

With effect from March 2022, the Internal Audit Function is outsourced to Deloitte Ireland. An arms-length service level agreement ("SLA") is in place for this relationship which is also in accordance with the Company's Outsourcing Policy. The relationship is managed by the Company's Head of Compliance and in order to ensure the independence of the Internal Audit Function, as per Article 46-2 of the Solvency II Directive, all relevant views and findings resulting from the annual review are reported directly to the Audit Committee and the Board. See section B6 for further details on the Internal Audit Function.

The Actuarial Function is outsourced to Willis Towers Watson and the relationship is overseen by Probus Finance Manager. A specific contract governs the work performed in accordance with the Company's Outsourcing Policy. The representatives from Willis Towers Watson present their actuarial reports to the Risk Committee and the Board as required. The Head of Actuarial Function ("HoAF") has been approved by the CBI as a qualified individual (PCF-48) to hold this role. The Company ensures that the HoAF has the necessary access to information and resources, including the appropriate authority and reporting lines, as required for the purpose of providing the opinions and performing the tasks specified under the applicable regulations. See **section B7** for further details on the Actuarial Function.

B.2 Fit and Proper Requirements

The Company has established and implemented its own Fitness and Probity Policy, which sets out the process for assessing the fitness and propriety of the relevant persons, and fully aligns with the current Fitness and Probity Standards ("the Standards") as circulated by the CBI and as amended in Irish law under Statutory Instrument ("SI") 585 of 2015.

The Company's policy for the recruitment of key function holders takes into consideration first and foremost the business need for the appointment of an individual. The individual selected must be competent and capable, honest, ethical and act with integrity and be financially sound. Once the most suitable candidate - possessing the relevant skills - has been identified, the required due diligence is completed and documented and then the submission of the Individual Questionnaire ("IQ") is made to the CBI for pre-approval.

Training is provided/arranged for Directors in relation to key topics. All individuals with relevant qualifications are expected to comply with the continuing professional development (“CPD”) requirements of their relevant institutes. Quarterly compliance training is also provided to the Company’s staff by the Head of Compliance.

The Company carries out an annual audit of persons performing a controlled function or pre-approval controlled function by asking them whether there have been any material changes regarding their compliance with the Standards. The Company also re-sends the Standards to the relevant individuals and ensures they sign their agreements to abide to them on an annual basis. If the Company becomes aware of any concerns with respect to the fitness and probity of these individuals, this will be investigated thoroughly and appropriate actions taken. The CBI will also be notified.

The Company’s Board of Directors as at 31st December 2021 was comprised as follows:

Name	Position	Fitness & Probity Reference	Effective Appointment Date
Clark Dubin	Group Director (Hertz VP Global Risk Management)	PCF-2 Non-Executive Director	14 th March 2019
Stephen Hodgins	Independent Non-Executive Director (Chair of the Probus Risk Committee)	PCF-2 Non-Executive Director PCF-5 Chairman of the Risk Committee	1 st December 2016
John Perham	Independent Non-Executive Director (Chair of the Probus Audit Committee)	PCF-2 Non-Executive Director PCF-4 Chairman of the Audit Committee	1 st September 2016
Martin Scullion	Executive Director (Probus General Manager)	PCF-1 Executive Director PCF-8 Chief Executive PCF-17 Head of Underwriting	27 th July 2006
Charlotte Torr	Executive Director (Probus Finance Manager)	PCF-1 Executive Director PCF-11 Head of Finance	9 th January 2008
Richard McEvily (Resigned with effect from 17 th)	Group Director and Chairman (Hertz Senior Vice President and Deputy General Counsel)	PCF-3 Chairman of the Board	14 th December 2018 (re-appointed on 1 st December 2020)

December 2021) ¹		PCF-2 Non-Executive Director	27 th September 2018
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The Board is responsible for the effective, prudent and ethical oversight of the Company and meets on a quarterly basis or more frequently as required.

The role and responsibilities of the Board are clearly documented in its Terms of Reference (inclusive of the relevant Schedule of Reserved Matters) which are reviewed on an annual basis by the Board of Directors.

More specifically the Board is responsible for setting and overseeing:

- Business strategy;
- Capital management;
- Risk management;
- Organisational structure, communication and reporting channels;
- Remuneration framework;
- The internal control framework, including risk management, compliance and internal audit functions as well as financial reporting and accounting; and
- IT strategy.

Following the annual revision of Probus Board Terms of Reference, which occurred in December 2021, the following subject-matter was added to the list of Board Schedule of Reserved Matters:

- New product approval.

Below PCF appointments were made during the reporting year:

- Stephen Codd was appointed Head of Claims, effective 14th September 2021; and
- Orla Hennebry was appointed Head of Actuarial Function (“HoAF”), effective 14th October 2021 (as Mr Tom Donlon resigned as Probus HoAF, effective 8th October 2021).

The Company’s Senior Management as at 31st December 2021 was comprised as follows:

Name	Position	Fitness & Probity Reference
Martin Scullion	General Manager	PCF-1 Executive Director PCF-8 Chief Executive PCF-17 Head of Underwriting
Charlotte Torr	Finance Manager	PCF-1 Executive Director PCF-11 Head of Finance
Gustavo Pregoni	Director of Risk and Compliance	PCF-12 Head of Compliance

¹ The process to replace Probus Chairman of the Board has commenced and it is still on-going.

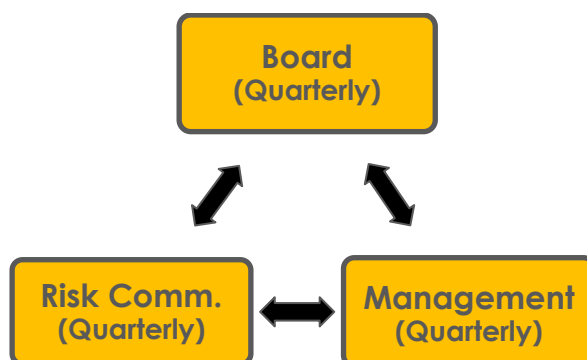
Stephen Codd	Head of Claims / Manager of Risk and Analytics	PCF-43 Head of Claims
With support from:		
Orla Hennebry (WTW)	Head of Actuarial Function	PCF-48 Head of Actuarial Function (outsourced role)
Tom Donlon (Actuary Augmented Ltd)	Chief Risk Officer	PCF-14 Chief Risk Officer (outsourced role)
Ciaran Flynn* (KPMG Ireland)	Head of Internal Audit	PCF-13 Head of Internal Audit (outsourced role)
Matthias Rittmeier (Marsh)	Probus Swiss Branch Manager	Manager of a branch in the Switzerland (not an EEA country) (outsourced role)

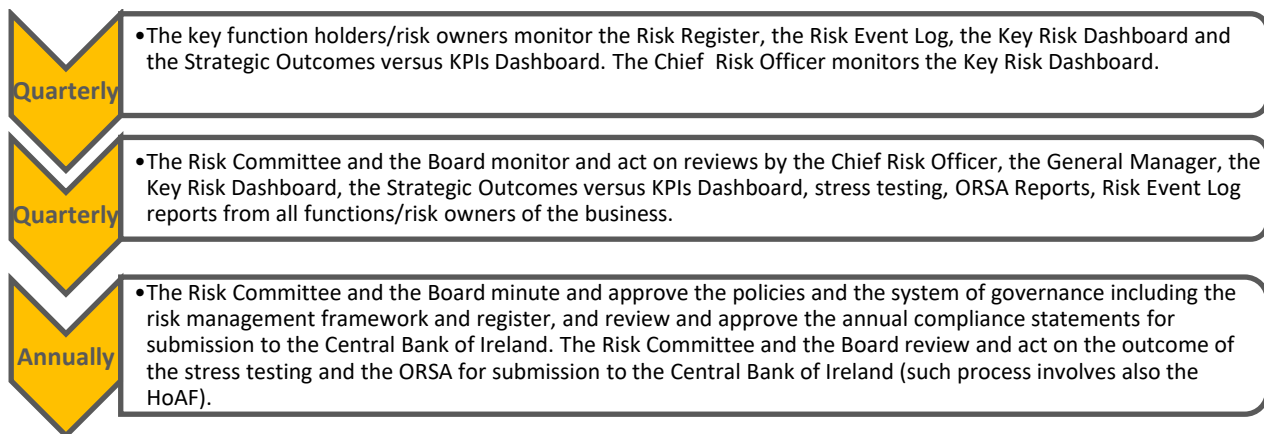
* Mr Ciaran Flynn resigned as Company's Head of Internal Audit (PCF- 13) with effect from 26th January 2022, following termination of the relevant KPMG Ireland engagement. Ms Anlo Taylor of Deloitte Ireland has been proposed to the CBI for holding the role of PCF-13 for Probus (CBI approval still pending).

B.3 Risk Management System and ORSA Process

The Company's Risk Management System is governed by the Risk Management Policy. This states that the Board is ultimately responsible for ensuring the effectiveness of the Risk Management System, setting the Company's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies. The strategy of the Risk Management System is to identify, assess, manage key risks and to monitor the impact of internal and external events on Board chosen appetite and tolerance metrics. The key annual process being the ORSA scenario testing and observing events that could materially impede the entity's ability to achieve its strategic objectives.

Within its adopted system of governance, the Company has a systematic way of managing risks as follows:





The Function Holders/risk owners monitor the Company's Risk Register which lists all of the risks the Company is currently required to manage from local or EU requirements through a stated risk appetite and tolerance. Supporting the Risk Register, there is a Risk Appetite Statement ("RAS") documenting the in-depth justification and assumptions used to plot Management's current outlook on the risk. Each risk has an appetite and tolerance limits with an internal escalation trigger for the Risk Committee/Board consideration plus in extreme circumstances an external escalation to the CBI.

Additionally, the Company maintains a running Risk Event Log (adopted from international best practice) capturing on an *ad-hoc* basis all current and upcoming events that could materially affect a risk mapped on the Company's Risk Register together with the related planned actions and remediation. The key material risks for the Company are summarised in a report called the Key Risk Dashboard. This has metrics versus risks appetite and tolerance and allows for analysis of trends. This enables management to make informed decisions on business activity through the prism of risk.

On a quarterly basis, the Board review the Strategic Outcomes versus KPIs Dashboard as produced by Management in order to appropriately monitor status, progress and deviations of the Company's Board approved business strategy. Such activity has been fully embedded into the Company's reporting framework.

As discussed above the Company's Risk Committee meets on a quarterly basis. The Committee's Terms of Reference are set in accordance with the domestic and EU requirements. The Risk Committee reviews the General Manager's Risk Summary report, the Key Risk Dashboard, stress testing and the ORSA reports and the reports from all key functions within the Company. The Risk Committee provides oversight and advice to the Board on current risk exposures and future risk strategy.

The ORSA process is governed by the Risk Management Policy and the ORSA Policy which state that an ORSA must be performed at least annually and for any material business need.

The objective of the ORSA is to lay out the results of the assessment of the Company's own risks in order to guide the Board in setting Probus risk appetite and capital needs into the future. It aligns its outcome with the key strategies used to govern the Company's business.

The ORSA is completed in four stages:

- **Stage 1 Planning** – The capital projection and stress testing plan is put together by the Company's Risk and Compliance functions. The gathering of data and collation is executed by the Company's Finance Department as the majority of the information originates for the previous years audited financial statements, underwriting and technical provisions data. This is formalised into an assumptions report by the Company's Management and then reviewed by the Risk Committee/Board. The definition of assumption inputs is distributed to the Board

and the Directors are then requested to revert with comments for inclusion in the scenario/projection process.

