VOLKSWAGEN REINSURANCE COMPANY dac

Solvency and Financial Condition Report

2021

Table of Contents

Table of Contents		**2**
Introduction		**5**
Integrity and Compliance Statement		**5**
A.	**Business and Performance**	**6**
A.1.	Business and external environment	6
A.2.	Performance from underwriting activities	7
A.3.	Performance from investment activities	7
A.4.	Performance from other activities	8
A.5.	Any other information	8
B.	**Systems of Governance**	**8**
B.1.	General information on the system of governance	8
B.1.1.	Role of the Board of Directors	9
B.1.2.	Role of the Risk Management Function	10
B.1.3.	Role of the Actuarial function	11
B.1.4.	Role of the Compliance function	11
B.1.5.	Role of the Internal Audit function	11
B.1.6.	Remuneration policy	12
B.1.7.	Material transactions with related parties	12
B.1.8.	Adequacy of the systems of governance	12
B.2.	Fit and proper requirements	13
B.2.1.	Fit and proper policy	13
B.2.2.	Fit and proper assessment and requirements	13
B.3.	Risk Management System (including the ORSA)	13
B.3.1.	Risk Management System	13
B.3.2.	ORSA	14
B.4.	Internal control system	15
B.4.1.	Internal control system (ICS)	15
B.4.2.	Compliance Function	16
B.5.	Internal audit function	17

B.5.1. Implementation of the Internal Audit Function 17

B.5.2. Internal audit independence 17

B.6. Actuarial function 17

B.7. Outsourcing 18

B.7.1. Outsourcing Policy 18

B.7.2. Outsourced Activities 19

B.8. Assessment of governance 19

C. Risk Profile 19

C.1. Underwriting risk 20

C.2. Market risk 21

C.2.1. Market Risk 21

C.2.2. Foreign Currency Risk 21

C.2.3. Prudent Person Principle 22

C.3. Credit risk 22

C.3.1. Counterparty Risk 22

C.3.2. Reinsurance Default Risk 22

C.4. Liquidity risk 23

C.5. Operational risk 23

C.6. Other material risks 23

D. Valuation for Solvency Purposes 24

D.1. Assets 24

D.1.1. Bases of asset valuation for material classes 24

D.1.2. Deposits other than cash equivalents 24

D.1.3. Insurance and intermediaries' receivable 24

D.2. Technical provisions 25

D.3. Other Liabilities 26

D.3.1. Other Liabilities 26

D.4. Alternative methods for valuation 26

D.5. Any other information 26

E. Capital Management 27

E.1. Own funds 27

E.2. Solvency and Minimum Capital Requirement 28

E.3. Use of duration based equity risk sub-module in the SCR 28

E.4. Internal model information 29

E.5. Non-compliance 29

E.6. Any other Information 29

I. Appendices – Quantitative Reporting Templates 31 December 2021 (€ 000's)30

II. Appendices – Quantitative Reporting Templates 31 December 2020 (€ 000's)39

Disclaimer regarding rounding
Figures in this report are presented in thousands of Euro ('€000') unless stated otherwise. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not reflect precisely the absolute figures.

Introduction

This Solvency and Financial Condition Report ("SFCR") has been prepared by the management of Volkswagen Reinsurance Company dac ("VRCO") in line with the requirements of the Solvency II Regulations, to assist clients of VRCO and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position. This report was presented to the Board in advance of its release for their review and guidance. The reader will obtain a clear understanding of the governance that exists within VRCO and how all key stakeholders contribute to its success.

This report covers the Business and Performance of VRCO, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The Administrative Body that has the responsibility for all of these matters is VRCO's Board of Directors, with the assistance of various governance and control functions that it has put in place to monitor and manage the business.

There have been no material changes to VRCO's business, governance structure, risk profile, or solvency capital position over the reporting period.

Integrity and Compliance Statement

Compliance risks at VRCO are understood as risks that may result from non-compliance with statutory regulations, specifications or internal regulations. By contrast, behavioural risks (conduct risks) are understood as the risks resulting from inadequate behaviour of the company towards the customer, resulting from inappropriate treatment of the customer or advice using products that are unsuitable for the customer. Integrity Risks contain all risks that result from unethical behaviour and behaviour that is not in accordance with Volkswagen Financial Services AG group values (Group Essentials and the FS Values) by employees and are in conflict with sustainable business success.

The Compliance Officer supports and advises the Board of Directors on the avoidance of Compliance and Integrity risks and reports to them at regular intervals. The Board of Directors, in addition, agree on a self-commitment regarding Compliance & Integrity. This ensures that aspects of Compliance & Integrity are discussed and followed in every decision of the Board of Directors.

A. Business and Performance

A.1. Business and external environment

Volkswagen Reinsurance Company dac (VRCO) is an Irish incorporated entity domiciled in the Republic of Ireland and is authorised by the Central Bank of Ireland to provide life and non-life reinsurance under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015).

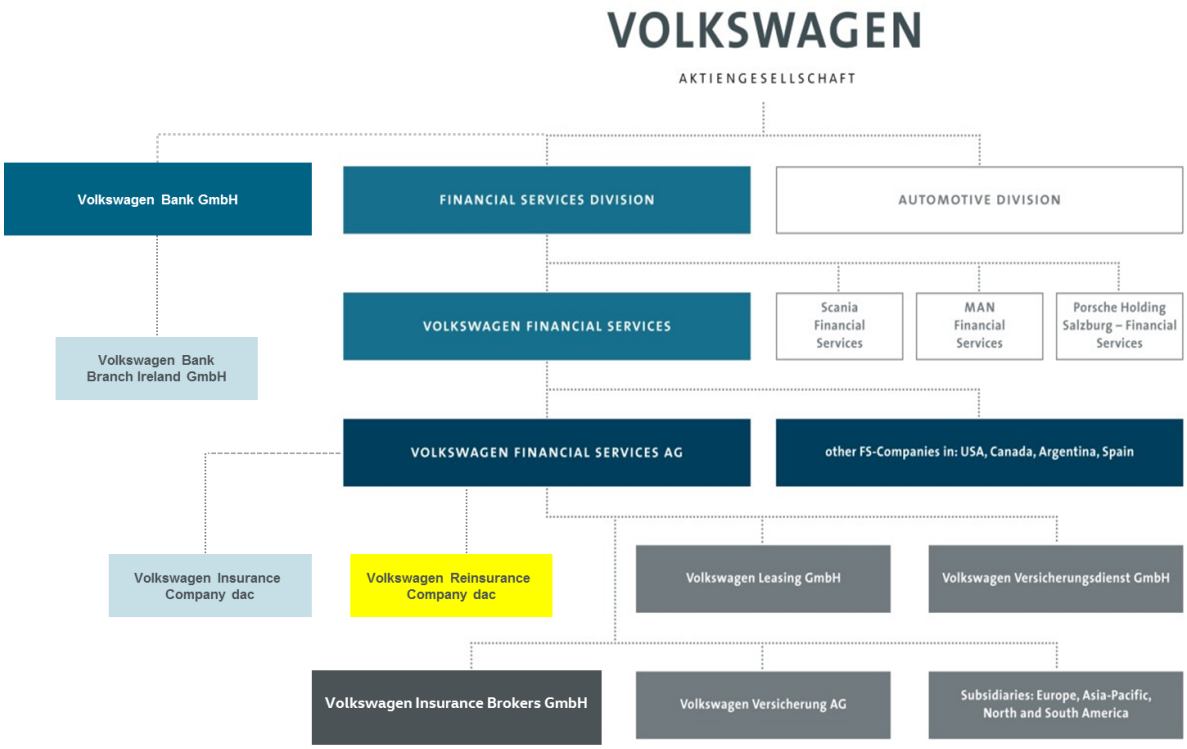
The principal activity of VRCO is to accept reinsurance risks arising from various employee benefit exposures for the Volkswagen Group.

VRCO's registered office address is: Block C, Liffey Valley Office Campus, Liffey Valley, Dublin 22, D22 CF60, Ireland.

VRCO's regulatory supervisor is the Central Bank of Ireland, whose address is: Central Bank of Ireland, New Wapping Street, North Wall Quay, Spencer Dock, PO Box 559, Dublin 1, Ireland.

VRCO's external auditor is Ernst & Young, Chartered Accountants and Statutory Audit Firm, EY Building, Harcourt Centre, 2 Harcourt Street, Dublin, Ireland.

VRCO is a wholly owned subsidiary of Volkswagen Financial Services AG, incorporated in Germany. The ultimate parent company is Volkswagen AG as can be seen from the organisation chart below.



VRCO is a captive reinsurer. A captive is defined by the Central Bank of Ireland as "An insurance or reinsurance undertaking, owned either by a financial undertaking other than an insurance or reinsurance undertaking or a group of insurance or reinsurance undertakings within the meaning of point (c) of Article 212(1) of Directive 2009/138/EC (the Solvency II Directive) or by a non-financial undertaking, the purpose of which is to provide insurance or reinsurance cover exclusively for the risks of the undertaking or undertakings to which it belongs or of an undertaking or undertakings of the group of which it is a member."

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

A.2. Performance from underwriting activities

The following table sets out VRCO's underwriting performance at an aggregate level and by line of business. The financial values are per VRCOs financial statements, which have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 102 & 103 ("FRS 102 & 103"), as issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland (hereinafter "Local GAAP"):

VRCO generally accepts 80% of the original written premium. In terms of reinsurance protection, VRCO purchases excess of loss / stop loss protection for claims in excess of 125% loss ratio and €500K each and every loss.

The overall underwriting result shows an improved position compared to the financial plan, which is largely the result of the release of IBNR's for prior underwriting years in relation to the Disability, Life and Medical lines of business.

The following table sets out VRCO's underwriting performance at an aggregate level and by material geographical area. The geographical region is in accordance with the location of the cedant. The financial values are per VRCO's Local GAAP financial statements:

Underwriting Performance (by material line of business)	Total	Medical	Disability	Accident	Life
31-Dec-21	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	2,806	-19	532	1,118	1,175
Gross Earned Premium	2,797	-19	531	1,118	1,167
Net Written Premium	2,630	-23	443	1,053	1,157
Net Earned Premium	2,622	-23	443	1,053	1,149
Net Incurred Claims	670	-705	-94	575	894
Underwriting Expenses	539	-12	172	281	98
Underwriting Result	**1,413**	**694**	**365**	**197**	**157**

Underwriting Performance (by material line of business)	Total	Medical	Disability	Accident	Life
31-Dec-20	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	5,810	203	1,159	1,721	2,727
Gross Earned Premium	5,949	421	1,256	1,751	2,521
Net Written Premium	5,427	194	1,097	1,634	2,502
Net Earned Premium	5,565	411	1,194	1,664	2,296
Net Incurred Claims	4,414	392	2,211	-202	2,013
Underwriting Expenses	967	65	218	309	375
Underwriting Result	**184**	**-46**	**-1,235**	**1,557**	**-92**

A.3. Performance from investment activities

Investment Income	2021	2020
	€'000s	€'000s
Deposits other than cash equivalents	-47	-27

VRCO's own funds are invested in minimum "BBB-" rated highly liquid cash deposits only. VRCO earned a negative yield on its deposits held in Euro denomination, which reflects the current trend in the financial markets. Full liquidity is maintained at all times, to cover any potential claims payments in a timely fashion

Projections of the expected investment performance over the business planning horizon are expected to be in line with 2019, with the significant factor being deposit interest rates.

