

Solvency and Financial Condition Report

Cardinal Reinsurance Designated Activity Company

Financial Year end 31 December 2022

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Executive Summary

Cardinal Reinsurance Designated Activity Company ("Cardinal" or "the Company") is closed to new business and the focus of the Board and Management Team is the orderly run-off of the existing book of business and the associated claims provisions in line with their policy terms and conditions. Over time the volume of reserves is expected to diminish as claims are commuted or paid. As a consequence of being in run-off, the financial reporting is expected to reflect a diminishing level of premiums and reducing level of technical reserves. The Company holds sufficient assets to pay the claims emanating from the reserves in a timely manner. A primary responsibility of the Board is to ensure that the Company's capital is adequate to cover the required solvency, and the expected operational requirements given the nature, scale and complexity of the business. Several mechanisms are in place to evaluate the level of capital and the outcome of those assessments indicates that the Company's capital is adequate at 31 December 2022 and for the expected requirements over the course of the run-off. The purpose of the SFCR is to provide policyholders with a concise overview of the business written, system of governance, risk profile and solvency position over the reported year.

Solvency II

Solvency II came into force with effect from 1 January 2016. The regime required new reporting and public disclosure arrangements to be put in place by reinsurers. This document is the sixth Solvency and Financial Condition Report ("SFCR") that is required to be published by Cardinal. Solvency II focuses on risk-based assessment of the Company's activities and this produces a Solvency Capital Requirement ("SCR") which is compared with the assets available to meet that SCR.

Besides underwriting risk, other significant risks identified by the Company as part of the SCR calculation process are market risk and counterparty risk. Market risk primarily arises from the Company's portfolio of financial investments of \$51.1m (2021: \$44.3m) invested in a Fixed Income Portfolio and an Equity Hedge Fund. The tables below summarise the Company's capital position and capital requirements as at 31 December 2022:

Risk Type	2022 USD \$m	2021 USD \$m
Non-Life	0.5	4.2
Health	-	0.1
Market	22.5	24.9
Counterparty	3.3	0.1
Total before diversification	26.3	29.3
Diversification	(2.6)	(2.9)
Basic Solvency Capital Requirement	23.7	26.4
Operational Risk	0.3	0.4
Solvency Capital Requirement	24.0	26.8

	USD \$m	USD \$m
	2022	2021
Total eligible own funds to meet the SCR	47.2	36.5
Solvency Capital Requirement (SCR)	24.0	26.8
Ratio of Eligible own funds to SCR	197%	136%

The Company continues to maintain a strong Solvency Capital Coverage ratio which is in line with the Risk Appetite established by the Board of a minimum of 122% and all the SCR changes are considered in the Company's most recent Own Risk & Solvency Assessment ("ORSA") which was submitted to the Central Bank of Ireland ("CBI").

A. Business and Performance

A.1. Business and external environment

Cardinal is a Designated Activity Company. This report forms part of the Annual Submission to the Central Bank of Ireland who is the responsible supervisory authority under the Solvency II regime.

Cardinal was established in Dublin in 1999 and underwrote traditional treaty reinsurance both on a proportional and non-proportional basis and facultative business. The primary lines of reinsurance business are;

- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Credit and suretyship insurance
- Casualty
- Workers' compensation insurance
- Motor vehicle liability insurance

The Company discontinued writing new business from 31 December 2012 and went into run-off. The Company had written primarily short-tailed proportional treaties in Asia and Europe although it also wrote some excess of loss business ("XL") and longer tailed business. Cardinal had branch offices in Singapore (closed 2018) and Labuan (closed 2017). Cardinal wrote reinsurance business (mainly Fire, Marine and Engineering) through its Dublin, Singapore and Labuan offices covering regions specific to those locations.

On the 6th March 2020 the Company was acquired by Buttonwood Holdings, Ltd ("BHL"), a Company incorporated in Bermuda and the Company received an additional Capital Contribution of \$4.2 million from BHL.

During 2022 with a view to accelerating the run-off of the company the Board of Directors, at the request of the shareholder, agreed to implement a closure plan with a goal of closing the company before the end of 2023. This plan has a three-stage process as follows:

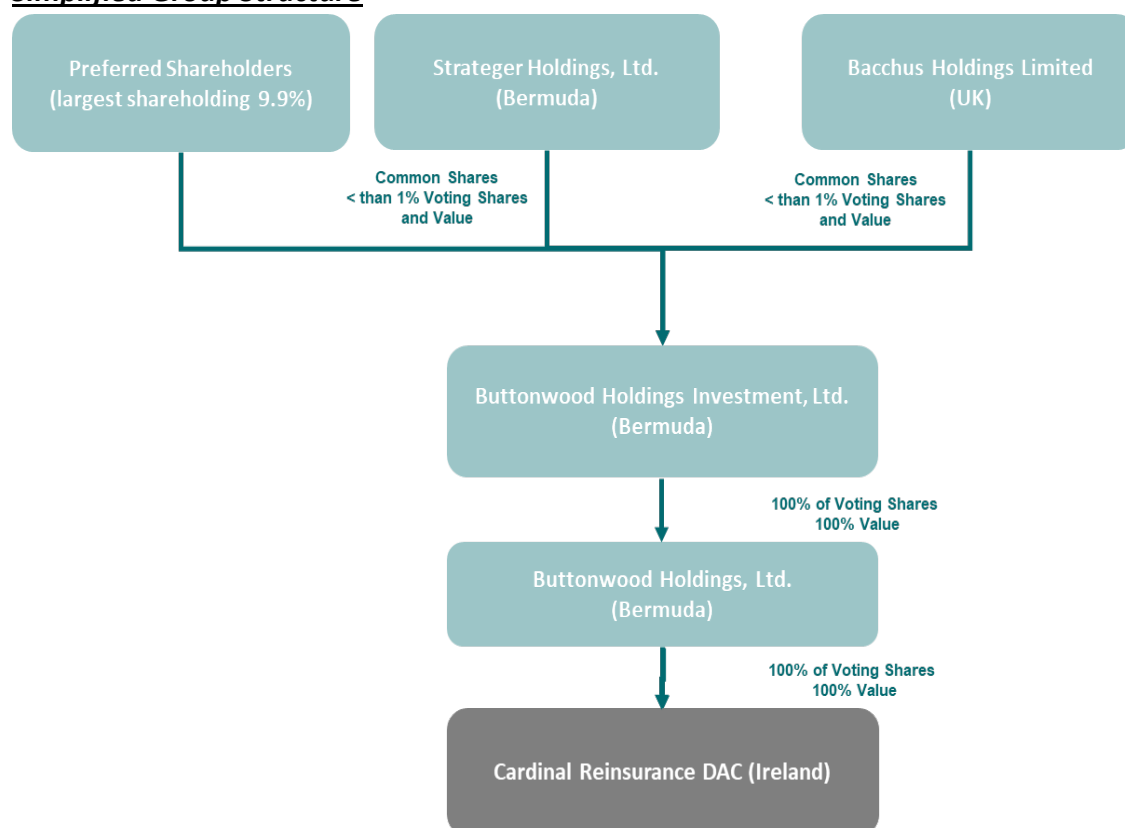
Stage 1 – Reduce the Company's net insurance risk by entering into a Retrocession Agreement with EIfFlow Insurance Limited ("EIfFlow"), a Gibraltar regulated entity, that is under the control of two of the Company's Directors, Jeremy Fall and Sean McDermott. The relevant regulators, being the Central Bank of Ireland for the Company and the Gibraltar Financial Services Commission (for EIfFlow) have confirmed their non-objection to this transaction and the economic impact of this transaction is reflected in the 2022 financial results and solvency coverage ratios.