- **Stage 2 Modelling** – The calculation of base case projections on 1, 2 and 3 years forward basis is performed by Willis Towers Watson on behalf of Probus. We believe that the SCR is a suitable risk measure for the Company as it captures the key risks. The results are reviewed by Probus Management, the Risk Committee and the Board. Scenario & stress identification and relevant testing were performed by Probus Finance Department
- **Stage 3 Interpret** – The analysis of impact on capital requirements is done collectively by Probus Management. The results are reported to the Risk Committee and the Board and once approved are formatted and submitted to the CBI, as required.
- **Stage 4 Response** - Relevant decision upon resulting actions are proposed by Probus Management and reviewed by the Risk Committee and the Board. Follow-up actions will be executed by Management who will report on progress to the Risk Committee and the Board accordingly.

The CBI required outcome of the ORSA process is to produce the following documents:

- 1) Risk Management/ORSA Policy (which form integral part of the undertaking's Corporate Governance Framework);
- 2) ORSA Record of Exercise (which is kept internally for audit trail);
- 3) ORSA Internal Report; and
- 4) ORSA Supervisory Report (which is submitted to the CBI).

The approval of the Risk Management/ORSA Policy as part of the annual review of the system of governance enables compliance with the first requirement. The record of production and review of the ORSA report satisfies requirements 2 and 3. The Board approval of the Internal Report allows the Company to fulfil its obligation to submit the ORSA Supervisory Report 14 days after Board approval.

B.4 Internal Control System



In accordance with Article 46(2) of Directive 2009/138/EC, the Company's Board has established an effective internal control system. The Company employs a full time Director of Risk and Compliance to oversee the **Compliance Function**. The compliance activities are set out in an annual compliance

plan and the Compliance Function quarterly reports directly to the Risk/Audit Committees and the Board advising on compliance risks and assisting with ensuring on-going compliance with applicable legislation and requirements. This reporting also identifies and assesses the impact of any past or foreseen changes to the legal and regulatory environment affecting Probus business.

The Company has established an internal control framework comprised of Board policies on compliance and internal controls. The entire suite of governance framework documents is listed in **Appendix 4** of this report. In addition, these are directly linked to key procedures that support material activities. Key activities have their own specific policy where deemed necessary by regulation or business activity risks. The Board reviews and approves these policies annually.

To assist the Board, the policy framework is reviewed on an annual basis versus current developments in requirements and business activity. Policies are updated accordingly by the Company's Management and reported to the Board with an executive summary of the relevant changes. The summary of changes is presented to the Directors in advance of the Q4 Board meeting each and every year for review, feedback and approval.

- **1st Line of Defence** – Each operational management (e.g. Finance, Underwriting, Claims) has ownership, responsibility and accountability for directly assessing on a day to day basis, controlling and mitigating the risks relevant to the respective areas of operations, in order to ensure adequate preventative and detection controls.
- **2nd Line of Defence** – Probus Compliance, Risk Management and Actuarial functions provide independent oversight of the risk management and other relevant activities of the first line of defence. Such functions also report independently to the Company's Committees and the Board.
- **3rd Line of Defence** – It is comprised of Internal and External Auditors and the Sarbanes-Oxley ("SOX") team, who report independently to the Audit Committee charged with the role of representing the enterprise's stakeholders relative to compliance, risk and governance issues.

B.5 Internal Audit Function

The Company has established an Internal Audit Policy, which is annually reviewed and approved by the Board. As mentioned above, an arm's length SLA for the governance of the outsourced Internal Audit Function was in place with KPMG Ireland for year 2021.

To provide for the independence of the Internal Audit Function, as per Article 46-2 of the Solvency II Directive, KPMG were accountable to and report directly to the Audit Committee (not to Probus Management). All internal audit activities shall remain free of influence by any element of the Company, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective approach necessary in rendering reports. KPMG provide:

- a) An annual assessment of the adequacy and effectiveness of the Company's processes for controlling activities;
- b) A report of significant issues related to the Company's processes, including required improvements to those processes, and information concerning resolution of the issues and;

- c) Information on the status and the results of annual audit plans and the sufficiency of audit resources.

Currently the Internal Audit Function of Probus is provided by Deloitte Ireland; such outsourced arrangement commenced on 1st March 2022 and it is governed by a relevant arm's length SLA.

B.6 Actuarial Function

The Head of Actuarial Function ("HoAF") role is outsourced to Willis Towers Watson representative Orla Hennebry. The Company has an SLA governing this relationship that meets all current Solvency II and relevant guideline requirements. The Board have also established a policy on underwriting that encompasses all aspects of underwriting, reinsurance and actuarial areas to assist in the effective implementation of the Risk Management System.

The Company ensures that the HoAF provides an actuarial opinion to the CBI on an annual basis, which addresses the technical provisions of the Company as reported in any quantitative reporting templates ("QRTs") to the CBI. This is referred to as the Actuarial Opinion on Technical Provisions ("AOTP"). In addition to, and connected with the AOTP, the Company ensures that the HoAF also provides an Actuarial Report on Technical Provisions ("ARTP") to the Board on an annual basis, which supports the AOTP. This report shall also be provided to the CBI upon request.

The Company ensures that the HoAF provides an actuarial opinion to the Board in respect of each ORSA process of the Company. The opinion is provided to the Board at the same time as the results of the ORSA process to which it relates. The opinion addresses - at a minimum and having regard to the Company's individual risk situation - the following:

- a) The range of risks and the adequacy of stress scenarios considered as part of the ORSA process;
- b) The appropriateness of the financial projections included within the ORSA process; and
- c) Whether the Company is continuously complying with the requirements regarding the calculation of technical provisions and highlighting potential risks arising from the uncertainties connected to this calculation.

Additionally, the HoAF is required to produce an opinion on the overall Underwriting Policy, on Probus reinsurance arrangements and to provide an overall Actuarial Function report. The HoAF is also responsible for the co-ordination of the technical provisions, monitoring experience, internal and external actuarial reporting and contributing to the risk management system.

The Company ensures that the HoAF has the necessary access to information and resources, including appropriate authority and reporting lines, as required for the purpose of providing the opinions and performing the tasks allocated, in particular those specified under the Solvency II Regulations and the CBI domestic actuarial regime requirements. Where the HoAF has a material concern regarding any issue covered, she is expected to highlight such items for Board's consideration. The HoAF is expected to indicate any material limitations and the extent and basis of any material reliance on work performed by others in meeting the responsibilities addressed by relevant regulations and guidance.

B.7 Outsourcing

Each control functions' Manager and ultimately the Board are responsible for oversight procedures in the application of the Company's Outsourcing Policy. Management of third party claims administration contracts follow the Company's Underwriting Policy, Outsourcing Policy, Claims Policy

and Fitness and Probity Policy. Intra-group outsourced functions are managed with the same vigour at arms-length as per relevant requirements.

The Company outsources and enters into outsourcing arrangements only where there is a sound commercial basis and/or to take advantage of external expertise. The Company's Management undertake due diligence of the chosen service providers to make sure all pre-stated requirements are met. The Company also considers the impact of the proposed outsourcing arrangement on the operations. The Board escalation and oversight of any issues in regard to an outsourced function follows the main framework of 24 hours for any material issue in breach of appetite and 5 days notification to the CBI in breach of any applied tolerance limits. Regular monitoring of arrangements will take place via quarterly reporting to the Risk/Audit Committees and the Board.

The Company's Management routinely evaluate the performance by Probus designated Pre-Approval Control Functions (PCFs) of the outsourced service providers ("OSPs") to ensure service and key performance indicator ("KPIs") are as expected and meet the current business needs versus the current in-force SLA. To such extent a formalised, structured and consistent annual review process was developed and implemented throughout year 2020 and remained in place for the reporting year.

Ongoing oversight activity is specified for the major outsourced functions:

- **Actuarial** - The Underwriting Policy refers to required interaction and oversight of outsourced actuarial activities of the HoAF as per Solvency II requirements and sets the expectations for scope of work, performance, reporting and oversight. These considerations have been incorporated into the current governing SLA. HoAF duties are fulfilled by Orla Henneby (PCF-48) of WTW (Ireland) as mentioned previously. The in-house individual responsible for oversight is Head of Finance (PCF-11).
- **Internal Audit** - The Internal Audit Policy refers to the required interaction and oversight of outsourced internal audit activities as per Solvency II requirements and sets the expectations for scope of work, performance, reporting and oversight. These considerations were incorporated into the governing SLA between KPMG Ireland and Probus, which was terminated in January 2022. The Internal Audit Function was managed by a KPMG representative who was holding the Head of Internal Audit role (PCF-13) for Probus.

Following termination of KPMG outsourced arrangement, all of the above considerations have been incorporated into the current governing SLA between Probus and Deloitte Ireland, who are managing the Company's Internal Audit Function since March 2022. Probus in-house individual responsible for oversight on the outsourcing of Internal Audit services is the Company's Head of Compliance (PCF-12).

- **Chief Risk Officer** - Following the resignation of the Company's CRO effective 26th June 2018 and having considered the small size, simple scale and low complexity of the Probus business model, plus the existence of an already well-established risk management framework, the Board resolved to outsource the CRO role to an external service provider, Actuary Augmented Limited, based in Ireland. Mr Tom Donlon, director of Actuary Augmented Limited, holds the CRO role (PCF 14) for Probus. The in-house individual responsible for oversight is the Company's General Manager (PCF-8).
- **Claims** - Third party claims administration ("TPA") outsourced function is overseen through constant contact, annual country specific audits and involvement in thematic group project initiatives. The Company's Claims Policy and related procedures set the requirements, expectations for scope of work, performance, reporting and oversight. These considerations are incorporated into the current governing SLA with Sedgwick and the other relevant TPA.

Sedgwick, which is an Irish regulated entity, through their offices in the relevant corporate countries are responsible for the administration of claims across Europe². The in-house individual responsible for oversight is the Company's Head of Claims (PCF-43), supported by Probus European Technical Claims Director (CF-6/CF-7).

- **Information Technology** – The Company contracts Hertz IT (Ireland based) in an arms-length agreement to provide its IT infrastructure. The Probus IT Policy & IT Framework, together with the related procedures, set the requirements, expectations for scope of work, performance, reporting and oversight. Individual contracts exist with third party vendors of critical systems. The in-house individual responsible for relevant oversight is the Company's Manager of Risk Analytics.

Annual SLA/contracts' evaluation is undertaken as part of a specific compliance procedure within the Company's Contract Management System.

B.8 Adequacy of System of Governance

The Company's Board believes it has established an adequate system of governance based on the nature scale and complexity of the risks within the business, whilst adopting all applicable requirements of an Irish authorised insurance undertaking of the Company's size. See **Appendix 4** for the overview of the governance framework. This is supported by the key outsourced functions maintained through routine oversight and control monitoring process via KPIs in contracts as per above.

As outlined in section **B.4 "Internal Control System"** above, the 3 lines of defence model, together with the related processes and reporting structure, allows the Board to maintain a strong oversight over the Company's business and operations and subsequently to execute their responsibilities, in accordance with the relevant Terms of Reference.

B.9 Any other information

There is no further material information to note.

Section C Risk Profile

C.1 Risk Profile

The Company has identified the following information relating to risks. Risk impact and probability are examined in terms of events which may impact the risk positively or negatively with an impact which may be expressed qualitatively or quantitatively.