A.4. Performance from other activities

VRCO did not have any other material income or expenses incurred in the year, including any operating or finance leases.

VRCO do not have any other material income or expenses over the business planning horizon.

A.5. Any other information

Other than the underwriting and investment activities, VRCO has no other material activities.

B. Systems of Governance

B.1. General information on the system of governance

The VRCO Board has ultimate responsibility for the governance of VRCO and over time has developed a robust Risk Management System.

The composition of the VRCO Board is outlined in the table below:

Name	Status on Board	Date of Appointment
Lars Kaufmann*	Executive Director	15 February 2017
Richard Tulloch *	Independent Non Executive Director	15 February 2017
Aine McMahon*	Executive Director	15 February 2017
John O'Reilly	Independent Non Executive Director and Chairperson	15 December 2017

**Appointed on 15 February 2017 and Central Bank approval received 15 December 2017*

The general governance arrangements and risk management system of VRCO may be described as relying on three pillars:

1) A Governance Framework aligned with VRCO's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, appropriate independence to various risk stakeholders, as well as clear escalating and reporting channels.

2) A Risk Management Function, in conjunction to a clearly defined Risk Appetite framework, sets out VRCO's strategic objectives in documented Risk Policies. The Risk Management System includes, appropriate limits and operational checkpoints and the approach to functional identification, measurement, mitigation and monitoring processes are documented. This Risk Management System also explains the various roles and responsibilities of those stakeholders defined within the Governance framework.

3) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks facing VRCO's global strategic objectives.

VRCO has established four key control functions - Risk Management, Actuarial, Compliance and Internal Audit. These functions are responsible for providing guidance, oversight of and challenge to the business, additionally providing assurance to the Board in relation to VRCO's control framework.

The table below outlines the four key control functions:

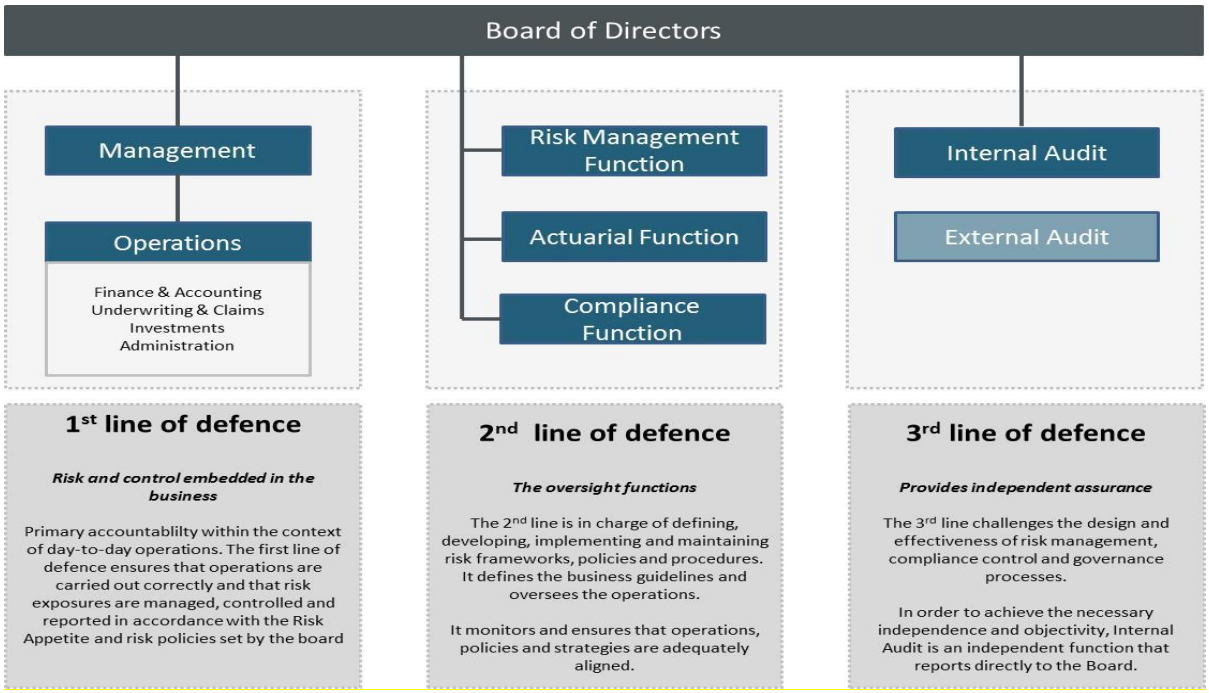
Key Functions	Name	Company
Head of Compliance*	Kieran Creey	Volkswagen Insurance Company dac
Chief Risk Officer*	Peter Nolan	Volkswagen Insurance Company dac
Head of Actuarial Function*	Keith Morrisson	Willis Towers Watson
Head of Internal Audit*	Diarmaid O'Keeffe	EisnerAmpner

**Outsourced*

The role and responsibilities of each key control function is reviewed annually by the Board to ensure each function has the required access to information and personnel (from employees, directors to outsourced providers), is independent and free from influence, and has the human and financial resources to fulfil its role. The Board retains responsibility for key activities and has not delegated such responsibility to any formal sub-committees.

VRCO being a Captive Reinsurer avails of the exemption to have an audit committee under Section 1551(13a) of the companies (Statutory Audits) Act 2018.

The day to day management of VRCO is outsourced to its sister company Volkswagen Insurance Company dac. VRCO has no direct employees.



B.1.1. Role of the Board of Directors

The Board of Directors is charged with the strategic management of VRCO. The role of directors, in addition to their fundamental fiduciary duties under Company law in Ireland, includes:

- attending each board meeting unless they are unable to do so owing to circumstances beyond their control;
- ensuring that they have a knowledge and understanding of the business, risks and material activities of VRCO;
- overseeing the effective management of VRCO by the Management team;
- participating actively in constructively challenging and developing strategies;
- participating actively in the Board's decision making process;
- exercising appropriate oversight over the execution of the agreed strategies, goals and to monitor reporting of performance; and
- propose strategies to the Board and following challenging Board scrutiny, overseeing the execution of the agreed strategies.

In the course of the year, VRCO held 3 standard Board meetings. The Board actively review minutes and matters arising from prior Board Meetings. A status update is provided to the Board on each matter arising and any recommended tasks emanating from any open items.

The standard Board agenda (at a minimum) comprises of the following key areas:

- Underwriting
- Finance
- Risk
- Compliance
- Regulatory update
- Claims

Internal Audit and Actuarial Function will be included on agenda at least once a year.

The Board actively discuss each area, which results in take away actions and tasks. The Board guide management as to how they would like each action to be achieved.

B.1.2. Role of the Risk Management Function

The Board has established a Risk Management Function ("RMF") with the purpose of assisting the Board in providing leadership, direction and oversight of VRCO's risk appetite, tolerance, risk strategy, risk management and control framework. The RMF's primary function is to identify, measure, manage, monitor and report significant risks to the achievement of VRCO's business objectives. The Chief Risk Officer ("CRO") is responsible for oversight of the RMF and specific functional responsibilities include, but are not limited to:

- documenting the Risk Appetite framework of VRCO;
- reporting to the Board on recommendations regarding and deviations from the Risk Appetite;
- defining and documenting policies and principles of risk management;
- carrying out the operational processes, maintenance and monitoring of the Risk Management System in collaboration with other functions;
- establishing a Risk Register and providing the Board with all relevant information concerning risks VRCO is or can be exposed to;
- perform the Own Risk and Solvency Assessment (ORSA) and produce the related reporting in collaboration with the Actuarial Function;
- oversee the implementation of the policies and principles related to the underwriting risk of VRCO;
- defining the acceptance of risks covered by VRCO with the support of other functions and tools available;
- defining VRCO's reinsurance programmes and select reinsurers;
- analysing losses and monitoring the profitability of the portfolio of risks underwritten;
- updating the Board on the evolution of technical figures;
- reviewing and reporting to the Board on the adequacy of the reinsurance programme and other risk-mitigation policies on an annual basis;
- monitoring the security of reinsurers and reporting to the Board;
- advising the Board on the Operational Risk Policy, monitoring its effectiveness and reporting as appropriate to the Board; and
- ensuring that the suite of policies (e.g. Operational Risk Management policy) are in line with the agreed Risk Appetite.

The CRO has direct access to the Board and reports at least once a year to the Board or as and when requested by the Board. The Board are provided with the risk report in advance of said Board meeting to allow the Board sufficient time to review.

B.1.3. Role of the Actuarial function

The Head of Actuarial Function ("HoAF") is outsourced to Willis Towers Watson. This adds an independent oversight of VRCO's Actuarial Function. The responsibilities of the HoAF and the Actuarial Function, in line with regulatory guidance include, but are not limited to, the following matters:

- Co-ordinate calculation of technical provisions;
- Inform the Board of the adequacy of calculation;
- Prepare opinion on overall underwriting policy;
- Prepare opinion on adequacy of reinsurance arrangements;
- Contribute to effective risk management system;
- Provide opinion to the Board on range of risks & adequacy of the scenarios considered as part of the ORSA.

The HoAF has direct access to the Board and reports at least once a year to the Board or as and when requested by the Board. The Board are provided with the actuarial function report in advance of said Board meeting to allow the Board sufficient time to review.

B.1.4. Role of the Compliance function

The compliance function has the following roles and responsibilities:

- Advice - The compliance function advises the Board on compliance with laws, rules and standards, including keeping the Board informed on developments in the area of compliance.
- Guidance and education - The compliance function assists in educating the Board on compliance issues, and acting as a contact point for compliance queries from staff members. The compliance function establishes written guidance on the appropriate implementation of compliance laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines.
- Monitoring, testing and reporting - The compliance function monitors and tests compliance by performing sufficient and representative compliance testing. The results of the compliance testing are reported to the Board on at least an annual basis.