Stage 2 – Implement a Scheme of Arrangement pursuant to Chapter 1 of Part 9 of the Companies Act 2014 ("Scheme") to legally transfer all of the Company's insurance liabilities to EIfFlow. The Scheme will be subject to the approval of the Irish High Court and the non-objection of the insurance regulators in both Ireland and Gibraltar.

Stage 3 – Once the Scheme is completed the Company will be dissolved by means of a court order following the effective date of the Scheme or placed in a members' voluntary liquidation with surplus capital being distributed to the shareholder.

The Company's financial year runs to 31 December each year and it reports results in USD (United States Dollars).

Simplified Group Structure



The external auditor, internal auditor and registered office are noted on page 4 of this report. The Central Bank of Ireland is responsible for the financial supervision of the Company.

As detailed in Section B of this report the Company has outsourced a number of key functions primarily to a related party Quest Consulting (London) Limited (a Company owned by Bacchus Group), together with the outsourcing of other services to non-related service providers.

A.2. Performance from underwriting activities

Cardinal had written primarily short-tailed proportional treaties in Asia and Europe although it also wrote some excess of loss business (“XL”) and longer tailed business. Cardinal wrote reinsurance business (mainly Fire, Marine and Engineering) through its Dublin, Singapore and Labuan offices covering regions specific to those locations, i.e. Europe, Asia and the Middle East. Despite being in run-off, a very small amount of premium continues to emanate as a result of some minimal adjustment premiums. As set out in Section C.1 under “Underwriting Risk”, Cardinal has gross reserves for the following lines of business:

- Proportional workers' compensation insurance
- Proportional fire and other damage to property reinsurance
- Proportional marine, aviation and transport reinsurance
- Proportional general liability reinsurance
- Proportional credit and suretyship reinsurance
- Non-proportional health reinsurance
- Non-proportional casualty reinsurance
- Non-proportional marine, aviation and transport reinsurance

For the period from July 2015 to February 2020, Cardinal had retrocession cover in place, with its previous owner, under which 100% of case reserves and IBNR was ceded for business sourced from Singapore and Labuan and a 50% Quota Share retrocession agreement was in place for business sourced in Dublin. The reserves ceded through the retrocession arrangements were fully collateralised by means of a Trust Account arrangement under which Cardinal was the sole beneficiary. These arrangements were commuted in February 2020 and the assets held in the Trust Account were transferred to Cardinal.

Cardinal continues to settle claims and seek commutations with the reinsured companies. During 2022 Cardinal had a positive gross claims incurred result of \$2.5 million (2021: \$1.5 million) primarily due to foreign currency movements, settling of claims below the previously notified reserve amounts and the write-off of redundant reserves.

Effective from 1 October 2022 the company entered into a retrocession agreement with EIfFlow Insurance Limited (“EIfFlow”), a Gibraltar regulated entity, whereby EIfFlow reinsured 100% of the company’s claims’ liabilities up to a maximum of \$16,500,000. During 2023 the parties to the agreement intend to Implement a Scheme of Arrangement pursuant to Chapter 1 of Part 9 of the Companies Act 2014 to legally transfer all of the Company’s reinsurance liabilities to EIfFlow.

When estimating the cost of claims outstanding at the year-end, the principal assumptions underlying the estimates are the Company’s historic development patterns and information received from cedants and brokers. This includes assumptions in respect of historic claims costs, average claims handling expenses and market developments.

A detailed analysis of the underwriting performance is shown in **Appendix Form S.05.01.02**

A.3. Performance from Investment Activities

Following the change of ownership in 2020 the Company changed its investment strategy by investing in a conservative bond portfolio denominated in US dollars and Euros to match the insurance and other liabilities

of the Company and a second investment portfolio following the Mangrove Partners fund strategy (Equity Hedge Fund) consisting of the remaining investment assets of the Company. The investment in the hedge fund was the key driver of the Company's profits in 2022 returning of gain of \$11.0 million in the year (2021: \$16.6 million).

Investment income comprises, interest and other income receivable, realised gains and losses on investments and unrealised gains and losses. Interest is accounted for on a time proportion basis. Other income arises mainly from money market funds. The investment expenses are not a significant expense in the context of the Company's total expenses. There were no gains and losses recognised directly in equity.

<u>Investment Income</u>	2022		2021
	\$000s		\$000s
Income from deposits with credit institutions	-		-
Income from debt securities	197		242
Other income	7		17
Realised/Unrealised gains/(losses) on Investments	10,599		16,485
Total investment income	10,803		16,744

A.4. Performance from other Activities

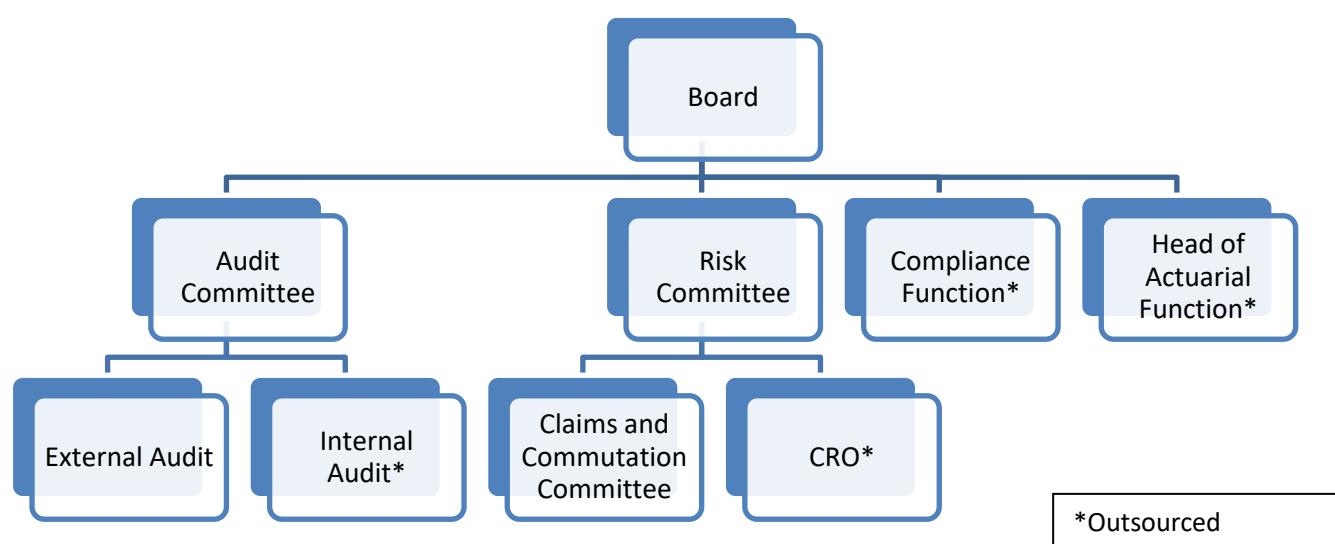
Cardinal currently has a number of key outsourced arrangements in place pertaining to claims handling, finance, actuarial, internal audit and compliance. Claims handling, internal audit and elements of the finance, actuarial and IT functions are outsourced to related entities. As is the nature of a run-off Company the most material expenses relate to the claims handling costs and other outsourced expenses. Cardinal's management and Board continue to monitor the performance of these outsourced services providers and consider their performance satisfactory in 2022.