1. Underwriting Risk

Underwriting Risk can be sub-categorised into two material areas: Premium Risk and Reserve Risk. The capital charge in the SII SCR Standard Formula pre diversification allocation has decreased over 2021 as there have been no changes in the Company's reinsurance programme. Such decrease actually reflects a reduction in the premium expected over the next year combined with a reduction in non-life claims provision.

	2021 SCR charge	2020 SCR charge
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² Reliance on Hertz Claims Management ('HCM') remains in place only for Germany until full completion of staff transfer from HCM to Sedgwick, which is due in April 2022.

	€	€
Premium and Reserve Risk	8,212,259	10,196,402

Premium

Premium Risk is the risk that premium for the year will be insufficient to cover that year's claims and costs. Additionally, there is the risk that the Company's premium rating is insufficient. The relevant monetary value is due to the reinsurance structure that is currently in place and current deductible arrangements and exclusion of natural catastrophe losses.

Reserve

Reserve Risk is the risk that technical provisions established for past losses will be insufficient to cover these claims and the Company's reserve calculations prove to be insufficient to meet actual claim costs.

Lapse & Catastrophe

Both Lapse and Catastrophe Risks are other sub components of the Underwriting Risk which incur charges under the SII SCR Standard Formula. Lapse Risk is nil for the current period because all policies expired 31st December 2021. Catastrophe is an inherent risk borne by the nature of providing Motor Vehicle Liability insurance in EU countries where there is potentially unlimited liability.

	2021 SCR charge €	2020 SCR charge €
Lapse Risk	-	-
Catastrophe Risk	4,405,675	4,081,966

Mitigation of Underwriting Risk

Both prevention and detection controls are in place for Premium and Reserve Risks.

Under prevention controls, the Company is subject to an annual pricing review and an actuarial review by WTW for the production of their Solvency II reports plus annual review of the technical provisions³ and quarterly/annual review of the SCR calculation. This system allows for the competitive nature of the market and allows prices to reflect the most recent claims experience. Further prevention controls include Board policies covering premium and reserves (Underwriting Policy and Reinsurance Policy) and the monitoring of reinsurers ratings.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily monitoring by Hertz Treasury of institutions' ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the Finance Manager and the SII SCR Standard Formula calculation by Willis Towers Watson;
- iv. review of claims reserve net of excess of loss reinsurance;

³ The movements in the TPs are monitored as part of the SCR and the net reserves are updated at September and December.

- v. quarterly SOX reporting to Hertz Group for review;
- vi. quarterly Risk Committee/Board reporting documents;
- vii. bi-annual Willis Towers Watson review of claims reserves; and
- viii. ongoing in-depth analytical work by data analyst to isolate and encourage the insured to alter its rental business decisions plus accelerating dispensation and claims handling times

2. Market Risk

Market Risk can be sub-categorised into four areas:

- a. Interest Rate Risk;
- b. Currency Risk;
- c. Spread Risk; and
- d. Concentration Risk.

	2021 SCR charge €	2020 SCR charge €
Interest Rate Risk	85,035	-
Currency Risk	4,938,720	3,209,498
Spread Risk	-	543,002
Concentration risk	-	4,493,816

a. Interest Rate Risk

Interest Rate Risk is the variability in value borne by an interest-sensitive asset or liability. For the Company this is the risk relating to investments which are subject to variability of market rates and from the discounting of liabilities. Excluding receivables, all of the Company's assets are held in cash deposits with banks, for a maximum of three months. In prior years the Company had been required to hold Swiss bonds to cover the technical reserves held for the Swiss branch. Interest Rate Risk has a low monetary value.

b. Currency Risk

Currency Risk is assessed based on the change in the net asset value of the Solvency II balance sheet and on the difference between net asset values and liabilities in each currency following a shift of the exchange rates up or down of all foreign currencies against the reporting currency. The Company is a Euro regulated company that operates in Ireland with operations in territories with Euro, Swiss Franc and Sterling as their functional currency. The increase in the SII SCR Standard Formula charge is a result of an increase in the mis-match of Sterling assets and liabilities. Currency Risk has a low monetary value.

c. Spread Risk

Spread Risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. The Company's capital charge for Spread Risk in the SII SCR Standard Formula was previously driven largely by the exposure on financial instruments, following the reclassification of these to cash and cash equivalents this has decreased to zero.

d. Concentration Risk

Concentration Risk is the risk that financial instruments are held with too few institutions. For the Company this is the risk that financial instruments are held with too few institutions and one or more becomes unable to repay. Concentration Risk

arises from the accumulation of exposures with the same counterparty. This is only calculated for assets considered in the equity, property and Spread Risk sub-modules (not for assets covered under the Counterparty Default Risk module). As a result of the reclassification of asset from financial instruments to cash and cash equivalents this charge has decreased to zero.

Mitigation of Market Risk

Probus applies the prudent person principle when managing the Company's market risk exposure by adhering to the requirements of a set of Board approved policies, namely the Asset Liability Management Policy, the Capital Management and Dividend Policy and the Investment and Liquidity Risk Policy. Within the Company's corporate governance framework and the Board Terms of Reference there is a list of material Board reserved decisions.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily monitoring by Hertz Treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the Finance Manager and the SII SCR Standard Formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz Group for review; and
- v. quarterly Risk Committee/Board reporting and monitoring.

3. Credit Risk/Counterparty Default Risk

Credit Risk can also be described as Counterparty Default Risk which is the risk that a technical counterparty cannot meet its contractual obligations or has a volatile credit rating. For the Company this is the risk that its technical counterparties (i.e. reinsurers, credit institutions) either collapse or become less secure.

	2021 SCR charge	2020 SCR charge
	€	€
Counterparty Default Risk	5,980,807	3,391,150

Key areas where the Company is exposed to Credit Risk are:

- i. reinsurers' share of technical reserves;
- ii. amounts due from reinsurers in respect of claims already paid;
- iii. amounts due from insurance contract holders; and
- iv. deposit amounts due from bank counterparties.

The calculation for loss given default is complex and can increase significantly if the standard deviation of the loss distribution of type 1 exposures exceeds 7% of the loss given default of all type 1 exposures. This is explained in greater detail in **Section E.2** of this report. This charge has increased year on year due to the reclassification from financial instruments to cash and cash equivalents.

Mitigation of Credit Risk

Both prevention and detection controls are in place for Credit Risk.

Under prevention controls, the Company currently has a Board established Underwriting

Policy and a Capital Management and Dividend Policy to materially manage Credit Risk/Counterparty Default Risk.

Under detection controls, there are:

- i. at least quarterly reviews of the reinsurance recoveries;
- ii. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- iii. daily monitoring by Hertz Treasury of institution ratings and values of bank balances held;
- iv. regular Management meetings;
- v. quarterly review of the Solvency II QRTs by the Finance Manager and the SII SCR Standard Formula calculation by Willis Towers Watson;
- vi. quarterly Risk Committee/Board reporting and monitoring; and
- vii. quarterly SOX reporting to Hertz group for review.

4. Liquidity Risk

Liquidity Risk can also be described as Illiquidity Risk, which is the risk that a given asset cannot be traded quickly enough to prevent a loss. Liquidity risk may stem from:

- i. a loss or reduction in the value of existing funding;
- ii. off-balance sheet commitments being called;
- iii. investments or acquisitions that require new funding;
- iv. timing mismatches between asset maturities/realization and liability cash flows; and
- v. problems arising from holding difficult-to sell assets to meet current liabilities.

Mitigation of Liquidity Risk

Both prevention and detection controls are in place for Liquidity Risk.

Under prevention controls, it is noted that all investments are held in cash and that the Company uses the Board approved Investment Policy. Within the Company's adopted corporate governance framework and the Board TOR, there is a list of material Board reserved decisions.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily monitoring by Hertz Treasury of institution ratings and values of bank balances held;
- iii. regular management meetings;
- iv. quarterly review of the Solvency II QRTs by the Finance Manager and the SII SCR Standard Formula calculation by Willis Towers Watson;
- vi. quarterly SOX reporting to Hertz Group for review;
- vii. quarterly Risk Committee/Board reporting and monitoring.

5. Operational Risk

Operational Risk is the risk of a loss arising from inadequate or failed internal processes, personnel or systems, or from external events (whether deliberate, accidental or triggered by natural occurrence).

	2021 SCR charge €	2020 SCR charge €
Operational Risk	2,511,320	3,096,539

For the Company this is the risk that it incurs losses from IT failures, legal and regulatory non-compliance, internal control breakdowns, loss of key personnel, outsourced arrangements, etc. The Company's business processes are reliant on systems, personnel, procedures and must comply with laws and regulations from the relevant competent authorities.

Mitigation of Operational Risk

Both prevention and detection controls are in place for operational risk.

Under prevention controls applied, the Company has the following:

- i. the Company's Board powers of reserved decisions and the annual review of the Company's Corporate Governance Framework and Policies;
- ii. establishment of an effective internal control system;
- iii. annual review of documented prescribed procedures highlighting sign-off and segregation of duties;
- iv. annual SOX /Internal Audit testing of procedures;
- v. annual Compliance Plan and related monitoring carried out by the Head of Compliance, reporting to the Risk Committee and the Board;
- vi. annual EY External Audit (group and local) testing of controls;
- vii. business resumption protocols for the Company's operations;
- viii. business resumption plan for IT/building damage or failure including IT back-ups;
- ix. annual claims oversight audits per country carried out by Claims Dept., reporting to the Risk Committee and the Board;
- x. monitoring of service level agreements for key outsourced activities;
- xi. regular Management meetings.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily monitoring by Hertz Treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the Finance Manager and SII SCR Standard formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz Group for review; and
- v. quarterly Risk Committee/Board reporting from the key control functions.

6. Other Material Risks

Other Material Risks affecting Probus can be sub-categorised into the following three categories: Capital Risk, Strategic Risk and Brexit Risk.

a. Capital Risk

Capital Risk is the risk that capital is insufficient to act as a cushion to absorb losses arising from business operations and allows the Company to remain solvent under challenging conditions. Capital Risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of a firm's exposures to external shocks and/or the level of capital planning and management process. Capital Risk has a high monetary value.

Mitigation of Capital Risk

Both prevention and detection controls are in place for capital risk.

Under prevention controls, the Company:

- i. as part of the quarterly Board meeting process, monitors adverse trends that would impact the SCR charge and takes pro-active mitigating action before events would cause material harm;
- ii. complies with Hertz policies and procedures, maintains a Corporate Governance Framework and Policies along with annual actuarial reviews by Willis Towers Watson, annually performs of the ORSA.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily monitoring by Hertz Treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the Finance Manager and SII SCR Standard Formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz Group for review;
- v. quarterly Risk Committee/Board reporting documents;
- vi. bi-annual Willis Towers Watson review of claims reserves.

b. Strategic Risk

The Strategic/Business Model risk covers the level of inherent risk in the Probus strategy of being an effective and solvent vehicle of self-insurance of auto liability risk for Hertz (other insurance products may be available to Hertz at better prices in the external market).

The key risk is that the current business model may not compete favourably with alternative strategies through the cycle in terms of cost, capital efficiency and long-term price stability.