The Compliance function, led by the General Manager as Compliance Officer, reports administratively and functionally to the Board at each Board meeting The Board is provided with a compliance update in advance of each Board meeting to allow the Board sufficient time to review.

B.1.5. Role of the Internal Audit function

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to VRCO's Internal Control System by facilitating an objective and independent assessment. The Internal Audit function is outsourced to EisnerAmper Ireland thus ensuring independence. However, VRCO is also in scope for group Internal Audit.

It assists VRCO to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes employed by VRCO.

The role of the Internal Audit function includes:

- the examination and evaluation of the adequacy and effectiveness of the Internal Control Systems;
- the review of the application and effectiveness of risk management procedures and risk assessment methodologies;
- the review of the management and financial information systems, including the electronic information system and electronic banking services utilized by VRCO;
- the review of the accuracy and reliability of the accounting records and financial reports;
- the review of the means of safeguarding assets;
- the testing of both transactions and the functioning of specific internal control procedures;

- the review of the systems established by the compliance function to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures;

The Internal Audit Function is objective and independent from the operational functions and does not have any responsibility for any other function when evaluating and reporting the audit results. The Head of Internal Audit has direct access to the Board and reports at least annually to the Board or as and when requested by the Board The Board are provided in advance of said Board meeting an Internal Audit report to allow the Board sufficient time to review.

B.1.6. Remuneration policy

VRCO has implemented a Remuneration Policy, which outlines the terms and conditions for the remuneration of non-executive Directors, executive Directors and senior management employees. The policy sets out to preclude the possibility of manipulation; negative incentives and undesired risk taking.

The objectives of the Remuneration policy are to ensure that:

- remuneration practices are aligned with VRCO strategy, Risk Management Strategy and risk appetite, objectives, values and long-term interests of VRCO.
- the policy applies to VRCO as a whole in a proportionate and risk focused way, taking into account the respective roles of the personnel responsible for key functions or who make or participate in making, decisions that affect the whole, or a substantial part of VRCO's business, including members of the Board of Directors.
- the remuneration practices do not foster practices adverse to the policyholders' interests
- a clear, transparent and effective governance structure around remuneration is in place

- VRCO can attract and retain highly qualified Board members and employees with skills required to effectively manage VRCO
- Board members and employees are compensated appropriately for the services they provide to VRCO
- the remuneration motivates Board members and employees to perform in the best interests of the VRCO and its stakeholders

VRCO does not provide any share based or long term incentive schemes to its directors or employees. In addition, VRCO does not provide any supplementary pension or early retirement schemes to its Directors or key function holders.

B.1.7. Material transactions with related parties

As a Captive insurer, VRCO's business requires it to deal with group-related entities. Hence, the need for VRCO to have developed a sound system of governance to ensure appropriate controls are in place. Other than as part of the course of its normal business, there were no material transactions with the shareholders, directors' or those who exert significant influence over VRCO during the year.

B.1.8. Adequacy of the systems of governance

Reviews of the corporate governance and effectiveness of the Board of VRCO are carried out on a regular basis, taking into account the requirements of the Central Bank of Ireland's "Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015".

Management and the Board believe that the systems of governance in place are adequate and effective, and are proportionate to reflect the nature, scale and complexity of the risks inherent to the entity.

B.2. Fit and proper requirements

B.2.1. Fit and proper policy

VRCO's fit and proper policy sets out VRCO's approach to the assessment of the fitness and probity of persons who effectively run VRCO or are responsible for other key functions.

This policy complies with regulations around the area of Fitness and Propriety as maybe issued by regulators from time to time.

The purpose of the policy is to create transparency and consistency in our systems and processes to achieve our organisational targets and be fully compliant with all of our legal requirements at all times

B.2.2. Fit and proper assessment and requirements

The Criteria considered as part of the determination of an individual's Fitness and Probity includes whether the individual:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfill the particular duties and responsibilities of the particular position;
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career;
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties;
- the person has a conflict of interest in performing the duties;
- has been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct;
- has been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity;
- has been substantially involved in the management of a business or VRCO which has failed, where that failure has been occasioned in part by deficiencies in that management;
- has sufficient time to devote to the role and associated responsibilities;
- is financially sound.

Assessments of a person's fitness and propriety for a responsible person position must be made:

- before the person is appointed;
- on at least an annual basis following appointment;
- upon the event of material information adverse to the assessment becoming known to VRCO or any other circumstances whereby the fitness or probity of responsible persons may be adversely affected.

B.3. Risk Management System (including the ORSA)

B.3.1. Risk Management System

VRCO has developed and implemented a risk management system, which is a comprehensive process for monitoring, reviewing, understanding, and appropriately managing and mitigating the risks associated with VRCO's objectives over the short, medium and long term. The Risk Management System comprises of the following:

- Risk Management Strategy which outlines the framework with which VRCO identifies, assesses, monitors, controls and reports on a continuous basis all key material risks facing the business;

- Risk Management Policies for each key risk class, which define the material risks faced by VRCO, and sets out how the Risk Management Strategy and the relevant risk appetite shall be implemented across that risk class and the control framework in place;
- Risk Management Processes and Procedures which set out the processes and procedures that VRCO employs to identify, assess, manage and monitor material risks VRCO is, or might be exposed to (emerging risks) and how these risks are reported; and
- ORSA process: the process of assessing all the risks inherent in the business and thereby determining the corresponding capital needs.

They key objectives of the Risk Management Strategy are to:

- be consistent with the strategic objectives of VRCO;
- operate across all the activities of VRCO;
- be a continuous process;
- be referred to in all major decision-taking of VRCO;
- set out the level of risk acceptable to VRCO (Risk Appetite and risk tolerance);
- be further specified to each key risk class through individual Risk management policies which will act as internal guidelines on the framework that management has to take into account when exercising their responsibilities;
- set out the key risks of VRCO;
- assign the overall risk management responsibilities;
- identify risks to be addressed by contingency plans.

The Risk Management Strategy is a high-level plan developed by the Board of Directors and sets out how risk should be managed and how much risk should be accepted in order for VRCO to achieve its strategic objectives. The Strategy shall therefore operate across all operations of VRCO and in all decision-making. A review of the Strategy will take place at least annually or periodically if required.

B.3.2. ORSA

The Own Risk and Solvency Assessment policy and procedure is a top-down strategic analysis linking the business plan to risk and capital management. It may only be amended by the approval of the Board.

The ORSA allows VRCO to:

- Assess the material risks it faces;
- Assess the amount of capital it requires to protect against those risks; and
- Document the assessment of risks and capital requirements to ensure that strategic decision making remains within appetite.

The ORSA is used to assess whether VRCO's risk management and solvency position is adequate, and to consider its development in the future. It represents a fundamental part of the risk management system. The ORSA is linked to VRCO's business planning process and acts as a key management tool in the development of the strategy and risk and capital management.

Strategic decisions are taken into consideration in the ORSA process through a forward looking assessment process. Additionally, management is aware of the implications of its decisions on the risk profile and regulatory capital requirements of VRCO.

Any strategic or other major decisions that may materially affect the own funds and solvency position of VRCO needs to be considered through the ORSA process before such a decision is taken. As such, the ORSA considers risk, capital, performance and strategy processes, and provides management with information required to make key decisions regarding the overall risk and capital profile of the business.

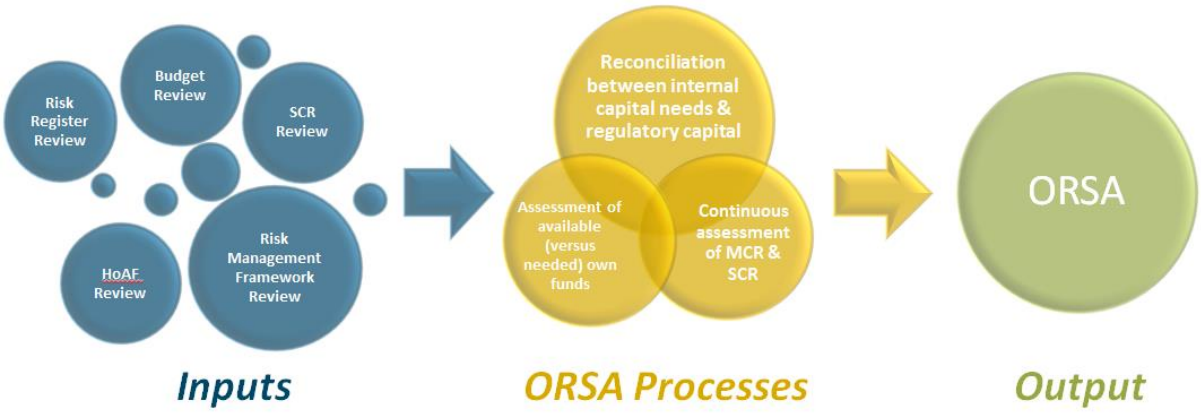
VRCO has processes in place to ensure that the required documentation is produced to an appropriate standard. A record of each ORSA is produced, which serves as both the internal report and support for the supervisory reporting.

The Risk Management Function is responsible for coordinating the overall process. Given its quantitative nature, actuarial skills are required to provide their views. Other areas and functions involved and asked to contribute include the insurance team but not limited to VRCO insurance team,

business planning and finance functions along with senior management in general. Each of these is involved iteratively as their inputs are included and the results used to define further refinements and scenarios.

The report is then presented to the Board for challenge, review and approval. However as referenced previously, there are certain events that may require the process to be run on an ad hoc basis. Such events may follow from internal decisions and external factors or if the risk profile of VRCO changes significantly.

The diagram below details the key inputs, processes and outputs associated with the ORSA:



The Risk Management function validates the outputs of each process individually, and undertakes cross-validation between the outputs of each process, to ensure that they are consistent, or that differences are understood.

VRCO determined that the Solvency II standard formula would be used to calculate the required solvency capital. A three-year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements ('SCR') position is produced using the standard formula, as well as actuarial and reserving assumptions. The results are subjected to a range of stress and scenario tests that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn. Furthermore, the risk management function, management and the Board consider its view of VRCO's overall solvency assessment which is subject to similar stress and scenario testing. This range of stress and scenario tests is considered in order to provide an adequate basis for the assessment of VRCO's overall solvency needs.

Assessments to date indicate that, under the standard formula and ORSA scenarios presented by Management to the Board, VRCO is adequately capitalised. Section E sets out the capital management structure of VRCO. Capital is a key factor in understanding the solvency needs of VRCO, and management factors this in during the overall risk management process and through the provision of a capital management plan to the Board.