B. System of Governance

B.1. General information on the system of Governance

The Company is classified as a Low-Risk entity under the CBI's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System and is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015. The Governance Framework is designed to focus on the Company's key objectives and control the risk arising from the business by allocating responsibility for managing and monitoring these risks and providing clear channels for reporting these risks. The Company's Board of Directors carry responsibility for the oversight of the business and sets its strategy and risk appetite.

Board and Committee Structure



The Board of Directors consisted of the following six directors at 31 December 2022:

- Jeremy Fall (Chairman & Non-Executive Director)
- Aodh O'Murchu (CEO and Executive Director)
- Ian Britchfield (Independent Non-Executive Director & Audit Committee Chair)
- David Enright (Independent Non-Executive Director & Risk Committee Chair)
- Sean McDermott (Chief Risk Officer and Executive Director)
- Ward Dietrich (Non-Executive Director)

There were no changes to the composition of the Board during the year. The Chief Executive Officer has responsibility for the operations, finance function, compliance and performance which includes the smooth running of the business and effective functioning of the day-to-day operations of Cardinal. The Board retains ultimate authority for all strategic issues and management decisions of Cardinal including effective, prudent and ethical oversight as well as setting the Company strategy and ensuring that risk and

compliance are properly managed. The Board may delegate its powers for purposes within specific terms of reference to committees. The committees act in an advisory capacity to the Board. The Board has two direct reporting committees, the Audit Committee and Risk Committee.

The Audit Committee is responsible for;

- Monitoring the effectiveness of the systems of internal control, internal audit, risk management and IT systems
- Monitoring the effectiveness of the statutory audit process and to liaise with the external auditor particularly in relation to their audit findings
- Reviewing the integrity of the financial statements and to ensuring that they give a “true and fair view” of the financial status
- Reviewing, monitoring and assessing the independence of the statutory auditor, and in particular the provision of additional services
- Reviewing any financial announcements and reports and recommending to the Board whether to approve the Company’s annual accounts

The Audit committee is supported by External Audit and Internal Audit. The Chief Executive Officer/Head of Finance reports to the Audit Committee on finance matters and he is supported by Quest Consulting (London) Limited who provide professional services relating to the business activities of the Company (e.g. accounting, payments and actuarial).

The Risk Committee is responsible for ensuring there are adequate systems in place to effectively identify, monitor and control the key risks of Cardinal and in particular to:

- Review and advise the Board on the effectiveness and further development of the risk management function, the current risk exposures and future risk strategy, including suggesting relevant stress scenarios on which to base the ORSA
- Advise the Board on risk appetite and the tolerance levels for future strategy, taking account of the Board’s overall risk appetite, the current financial position and, drawing on the work of; the CRO, the actuarial & compliance functions, the Audit Committee, the External Auditor and Internal Auditor
- Oversee the risk management function

The Risk Committee is supported in this role by the CRO and Claims and Commutation Committee. The CRO maintains the Risk Register and reports to the Risk Committee on a quarterly basis. The Risk Register identifies key risks, which are classified into high, medium or low risks and notes the related controls in place to mitigate any adverse effect of these risks. The Claims and Commutation Committee monitors the key risk of adverse claims development over the life of the run-off book of business and actively engages with Quest Consulting (London) Ltd., the claims management provider, in assessing material commutations and large claims settlements.

Independent Control Functions:

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 - Risk Management, Compliance, Actuarial and Internal Audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company’s control framework.

Chief Risk Officer (“CRO”):

A Chief Risk Officer, Sean McDermott is appointed, via a formal outsourcing arrangement with Quest, to oversee the implementation of the Company’s Risk Management Policy, reporting to the Board Risk Committee and the Company’s Chief Executive Officer. The responsibilities of the Chief Risk Officer include:

- The oversight of the smooth-running of and adherence to the Company’s Enterprise Risk Management framework (ERM)
- To be the focal point for risk events reporting and for new and emerging risks, such that these can be assessed and material issues reported to the Board Risk Committee, who will determine whether the issue is of such significance that it needs to be brought to the attention of the Board and/or the Company’s regulator
- To ensure that the annual ORSA report is prepared, following engagement with the Risk Committee and the Board in respect of identifying the keys risks and strategies of the Company. The CRO will ensure that the final ORSA is approved by the Board

Compliance:

Aon Insurance Managers (Dublin) Limited (“AIMD”), via a formal outsourcing arrangement, manage the Compliance Function for Cardinal with responsibility for the implementation of the Company’s Compliance Policy and effective processes. AIMD reports to the Board Risk Committee and the Board and discuss issues as they arise with the Company’s Chief Executive Officer. The responsibilities of the Compliance Function include:

- assisting the Board with ensuring ongoing compliance with legislation and applicable requirements
- enhancing the Company’s awareness of compliance matters
- monitoring the Company’s compliance with reinsurance legislation and applicable requirements and guidelines
- documenting any breaches identified, how they were addressed and whether any third-party reporting of the breach is required
- ensuring that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company
- through their opinions, recommendations, supervision and independent controls providing reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company’s operations and protect its reputation

Head of Actuarial Function (“HoAF”):

Andrew Simpson is the appointed HoAF, this role is outsourced via an agreement with Quest, this adds oversight of the Company’s Actuarial Function. The responsibilities of the HoAF and the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to the following matters:

- Coordinating the calculation of the firm’s technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Solvency II Regulations
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company

- The provision of advice and support to the Company on the ORSA process, including the financial consequences of stresses and scenarios and the impact of management actions
- Providing an opinion on the adequacy of the technical provisions, underwriting policy and reinsurance arrangements of the Company

Head of Internal Audit

The Head of Internal Audit function is outsourced to Karl Floyd, of the Quest Group. The function provides independent and objective assurance services, via a formal outsourcing arrangement in respect of the Company's processes, including those carried out by its service providers with due regard to the adequacy of the governance, risk management and internal control framework. The Head of Internal Audit reports to the Chairman of the Audit Committee. The Audit Committee oversees the 'risk based' Audit Plan and outcomes thereof. Internal Audit reports highlight any significant control failings or weaknesses identified and the impact they have had or may have and the actions and timings which management have agreed to take to rectify them.