Under a strategic point of view and in accordance with Guideline 2, Organisational and Operational Structure, Paragraph 1.26 of the EIOPA Guidelines on System of Governance, Probus developed a business strategy process that clearly outlines the specific steps, roles and responsibilities, and timelines involved in developing, revising and monitoring the Company's business strategy. At all times, the Company aims to achieve:

Profitable Underwriting	To achieve at least break-even net underwriting combined loss ratio for each underwriting year.
Solvency Capital Requirement Cover	To maintain an appropriate level of regulatory solvency coverage to absorb losses from adverse events and remain solvent.
Compliance	To comply with all other legal and regulatory requirements.
Service to Hertz	To provide a risk advisory service to Hertz.

Mitigation of Strategic Risk

Both prevention and detection controls are in place for Strategic Risk. Under prevention controls, the Company holds quarterly Board meetings and regular Management meetings.

Under detection controls, there are:

- i. monthly reviews of financial reporting by the Company's Finance Manager and the wider Hertz Finance team;
- ii. daily reviews by Hertz Treasury of institution ratings and values of bank balances held;
- iii. quarterly Risk Committee/Board reporting documents (such as Strategic Outcomes versus KPIs Dashboard); and
- iv. Annual strategy setting process.

c. Brexit Risk

On the 31st December 2020 the United Kingdom ("UK") formally exited the transition period with the European Union.

Probus provided insurance products on a 'Freedom of Services' basis into the UK and as a result of the withdrawal of the UK from the European Union, the Hertz UK motor policy entered into run-off as at 31st December 2020 and the distribution of Personal Accident Insurance in UK was terminated with effect from 31st December 2020.

With the above in mind, impact of Brexit on Probus overall risk profile for the reporting year was limited, although the loss of premium income had increased volatility. The impact of the reduction in premium was regularly monitored.

Claims run-off on the UK insurance programme continues to be managed by the Company's claims handlings outsourced services provider, Sedgwick.

Mitigation of Brexit Risk

In order to mitigate the impact of the risk arising from Brexit and the UK, Probus identified the following main actions throughout the reporting year:

- i. Ensure that Probus is able to continue to service its contracts (e.g. settle UK motor run-off claims) from insurance business already written in an effective and compliant manner; and
- ii. Ensure that Probus continues to monitor the impact on technical provisions, own funds and capital requirements, especially the solvency capital ratio percentage.

Both prevention and detection controls are in place for the mitigation of such risk. Under prevention controls, the Company holds quarterly Board meetings, Risk Committee and regular Senior Management meetings and also oversees the performance of the outsourced service provider of claims handling services, Sedgwick.

Under detection controls, there are:

- i. Quarterly reporting to the Risk Committee and the Board;

- ii. Regular oversight meeting with Sedgwick;
- iii. Regularly discuss and assess potential Brexit related solvency risks with the Company HoAF.

d. Emerging Risks: Electric vehicles and Climate Change

In undertaking the required 2021 ORSA exercise, the Board have also considered the so called non quantifiable risks by the Solvency II standard formula. With respect to such risks and having regard to the longer term horizon of the Company's business, the emerging risk of autonomous (fully automated driverless) cars and the uncertainties that brings for (motor) insurers was discussed in conjunction with the risk of climate change.

Although such risk currently can't be modelled nor measured in some way, it will signal a different approach to fleet insurance in the near future. In light of this, it will be essential for Probus and its Management to fully align with the strategic changes the overall Hertz Corporation will adopt and/or propose to front this new challenge brought by technology and subsequently assess whether the Company will have any appetite for it.

As recommended by EIOPA and recently addressed by the Central Bank of Ireland in a "Dear CEO" letter – dated 3rd November 2021 - to all (re)insurance undertakings, it is expected that regulated entities embed climate risk within their framework of operations and adopt a forward-looking management (medium to long term) of the climate change related risks (and broader ESG issues) affecting their business.

To this extent, one of the assessed future projections for the purposes of this ORSA exercise, relates to Climate Risk and is linked to the market transition to Electric Vehicles ("EV").

Such scenario is based on the assumptions of more EVs, hence a lower frequency (increased on-board technology which may have a favourable impact on frequency), and a contraction of the business (lower premium), alongside with an extreme climate event, such as flooding, hail which would have the potential for aggregation of a large number of cars damaged at one time (Gross Impact €20m, Net Impact €4.2m). This assumes a return to 2019 transaction days levels in Year 5 (if assumed to occur in Year 1).

Under a risk assessment point of view, other factors that could potentially affect Probus are regularly taken into consideration:

- Claims inflation: presumably a move to EV will have some impact on repair costs;
- Change in mix: the mix between commercial and retail may change in favour of commercial (relevance of some commercial sectors may diminish and others may grow);
- Growth and revenues: consumer preferences may result in less car ownership, possibly promoting renting; or on the other hand, consumer preferences may lead to less travel generally, possibly reducing revenues as a result; and
- Investment market risks: these are not material for Probus, with the possible exception of currency risk; and

- Strategic risks / credit counterparty quality: not a major risk, though consideration might be given the risk of reduced access to reinsurance markets, following a number of extreme weather events.

In addition, consideration would be also given to the potential change in cyber risk in view of the increased technology and data concerning a move to EVs.

Ukraine Situation

Although this SFCR document relates to 2021 reporting year, the Company acknowledges the developing situation in Ukraine as an emerging risk. Therefore, since the eruption of the conflict in March 2022, both Board and Management has been monitoring the relevant development in order to assess any potential impact and/or consequences that it might have on Probus business.

C.2 Off Balance Sheet Positions

Following the non-renewal and the consequent draw down of the €62.7m⁴ Letter of Credit (“LoC”) issued by Natixis, held by Probus and treated as collateral, the following LoC was put in place with a value of €56m split between two A+ rated counterparties (BNP Paribas and Credit Agricole).

This letter of credit has been provided in order to guarantee the technical provisions held with Hire Bermuda Limited for counterparty default risk management purposes.

C.3 Risk Concentration

The Company was subject to risk concentration from its reinsurance arrangements within the Hertz Group specifically with Hire Bermuda Limited (85% of business was ceded). This exposure was partly mitigated by the related LoC, treated as collateral within the SII SCR Standard Formula.

It further is noted that cession to HIRE Bermuda ceased in 2020 and existing claims reserves partially commuted. Such actions as a result led Probus to retain a larger proportion of underwriting exposure and reserving risk. The Company’s balance sheet impact will evolve gradually as ceded reserves are replaced by retained reserves.

Additionally, the concentration charge results from the Concentration Risk module which applies a monetary amount to the largest single named exposure counterparties. In the case of the Company these are deposits with HSBC and BCEE. There are currently no plans to enter any loans or arrangements which would create future risk concentrations.

C.4 Mitigating Risks

See individual sections by risk in C1 above.

C.5 Future Premiums

⁴ Following draw down on the Natixis LoC, €62.7m were received and were invested across three financial institutions and split into different currencies.

Currently this is not applicable as all profits are captured within a one-year contractual boundary – see **QRT S.23.01.01.01**.

C.6 Stress Testing

The ORSA was approved for submission by the Company's Board 15th December 2021. Stress testing is completed as part of the annual ORSA process. The Company's Board along with Management are involved in deciding upon areas and scenarios to stress test. The calculations are completed by the Finance Department and are reviewed by the Senior Management (including the CRO) before presentation to the Risk Committee and the Board for review.

The Company measures the SCR or Capital Risk on two axes: impact and likelihood.

The impact (or consequence) is that the outcome of an event impacts an objective either positively or negatively. The impact may be certain or uncertain and may be expressed qualitatively or quantitatively. Each SCR% risk impact is assessed as belonging to one of the following ranges:

- **No Impact** – If the SCR % was to remain above 140% level, it would result in no escalation necessary.
- **Low Impact** – If the SCR % was to remain between 130% - 140% level, it would result in a prompt notification by the risk owner to the CRO and the GM.
- **Medium Impact** – If the SCR % was to approach a less than 130% level it would result in escalation to Risk Committee or Probus Board of issue. If it was below the 130% it would involve escalation to Board for restoration within 3 months (please refer to below paragraph).
- **High Impact** - If the SCR % was to drop below the 100% level, it would result in a required escalation of the issue to the CBI (within 5 days). Impact would be of high monetary value and potentially would cause the Company's failure to meet its solvency requirements, thus having a negative material effect on the financial statements. There is a potential breach of laws and regulations, with possible sanctions and imposed action plans on Probus. Most likely, one of these remedial actions would be a required injection of capital in order to reach the CBI stated level of SCR%. For both Hertz and Probus there would be potential reputational impact in the future with respect to public disclosure requirements.

For the 2021 ORSA the Company ran eighteen (18) scenarios plus 4 future years projections starting with the 30th June results as a base scenario. Given the status of the LOC at that time, the below adjustments were made:

The "Starting Point" for each point in time projection and future year projection is based on the actual SCR as at 30 June 2021 with changed assumptions including:

- Assuming that the Letter of Credit ("LoC") is repaid.
- Assuming that the Hire Bermuda receivables are "paid" off, with the remaining Hire Bermuda recoverables (€55.6m) being covered by a LoC of €56m split between the two A+ rated counterparties BNP and Credit Agricole.
- Assuming that Hire Dublin receivables remain in place.

The full list of stress tests performed are ranked by impact in the 2021 ORSA, submitted as required to the CBI.

C.7 Any Other Information

There is no other material information to note.

Section D Valuation for Solvency Purposes

D.1 Assets

As the Company has a limited number of assets difference between the financial statements' statement of financial position value and the Solvency II balance sheet value relates to debtors arising from reinsurance which are incorporated into the technical provisions for Solvency II and assets in the financial statements.

Comparison of balance sheet amounts 31 December 2021	Financial Statements Statement of financial position €	Solvency II Balance Sheet €	Difference €
Other financial investments/deposits other than cash equivalents	-	-	-
Other debtors affiliated/other mortgages and loans	5,934,991	4,179,249	1,755,741
Debtors arising out of direct reinsurance/insurance intermediaries receivable	3,649,006	3,843,361	(194,355)
Cash at bank/cash and cash equivalents	95,741,079	95,741,079	-
Other debtors non-affiliated/any other assets not elsewhere shown	48,694	(145,237)	193,931
Total assets	105,374,193	103,618,452	1,755,318

Comparison of balance sheet amounts 31 December 2020	Financial Statements Statement of financial position €	Solvency II Balance Sheet €	Difference €
Other financial investments/deposits other than cash equivalents	-	45,378,607	(45,378,607)
Other debtors affiliated/other mortgages and loans	105	105	-
Debtors arising out of direct reinsurance/insurance intermediaries receivable	18,216,147	16,844,485	1,371,662
Cash at bank/cash and cash equivalents	78,252,658	32,874,051	45,378,607

Other debtors non-affiliated/any other assets not elsewhere shown	1,521,782	1,521,782	-
Total assets	97,990,692	96,619,030	1,371,662

Other assets held by the Company fall under the following Solvency II categories:

1. Investments (other than assets held for index-linked and unit-linked contracts) made up of the sub-category deposits other than cash equivalents – for the Company this consists of deposits held for not more than three months.
2. Insurance and intermediaries' receivables – for the Company this is made up of receivables from entities within the Hertz Group due to the provision of insurance;
3. Cash and cash equivalents – for the Company this consists of cash at bank in current accounts; and
4. Any other assets – for the Company this consists of non-affiliated debtors, sundry debtors, accrued interest, prepayments and corporation tax assets.