B.4. Internal control system

B.4.1. Internal control system (ICS)

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management systems and has addressed this by developing and implementing the system of governance, including the risk appetite framework, risk management system, the related suite of policies and procedures necessary to support it and monitoring the operation of those policies in a controlled fashion such that management and the Board are in a position to identify, understand and react to matters that require their attention. VRCO is also in the course of implementing a software system to assess and manage ongoing compliance with Solvency II requirements.

In order to achieve this, the Internal Control framework of VRCO reflects the following characteristics.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within VRCO operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables VRCO to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	VRCO developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations, as formalized hereafter.

B.4.2. Compliance Function

The Compliance Function of VRCO is structured as follows:

1. The Compliance Officer (this role is outsourced to the General Manager of Volkswagen Insurance Company dac) reports directly to the Board of VRCO on a regular basis and at least annually. The Board ensures that the Compliance Officer has sufficient experience and qualifications and is of good repute to discharge the associated duties, in line with VRCO's Fitness and Propriety Policy.
2. The Board endeavors to ensure the independence of the compliance function of VRCO. The independence in respect of the day to day environment in which the Compliance Officer of VRCO works is reinforced by the Board of VRCO by:

    - ✓ Formal appointment by the Board;
    - ✓ Compliance Officer reports directly to the Board;
    - ✓ The Compliance Officer has complete and unfettered access to all information and personnel they require to discharge their duties;
    - ✓ Peer review of compliance tasks carried out by a third party in order to confirm compliance with all regulatory requirements.

The Board has committed to at least once a year to identify and assess the main compliance risk issues facing VRCO. This forms part of the overall Risk Management System that monitors the risks faced by VRCO. The Board amends this policy as necessary to ensure that the policy continues to be relevant in addressing the compliance risks faced by VRCO. The Board have also committed to implementing a software system in order to assess and manage the ongoing compliance and governance requirements under Solvency II thus ensuring a proactive approach to the compliance function.

Such assessments should address any shortfalls (policy, procedures, implementation or execution) related to how effectively existing compliance risks have been managed, as well as the need for any additional policies or procedures to deal with new compliance risks identified as a result of the annual compliance risk assessment.

At least once a year, the Compliance Officer reports to the Board on the management of VRCO's compliance risk, in such a manner as to assist Board members to make an informed judgment on whether VRCO is managing its compliance risk effectively.

Notwithstanding this the Compliance Officer reports promptly to the Board on any material compliance failures (e.g. failures that may attract a significant risk of legal or regulatory sanctions, material financial loss, or loss to reputation) as they arise thought out the year.

VRCO's Compliance Officer is subject to and must comply with the requirements of the VRCO's compliance policy.

B.5. Internal audit function

B.5.1. Implementation of the Internal Audit Function

Internal Audit is an independent function outsourced to an external audit firm, EisnerAmper Ireland, in line with VRCO's approved outsourcing policy. The activities of the Internal Audit function are carried out by appropriately skilled and experienced individuals in line with VRCO's Fitness and Probity Policy, and the Head of Internal Audit has been approved by the Central Bank of Ireland as a Pre-Approval Controlled function ("PCF") role holder. Internal Audit independently examines and evaluates the functioning, effectiveness and efficiency of VRCO's internal control system and all other elements of the system of governance.

Its purpose is to provide on-going objective and independent evaluations of the effectiveness of the system of internal controls, and to perform special reviews and investigations as directed by the Board, Management, and the Parent.

Internal audit prepares an Audit Plan annually, which is presented to the Board.

Internal Audit's activities are designed to provide advice to Management in improving the internal control environment, and monitor the implementation of strategic control initiatives and Management's remediation activity.

B.5.2. Internal audit independence

In order to maintain independence and objectivity, Internal Audit will not prepare any accounting and related records or engage in any relevant activity requiring audit review, including the development or installation of new systems, policies or procedures. The review of new systems or procedures prior to implementation shall not be considered an impairment of independence and objectivity. In addition, Internal Audit for VRCO is outsourced to an independent external audit firm to ensure further independence from VRCO's Board and management.

Internal Audit is included in the current organisational structure by means of a direct link to the Board of Directors, and the Internal Audit function of the Parent. The Internal Audit function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit function entails that the Internal Audit function operates under the direct control of the Board of Directors of VRCO.

B.6. Actuarial function

The Actuarial function in VRCO is outsourced to Willis Towers Watson in line with VRCO's approved outsourcing policy. The Head of Actuarial Function (HoAF) provides independent opinion, analysis and validation. The activities of the Actuarial function are carried out by appropriately skilled and experienced individuals in line with VRCO's Fitness and Probity Policy, and have been approved by the Central Bank of Ireland.

The key responsibilities of the HoAF include:

- Co-ordination of the calculation of technical provisions. This consists of assessing the sufficiency of the provisions, assessing the uncertainty in the estimates and justifying the differences between successive periods.
- Review the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience. There is also a requirement to consider the verifiability of assumed management actions.
- The Actuarial Function must produce an annual report for the Board. The report should cover all of the information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements.
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the HoAF contributes to the effective implementation of the risk management system of VRCO. In particular:

    - In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the HoAF reviews the output of the model used by VRCO to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.

    - ORSA - the Chief Risk Officer, Head of Finance, General Manager and HoAF (all of which are outsourced functions which is referenced in section 7.2 Outsourced Activities), together, establish the requirements of the audience for the ORSA report, agree how the requirements will be satisfied and agree the format of the draft ORSA reports, the supporting appendices and working papers.

The management team report to the Board on the performance of the Actuarial function as often as deemed necessary and at least annually. In addition, the Head of Actuarial function will provide the Board with an annual report outlining the tasks that have been undertaken by the Actuarial function, their results and any recommendations or suggestions for improvement.

B.7. Outsourcing

B.7.1. Outsourcing Policy

VRCO maintains an Outsourcing Policy that is reviewed and approved annually by the Board.

The purpose of the Outsourcing Policy is to establish a prudent approach to the management of the outsourcing arrangements and ensure compliance with the relevant regulatory requirements. The Board's objective is to ensure that outsourcing arrangements entered into are subject to appropriate due diligence, approval, written agreements and on-going monitoring and that the risks associated with entering outsourcing arrangements are effectively managed.

The Outsourcing Policy applies to all "critical or important" outsourcing agreements and covers the requirements for both external outsourcing and intra-group outsourcing.

VRCO has to outsource certain business activities for the following reasons:

- Cost savings
- Focus on core business e.g. IT support outsourced to specialist IT service companies
- Operational expertise
- Capacity management

When the decision is taken to outsource an activity, VRCO must carry out a tender in order to choose the most suitable provider and complete an assessment of the risks associated with the outsourcing of any function. The final outsourcing decision is not being taken until the risk analysis has been completed. A business case is then prepared for consultation with the Board of Directors, which includes the outcome of the evaluation on whether the outsourcing activity is high or low risk to the group. All material outsourcing arrangements must be undertaken using a written, legally binding contract.

In line with Central Bank of Ireland guidelines and regulations, the Board has appointed a designated individual with overall responsibility for the outsourcing of key functions. This designated individual reports to the Board on all outsourcing activities.

B.7.2. Outsourced Activities

The following critical or important services have been outsourced by VRCO:

Service Provider	Jurisdiction	Jurisdiction	Person Responsible
Volkswagen Insurance Company dac	Captive Management Function	Ireland	Kieran Creevy
Willis Towers Watson	Actuarial Services & Head of Actuarial Function	Ireland	Keith Morrisson
EisnerAmpner	Internal Audit Service	Ireland	Diarmaid O'Keeffe

B.8. Assessment of governance

VRCO's corporate governance system provides for the sound and prudent management of the business, in a manner that is proportionate to the nature, scale and complexity of the operations of VRCO.

There are no further significant matters to report in relation to VRCO's system of governance.

C. Risk Profile

The acceptance of risk is the core business of VRCO as a composite reinsurance entity. In order to achieve its strategic objectives, VRCO has identified and defined all key material risks that VRCO is exposed to for monitoring the exposure to each risk.

To support the process of reviewing and monitoring these material risks, VRCO has developed a risk appetite framework and risk management system and policy suite which includes the documentation of all key material risks in a risk register, which forms a central part of VRCO's monitoring and reporting activities.

The assessment of the identified risks is performed by classifying the identified risks into categories, based on their potential impact and the estimated likelihood of occurrence.

In order to perform the assessment, a rating scale of Low, Medium, and High is used depending on the materiality of the risk exposure in case of potential financial losses, or on the severity of the impact of non-financial losses.

For the financial impacts, only the potential downside effect is taken into consideration, ignoring thus the upside effect realisation of the risk may have.

VRCO continuously monitors the performance, risks, and any risk mitigations in place, related to each category below. Depending on the performance or risk development, including any foreseen risks yet to develop, risk mitigation techniques are reviewed and assessed if required.

C.1. Underwriting risk

Underwriting and reserving risk refers to the risk of loss, or of adverse change in the value of insurance liabilities, loss from exposure to risk concentrations; and the risk of inadequacy of premium income to cover expected claims and expenses.

It can be broken down into:

- Premium risk: risk of inadequacy of premiums income to cover expected claims and expenses;
- Catastrophic risk: risk resulting from extreme (severity) or irregular events (frequency).

The methods to measure the risks is based on the below metrics which are set out in VRCO's Risk Appetite Statement.

- Authorised Class of Insurance: Corresponding to the licensed lines of business in which the VRCO will underwrite
- Maximum limit per claim: Corresponding to the maximum amount of claim payable for a given (re)insurance programme.
- Net Loss Ratio: Net incurred losses (net claims paid plus changes in net claims reserves) divided by the net earned premiums.

The control and monitoring actions/principles for the Underwriting risk examine the above metrics in line with VRCO's Risk Appetite framework:

- Should any proposed risk fall outside of the scope of the existing license, any application to the Central Bank of Ireland to extend that license must receive prior approval of the Board of Directors.
- VRCO will only underwrite the risks of parent Group Companies. No non-group business may be written/accepted unless prior approval from the Board of VRCO and the CBI is received.
- Authority to accept or decline business on behalf of VRCO rests with the Board of Directors.
- When considering any proposed or renewed risks, the Risk Management Function will take into account the limits mentioned in the Risk Appetite framework to perform its technical analysis per line of business.
- The Risk Management Function performs at least once a year and/or as often as necessary an analysis of claims and technical profitability based on various metrics such as nature of risk, country, claims importance and underwriting year for each line of business separately. This analysis is submitted to the Board of Directors for consideration.
- The Risk Management Function will monitor and consider VRCO's exposure to specific risk concentrations and may choose to propose action to mitigate such risk as is appropriate, considering the nature of the risk and the structure of the insurance and reinsurance programmes.