B.2. Fit and Proper Requirements

The Company is satisfied its framework for fitness and propriety is appropriate to ensure that individuals fulfilling controlled functions meet all relevant regulatory requirements.

The Company is satisfied that the management (including outsourced functions) and the Board, contain enough expertise and collectively possess appropriate qualifications, experience and knowledge about:

- insurance and financial markets
- business strategy and business model
- system of governance
- financial analysis
- regulatory framework and requirements

The Central Bank Reform Act 2010 provides that a person performing a controlled function ('CF') must have a level of fitness and probity appropriate to the performance of that particular function. The Company has adopted a Fitness and Probity Policy which is aligned with the 2010 act and with the Central Bank of Ireland's Guidance on Fitness and Probity Standards 2014.

The Board's review of the continued suitability of directors to continue is evidenced by;

- Annual Self-Assessment
- Approval of directors' appointments and approved persons
- Oversight of outsourced service providers

The Board is responsible for ensuring individuals meet the regulators' fit and proper tests, prior to appointment, by checking that the person has the qualifications, experience, competence and capacity appropriate to the relevant function and the Company performs the requisite review to ensure the person is;

- competent and capable
- acting honestly, ethically and with integrity
- financially sound

Further, approved persons are required to complete an annual attestation confirming that the fit and proper requirements for the role have been met and that they continue to adhere to the Company's standards of conduct.

The Directors responsibilities are stated in the Company's Constitution. In addition, Directors are aware of the CBI's Corporate Governance Requirements with particular reference to Non-Executive Directors and Independent Non-Executive Directors. Directors are kept informed of their responsibilities by the Compliance Officer.

Approval from the CBI is required prior to the appointment of pre-approval controlled role ("PCF") holders by the Company's Board. PCF role holders include all members of the Board as well as the Head of Actuarial Function, Head of Finance, Chief Risk Officer, Compliance Officer and Head of Internal Audit.

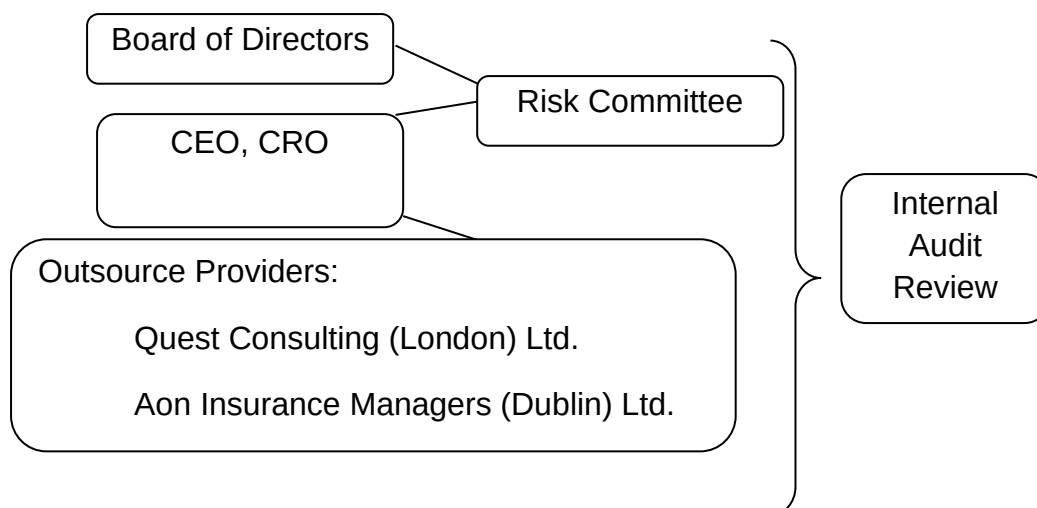
Cardinal seeks to ensure that members of the Board, and other PCF role holders possess enough professional qualifications, knowledge and experience in the relevant areas of the business to give adequate assurance that they are collectively able to provide a sound and prudent management of the entity. The assessment of whether a person is 'fit' shall take account of the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person. In the case of members of the Board, the assessment shall take account of the respective duties allocated to individual members to ensure appropriate diversity of qualification, knowledge and relevant experience to ensure that the business is managed and overseen in a professional manner.

Key functions

Key Function	Rationale
Actuarial & Claims	Cardinal is a general reinsurance Company which has been in run-off since December 2012. Accurate actuarial review of reserving is considered a key task to enable both the Board and key stakeholders to effectively monitor the remaining portfolio and ensure an efficient run-off for the policyholders. Being a Company in run-off, a primary focus is on the accurate and timely payment of all valid claims. Therefore, this is a key focus for the Board to ensure an efficient claims management process is in operation.
Finance	Finance is considered a key function to ensure the Company effectively manages capital requirements and liquidity in line with regulatory requirements. Further, future run-off costs are a key consideration and as such the financial management, including expense cost control is critical to the continued operation. The maintenance and support of the ledger system is provided by Quest Consulting (London) Ltd. The CEO, Mr Aodh O Murchu also holds the Head of Finance PCF role following the approval of the Central Bank of Ireland to hold the dual CEO/Head of Finance roles which was obtained in March 2019.
Risk	The management of risks facing the Company is important. This includes the ability to identify, quantify, manage and anticipate outcomes of the risks derived from the investments and claims' liabilities. Therefore, close monitoring of claims activity is a key function. A regular report to the Claims and Commutation Committee is provided by Quest Consulting (London) Ltd, who are claims management experts.
Internal audit	Internal audit is considered a key control point to provide comfort to the Audit Committee, Board and key stakeholders that statutory and regulatory operating thresholds and requirements are met and that the operation is being run in the optimum way to protect policyholders.
Compliance	Fit and proper, regulatory and statutory requirements are essential and required to be met for the protection of policyholders and stakeholders.

B.3. Risk Management System

Cardinal risk management structure and organisational roles are detailed below



Board of Directors and Risk Committee: The Board is responsible for general oversight and monitoring of the risk management system. The Board has formed a Risk Committee which monitors the risk function and provides oversight of the risk management framework of Cardinal and reports to the Board. The management Claims and Commutation Committee reports to the Risk Committee.

CEO and CRO Role: The CEO and the CRO are responsible for oversight of risk management operations. They will coordinate to evaluate status of the risk management function and enforce measures to improve the process. The CEO, Mr Aodh O Murchu also holds the Head of Finance role following the approval of the Central Bank of Ireland to hold the dual CEO/Head of Finance roles which was obtained in March 2019.

Internal Auditor: Mr Karl Floyd of the Quest Group is the Head of Internal Audit having been appointed in 2020 following the completion of the change of ownership.

Key risks are market risk on the Investment Portfolio and the risk of claims deterioration not anticipated in the claims reserving figures. The investment risk is monitored by management and reported to the Board on a quarterly basis and any deviations from the benchmark performance are explained to the Board and remedial action taken if necessary. The material claims reserves per cedant are reviewed on a regular basis by the Claims and Commutation Committee to assess any new information available which would result in a change in the claim reserving levels. The Company places reliance on the business continuity plans of its IT provider Quest Consulting (London) Limited.