The Company holds no investment products and as such there are no specific valuation techniques employed in valuing the assets in the statement of financial position. Deposits are initially recognised at the transaction price and are subsequently recognised on an undiscounted basis. In previous years the bonds held were recognised initially at transaction price with subsequent recognition in the statement of financial position at the current fair value (fair value was established by the bonds value on the open market). Movements in fair value were recognised in the profit and loss account. Prepayments are included on a 12-month straight-line basis.

Risk in the asset mix is low, as intercompany amounts owed are always paid within sixty days of the invoice been issued via the Hertz Netting Department and deposits are held with banks with a strong rating. Banks' ratings and limits on deposits are monitored by Hertz Treasury Department.

D.2 Technical Provisions

Solvency II Gross Technical Provisions	31 December 2021 €	31 December 2020 €	Difference year over year €
Motor Vehicle Liability Best Estimate	83,535,185	103,019,964	(19,484,779)
Motor Vehicle Liability Risk Margin	2,737,089	3,243,959	(506,870)
Assistance Best Estimate	175,478	198,012	(22,534)
Assistance Risk Margin	72,610	85,021	(12,411)
Total Solvency II Gross Technical Provisions	86,520,360	106,546,956	(20,026,596)

Comparison of Balance Sheet Amounts	Financial Statements Statement of Financial Position	Solvency II Balance Sheet	Difference
--	---	----------------------------------	-------------------

	31 December 2021 €	31 December 2021 €	€
Motor Vehicle Liability	84,826,963	86,272,274	(1,445,311)
Assistance	280,978	248,086	32,892
Total	85,107,941	86,520,360	(1,412,419)

Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2020 €	Solvency II Balance Sheet 31 December 2020 €	Difference €
Motor Vehicle Liability	101,970,195	106,263,923	(4,293,728)
Assistance	278,315	283,033	(4,718)
Total	102,248,510	106,546,956	(4,298,446)

Technical provisions have been calculated in accordance with Solvency II regulations and article 77 of the Solvency II Directive. Gross technical provisions - comprising discounted best estimate and risk margin – were €86.5m as at December 2021 (2020: €106.5m), made up of €83.7m best estimate and €2.8m risk margin (2020: €103.2m best estimate and €3.3m risk margin).

Solvency II Reinsured Technical Provisions	31 December 2021 €	31 December 2020 €	Difference year over year €
Motor Vehicle Liability Best Estimate	53,842,957	70,284,395	(16,441,438)
Motor Vehicle Liability Default Adjustment	(79,544)	(59,380)	(20,164)
Total Solvency II Reinsured Technical Provisions	53,763,413	70,225,015	(16,461,602)

Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2021 €	Solvency II Balance Sheet 31 December 2021 €	Difference €
Motor Vehicle Liability	54,196,929	53,763,413	433,516
Total	54,196,929	53,763,413	433,516
Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2020	Solvency II Balance Sheet 31 December 2020	Difference

	€	€	€
Motor Vehicle Liability	70,618,879	70,225,015	393,864
Total	70,618,879	70,225,015	393,864

Reinsured technical provisions which are comprised of the discounted reinsurance share of best estimate provisions with an allowance for counterparty default were €53.8m as at December 2021 (2020: €70.2m). All of the reinsured technical reserves for 2021 related to Motor Vehicle Liability were made up of €53.8m best estimate and (€0.1m) default. In 2020 the reinsured reserves related to Motor Vehicle Liability were €70.2m (€70.3m best estimate and (€0.1m) default). The default adjustment is calculated following the prescribed approach as specified in the Solvency II technical specifications (please refer to **QRT S.17.01.01.01** for further details).

The current Probus PL PD business is protected by excess-of-loss reinsurance in excess of a retention of US\$5 million. For business written from 1st January 2020 to 25th October 2020 Probus PL PD business is protected by excess-of-loss reinsurance in excess of a retention of US\$10 million. Probus continually assess the suitability of the reinsurance retention point in the context of the wider risk management programme at Hertz. The US\$5 million xs US\$5 million excess-of-loss reinsurance protection is subject to a limit of indemnity of US\$5 million in aggregate.

Following the application of the above excess-of-loss reinsurance programme, Probus was then subject to an 85% quota share reinsurance treaty with Hertz HIRE Bermuda. As of 30th June 2020, the reinsurance with HIRE Bermuda was commuted for the underwriting years 2013 and prior (as mentioned above, an LoC is in place to mitigate against the risk of default in respect of the remaining HIRE Bermuda exposure).

On 19th November 2020, the CBI approved a material change of business plan with the cessation of ceding new risks to the HIRE Bermuda quota share and reinstatement of the US\$5 million xs US\$5 million excess-of-loss reinsurance protection. There haven't been any changes to such structure during the reporting year.

Probus has ceased the 85% quota share reinsurance to HIRE Bermuda from 30th November 2020. This was included in the financial projections and the relevant impact of the retention of this risk considered as part of the ORSA scenarios and stresses.

Additional reinsurance protection was purchased for terrorism by the Hertz Corporation. The net retained loss for this peril has reduced from US\$5M to US\$50,000. Also, the UK motor insurance bureau has agreed that terror events in the UK will be shared across the membership thereby further reducing exposure to Probus and Hertz.

Discounted best estimate is calculated by using pay-out patterns calculated by WTW and by applying a discount factor. The discount factor applied is the European Insurance and Occupational Pensions Authority ("EIOPA") basic risk-free interest rate term structure with no volatility or matching adjustments for each appropriate currency. There are no material differences (other than allowances for premiums receivables, Solvency II expenses and counterparty default risk) between the technical provisions under Solvency II and the financial statements of Probus.

Risk margin is calculated in accordance with Solvency II technical specifications. For the Company this is a simplified risk margin allocation based on the calculation of the standalone SCR for the different lines of business.

For the technical provisions in the financial statements, insurance contracts' estimates have to be made both for the unexpected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date ("IBNR"). The

ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. These actuarial projections are performed by WTW as the Company's outsourced Actuarial Function. Technical Provisions and related reserve adjustments are reviewed by Management before any changes are made to the Company's books.

Technical Provisions are subject to uncertainty from various factors including:

1. The claims development process due to one-off large claims and the accumulation of medium sized losses;
2. Reserve estimation due to differences in parameters and assumptions;
3. External environmental factors including inflation in claims settlements, legal changes and changes in attitude to litigation, fluctuations in exchange rates and changes in underwriting approach or other factors;
4. Failures to make recoveries from reinsurance companies;
5. Covid-19 impact.

WTW considers all of the above to be material when determining the technical provisions best estimates. However, it is observed that the risk is mitigated by the excess of loss treaty above US\$5million.

D.3 Other Liabilities

Comparison of balance sheet amounts 31 December 2021	Financial Statements Statement of financial position €	Solvency II Balance Sheet €	Difference €
Creditors arising out of direct insurance operations/insurance and intermediaries payable	18,270,062	18,270,486	424
Other creditors including tax and social security/payables (trade not insurance)	1,646,533	1,098,890	547,643
Accruals and deferred income/any other liabilities not elsewhere shown	691,199	1,238,842	(547,643)
Total liabilities	20,607,794	20,608,220	-

Comparison of balance sheet amounts 31 December 2020	Financial Statements Statement of financial position €	Solvency II Balance Sheet €	Difference €
Creditors arising out of direct insurance operations/insurance and intermediaries payable	16,517,709	15,990,663	527,046
Other creditors including tax and social security/payables (trade not insurance)	369,251	369,251	-
Accruals and deferred income/any other liabilities not elsewhere shown	669,619	669,619	-
Total liabilities	17,556,579	17,029,533	527,046

As with other assets, the Company has a limited number of other liabilities. There are only differences between the financial statements value and the Solvency II balance sheet value on the reinsurance payables due to the treatment of these liabilities as technical provisions under Solvency II. Liabilities held by the Company fall into the following Solvency II categories:

1. Insurance and intermediaries payables: for the Company this consists of intercompany amounts owed to Hire Bermuda Limited for the 85% quota share arrangement and funds held on behalf of affiliated companies to cover the deductible exposure;
2. Payables (trade, not insurance): for the Company this consists of Insurance Premium Tax ("IPT") charges accrued; and
3. Any other liabilities: for the Company this consists of accrued expenses.

As there are no complex liabilities in the statement of financial position, there are no specific valuation bases employed. Liabilities are initially recognised at the transaction price and are subsequently recognised on an undiscounted basis. Accrued expenses are included based on prior year's experiences and are included on a straight-line basis (i.e. over twelve months). See for further details on liabilities **QRT SE.02.01.16.01**.

D.4 Alternative Methods for Valuation

This is not applicable to the Company.

D.5 Any Other Information

There is no other material information to note beyond what was outlined above.

Section E Capital Management

E.1 Own Funds

Solvency II Own Funds	31-Dec-21	31-Dec-20	Difference year over year
	€	€	€
Ordinary share capital	6,866,246	6,866,246	-
Deferred tax assets	-	-	-
Reconciliation reserve	43,387,039	36,401,310	6,985,729

Own funds for the Company are made up of ordinary share capital, deferred tax assets and reconciliation reserve. Both the share capital and the reconciliation reserve are unrestricted tier 1 funds and are 100% eligible to cover the SCR and the MCR of the Company. Deferred tax assets are classified as tier 3 basic funds and are excluded from the MCR calculation.

Financial Statements vs Solvency II	31 December 2021 €	31 December 2020 €
Financial Statements: Profit and loss account and translation reserve	46,988,717	41,936,638
Solvency II: Reconciliation reserve	43,387,039	36,401,310
Difference	3,610,678	5,535,328

The difference between the financial statements equity and the Solvency II balance sheet equity is driven by the differences in the technical provisions valuations as detailed above. Movement in the statement of financial position equity year on year ("YoY") is a result of the profit made for 2021. SII reconciliation reserve consists of the excess of assets over liabilities and, as such, movement YoY relates to movements in the excess of assets over liabilities (see **QRT S23.01.01.01** and **S.23.02.01.03**).

The Board have agreed to maintain an SCR cover of at least 140%. Probus strategy in relation to own funds is laid out in the Company's Capital Management and Dividend Policy which is annually reviewed and approved by the Board.

E.2 Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR")

Eligible capital as at 31st December 2021 is €50.3m and covers 267% of the SCR and 1067% of the MCR. Eligible capital as at 31st December 2020 was €43.2m and covered 222% of the SCR and 889% of the MCR. Linear MCR is calculated as a percentage of the net technical provisions plus net premium written of both the motor vehicle liability and assistance lines of business. The MCR used is then the higher of this and the floor of the MCR calculation which is 25% of the SCR. The MCR presented throughout 2021 for the Company is 25% of the SCR calculated. See **Appendix 3** for the current calculation of the SCR and MCR and for a tracker of the SCR and MCR over 2021 along with the movements in the sub modules. Additionally, see **QRT S.25.01.01.01** and **S.25.01.01.02** for further details of the SCR and **QRT S.28.01.01.01** and **S.28.01.01.05** for further details on the MCR.

Default risk is based on counterparty default risk. This is calculated by applying 15% to assets which are less than 3 months overdue and 90% to assets which are more than 3 months overdue. Additionally, a further calculation giving the loss given default risk on the reinsurance recoverables, cash at bank and risk mitigation contracts is also applied.

The calculation for loss given default is complex and can increase significantly if the standard deviation of the loss distribution exceeds 7% of the loss given default. Driving this change in the standard deviation has been a decrease in the LoC which mitigates the reinsurance recoverable risk.