In the event that:

- the tolerance levels defined in the Risk Appetite framework are exceeded;
- a risk of reduced profitability appears;
- any event that the Risk Management Function may consider as an increase of the risk(s) VRCO can be exposed to occurs,

The Risk Management Function defines appropriate measures to reduce the risk within the limits acceptable by VRCO. These measures include corrective actions to be undertaken in respect of technical items and/or of a total or partial transfer of the risk to a third party. In respect of this last point, the measures and guidelines defined in the reinsurance policy apply. The said corrective measures and their related implementation plan are submitted to the Board of Directors for approval.

VRCO's underwriting risk is considered material given the fact that VRCO accepts significant risk from each of its preferred insurance partners who cede business to it on a Quota Share basis (on average a cession of 80%).

VRCO's underwriting risk is also heightened by the fact that each individual insurance contract from the various global Volkswagen Group companies, which is to be considered for acceptance into the VRCO programme, must be considered and evaluated on a case by case basis. Therefore, this brings an element of selection risk to VRCO's portfolio of business. In order to help mitigate against this risk, a risk selection process is employed by VRCO management, including the following approaches:

- Historical performance of each individual insurance contract is considered as a measure of how such a contract may perform in the future.
- The business mix (by line of business) of the portfolio is monitored on an on-going basis to ensure that VRCO is not over-exposed to any one sector (e.g. Medical, where control of medical inflation costs can be a key driver of results).
- Consultation with each of the preferred insurance partners who are the 'original underwriters' of the insurance contracts is had, in order to better understand the key risks involved and also to gain a view as to their rationale around the pricing of the subject business, whose goal should be premium adequacy.
- A 'four-eyes' approach is employed by VRCO management and the insurance team on all business accepted into VRCO.

In order to further assist in mitigating against adverse performance of this business and/or against catastrophic events, VRCO purchases reinsurance protection for any individual risks above €500k per life, which it retains and also purchases reinsurance protection on a whole portfolio basis for retained losses in excess of a 125% loss ratio.

The SCR capital requirement for underwriting risk is €1.4m. VRCO has no Lapse risk or Catastrophe risk charge at 31 December 2021.

The CRO updates the Board biannually on any changes or deviations and if the appetite or tolerance levels have been breached. Any changes or amendments in the risk profile are run through the SCR standard model with the results presented to the Board for review and consideration. The Board ensures that all scenarios are suitable stressed before committing to acceptance of the risk.

C.2. Market risk

C.2.1. Market Risk

Market risk describes the potential loss emanating from disadvantageous changes in market prices or in the parameters affecting price such as currency exchange rates, interest rates etc. VRCO's risk appetite can be classified as moderate.

The investment policies are stipulated by the Investment Strategy of VRCO approved by the Board of Directors. VRCO mitigates against market risk by only holding highly rated short duration liquid deposits. Risk concentration is mitigated by maintaining a diverse range of highly rated bank and reinsurance counterparty panel. The SCR capital requirement for Market risk is €1m at 31 December 2021.

C.2.2. Foreign Currency Risk

Currency risk occurs where foreign assets or liabilities are not offset by corresponding balance sheet items of the same currency. The VRCO reinsurance program is a EUR program. Although whilst underlying payments to the fronting providers are made in Euros, the underlying claims will be paid in local currency and all movements in cash estimates due to exchange rate volatility will flow to VRCO. Therefore, VRCO provide for this in its SCR calculation by including provision for the underlying Non Euro amounts. The majority of financial assets are maintained in Euro reflecting the matching of insurance liabilities. The SCR capital requirement for foreign currency risk is €0.0m at 31 December 2021.

Interest rate risk comprises of the anticipated losses and decrease of capital because of changes within the market interest rate level. A conservative strategy is pursued in VRCO which is aimed at guaranteeing the greatest possible security whilst ensuring secure liquidity of the business needs at all times. VRCO is exposed to minimal interest rate risk.

The control of the interest change risks, which VRCO outsources, is carried out by the Treasury of VW Bank GmbH. The finance team assesses and reports the interest change risks of VRCO at least quarterly. VRCO has a zero Interest rate risk SCR capital requirement at 31 December 2021.

C.2.3. Prudent Person Principle

VRCO's primary objective in relation to market risk is to protect and preserve its assets. The majority of the assets on VRCO's balance sheet are held in cash or demand deposits. Solvency II regulations have introduced the 'Prudent Person Principle' in relation to investing in assets. VRCO is required to apply this principle, and has ensured that its investment policy is aligned with this Principle. VRCO operate a review process as part of its risk appetite review which monitors the performance, financial security and concentration risk of investments. This report is presented to the Board at least annually.

As mentioned before, VRCO takes a very prudent investment approach through taking mitigation steps against credit risk or the failure of a financial institution or individual security whilst ensuring appropriate liquidity to meet daily cash demands of the business.

C.3. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to VRCO. The key areas of exposure for VRCO relate to its investment portfolio and reinsurance balances recoverable.

The Credit risks can be categorised under the following headings:

- Counterparty Risk
- Reinsurance Default Risk

C.3.1. Counterparty Risk

As a Reinsurer, in the main, VRCO's exposure to counterparty risk lies in the potential default of its preferred insurance partners, in relation to the premium cessions which it receives from them.

Mitigation of this risk is primarily achieved by limiting the number of preferred partners to a small number (currently 5) of 'A' rated and globally established carriers.

The inclusion of an Offset provision within the reinsurance contracts, which VRCO has agreed with each of the preferred insurance partners, also provides it with an element of protection and comfort in this regard.

Counterparty risk would be considered a low risk for VRCO.

C.3.2. Reinsurance Default Risk

This relates to the risk of non-congruence of the primary and the reinsurance protection or the risk of one of its reinsurance partner's inability to meet its obligations.

VRCO purchases all of its reinsurance protections (retrocession) from the same preferred insurance partners who cede the very same subject business to VRCO on a Quota Share basis. Reference within the retrocession agreements to following the form of the primary insured business ensures that there is congruence of the primary and the reinsurance protection.

On an annual basis, VRCO updates its Reinsurance Strategy document, which is approved by the Board of Directors. All reinsurers must be minimum A- rated. No deviation from this document is allowed without the prior approval of the Board of Directors. VRCO continues to monitor its Reinsurers during the life of the Reinsurance agreements and/or for as long as any obligations remain outstanding with

any changes in rating notified to the Board of Directors without delay. At each Board meeting the CRO updates the Board on the financial strength of each of its preferred insurance partners.

The SCR capital requirement for Default risk is €0.4m at 31 December 2021.

C.4. Liquidity risk

Liquidity risk is the risk that VRCO cannot meet its obligations associated with financial liabilities as they fall due.

VRCO's liquidity risk appetite can be classified as low to moderate. Sufficient liquidity is essential in VRCO's business.

VRCO's investment Strategy is to support underlying commercial activities. The longest allowed duration of a deposit is one year. Sufficient cash is maintained on current account for day-to-day payments.

C.5. Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems or from external events. Operational Risk may materialise through personnel execution errors, frauds, compliance breaches; outsourcing breaches and processing failures as well as through other external events either directly or in directly.

There are no operational risks that have been deemed "material" in line with VRCO's risk assessment methodology taking into account the probability, impact of the risk occurring and the mitigations in place to prevent or minimise the impact of a risk.

The existing organisational and operational structure of VRCO reduces the exposure to many of the risks associated with operational risk. There are strong, robust internal controls in place and a clear segregation of duties that assist with mitigating against and managing this risk. VRCO also has to comply with Volkswagen Financial Services Group requirements from the Operational Risk team (OpR), which involves regular self-assessments and reporting. VRCO considers the identity of various scenarios, which would test the operational risk management of VRCO, and in all cases, a financial loss or the requirement to hold economic capital to accept the risk is deemed not material.

In the event of an Operational Risk failure, the Risk Management Function defines appropriate corrective measures to reduce the risk within the limits acceptable to the VRCO.

The said corrective measures and their related implementation plan are submitted to the Board of Directors for approval.

The SCR capital requirement for Operational risk is €0.1m at 31 December 2021.

C.6. Other material risks

There have been no other material risks affecting the Company during the year. The board continues to monitor the ongoing COVID-19 pandemic including assessing the commercial, operational and economic risks to the business as part of their ongoing risk management. Government guidance is being applied to ensure the ongoing health and wellbeing of our staff and clients is maintained.

D. Valuation for Solvency Purposes

D.1. Assets

The Solvency II valuation method differs from the local GAAP statutory financial statements only in relation to technical provisions. Technical provisions are valued in accordance with Articles 75 to 86 of the Solvency II Directive. Additional information reading the calculation of technical provisions in provided in section D2.

The table below outlines the assets of VRCO under the local GAAP and Solvency II valuation methods:

Assets	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.21	€'000s	€'000s	€'000s	€'000s
Bank deposits	8,596	-	-	8,596
Cash and cash equivalents	1,238	-	-	1,238
Reinsurers share of technical provisions	-	-	(56)	(56)
Receivables (from insurance activities)	2,448	(53)	-	2,395
Other assets	27	48	-	75
Total	**12,308**	**(5)**	**(56)**	**12,247**

Assets	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.20	€'000s	€'000s	€'000s	€'000s
Bank deposits	9,998	-	-	9,998
Cash and cash equivalents	415	-	-	415
Reinsurers share of technical provisions	-	-	(61)	(61)
Receivables (from insurance activities)	3,376	(240)	-	3,136
Other assets	14	87	-	101
Total	**13,803**	**(153)**	**(61)**	**13,589**

There have been no material changes in the relevant assumptions made in the calculation of asset valuations during the year.

D.1.1. Bases of asset valuation for material classes

For each material class of asset, the following are the bases, methods and main assumptions used in the valuation for Solvency II, together with an explanation of the material differences to those reported under Local GAAP.

D.1.2. Deposits other than cash equivalents

Deposits other than cash equivalents comprise of demand deposits with specified short term maturity periods. These are carried at fair value on the Solvency II and Local GAAP balance sheets. Fair value is based upon amounts due on demand, as these are highly liquid assets.

Under Local GAAP demand deposits are disclosed as cash at bank, and have been reclassified for Solvency II reporting.

D.1.3. Insurance and intermediaries' receivable

Insurance and intermediaries' receivable are stated at realisable value, and relates to the amounts due from ceding insurers linked to inward reinsurance business.