Process of Risk Management

The process of risk management is a continuous and systematic one, comprising 5 elements:

a) Identification. All directors of Cardinal ensure that risks are identified relating to their respective areas of responsibility, and in addition collectively identify risks to the overall business. This includes risks outside the control of the Company.

b) Assessment. Only risks material to the business are included in the Risk Register. Risks are assessed to firstly evaluate their impact on the business if they materialised, and secondly the probability of the risk materialising. The assessment is carried out on the risk with no mitigating controls in place ('gross' scores), and with mitigating controls in place ('net' scores). The residual financial impact is managed in several ways, including:

- mitigating the impact of the risk through the application of controls;
- transferring or sharing risk through outsourcing and purchasing of insurance and reinsurance;
- and
- tolerating risk in line with the risk appetite.

c) Response. All risks will be dealt with as and when they arise, by the responsible director, the CRO the function holder, or the Board as appropriate. Decisions about changes to key risks will be recorded on the Risk Register and detailed in the minutes of the relevant meeting.

d) Monitoring. A register of all identified risks is maintained by the CRO, the 'Risk Register'. The CRO will review all items contained therein. Key risks pertaining to an area of the business are included for consideration in Internal Audit planning. The CRO also monitors the Company's adherence to stated risk appetites and tolerances.

e) Reporting. Material risk events are reported to the CRO as and when they occur, and the CRO ensures they are considered at the appropriate Risk Committee and/or Board meeting. The CRO will ensure the Risk Register is updated regarding states and degree of risk.

Risk Appetite

Risk appetite is the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives; those risks that it wants to actively engage with. The Board's risk appetite for the areas of risk within the business is stated in the Risk Register. The Board determines the Risk Appetite of the Company and delegates the review and monitoring of performance against the determined risk appetites to the CRO and Risk Committee. The reviews are undertaken at each Risk Committee meeting and recorded in the minutes of said meeting. The Risk Committee proposes any recommended changes to risk appetite to the Board for consideration. If the CRO identifies that the Company's risk appetite is being exceeded, or close to being exceeded the Risk Committee will alert the Board who will decide whether to apply additional mitigating measures to reduce the risk back into the risk appetite, or whether to amend the Company's stated risk appetite.

B.4. ORSA Process

Cardinal is using the Solvency II Standard Formula to calculate the Solvency Capital Requirement (SCR) which feeds into the calculation of the Risk Appetite and Solvency II requirements. The Board has approved the Risk Appetite of the Company.

Own Risk and Solvency Assessment ('ORSA') is a central component of the Company's Risk Management Framework and the key internal process undertaken by the Company to determine the own funds necessary to ensure that the Company's overall solvency needs are always met. The risk management framework comprises several risk management components, which when added together describe how risk is managed on a day-to-day basis. The ORSA addresses all key risks both internal and external that are applicable to the Company and considers the business strategy and required capital.

The ORSA process includes:

- Review and update of ORSA policy and process
- Review of Risk Management policies and plans
- Review of business plan, expense projections and strategy
- Results from quantitative analysis and review of base assumptions
- Regular review of risk register and risk appetite outputs and metrics
- Review, testing and assessment by the Actuarial Function
- Review, assessment and reporting from the CRO
- Review and challenge from the Risk Committee/ Board
- Issue final ORSA for approval and submit to CBI

The Board will review, approve and sign off the ORSA at least annually. There is a Risk Committee meeting held to assess the current risk scenarios and assess their suitability for the current operating environment or if new scenarios and stresses are warranted. Scenario testing has been completed on an individual as well as a combined basis. The management calculate the base case SCR based on the standard formula and apply the suggested stress tests, which are then reviewed by the Board.

As the Company is in run off, and the ultimate objective of the Company is to cease business, the Company's risk profile as outlined in the ORSA, is expected to decrease as run off provisions decrease and the Company may reduce the capital in the Company through dividends, in an appropriate manner, as the risk profile decreases.

B.5. Internal control system

The Company operates a robust system of controls over the recognition and reporting of transactions. The Company understands the controls in place by key service providers which ensure that the information reported is accurate and timely.

Financial Services

Subject to limits specified by the Board, Quest Consulting (London) Limited in conjunction with the CEO/Head of Finance administers bank accounts, cash management, processing of cash receipts and disbursements, and any transactions related to treasury services on behalf of the Company. Dual signatures are the minimum requirement on all payments.

Financial reports are prepared on a quarterly basis, with explanatory statements for key movements in the period for management review. Regulatory and statutory reporting are subject to the review and approval of the Audit Committee and the Board.

IT Services

As part of the services provided by Quest, the Company has in place disaster recovery plans and systems as required by the regulator or the Board.

B.6. Actuarial function

The function of Head of Actuarial Function (HoAF) is outsourced to Andrew Simpson of Quest. This adds an oversight of the Company's Actuarial Function. The responsibilities of the HoAF and the Actuarial Function, are in line with guidance from the Central Bank of Ireland and the Society of Actuaries, and include, but are not limited to the following matters:

- coordinating the calculation of the firm's technical provisions
- assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- reporting on the solvency position of the Company
- the provision of advice and support to the Company on the ORSA (process, including the financial consequences of stresses and scenarios and the impact of management actions)

The HoAF is responsible for producing an annual actuarial opinion on technical provisions to be submitted to the CBI in conjunction with the SII annual Quantitative Reporting Templates ("QRT's"). In addition, HoAF must present an actuarial report on technical provisions, at least in summary form, to the Board at the same time as the actuarial opinion on technical provisions and in full within two months of that date.

B.7. Compliance function

The Board of the Company has ultimate responsibility for its compliance objectives.

To help achieve these objectives, the Board has engaged Aon Insurance Managers (Dublin) Limited to operate the Compliance Function, to assist the Board in meeting its responsibilities to ensure compliance with legislation and applicable requirements.

Compliance

The role of the Board appointed Compliance Officer is to:

- assist the Board with ensuring ongoing compliance with legislation and applicable requirements
- enhance the Company's awareness of compliance matters
- monitor the Company's compliance with reinsurance legislation and applicable requirements and guidelines
- document any breaches identified, how they were addressed and whether any third-party reporting of the breach is required
- ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company
- through their opinions, recommendations, supervision and independent controls provide reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation

The Compliance Officer will promptly report matters of compliance concern to the Board.

In any event the Compliance Officer will present a report to the Board at each board meeting which outlines the following:

- Details of regulatory correspondence with the Company
- Details of regulatory developments
- Details of which controls were tested since the last report and the results of the tests
- Conclusions and recommendations on the Company's compliance with reinsurance legislation and guidelines

B.8. Internal audit

The Head of Internal Audit function is outsourced to Karl Floyd of the Quest Group. The function provides independent and objective assurance services, via a formal outsourcing arrangement, in respect of the Company's processes, including those carried out by its service providers with due regard to the adequacy of the governance, risk management and internal control framework. The outsourcing of this service enhances its independence. The Head of Internal Audit reports to the Company's Chairman of the Audit Committee. The Audit Committee oversees the 'risk based' Audit Plan and outcomes thereof. Internal Audit reports highlight any significant control failings or weaknesses identified and the impact they have had or may have and the actions and timings which management have agreed to take to rectify them.