SII Charge	31-Dec-21 €	31-Dec-20 €	Difference €
Counterparty	5,980,807	3,391,150	(2,589,657)
Currency/FX	4,938,720	3,209,498	(1,729,222)
Premium & Reserves	8,212,259	10,196,402	(1,984,143)

Within the model the impact of the cancellation of the quota share arrangement and the buy down of the excess reinsurance to US\$5m have impacted the counterparty and premium and reserve charges. The result of the increase in the counterparty default risk is due to the increase in Type 1 counterparty default risk as primarily driven by the inclusion of the HSBC and BCEE assets as cash equivalents since the previous annual calculation which previously were not considered as part of the counterparty default calculation but instead included in the SCR calculation as elements of market risk.

The Company uses the EIOPA SII SCR Standard Formula and does not use company specific parameters in its computations.

There are a number of simplifications within the Standard Formula that can be adopted by companies, as specified in the Delegated Acts. Probus has adopted some approximations and simplifications in the calculation of the SCR and the Risk Margin, and considers these to be reasonable, justified and immaterial, given the nature, scale and complexity of the Company.

The simplified calculations being used by Probus include:

- The adoption of Method 1, as outlined in EIOPA's Final Report on the Guidelines on valuation of technical provisions (EIOPA-BoS-14/166), to estimate the SCR at future time periods for the purposes of estimating the Risk Margin;
- The assumption of zero Loss Adjusting Capacity for Deferred Tax ('LACDT'); and
- The allocation of the risk mitigating effect in proportion to reinsurers share of expected Recoveries.

Probus has adopted no simplifications in relation to the calculation of the MCR.

There has been no compromising of the risk appetite 140% threshold nor risk tolerance 100% SCR level in 2021 prompting any Board action. Therefore, the undertaking has held sufficient eligible own funds to meet the minimum capital requirement ('MCR') and solvency capital requirement ('SCR') at all times.

The Company has been also continuously reviewing the conditions that would require a non-scheduled ORSA to be performed.

E.3 Use of the Duration Based Equity Risk Sub-module in the Calculation of the SCR

This is not applicable for the Company.

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

This is not applicable for the Company.

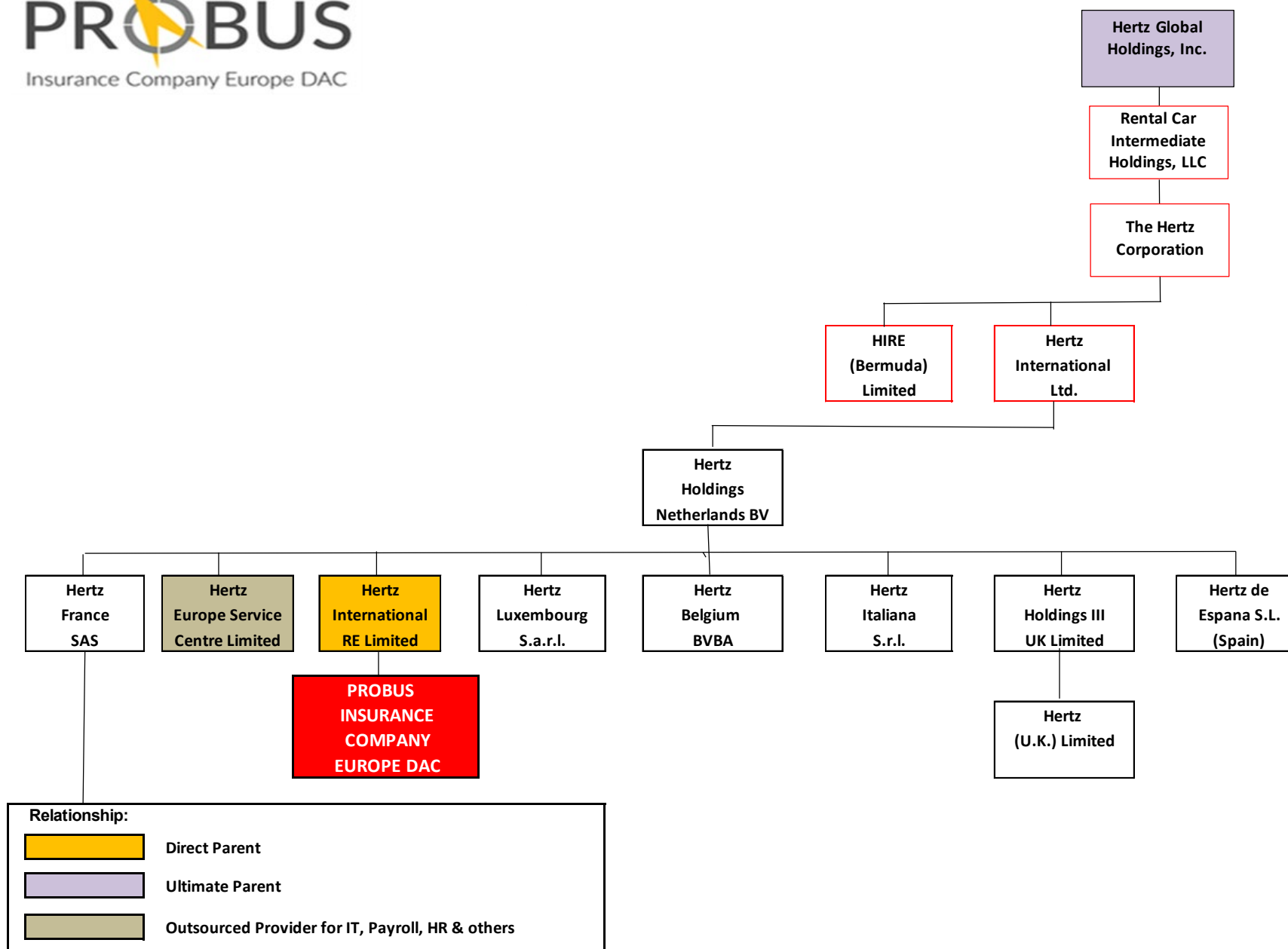
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The SCR and MCR are monitored on a quarterly basis and on an ad-hoc basis if any material changes occur. Quarterly return calculations are calculated by WTW (as Company's Actuarial Function) .

E.6 Any Other Information

There is no other material information to note beyond what was outlined above.

Appendix I: Probus Position in HERTZ Group Structure as at 31 December 2021



Appendix II

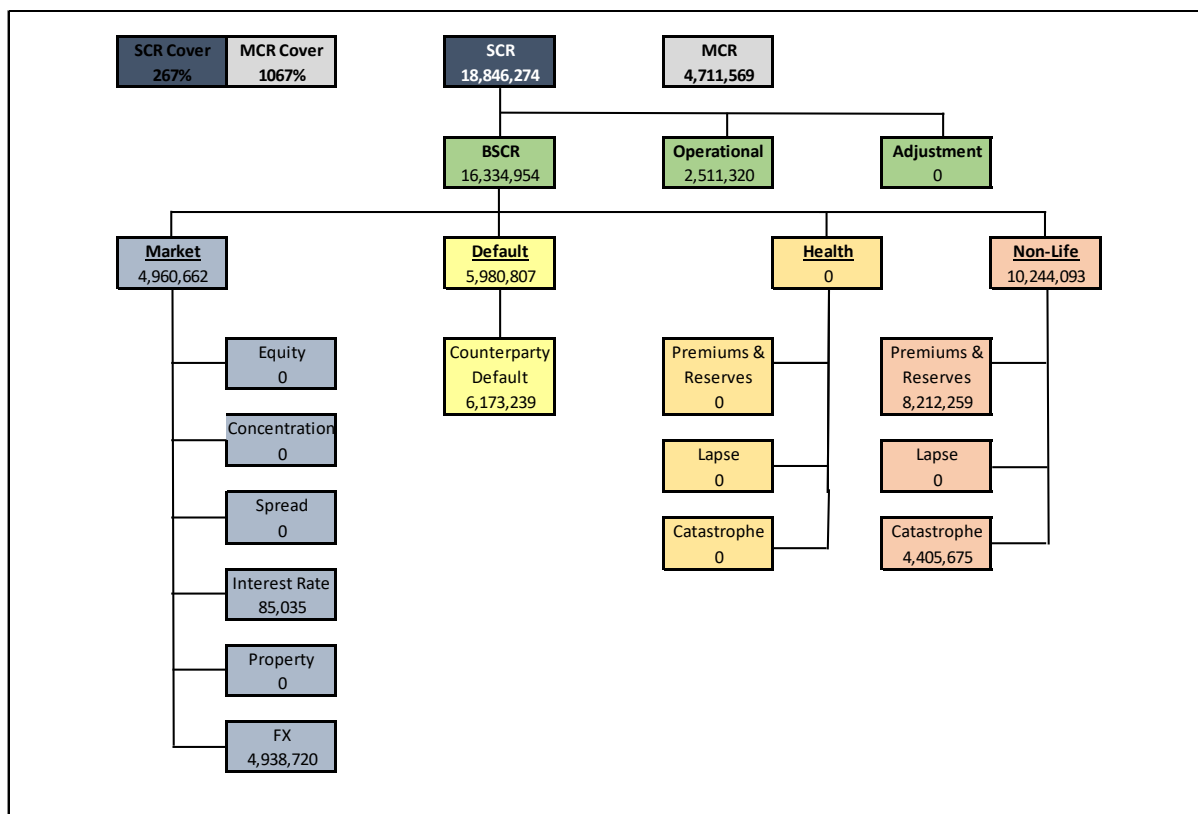
PROBUS INSURANCE COMPANY EUROPE DAC
TECHNICAL PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2021 €	2020 €	2020 €
Earned premiums, net of reinsurance					
Gross premiums written	2	11,781,722		11,303,530	
Outward reinsurance premium		<u>(721,694)</u>		<u>(8,958,921)</u>	
Net premiums written		<u>11,060,028</u>		<u>2,344,609</u>	
Change in provision for unearned premium, reinsurer's share		(705,796)		705,796	
Earned premiums, net of reinsurance			10,354,232		3,050,405
Allocated investment return transferred from the non-technical account			<u>322</u>		<u>86,790</u>
Total technical income			10,354,554		3,137,195
Claims incurred, net of reinsurance					
Claims paid:					
Gross amount	14	(12,492,995)		(19,459,965)	
Reinsurers' share	14	<u>8,924,030</u>		<u>12,128,523</u>	
		<u>(3,568,965)</u>		<u>(7,331,442)</u>	
Change in the provision for claims:					
Gross amount	14	19,470,754		16,338,292	
Reinsurers' share	14	<u>(17,813,388)</u>		<u>(10,970,415)</u>	
		<u>1,657,366</u>		<u>5,367,877</u>	
Claims incurred, net of reinsurance			(1,911,599)		(1,963,565)
Net operating expenses	4		<u>(2,895,552)</u>		<u>(1,829,771)</u>
Balance on the technical account for non-life insurance business			<u>5,547,403</u>		<u>(656,141)</u>

The notes on pages 18 to 36 form an integral part of these financial statements

Appendix III

Probus Insurance Company Europe DAC
31st December 2021



Appendix IV - Internal Control System - Governance Framework Overview

Section	Description	Delegated Function Owner	Goals Pursued of Document
1	Corporate Governance Framework	Martin Scullion PCF-8 GM/CEO Gustavo Pregoni PCF-12 Head of Compliance	Corporate governance includes procedures, processes and attitudes according to which an organisation is directed and controlled and lays down the rules and procedures for decision-making.
1.1	Organisational Structure	Martin Scullion PCF-8 GM/CEO	Structure of Probus Board and Committees.
1.2	Organisational Chart	Martin Scullion PCF-8 GM/CEO	Chart of Probus Organisation and Reporting Lines.
1.3	Board Terms of Reference	Martin Scullion PCF-8 GM/CEO	This document sets out the Terms of Reference ("ToR") for the board covering roles and responsibilities of the board, its members, matters reserved for the board, composition and meeting rules.
1.4	Audit Committee Terms of Reference	John Perham PCF-4 Chairman of the Audit Committee	The Audit Committee responsibilities and key tasks.
1.5	Risk Committee Terms of Reference	Stephen Hodgins PCF-5 Chairman of the Risk Committee	The Risk Committee responsibilities and key tasks.
1.6	Succession Plan	Martin Scullion PCF-8 GM	Defines the contingency plan for the succession in the event of turnover for main control function holders.