These amounts are stated at fair value under Solvency II and Local GAAP. Given these assets are relatively short term (less than one year), VRCO has determined that their realisable value reasonably approximates fair value.

Under Solvency II the receivable amounts that are not past due, are reclassified to be included in the cash in-flows of best estimate of liabilities. Further information on the best estimate of liabilities, its valuation methodology, basis and assumptions used can be found in Section D.2.

D.2. Technical provisions

The Solvency II valuation method differs from the local GAAP statutory financial statements only in relation to technical provisions. Technical provisions are valued in accordance with Articles 75 to 86 of the Solvency II Directive.

Under SII insurance contract liabilities required by local GAAP are replaced by an assessment of the technical provisions, comprising the Best Estimate Liability ("BEL") and the Risk Margin.

The BEL is determined as the discounted value of the projected cashflows involved in fulfilling the liabilities under the inforce business. It comprises:

- Best estimate claims provisions
- Best estimate premium provisions
- Expenses
- Events not in data

For all lines of business, the best estimate corresponds to the probability weighted average of future cash flows taking account of the time value of money. The cash flows are discounted using the relevant risk free interest rates term structures as issued by EIOPA.

No allowance has been included in the BEL for any of the transitional adjustments set out in the Solvency II Delegated Acts (i.e. matching or volatility adjustments to the risk-free rate, or transitional adjustments to the overall technical provisions).

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insured portfolio. This cost is determined by applying a prescribed cost of capital rate of 6% p.a. to each year's projected SCR and discounting those amounts at the risk-free rates.

In the calculation of technical provisions, it is necessary to make judgements, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

VRCO's technical provisions, under Solvency II include an allowance for business that is bound but not yet incepted ("BBNI") at the valuation date. The premium provisions include the future cashflows in respect of the BBNI business up to the relevant contract boundary.

Technical Provisions	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.21	€'000s	€'000s	€'000s	€'000s
Best Estimate	4,246	10	28	4,284
Risk Margin	-	-	246	246
Gross Technical Provisions	**4,246**	**10**	**274**	**4,530**

Technical Provisions	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.20	€'000s	€'000s	€'000s	€'000s
Best Estimate	6,783	57	78	6,918
Risk Margin	-	-	314	314
Gross Technical Provisions	**6,783**	**57**	**392**	**7,232**

There have been no material changes in the relevant assumptions made in the calculation of technical provisions during the year.

The technical provisions represent a realistic estimate of VRCO's future obligations with an allowance for some deviation for plausible changes in estimation in the form of the risk margin. They are not expected to be sufficient to meet the VRCO's obligations in all scenarios.

The Actuarial Function ensures that the technical provisions are determined by using data, assumptions and methods that are proportionate to the risk profile of VRCO, taking into account the nature, scale and complexity of the risks. The principle of proportionality means that the Company is allowed to choose and apply a valuation method which is:

• suitable to achieve the objective of deriving BEL, but
• not more sophisticated than is needed in order to reach this objective.

This does not mean size is the only relevant factor when the principle of proportionality is considered. Instead, VRCO's risk profile is the primary guide in assessing the need to apply the proportionality principle.

D.3. Other Liabilities

Other Liabilites	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.21	€'000s	€'000s	€'000s	€'000s
Payables (trade, not insurance)	293	10	-	283
Any other liabilities, not elsewhere shown	132	-	-	132
Total	**425**	**10**	**-**	**415**

Other Liabilites	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31.Dec.20	€'000s	€'000s	€'000s	€'000s
Payables (trade, not insurance)	248	57	-	191
Any other liabilities, not elsewhere shown	112	-	-	112
Total	**360**	**57**	**-**	**303**

For each material class of other liability, the following are the bases, methods and main assumptions used in the valuation for Solvency II, together with an explanation of the material differences to those reported under Local GAAP.

D.3.1. Other Liabilities

Under Local GAAP, insurance and intermediary payables are stated at cost. Insurance and intermediaries payable is stated at fair value on the Solvency II balance sheet. Due to the short term nature of the obligation and no consideration of own credit risk in the valuation, the carrying value under Local GAAP is not considered materially different to the fair value under Solvency II.

D.4. Alternative methods for valuation

VRCO does not employ any alternative valuation techniques to its assets or liabilities, and does not have any other material information to disclose regarding the valuation for solvency purposes, other than what has been disclosed above.

D.5. Any other information

No other relevant information to report.

E. Capital Management

VRCO's capital management strategy is to maximise long term shareholder value by optimising capital while maintaining VRCO's regulatory and solvency requirements. The strategy is formalised through a capital management policy. The capital management policy, which is reviewed annually, is approved by the Board and day-to-day monitoring and managing of this policy is delegated to the Risk Management Function.

Capital management focuses on following aspects:

- Determine an adequate level of capital to protect against losses and provide finance for a pre-determined level of strategic growth;
- Ensuring that there is sufficient coverage of both the regulatory capital requirements (MCR and SCR) as well as the economic capital targets set; and
- Optimisation of the quality of available Own Funds, in respect of the capital position of VRCO.

VRCO continuously monitors and manages the quality and loss absorbing capacity of its own funds. On at least an annual basis, having regard to the results of the ORSA, management prepare a financial and capital management plan outlining the amount of available funds and their quality to the Board.

Capital needs and stresses are considered over a three year planning horizon on a rolling basis. The capital position is monitored on a quarterly basis by Management as part of the Risk Management Function. Furthermore, the capital position is reviewed as part of the ORSA process that is presented to the Board.

E.1. Own funds

The items reported in own funds are split into three categories depending on different factors such as quality, liquidity and timeline to availability when liabilities arise.

Tier one own funds include ordinary share capital, non-cumulative preference shares and relevant subordinated liabilities. Tier two own funds include cumulative preference shares, and subordinated liabilities with a shorter duration. Tier three own funds include own funds which do not satisfy the Tier one or Tier two requirements.

All of VRCO's own funds are Tier one for Solvency II purposes other than deferred tax.

Own Funds	Total	Tier 1	Tier 2	Tier 3
31.Dec.21	€'000s	€'000s	€'000s	€'000s
Share Capital	10,000	10,000	-	-
Reconciliation reserve	(2,746)	(2,746)	-	-
Deferred Tax Asset	48	-	-	48
Total	**7,302**	**7,254**	**-**	**48**

Own Funds	Total	Tier 1	Tier 2	Tier 3
31.Dec.20	€'000s	€'000s	€'000s	€'000s
Share Capital	10,000	10,000	-	-
Reconciliation reserve	(4,032)	(4,032)	-	-
Deferred Tax Asset	87	-	-	87
Total	**6,055**	**5,968**	**-**	**87**

The difference between equity in the financial statements and basic own funds is as follows;

Reserve Item	2021	2020
	€'000s	€'000s
Financial Statement Equity	7,638	6,661
Reconciliation Reserve	(384)	(693)
Deferred Tax Asset	48	87
Basic Own Funds	**7,302**	**6,055**

There has been no material changes to the structure or quality of own funds during the year.
The reconciliation reserve consists of technical provision and deferred tax valuation differences only.

E.2. Solvency and Minimum Capital Requirement

For the purpose of this section, VRCO has adopted the “Standard Formula” approach. This method uses stresses for each of the individual risks as calibrated and provided by EIOPA.

VRCO’s SCR and MCR requirements at 31 December 2021 are:

Capital Requirement	2021	2020
	€'000s	€'000s
Minimum Capital Requirement	1,200	1,346
Solvency Capital Requirement	2,245	2,990

It should be noted that the final SCR amount above is subject to supervisory assessment.

The table below shows the components of the SCR requirement:

Capital Requirement	2021	2020
	€'000s	€'000s
Market Risk	998	1,166
Counterparty Default Risk	361	243
Life Underwriting Risk	32	33
Heath Underwriting Risk	1,480	2,118
Non-Life Underwriting Risk	-	-
Diversification	-739	-804
Basic Solvency Capital Requirement	2,132	2,756
Operational Risk	112	234
Adjustment	-	-
Solvency Capital Requirement	2,245	2,990

VRCO does not use any simplifications, or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC, in the calculation of the SCR.

E.3. Use of duration based equity risk sub-module in the SCR

VRCO has not opted to use the duration-based equity risk sub-module, of the Solvency II regulations.

E.4. Internal model information

VRCO applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

E.5. Non-compliance

VRCO has had own funds in excess of both the SCR and MCR requirements over the reporting year.

E.6. Any other Information

All important information regarding the capital management of VRCO is addressed in the above sections.

I. Appendices – Quantitative Reporting Templates 31 December 2021 (€ 000's)

S.02.01.02 – Balance sheet

Annex I
S.02.01.02
Balance sheet €000s

31-Dec-21		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	48
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked	**R0070**	8,596
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	0
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	8,596
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	-56
Non-life and health similar to non-life	**R0280**	-24
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	-24
Life and health similar to life, excluding health and index-linked and unit-	**R0310**	-33
Health similar to life	**R0320**	-25
Life excluding health and index-linked and unit-linked	**R0330**	-8
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	2,395
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	0
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but	**R0400**	0
Cash and cash equivalents	**R0410**	1,238
Any other assets, not elsewhere shown	**R0420**	27
Total assets	**R0500**	12,247

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	-22
Technical provisions – non-life (excluding	**R0520**	0
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	0
Risk margin	**R0550**	0
Technical provisions - health (similar to no	**R0560**	-22
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	-33
Risk margin	**R0590**	11
Technical provisions - life (excluding index-	**R0600**	4,552
Technical provisions - health (similar to life	**R0610**	3,570
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	3,336
Risk margin	**R0640**	234
Technical provisions – life (excluding	**R0650**	982
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	981
Risk margin	**R0680**	1
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	283
Payables (trade, not insurance)	**R0840**	0
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	132
Total liabilities	**R0900**	4,945
Excess of assets over liabilities	**R1000**	7,302

S.05.01.02 – Premiums, claims and expenses by line of business

Annex I
S.05.01.02
Premiums, claims and expenses by line of business €000s

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional**									Line of Business for: **non-life**			Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Proportional reinsurance accepted	**R0120**	-19	0	0	0	0	0	0	0	0	0	0	0					-19
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**	-4	0	0	0	0	0	0	0	0	0	0	0					-4
Net	**R0200**	-23	0	0	0	0	0	0	0	0	0	0	0					-23
Premiums earned																		
Gross - Direct Business	**R0210**	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Proportional reinsurance accepted	**R0220**	-19	0	0	0	0	0	0	0	0	0	0	0					-19
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0	0	0	0	0	0	0	0					0
Reinsurers' share	**R0240**	-4	0	0	0	0	0	0	0	0	0	0	0					-4
Net	**R0300**	-23	0	0	0	0	0	0	0	0	0	0	0					-23
Claims incurred																		
Gross - Direct Business	**R0310**	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Proportional reinsurance accepted	**R0320**	-705	0	0	0	0	0	0	0	0	0	0	0					-705
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	**R0400**	-705	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-705
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0	0	0	0	0					0
Net	**R0500**	0	0	0	0	0	0	0	0	0	0	0	0					0
Expenses incurred	**R0550**	-12	0	0	0	0	0	0	0	0	0	0	0					-12
Other expenses	**R1200**																	
Total expenses	**R1300**																	-12