B.9. Outsourcing policy

Although activities may be transferred to an outsourced provider, the responsibility, including regulatory responsibility is not. Cardinal remains fully responsible for meeting all its obligations when outsourcing functions or activities. Outsourcing of critical or important functions or activities shall not be undertaken in such a way as to lead to any of the following:

- Materially impairing the quality of the system of governance of the undertaking
- Unduly increasing the operational risk
- Impairing the ability of the supervisory authorities to monitor the compliance of the undertaking with its obligations
- Undermining continuous and satisfactory service to cedants

The Company has formally documented its outsourcing policy and undertakes a risk assessment and due diligence process prior to any final decision being made as to whether to outsource a material business activity. This addresses all material factors that would impact on the potential service provider's ability to perform the business activity. Each established outsourcing arrangement is also subject to ongoing monitoring and formal annual review.

The CEO has responsibility for reviewing any outsourced key functions. Certain operational activities are outsourced via robust service agreements. This includes service agreements with:

- Quest Consulting (London) Ltd ("Quest") in respect of the claims' management, financial reporting, actuarial, internal audit and IT
- Aon Insurance Managers (Dublin) Limited ("AIMD") in respect of Company Secretarial, Compliance and Regulatory Support
- Mangrove Partners in respect of Investment Management

The CEO relies on the outsourced functions to provide Cardinal with a controlled environment in which to run off the claims' liabilities.

B.10. Other disclosures

Remuneration Policy

All remuneration to staff and directors comprises a fixed annual amount. All outsourcing agreement fees are based upon either a fixed fee or an agreed hourly cost. Neither the remuneration schemes nor the outsource agreements have any incentive-based remuneration.

There are no pension schemes or share options provided by Cardinal.

Related Party Transactions-

Apart from the balances and transactions disclosed elsewhere in this report, there were the following significant transactions, with its related parties:

	2022	2021
	USD	USD
<u>Related companies</u>		
Quest Consulting (London) Limited - Management Fees	450,000	462,500
Mangrove Partners	42,033	61,609

The Company entered into a retrocession agreement with EIfFlow Insurance Limited (“EIfFlow”), a Gibraltar regulated entity, whereby it retroceded 100% of the company’s claims’ liabilities up to a maximum of \$16,500,000 to EIfFlow. It is envisaged that during 2023 the parties to the agreement will implement a Scheme of Arrangement pursuant to Chapter 1 of Part 9 of the Companies Act 2014 to legally transfer all of the Company’s reinsurance liabilities to EIfFlow. The premium payable to EIfFlow in respect of this transaction is \$10,223,699.

C. Risk profile

C.1. Underwriting risk

The Company ceased underwriting new business on 31/12/2012 and it has been in run-off since. As a reinsurer, the Company has limited access to data on underlying exposures, so claims relating to any residual exposure are modelled as part of Reserve Risk.

Reserve Risk is the risk that future claim payments exceed the current Best Estimate. This could arise, for example, from late reporting of claims, uncertainty due to litigation, claim inflation, an unforeseen increase in claims handling expenses, or latent claims.

The table shows the breakdown of Reserve Risk by Solvency II line of business.

Line of Business (LoB) Type	LoB Type	SCR USD'000	SCR USD'000
		2022	2021
Motor Liability	Non-Life	0	0
MAT	Non-Life	40	364
Fire & other damage to property	Non-Life	171	1,640
General liability	Non-Life	43	348
Credit & Suretyship	Non-Life	86	697
Assistance	Non-Life	0	0
Workers' Comp	Non-SLT Health	0	2
Non-prop. Property RI	Non-Life	131	1,160
Non-prop. Casualty RI	Non-Life	90	812
Non-prop. MAT RI	Non-Life	121	1,169
Non-prop. Health RI	Non-SLT Health	5	41
Total undiversified Reserve Risk		687	6,233
Diversification between LoBs		-231	-2,030
Diversified Reserve Risk		456	4,203

The reduction in the underwriting risk across all lines of business is a result of the impact of the retrocession agreement entered into with EIFFlow. The Company's strategy is to run-off the business in a proper and orderly manner. It aims to commute inwards reinsurance agreements by mutual consent with the cedants.

The Claims & Commutation Committee meets regularly to review claims development and the progress of the commutation strategy.

C.2. Market risk

Market Risk is the risk of financial loss due to exposure to financial markets and economic conditions. Its key components are Equity Risk, Currency Risk, Spread Risk, Concentration Risk and Interest Rate Risk.

The table shows a breakdown of Market Risk by the underlying Risk Types.

Risk Type	USD \$'000	USD \$'000
	2022	2021
Interest rate	130	63
Equity	21,384	23,750
Property	0	0
Spread	1,072	894
Currency	175	1,261
Concentration	3,297	2,259
Total before diversification	26,058	28,227
Diversification credit	-3,570	-3,316
Market Risk after diversification	22,488	24,911

A key component of Market Risk is Equity Risk which risk arises from the Company's investment during 2020 in an Equity Hedge Fund managed by Mangrove Partners. This fund consists of Long & Short equity positions together with investments in Fixed Income Bonds and some Derivative contracts. The value of the Company's investment in the fund increased from \$34.9 million as at 31 December 2021 to \$ 45.9 million as at 31 December 2022 due entirely to investment gains in the fund. The decrease in the Market risk charge during 2022 is primarily a result of changes in the Fund Composition together with a significant change in the EIOPA symmetric adjustment from plus 6.88% at 31 December 2021 to a minus 3.02% at 31 December 2022.

Currency Risk is the risk of losses due to changes in foreign exchange rates. The Company has liabilities denominated in over 20 currencies and the Company seeks to mitigate Currency Risk by holding matching assets where possible although it is not practical to match liabilities at all times and in every currency. The retrocession agreement entered into with EIFlow also mitigates currency risk on all reinsurance related assets and liabilities which is the primary reason for the reduction in currency risk during 2022.

The table shows a currency breakdown of Currency Risk.

Currency	Currency Risk USD \$'000	Currency Risk USD \$'000
	2022	2021
EUR	93	257
SGD	82	13
INR	0	212
TRY	0	35
Other	0	744
Total	175	1,261

Spread Risk is the risk that the value of investments reduces due to a reduction in the perceived creditworthiness of the issuers of debt instruments. The Company mitigates this by holding assets with high-quality credit ratings, although such assets tend to have lower expected returns.

The table shows of breakdown of Spread Risk by EIOPA Credit Quality Step.

EIOPA Credit Quality Step	USD \$'000 2022	USD \$'000 2021
0		-
1	15	37
2	18	39
3	202	286
4	115	30
5	-	-
6	-	-
Unrated	722	502
Total Spread Risk	1,072	894

The reduction in spread risk is a result of the change of composition of the Equity Hedge Fund to a higher value of Long Equities and lower Fixed Income positions.