1.7	Risk Appetite Framework/ Risk Appetite Metrics/ Risk Register	Martin Scullion PCF-8 GM Tom Donlon (AAL) PCF-14 CRO	Defines the Risk rating of impact and probability, Risk Appetite, Tolerance Levels and metrics for all of the Probus managed risks.
1.8	List of Board Policies	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance	List of Board-approved Policies (subject to annual and/or <i>ad-hoc</i> review).
2	Compliance Policy	Gustavo Pregoni PCF-12 Head of Compliance	Ensure compliance with all insurance acts and regulations, guidelines issued by the insurance supervisory authorities, company laws and all other applicable legislation.
3	Underwriting Policy	Martin Scullion PCF-17 Head of Underwriting	Aligns with the Company's Strategy and Initiatives Plan and Risk Appetite as approved by the Board, and considers the adequacy of premium to cover the risks, the reinsurance strategy, the reserving policy and the risk management system of the Company.
4	Asset/Liability Management Policy	Charlotte Torr PCF-11 Head of Finance	The goal is meet all liabilities as they fall due by ensuring that there are adequate assets.
5	Capital Management and Dividend Policy	Charlotte Torr PCF-11 Head of Finance	Ensure that there is always sufficient capital available to meet operational and regulatory requirements. For clarity capital refers to capital and reserves as disclosed in the balance sheet.
6	Investment and Liquidity Risk Policy	Charlotte Torr PCF-11 Head of Finance	The goal of the company is to ensure that its portfolio of assets is held with secure and regulated financial institutions and are sufficiently liquid to meet liabilities.

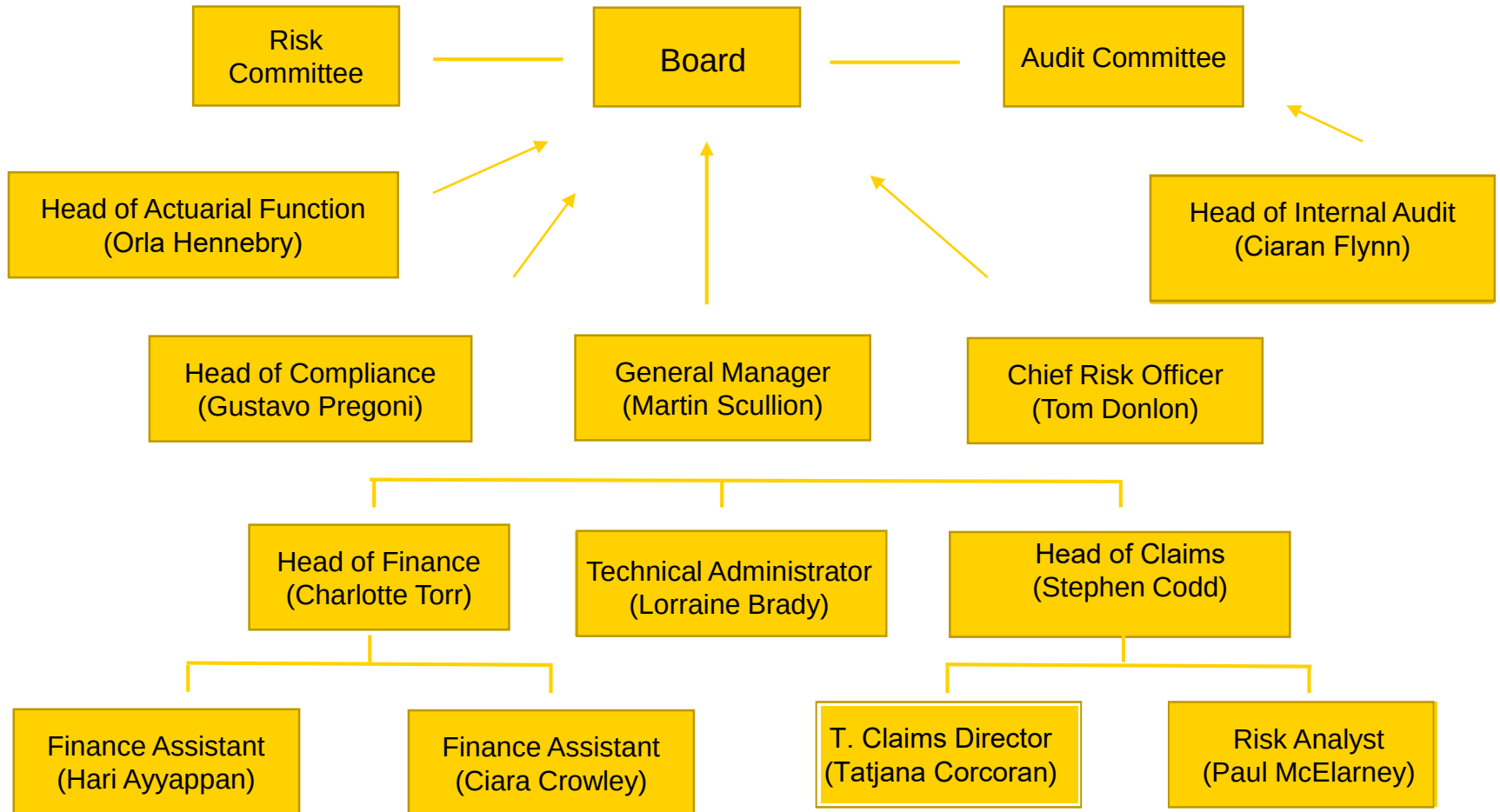
7	Outsourcing Policy	Gustavo Pregoni PCF-12 Head of Compliance	Probus will make sure outsourcing arrangements involving material business activities are subject to appropriate due diligence, approval and ongoing monitoring.
8	Internal Control Policy	Gustavo Pregoni PCF-12 Head of Compliance	Probus seeks to comply with all relevant internal control procedures it is required to follow.
9	Risk Management Policy	Martin Scullion PCF-8 GM	Board of directors of the undertaking is ultimately responsible for ensuring the effectiveness of the risk management system, setting the undertaking's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies.
10	Reporting and Disclosure Policy	Gustavo Pregoni PCF-12 Head of Compliance	Probus seeks to comply with all relevant reporting and disclosure rules set out in EIOPA guidelines for Solvency II in which the Central Bank of Ireland is wholly adopting in addition to key annual financial and compliance reporting. This is linked to the Probus Internal Control Policy.
11	ORSA Policy	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance	Board of directors of the undertaking is ultimately responsible for ensuring the effectiveness of the risk management system, setting the undertaking's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies.
12	Remuneration Policy	Martin Scullion PCF-8 GM	All employees' annual bonuses will be calculated on the evaluation of personal financial/non-financial goals and the Hertz Group performance. The goals are linked to shareholder interests and discourage excessive risk taking.
13	Fitness & Probity Policy	Gustavo Pregoni PCF-12 Head of Compliance	Probus will make sure that its application of Central Bank of Ireland (CBI) "Fitness and Probity Standards" (F&P) are well documented, communicated, adhered to, and monitored to ensure that a person prior to appointment or currently performing an in-scope role as a Pre-Approval Controlled Function (PCF) or Controlled Function (CF).
14	Conflict of Interest Policy	Gustavo Pregoni PCF-12 Head of Compliance	Defines how potential conflicts of interest are to be identified, avoided and disclosed where necessary.
15	Internal Audit Policy	Gustavo Pregoni PCF-12 Head of Compliance	Implement the audit plan, as approved, including any review of third party activities, special studies, tasks, or projects assigned by management and/or the Audit Committee.

16	Diversity Policy	Gustavo Pregoni PCF-12 Head of Compliance	Probus seeks to comply with all relevant EU directives on diversity. A coherent diversity policy generates an inclusive environment and allow all employees to feel well-integrated, respected and valued. This means managing human resources recognizing and giving value to individual skills rather than on sub-optimal criteria.
17	IT Policy & IT Risk Framework	Martin Scullion PCF-8 GM Stephen Codd PCF-43 Head of Claims/ Manager Risk Analytics	The purpose of this policy is to set out Probus' approach to information technology ('IT') and cyber security. In particular the document covers: • How the IT strategy of the company is aligned with the overall business strategy; • The roles and responsibilities of those individuals and functions responsible for the execution of IT governance; • The IT Risk Management Framework explaining how IT risks are assessed and controlled; • How Disaster Recovery and Business Continuity is handled; • How cyber risk is managed; and • How staff training is conducted and monitored.
18	Data Protection Policy	Gustavo Pregoni PCF-12 Head of Compliance	Ensure protection of the rights and privacy of individuals in accordance with the Data Protection legislation (e.g. GDPR).
19	Claims Policy	Martin Scullion PCF-8 GM Stephen Codd PCF-43 Head of Claims/ Manager Risk Analytics	Probus will manage its claims to ensure best practice in their handling, in compliance with all local legislation, insurance acts, regulations and guidelines issued by the relevant country legislative or supervisory authorities, thereby ensuring no adverse financial impact or exposure to the Company.
20	Claims Reserving Policy	Martin Scullion PCF-8 GM Stephen Codd PCF-43 Head of Claims/ Manager Risk Analytics	The purpose of this document is to set out the Company's approach to managing claims reserves by stating the philosophy to be applied to the reserving process and describing specific guidelines to be followed on classes of insurance. The reserving policy shall: • be agreed by the board; • be communicated internally and to any externally appointed claims administrators; • be contained within the service level agreement of any outsourced claims administrator; • provide clear guidance for assessing and determining claim reserves.

21	Complaints Policy	Gustavo Pregoni PCF-12 Head of Compliance Stephen Codd PCF-43 Head of Claims/ Manager Risk Analytics	Ensure that all complaints will be handled appropriately pursuant to the relevant domestic and European guidelines on complaints-handling by insurance undertakings.
22	Letter of Credit Policy	Martin Scullion PCF-8 GM Charlotte Torr PCF-11 Head of Finance	Purpose of this document is to provide the framework and set out the criteria for the management of the letter of credit that is used as a risk mitigation technique when calculating the Solvency Capital Requirement of the Company.
23	Conduct Risk Policy	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance	Purpose of this document is to provide the framework and set out the criteria for the management of conduct risk by the Company. More specifically the purpose of this policy is to bring together all of the elements of Conduct Risk present in Probus business and outline how they are managed.
24	Product Oversight and Governance Policy	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance	Policy document created to lay out the process for the approval of each insurance product manufactured by Probus before those products are brought to the market or distributed to customers.
25	Hertz Whistle-blower Policy	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance	Purpose of this Hertz Group Policy is to assure all employees - including all members of Probus staff - that will not suffer adverse consequence for reporting allegations or concerns in good faith.
26	Reinsurance Policy	Martin Scullion PCF-17 Head of Underwriting	This document outlines the processes and procedure for: • Responsibility for major reinsurance related processes; • Purchasing certain types of reinsurance cover; • The selection of reinsurance companies and reinsurance intermediaries; • The monitoring of the financial strength and ratings of reinsurance companies; • Decision making and governance; • Reporting and Revision.