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	946.520301	Annuities stemming from non-life insurance contracts and relating to insurance	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**47.3260151**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	0	0	0	0	0	0	1,650	1,175	2,826
Reinsurers' share	**R1420**	0	0	0	0	0	0	- 154	- 18	- 172
Net	**R1500**	0	0	0	0	0	0	1,496	1,157	2,653
Premiums earned										
Gross	**R1510**	0	0	0	0	0	0	1,650	1,167	2,817
Reinsurers' share	**R1520**	0	0	0	0	0	0	- 154	- 18	- 172
Net	**R1600**	0	0	0	0	0	0	1,496	1,149	2,645
Claims incurred										
Gross	**R1610**	0	0	0	0	0	0	481	894	1,376
Reinsurers' share	**R1620**	0	0	0	0	0	0			
Net	**R1700**	0	0	0	0	0	0	481	894	1,376
Changes in other technical provisions										
Gross	**R1710**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R1900**	0	0	0	0	0	0	453	98	551
Other expenses	**R2500**									
Total expenses	**R2600**									551

S.05.02.01 – Premiums, claims and expenses by country

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		France	Italy	Germany			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		-		-			-
Gross - Proportional reinsurance accepted	R0120		- 52		33			- 19
Gross - Non-proportional reinsurance accepted	R0130		-		-			-
Reinsurers' share	R0140		11		- 7			4
Net	R0200		- 63		40			- 23
Premiums earned								
Gross - Direct Business	R0210		-					-
Gross - Proportional reinsurance accepted	R0220		- 52		33			- 19
Gross - Non-proportional reinsurance accepted	R0230		-		-			-
Reinsurers' share	R0240		11		- 7			4
Net	R0300		- 63		40			- 23
Claims incurred								
Gross - Direct Business	R0310		-					-
Gross - Proportional reinsurance accepted	R0320		756		- 51			705
Gross - Non-proportional reinsurance accepted	R0330		-		-			-
Reinsurers' share	R0340		-		-			-
Net	R0400		756		- 51			705
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		33		- 21			12
Other expenses	R1200							
Total expenses	R1300							12

`

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		France	Germany	Switzerland	Italy		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410		- 8	1,109	1,725			2,826
Reinsurers' share	R1420		- 1	68	105			172
Net	R1500		- 8	1,042	1,619			2,653
Premiums earned								
Gross	R1510		- 8	1,106	1,719			2,817
Reinsurers' share	R1520		- 1	68	105			172
Net	R1600		- 8	1,038	1,614			2,645
Claims incurred								
Gross	R1610		- 0	- 168.58	- 1,206.67			- 1,376
Reinsurers' share	R1620		-	-	-			-
Net	R1700		- 0	- 169	- 1,207			- 1,376
Changes in other technical provisions								
Gross	R1710		-	-	-			-
Reinsurers' share	R1720		-	-	-			-
Net	R1800		-	-	-			-
Expenses incurred	R1900		2	- 216	- 336			- 551
Other expenses	R2500							
Total expenses	R2600							- 551

S.12.01.02 – Life and Health SLT Technical

Annex I
S.12.01.02
Life and Health SLT Technical Provisions €000s

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**
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	**R0020**	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	-		-	-		-	-	-	981	981
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-	-		-	-	-	- 8	- 8
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	-		-	-		-	-	-	989	989
Risk Margin	**R0100**	-	-			-			-	1	1
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**	-	-			-			-	-	-
Best estimate	**R0120**	-		-	-		-	-	-	-	-
Risk margin	**R0130**	-	-			-			-	-	-
Technical provisions - total	**R0200**	-	-			-			-	982	982

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
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	**R0020**	-			-	-	-
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		-	-	-	3,336	3,336
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		-	-	-	- 25	- 25
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		-	-	-	3,361	3,361
Risk Margin	**R0100**	-			-	234	234
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**	-			-	-	-
Best estimate	**R0120**		-	-	-	-	-
Risk margin	**R0130**	-			-	-	-
Technical provisions - total	**R0200**	-			-	3,570	3,570

S.17.01.02 – Non Life technical provisions

Annex I
S.17.01.02
Non-life Technical Provisions
31/12/2021

		Direct business and accepted proportional reinsurance									Direct business and accepted			Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
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	- 58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 58
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	- 23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 23
Net Best Estimate of Premium Provisions	R0150	- 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 34
Claims provisions		-					-	-					-	-	-	-	-	-
Gross	R0160	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	- 0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0
Net Best Estimate of Claims Provisions	R0250	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25
Total Best estimate - gross	R0260	- 33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 33
Total Best estimate - net	R0270	- 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 10
Risk margin	R0280	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11
Amount of the transitional on Technical Provisions		-					-	-					-	-	-	-	-	-
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	R0320	- 22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 22
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	- 24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 24
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2

S.19.01.21 – Claims Developments

Annex I
S.19.01.21
Non-life Insurance Claims Information €000s

Total Non-Life Business

Accident year / Underwriting year	Z0010	

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

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100												R0100		
N-9	R0160												R0160		
N-8	R0170												R0170		
N-7	R0180												R0180		
N-6	R0190												R0190		
N-5	R0200												R0200		
N-4	R0210												R0210		
N-3	R0220	796	2,006	128	- 212								R0220	- 212	2,718
N-2	R0230	1,318	482	19									R0230	19	1,819
N-1	R0240	5	7										R0240	7	12
N	R0250	6											R0250	6	6
												Total	R0260	- 180	4,554

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	
N-9	R0160												R0160	
N-8	R0170												R0170	
N-7	R0180												R0180	
N-6	R0190												R0190	
N-5	R0200												R0200	
N-4	R0210												R0210	
N-3	R0220	1,547	73	14	0								R0220	0
N-2	R0230	553	503	3									R0230	3
N-1	R0240	52	1										R0240	1
N	R0250	21											R0250	21
												Total	R0260	24

S.23.01.01 – Own Funds

Annex I
S.23.01.01
Own funds €000s
31/12/2021

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	10,000	10,000		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	- 2,746	- 2,746			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	48				48
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	
Total basic own funds after deductions	R0290	7,302	7,254	-	-	48
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	7,302	7,254	-	-	48
Total available own funds to meet the MCR	R0510	7,254	7,254	-	-	
Total eligible own funds to meet the SCR	R0540	7,302	7,254	-	-	48
Total eligible own funds to meet the MCR	R0550	7,254	7,254	-	-	
SCR	R0580	2,245				
MCR	R0600	1,200				
Ratio of Eligible own funds to SCR	R0620	325%				
Ratio of Eligible own funds to MCR	R0640	605%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	7,302
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	10,048
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	- 2,746
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	43
Total Expected profits included in future premiums (EPIFP)	R0790	43

S25.01.21 – SCR using standard formula

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula €000s
31/12/2021

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	998		
Counterparty default risk	R0020	361		
Life underwriting risk	R0030	32		
Health underwriting risk	R0040	1,480		
Non-life underwriting risk	R0050	-		
Diversification	R0060	- 738		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	2,132		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	112
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	2,245
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	2,245
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

S28.02.01 – MCR

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity €000s

		Non-life activities $MCR_{(NL,NL)}$ Result	Life activities $MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	0	4,940

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	0	0	0	0
Income protection insurance and proportional reinsurance	R0030	0	0	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0	0	0
Other motor insurance and proportional reinsurance	R0060	0	0	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0	0	0
General liability insurance and proportional reinsurance	R0090	0	0	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0	0	0
Assistance and proportional reinsurance	R0120	0	0	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0	0	0
Non-proportional health reinsurance	R0140	0	0	0	0
Non-proportional casualty reinsurance	R0150	0	0	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	0	0
Non-proportional property reinsurance	R0170	0	0	0	0

		Non-life activities $MCR_{(L,NL)}$ Result	Life activities $MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	0	4,940

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	0		0	
Obligations with profit participation - future discretionary benefits	R0220	0		0	
Index-linked and unit-linked insurance obligations	R0230	0		0	
Other life (re)insurance and health (re)insurance obligations	R0240	0		4,350	
Total capital at risk for all life (re)insurance obligations	R0250		0		5,745

Overall MCR calculation

		C0130
Linear MCR	R0300	4,940
SCR	R0310	2,245
MCR cap	R0320	1,010
MCR floor	R0330	561
Combined MCR	R0340	1,010
Absolute floor of the MCR	R0350	1,200
		C0130
Minimum Capital Requirement	R0400	1,200

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	0	0
Notional SCR excluding add-on (annual or latest calculation)	R0510	0	0
Notional MCR cap	R0520	0	0
Notional MCR floor	R0530	0	0
Notional Combined MCR	R0540	0	0
Absolute floor of the notional MCR	R0550	0	0
Notional MCR	R0560	0	0

II. Appendices – Quantitative Reporting Templates 31 December 2020 (€ 000's)

S.02.01.02 – Balance sheet

Annex I
S.02.01.02
Balance sheet €000s

31-Dec-20		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	87
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked	**R0070**	9,998
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	0
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	9,998
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	-61
Non-life and health similar to non-life	**R0280**	-1
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	-1
Life and health similar to life, excluding health and index-linked and unit-	**R0310**	-60
Health similar to life	**R0320**	-26
Life excluding health and index-linked and unit-linked	**R0330**	-34
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	3,135
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	0
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but	**R0400**	0
Cash and cash equivalents	**R0410**	415
Any other assets, not elsewhere shown	**R0420**	14
Total assets	**R0500**	13,589

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	816
Technical provisions – non-life (excluding	**R0520**	0
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	0
Risk margin	**R0550**	0
Technical provisions - health (similar to no	**R0560**	816
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	572
Risk margin	**R0590**	245
Technical provisions - life (excluding index-	**R0600**	6,416
Technical provisions - health (similar to life	**R0610**	4,311
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	4,280
Risk margin	**R0640**	31
Technical provisions – life (excluding	**R0650**	2,104
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	2,066
Risk margin	**R0680**	38
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	191
Payables (trade, not insurance)	**R0840**	0
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	112
Total liabilities	**R0900**	7,535
Excess of assets over liabilities	**R1000**	6,054