Concentration Risk reflects the risk of having large exposures to single counterparties. The increase in concentration risk is due to changes in the composition of the Equity Hedge Fund.

Interest Rate Risk is the risk of losses due to changes in market interest rates, which can affect both the market value of assets and the discounted value of liabilities. It can be mitigated by matching asset and liability cashflows by amount, term and currency.

The Company's strategy is to adopt an appropriate and conservative investment strategy to preserve assets covering insurance liabilities whilst seeking to generate an investment return on surplus funds.

C.3. Credit/Counterparty Risk;

Credit Risk on investment assets is covered in Market Risk under both Spread Risk and Concentration Risk. Credit Risk also arises from operational activities, e.g., the exposures to cedants, reinsurers or clearing banks. Under Solvency II this is referred to as Counterparty Risk and is valued at \$3,318k at 31 December 2022 (2021: \$130k).

The Company's claims settlement and commutation strategy will reduce exposure to cedants as exposure will be settled or netted off against claim liabilities.

The increase in counterparty risk is due to the retrocession agreement put in place with EIFFlow which is an unrated counterparty. Under the terms of the retrocession agreement, in order to mitigate this risk, the Company has withheld the premium payable to EIFFlow of \$10.2 million until such time as the Scheme of Arrangement is implemented.

C.4. Liquidity risk;

Liquidity Risk is the risk of financial losses due to cash flow problems, for example if the Company was forced to pay for a loan facility in order to pay cash calls.

This risk is mitigated by holding substantial cash balances and investing in marketable assets that can easily be converted into cash. As the Company has been in run off for a number of years, it does not anticipate any significant future premiums.

C.5. Operational risk;

Operational Risk is the risk of a failure of systems or processes leading to a financial loss. This risk is mitigated by strong corporate governance and risk management.

Placing a value on this risk is very difficult due to the diverse nature of the underlying risks and availability of meaningful data. Under the Standard Formula it is calculated as 3% of Gross Technical provisions.

C.6. Other material risk

While Brexit is a cause of uncertainty in the market the Company is in the Republic of Ireland and has very little exposure to the UK insurance market. This means that there is likely to be little practical impact on the Company's insurance exposures. However, many Company functions are performed in the UK, so there is a risk that legislative changes could affect the Company's ability to administer the business from the UK and/or the cost of doing so.

With the increase of dependence on electronic communications and the volume of electronic data storage, there is increasing cyber security risk of data theft, and malicious data and service disruption within the industry. Along with the rapidly expanding 'digitisation' of corporate assets, there has been a corresponding digitisation of corporate risk. The Company outsources its IT services to Quest Consulting (London) Limited.

Following the development of a significant number of cases of the Coronavirus ("Covid-19") across the world, a public health emergency of international concern was declared in January 2020. This resulted in national governments implementing several stringent measures including city lockdowns and closure of non-essential retail outlets and workplaces to contain the growth of the pandemic. The development of the Covid-19 pandemic during 2020 and 2021 has impacted the Company. However, given that the Company is in run-off this impact is limited. The Company's Board and Chief Executive Officer can continue to carry out their duties while the business continuity plans for the outsourced service providers have ensured continuity of outsourced services.

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

D. Valuation for Solvency Purposes

The following table summarises the Company's Solvency II and GAAP assets and liabilities as at 31 December 2022 and 31 December 2021:

	31 December 2022			31 December 2021		
Asset (\$'000s)	Solvency II	GAAP	Difference	Solvency II	GAAP	Difference
Investments	51,070	51,054	16	44,385	44,344	41
Cash and cash equivalents	9,255	9,255	0	6,405	6,405	0
Trade and other debtors	3,081	3,097	(16)	3,399	3,440	(41)
Total Assets	63,406	63,406	0	54,189	54,189	0
Liabilities (\$'000s)						
Technical Provisions (net)	2,319	225	2,094	14,953	13,145	1,808
Other Liabilities	13,895	14,554	(659)	2,735	2,735	0
Total Liabilities	16,214	14,779	1,435	17,688	15,880	1,808

D.1. Assets

Assets are valued on the following bases:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are valued at fair value.

Financial instruments

Trade and other debtors / creditors

Trade and other debtors/creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at historical cost less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Accrued interest is recorded under Trade and other debtors in the GAAP assets while it is recorded in the market value of investments under Solvency II.

Investments are stated at Market value.

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss, this includes investments in Debt Securities and Other Fixed Income Securities, the Equity Hedge Fund and Money Market Funds.

D.2. Technical Provisions

Technical Provisions are the best estimate of the future cash flows arising from claim payments and expenses, as well as any corresponding recoveries from ceded reinsurance.

Claim payments have been projected based on current case reserves, historic claim payments and a Development Factor Model.

While every effort has been made to project claims realistically, it is important to recognise that there remains significant uncertainty as to the ultimate cost of claims. The best estimate may under or over-estimate their eventual cost.

The tables show the breakdown of the Solvency II Technical Provisions into their component parts by Line of Business:

31 December 2022

Solvency II Technical Provisions by LOB Type USD \$'000	Case Reserves	IBNR	Expense Reserves	Gross Reserves	Discounting	Risk Margin	Gross Technical Provisions	RI Reserves	Net Technical Provisions
Motor Liability	0	0	0	0	0	0	0	0	0
MAT	688	82	120	800	-91	57	867	-688	178
Fire & other damage to property	3,305	386	569	4,260	-481	272	4,101	-3,258	841
General Liability	764	89	131	984	-100	68	948	-758	194
Credit & Suretyship	978	114	168	1,254	-127	80	1,207	-958	248
Assistance	0	0	0	0	0	0	0	0	0
Workers' Comp	6	1	1	8	-1	1	8	-6	2
Non-Prop Property RI	1,265	148	218	1,630	-165	104	1,569	-1,247	322
Non-Prop Casualty RI	875	102	151	1,127	-114	72	1,085	-868	217
Non-Prop Health RI	58	6	9	69	-7	4	66	-52	14
Non-Prop MAT RI	1,174	137	202	1,513	-158	97	1,457	-1,158	299
Total	9,113	1,064	1,569	11,746	-1,189	750	11,307	-8,987	2,319

31 December 2021

Solvency II Technical Provisions by LOB Type USD \$'000	Case Reserves	IBNR	Expense Reserves	Gross Reserves	Discounting	Risk Margin	Gross Technical Provisions	RI Reserves	Net Technical Provisions
Motor Liability	0	0	0	0	0	0	0	0	0
MAT	793	98	175	1,065	-8	42	1,099	0	1,099
Fire & other damage to property	3,922	483	864	5,269	-38	209	5,440	0	5,440
General Liability	849	105	187	1,140	-8	45	1,177	0	1,177
Credit & Suretyship	1,032	127	227	1,386	-10	55	1,431	0	1,431
Assistance	0	0	0	0	0	0	0	0	0
Workers' Comp	6	1	1	9	0	0	9	0	9
Non-Prop Property RI	1,444	178	318	1,940	-14	77	2,003	0	2,003
Non-Prop Casualty RI	1,471	181	324	1,977	-14	78	2,041	0	2,041
Non-Prop Health RI	63	8	14	85	-1	3	87	0	87
Non-Prop MAT RI	1,200	148	264	1,612	-12	64	1,664	0	1,664
Total	10,780	1,329	2,374	14,483	-104	574	14,953	0	14,953

The table shows the restatements required to convert the GAAP Technical Provisions to a Solvency II basis on a net basis as at 31 December 2022 and 2021:

	2022	2021
	USD \$'000	USD \$'000
GAAP Technical Provisions	225	13,145
Expense reserves*	1,344	1,934
Remove margin for uncertainty	0	-605
Discounting	0	-105
Risk Margin	750	574
Other	0	10
Solvency II Technical Provisions	2,319	14,953

* GAAP Expense Provisions are solely in respect of direct claims handling expenses and a share of overheads, while Solvency II Expense Provisions include all future costs relating to existing business.