27	Business Continuity Plan	Martin Scullion PCF-8 GM Gustavo Pregoni PCF-12 Head of Compliance Stephen Codd PCF-43 Head of Claims/ Manager Risk Analytics	The purpose of this document is to prepare Probus staff in the event of an incident caused by factors beyond its control (e.g., natural disasters, man-made events, cyber-attacks, etc.) and restore operations to the widest extent possible in a minimum time frame.
28	Wind Down Policy	Martin Scullion PCF-8 GM	This document sets out the steps and resources needed to wind down the regulated activities of the Company. It also considers the risks and impact of a wind down on key stakeholders, which are principally on third-party claimants and policyholders.
29	Recovery Plan Board approved in Q1 2022	Martin Scullion PCF-8 GM	This identifies the options to restore the Company's financial strength and viability when it comes under severe stresses. It covers any period when Probus is in control of its own affairs and includes entry into solvent run-off.

Appendix V: Probus Insurance Organisation Chart*



Appendix VI - QRT's

Annex I

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Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	-
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	-
Government Bonds	R0140	-
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	53,763,413
Non-life and health similar to non-life	R0280	53,763,413
Non-life excluding health	R0290	53,763,413
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	4,179,249
Reinsurance receivables	R0370	3,843,361
Receivables (trade, not insurance)	R0380	-
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	95,741,079
Any other assets, not elsewhere shown	R0420	- 145,237
Total assets	R0500	157,381,865

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

	Solvency II value
	C0010
Technical provisions – non-life	R0510 86,520,360
Technical provisions – non-life (excluding health)	R0520 86,520,360
TP calculated as a whole	R0530 -
Best Estimate	R0540 83,710,662
Risk margin	R0550 2,809,699
Technical provisions - health (similar to non-life)	R0560 -
TP calculated as a whole	R0570 -
Best Estimate	R0580 -
Risk margin	R0590 -
Technical provisions - life (excluding index-linked and unit-linked)	R0600 -
Technical provisions - health (similar to life)	R0610 -
TP calculated as a whole	R0620 -
Best Estimate	R0630 -
Risk margin	R0640 -
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650 -
TP calculated as a whole	R0660 -
Best Estimate	R0670 -
Risk margin	R0680 -
Technical provisions – index-linked and unit-linked	R0690 -
TP calculated as a whole	R0700 -
Best Estimate	R0710 -
Risk margin	R0720 -
Contingent liabilities	R0740 -
Provisions other than technical provisions	R0750 -
Pension benefit obligations	R0760 -
Deposits from reinsurers	R0770 -
Deferred tax liabilities	R0780 -
Derivatives	R0790 -
Debts owed to credit institutions	R0800 -
Financial liabilities other than debts owed to credit institutions	R0810 -
Insurance & intermediaries payables	R0820 18,270,062
Reinsurance payables	R0830 424
Payables (trade, not insurance)	R0840 1,098,890
Subordinated liabilities	R0850 -
Subordinated liabilities not in BOF	R0860 -
Subordinated liabilities in BOF	R0870 -
Any other liabilities, not elsewhere shown	R0880 1,238,844
Total liabilities	R0900 107,128,156
Excess of assets over liabilities	R1000 50,253,709

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[illegible]

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		Italy	France	Germany	Netherlands	Belgium		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	
Premiums written									
Gross - Direct Business	R0110		829,883	4,946,205	4,223,732	953,446	781,401	11,734,667	
Gross - Proportional reinsurance accepted	R0120		-	-				-	
Gross - Non-proportional reinsurance accepted	R0130		-	-				-	
Reinsurers' share	R0140		-	323,220	282,721	63,473	52,280	721,694	
Net	R0200		829,883	4,622,985	3,941,011	889,973	729,121	11,012,973	
Premiums earned									
Gross - Direct Business	R0210		829,883	4,946,205	4,223,732	953,446	781,401	11,734,667	
Gross - Proportional reinsurance accepted	R0220							-	
Gross - Non-proportional reinsurance accepted	R0230							-	
Reinsurers' share	R0240		-	640,791	558,170	125,313	103,216	1,427,490	
Net	R0300		829,883	4,305,414	3,665,562	828,133	678,185	10,307,177	
Claims incurred									
Gross - Direct Business	R0310		- 3,620,238	- 4,144,183	3,475,719	661,190	232,143	- 3,395,369	
Gross - Proportional reinsurance accepted	R0320							-	
Gross - Non-proportional reinsurance accepted	R0330							-	
Reinsurers' share	R0340		- 2,555,043	- 3,366,095	1,367,264	1,014,315	- 201,056	- 3,740,615	
Net	R0400		- 1,065,195	- 778,088	2,108,455	- 353,125	433,199	345,246	
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	#####	47,398	35,824	69,407	28,656	37,129	1,386,224	
Other expenses	R1200								
Total expenses	R1300								

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Non-life Technical Provisions

Direct business and accepted proportional reinsurance								
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole								
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								
Total Best estimate - net								
Risk margin								
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole								
Best estimate								
Risk margin								

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Non-life Technical Provisions

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

R0320

R0330

R0340

Direct business and accepted proportional reinsurance								
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
			86,272,272					
			53,763,413					
			32,508,859					

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance			Total Non-Life obligation	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0110	C0120	C0130	C0140	C0150	C0160		C0170
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								
Net Best Estimate of Premium Provisions	R0150								
Claims provisions									
Gross	R0160		175,478					83,710,662	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		-					53,763,413	
Net Best Estimate of Claims Provisions	R0250		175,478					29,947,249	
Total Best estimate - gross	R0260		175,478					83,710,662	
Total Best estimate - net	R0270		175,478					29,947,249	
Risk margin	R0280		72,610					2,809,698	
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290							-	
Best estimate	R0300							-	
Risk margin	R0310							-	

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Non-life Technical Provisions

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
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0110	C0120	C0130	C0140	C0150	C0160	C0170	
R0320		248,088						86,520,360
R0330								53,763,413
R0340		248,088						32,756,947

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Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident Year
--------------------------------------	-------	---------------

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

		Development year										In Current year	Sum of years (cumulative)
Year		0	1	2	3	4	5	6	7	8	9	10 & +	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170
Prior	R0100											149,561,006	R0100
N-9	R0160	3,974,992	4,384,403	2,425,900	2,839,159	2,626,492	1,973,319	871,043	42	363,986	179,908		R0160
N-8	R0170	1,236,441	4,077,868	3,798,286	6,433,683	3,626,246	794,721	3,613,246	27,965	1,859,295			R0170
N-7	R0180	1,908,962	4,373,014	5,371,429	3,227,055	2,946,834	1,640,572	3,077,856	840,320				R0180
N-6	R0190	3,650,272	6,770,492	6,421,823	3,196,975	3,934,592	1,233,791	1,560,247					R0190
N-5	R0200	4,547,969	1,775,925	1,340,265	1,401,927	2,683,619	425,550						R0200
N-4	R0210	3,995,468	2,765,947	3,096,483	2,351,622	3,782,971							R0210
N-3	R0220	3,185,042	1,310,561	685,910	588,090								R0220
N-2	R0230	3,411,423	3,271,575	254,791									R0230
N-1	R0240	375,032	1,575,355										R0240
N	R0250	65,917											R0250
Total													R0260

In Current year

Sum of years (cumulative)

	C0170	C0180
R0100	1,360,551	1,360,551
R0160	179,908	19,639,244
R0170	1,859,295	25,467,751
R0180	840,320	23,386,042
R0190	1,560,247	26,768,192
R0200	425,550	12,175,255
R0210	3,782,971	15,992,491
R0220	588,090	5,769,603
R0230	254,791	6,937,789
R0240	1,575,355	1,950,387
R0250	65,917	65,917
R0260	12,492,995	139,513,222

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Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year													Year end (discounted data)	
Year	0	1	2	3	4	5	6	7	8	9	10 & +			
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360		
Prior	R0100										19,276,322	R0100	19,313,023	
N-9	R0160	-	-	-	9,210,418	7,243,039	4,125,767	4,013,861	3,412,302	2,726,411		R0160	2,707,553	
N-8	R0170	-	-	-	18,210,972	14,091,063	12,862,117	8,893,109	8,339,557	2,728,006		R0170	2,713,617	
N-7	R0180	-	-	24,492,147	25,164,432	16,409,297	16,928,819	13,424,846	13,581,116			R0180	13,492,455	
N-6	R0190	-	28,792,587	21,898,007	15,022,815	11,711,076	8,840,070	5,735,810				R0190	5,705,358	
N-5	R0200	36,924,917	26,637,898	13,080,435	11,053,048	7,370,277	6,107,366					R0200	6,064,184	
N-4	R0210	25,647,529	17,518,160	13,085,585	9,917,903	10,408,069						R0210	10,350,003	
N-3	R0220	14,255,168	10,202,154	9,984,204	4,014,146							R0220	3,955,732	
N-2	R0230	14,781,809	12,859,847	8,895,424								R0230	8,776,040	
N-1	R0240	6,760,036	7,732,261									R0240	7,649,603	
N	R0250	2,980,648										R0250	2,983,094	
Total													R0260	83,710,662

Annex I
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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

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	6,866,246	6,866,246			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	43,387,039	43,387,039			
R0140					
R0160	-				-
R0180					
R0220					
R0230					
R0290	50,253,285	50,253,285	-	-	-
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					

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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
R0500	50,253,285	50,253,285	-	-	-
R0510	50,253,285	50,253,285	-	-	-
R0540	50,253,285	50,253,285	-	-	-
R0550	50,253,285	50,253,285	-	-	-
R0580	18,846,274				
R0600	4,711,569				
R0620	267%				
R0640	1067%				

	C0060	
R0700	50,253,285	
R0710	-	
R0720	-	
R0730	6,866,246	
R0740		
R0760	43,387,039	
R0770		
R0780		
R0790		

Annex I

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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	C0100
R0010	4,960,662		
R0020	5,980,807		
R0030	-	-	-
R0040	-	-	-
R0050	10,244,093		
R0060	-		
R0070	-		
R0100	16,334,954		

	C0100
R0130	2,511,320
R0140	-
R0150	-
R0160	-
R0200	18,846,274
R0210	-
R0220	18,846,274
R0400	
R0410	
R0420	
R0430	
R0440	

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	#NAME?		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050	29,771,771		10,021,841
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070			
Fire and other damage to property insurance and proportional reinsurance	R0080			
General liability insurance and proportional reinsurance	R0090			
Credit and suretyship insurance and proportional reinsurance	R0100			
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120	175,478		1,038,187
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			

Linear formula component for life insurance and reinsurance obligations

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

Overall MCR calculation

	C0070	
Linear MCR	R0300	3,593,538
SCR	R0310	18,846,274
MCR cap	R0320	8,480,823
MCR floor	R0330	4,711,569
Combined MCR	R0340	4,711,569
Absolute floor of the MCR	R0350	3,700,000
	C0070	
Minimum Capital Requirement	R0400	4,711,569