S.05.01.02 – Premiums, claims and expenses by line of business

Annex I
S.05.01.02
Premiums, claims and expenses by line of business €000s

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional**									Line of Business for: **non-life**		
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financ loss
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C012**
Premiums written													
Gross - Direct Business	**R0110**	0	0	0	0	0	0	0	0	0	0	0	
Gross - Proportional reinsurance accepted	**R0120**	203	0	0	0	0	0	0	0	0	0	0	
Gross - Non-proportional reinsurance accepted	**R0130**												
Reinsurers' share	**R0140**	-10	0	0	0	0	0	0	0	0	0	0	
Net	**R0200**	193	0	0	0	0	0	0	0	0	0	0	
Premiums earned													
Gross - Direct Business	**R0210**	0	0	0	0	0	0	0	0	0	0	0	
Gross - Proportional reinsurance accepted	**R0220**	421	0	0	0	0	0	0	0	0	0	0	
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0	0	0	0	0	0	0	
Reinsurers' share	**R0240**	-10	0	0	0	0	0	0	0	0	0	0	
Net	**R0300**	411	0	0	0	0	0	0	0	0	0	0	
Claims incurred													
Gross - Direct Business	**R0310**	0	0	0	0	0	0	0	0	0	0	0	
Gross - Proportional reinsurance accepted	**R0320**	392	0	0	0	0	0	0	0	0	0	0	
Gross - Non-proportional reinsurance accepted	**R0330**												
Reinsurers' share	**R0340**	0	0	0	0	0	0	0	0	0	0	0	
Net	**R0400**	392	0	0	0	0	0	0	0	0	0	0	
Changes in other technical provisions													
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0	0	0	
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0	0	0	
Gross - Non- proportional reinsurance accepted	**R0430**												
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0	0	0	0	
Net	**R0500**	0	0	0	0	0	0	0	0	0	0	0	
Expenses incurred	**R0550**	94	0	0	0	0	0	0	0	0	0	0	
Other expenses	**R1200**												
Total expenses	**R1300**												

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	946.520301	Annuities stemming from non-life insurance contracts and relating to insurance	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**47.3260151**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	0	0	0	0	0	0	2,880	2,727	5,607
Reinsurers' share	**R1420**	0	0	0	0	0	0	- 149	- 225	- 374
Net	**R1500**	0	0	0	0	0	0	2,731	2,502	5,233
Premiums earned										
Gross	**R1510**	0	0	0	0	0	0	3,007	2,521	5,528
Reinsurers' share	**R1520**	0	0	0	0	0	0	- 149	- 225	- 374
Net	**R1600**	0	0	0	0	0	0	2,858	2,296	5,154
Claims incurred										
Gross	**R1610**	0	0	0	0	0	0	2,010	2,013	4,023
Reinsurers' share	**R1620**	0	0	0	0	0	0			
Net	**R1700**	0	0	0	0	0	0	2,010	2,013	4,023
Changes in other technical provisions										
Gross	**R1710**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R1900**	0	0	0	0	0	0	728	537	1,265
Other expenses	**R2500**									
Total expenses	**R2600**									1,265

S.05.02.01 – Premiums, claims and expenses by country

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		France	Italy	Germany			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	-	-		-			-
Gross - Proportional reinsurance accepted	R0120	-	178		25			203
Gross - Non-proportional reinsurance accepted	R0130	-						-
Reinsurers' share	R0140	-	9		1			10
Net	R0200	-	169	-	24			193
Premiums earned								
Gross - Direct Business	R0210							-
Gross - Proportional reinsurance accepted	R0220	-	369		52			421
Gross - Non-proportional reinsurance accepted	R0230	-	-		-			-
Reinsurers' share	R0240	-	9		1			10
Net	R0300	-	360	-	51			411
Claims incurred								
Gross - Direct Business	R0310	-	-					-
Gross - Proportional reinsurance accepted	R0320	-	344		48			392
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-			-
Reinsurers' share	R0340	-	-	-	-			-
Net	R0400	-	344	-	48			392
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	-	82		12			94
Other expenses	R1200							
Total expenses	R1300							94

`

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		France	Germany	Switzerland	Italy		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	-	91	1,235	4,282			5,608
Reinsurers' share	R1420	-	6	82	286			374
Net	R1500	-	85	1,153	3,996			5,234
Premiums earned								
Gross	R1510	-	89	1,218	4,221			5,528
Reinsurers' share	R1520	-	6	82	286			374
Net	R1600	-	83	1,136	3,935			5,154
Claims incurred								
Gross	R1610	-	65	886	3,072			4,023
Reinsurers' share	R1620	-	-	-	-			-
Net	R1700	-	65	886	3,072			4,023
Changes in other technical provisions								
Gross	R1710	-	-	-	-			-
Reinsurers' share	R1720	-	-	-	-			-
Net	R1800	-	-	-	-			-
Expenses incurred	R1900	-	20	279	966			1,265
Other expenses	R2500							
Total expenses	R2600							1,265

S.12.01.02 – Life and Health SLT Technical

Annex I
S.12.01.02
Life and Health SLT Technical Provisions €000s

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**
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	**R0020**	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	-		-	-		-	-	-	2,066	2,066
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-	-		-	-	-	- 34	- 34
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	-		-	-		-	-	-	2,100	2,100
Risk Margin	**R0100**	-	-			-			-	38	38
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**	-	-			-			-	-	-
Best estimate	**R0120**	-		-	-		-	-	-	-	-
Risk margin	**R0130**	-	-			-			-	-	-
Technical provisions - total	**R0200**	-	-			-			-	2,104	2,104

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
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	**R0020**	-			-	-	-
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		-	-	-	4,280	4,280
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		-	-	-	- 26	- 26
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		-	-	-	4,306	4,306
Risk Margin	**R0100**	-			-	31	31
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**	-			-	-	-
Best estimate	**R0120**		-	-	-	-	-
Risk margin	**R0130**	-			-	-	-
Technical provisions - total	**R0200**	-			-	4,311	4,311

S.17.01.02 – Non Life technical provisions

Annex I
S.17.01.02
Non-life Technical Provisions
31/12/2020

		Direct business and accepted proportional reinsurance									Direct business and accepted			Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
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**	- 0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**	- 0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0
Claims provisions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross	**R0160**	572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	- 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
Net Best Estimate of Claims Provisions	**R0250**	573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	573
Total Best estimate - gross	**R0260**	572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572
Total Best estimate - net	**R0270**	573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	573
Risk margin	**R0280**	245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	245
Amount of the transitional on Technical Provisions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	**R0320**	816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	816
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	- 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	818	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	818

S.19.01.21 – Claims Developments

Annex I
S.19.01.21
Non-life Insurance Claims Information €000s

Total Non-Life Business

Accident year / Underwriting year	Z0010	

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		Development year													
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100												R0100		
N-9	R0160												R0160		
N-8	R0170												R0170		
N-7	R0180												R0180		
N-6	R0190												R0190		
N-5	R0200												R0200		
N-4	R0210												R0210		
N-3	R0220												R0220		
N-2	R0230	796	2,006	128									R0230	128	
N-1	R0240	1,318	482										R0240	482	1,800
N	R0250	5											R0250	5	5
													Total R0260	615	1,805

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		Development year												
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	
N-9	R0160												R0160	
N-8	R0170												R0170	
N-7	R0180												R0180	
N-6	R0190												R0190	
N-5	R0200												R0200	
N-4	R0210												R0210	
N-3	R0220												R0220	
N-2	R0230	1,547	73	14									R0230	14
N-1	R0240	553	503										R0240	503
N	R0250	52											R0250	52
													Total R0260	570

S.23.01.01 – Own Funds

Annex I
S.23.01.01
Own funds €000s
31/12/2020

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	10,000	10,000		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	- 4,032	- 4,032			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	87				87
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	
Total basic own funds after deductions	R0290	6,054	5,968	-	-	87
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	6,054	5,968	-	-	87
Total available own funds to meet the MCR	R0510	5,968	5,968	-	-	
Total eligible own funds to meet the SCR	R0540	6,054	5,968	-	-	87
Total eligible own funds to meet the MCR	R0550	5,968	5,968	-	-	
SCR	R0580	2,990				
MCR	R0600	1,346				
Ratio of Eligible own funds to SCR	R0620	202%				
Ratio of Eligible own funds to MCR	R0640	444%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	6,054
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	10,087
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	- 4,032
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	- 28
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S25.01.21 – SCR using standard formula

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula €000s
31/12/2020

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	1,166		
Counterparty default risk	R0020	243		
Life underwriting risk	R0030	33		
Health underwriting risk	R0040	2,118		
Non-life underwriting risk	R0050	-		
Diversification	R0060	804		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	2,756		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	234
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	2,990
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	2,990
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

S28.02.01 – MCR

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity €000s

		Non-life activities $MCR_{(NL,NL)}$ Result	Life activities $MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	36	4,983

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	573	203	0	0
Income protection insurance and proportional reinsurance	R0030	0	0	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0	0	0
Other motor insurance and proportional reinsurance	R0060	0	0	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0	0	0
General liability insurance and proportional reinsurance	R0090	0	0	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0	0	0
Assistance and proportional reinsurance	R0120	0	0	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0	0	0
Non-proportional health reinsurance	R0140	0	0	0	0
Non-proportional casualty reinsurance	R0150	0	0	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	0	0
Non-proportional property reinsurance	R0170	0	0	0	0

		Non-life activities $MCR_{(L,NL)}$ Result	Life activities $MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	36	4,983

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	0		0	
Obligations with profit participation - future discretionary benefits	R0220	0		0	
Index-linked and unit-linked insurance obligations	R0230	0		0	
Other life (re)insurance and health (re)insurance obligations	R0240	0		6,406	
Total capital at risk for all life (re)insurance obligations	R0250		0		6,926,592

Overall MCR calculation

		C0130
Linear MCR	R0300	5,020
SCR	R0310	2,990
MCR cap	R0320	1,346
MCR floor	R0330	748
Combined MCR	R0340	1,346
Absolute floor of the MCR	R0350	1,200
		C0130
Minimum Capital Requirement	R0400	1,346

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	0	0
Notional SCR excluding add-on (annual or latest calculation)	R0510	0	0
Notional MCR cap	R0520	0	0
Notional MCR floor	R0530	0	0
Notional Combined MCR	R0540	0	0
Absolute floor of the notional MCR	R0550	0	0
Notional MCR	R0560	0	0