Future claim payments are discounted at the EIOPA risk free rates for the relevant currency.

The Solvency II Risk Margin reflects the cost of the capital required to maintain the Company's regulatory solvency position while the business runs off.

D.3. Other Liabilities

See *Trade and other debtors / creditors* under D.1 Assets.

D.4. Alternative Methods for Valuation

No alternative methods were used.

D.5. Any Other Information

There is no other information to report.

E. Capital Management

E.1. Own Funds

The Company's Own Funds are all Tier 1 and consist of \$3,540k (2021 \$3,540k) of Issued Share Capital, \$4,200k (2021 \$4,200k) of Capital Contribution and accumulated income of \$39,452 k (2021 \$28,761k). As such these funds are wholly under the Company's control.

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

The Company's SCR as at 31/12/2022 was \$24,000k (2020: \$26,762k) and its Own Funds were \$47,192k (2021 \$36,501k) giving a Solvency Ratio of 197% (2021: 136%).

The table shows a breakdown of the SCR by Risk Type:

Risk Type	2022 USD \$000	2021 USD \$000
Non-Life	456	4,203
Health	5	44
Market	22,487	24,911
Counterparty	3,318	130
Total before diversification	26,266	29,288
Diversification	(2,583)	(2,957)
Basic Solvency Capital Requirement	23,683	26,331
Operational Risk	417	431
Solvency Capital Requirement	24,000	26,762

The MCR is \$6,000k (2021: \$6,690k) which is the MCR floor calculated at 25% of the SCR.

The Company has not taken advantage of any Transitional Arrangements, Volatility Adjustment or Undertaking Specific Parameters.

E.3. Use of the Duration-Based Equity Risk Sub-Module in the Calculation of the Solvency Capital Requirement

There was no use of the equity risk sub-module in the calculation of SCR.

E.4.SCR differences if standard formula or internal model used

Not applicable.

E.5.Non-compliance with SCR/MCR

The Company has had sufficient Own Funds to cover its SCR and MCR throughout the period covered by this report.

E.6.Any Other Information

There is no other information to report.

Appendices

Quantitative reporting templates

S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-life technical provisions,
S.19.01.21	Non-life insurance claims in the format of development triangles,
S.23.01.01	Own funds, including basic own funds and ancillary own funds
S.25.01.21	Solvency Capital Requirement calculated using the standard formula,
S.28.01.01	Minimum Capital Requirement for reinsurance undertakings engaged in non-life reinsurance activity

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

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

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	
R0070	51,070
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	5,162
R0140	677
R0150	1,919
R0160	
R0170	2,566
R0180	45,909
R0190	
R0200	
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	8,987
R0280	8,987
R0290	8,929
R0300	59
R0310	
R0320	
R0330	
R0340	
R0350	2,140
R0360	941
R0370	
R0380	
R0390	
R0400	
R0410	9,255
R0420	
R0500	72,394

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

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

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

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

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

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities**Excess of assets over liabilities**

	Solvency II value
	C0010
R0510	11,306
R0520	11,232
R0530	
R0540	10,487
R0550	745
R0560	74
R0570	
R0580	69
R0590	5
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	
R0790	
R0800	
R0810	
R0820	2,567
R0830	11,171
R0840	
R0850	
R0860	
R0870	
R0880	157
R0900	25,201
R1000	47,192

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business)						
		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
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120						-13	57
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140			7	0		784	3,703
Net	R0200			-7	0		-796	-3,646
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220						-13	57
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240			7	0		784	3,703
Net	R0300			-7	0		-796	-3,646
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320			8	0		960	4,492
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340			8	0		827	3,908
Net	R0400			0			133	584
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			1	0	0	93	474
Other expenses	R1200							
Total expenses	R1300							

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

		Less and accepted proportional reinsurance)					Line of business	
		General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	0	12					
Gross - Non-proportional reinsurance accepted	R0130						-2	21
Reinsurers' share	R0140	856	1,093				60	983
Net	R0200	-856	-1,081				-62	-962
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	0	12					
Gross - Non-proportional reinsurance accepted	R0230						-2	21
Reinsurers' share	R0240	856	1,093				60	983
Net	R0300	-856	-1,081				-62	-962
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	1,021	1,222					
Gross - Non-proportional reinsurance accepted	R0330						83	1,710
Reinsurers' share	R0340	903	1,153				63	1,037
Net	R0400	118	69				20	673
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	127	218	19	24		9	140
Other expenses	R1200							
Total expenses	R1300							

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

		Business for:		Total
		Marine, aviation, transport	Property	
		C0150	C0160	C0200
Premiums written				
Gross - Direct Business	R0110			
Gross - Proportional reinsurance accepted	R0120			56
Gross - Non-proportional reinsurance accepted	R0130	1	5	25
Reinsurers' share	R0140	1,318	1,420	10,224
Net	R0200	-1,317	-1,415	-10,142
Premiums earned				
Gross - Direct Business	R0210			
Gross - Proportional reinsurance accepted	R0220			56
Gross - Non-proportional reinsurance accepted	R0230	1	5	25
Reinsurers' share	R0240	1,318	1,420	10,224
Net	R0300	-1,317	-1,415	-10,142
Claims incurred				
Gross - Direct Business	R0310			
Gross - Proportional reinsurance accepted	R0320			7,702
Gross - Non-proportional reinsurance accepted	R0330	1,442	1,720	4,955
Reinsurers' share	R0340	1,391	1,499	10,787
Net	R0400	51	221	1,870
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	188	203	1,497
Other expenses	R1200			537
Total expenses	R1300			2,034

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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			GR	CN	IT	IN	EG	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	5	14	9	28	4	5	64
Gross - Non-proportional reinsurance accepted	R0130		21	-2	1	5		25
Reinsurers' share	R0140	271	2,193	29	1,640	564	12	4,708
Net	R0200	-266	-2,158	-23	-1,611	-554	-7	-4,619
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	5	14	9	28	4	5	64
Gross - Non-proportional reinsurance accepted	R0230		21	-2	1	5		25
Reinsurers' share	R0240	271	2,193	29	1,640	564	12	4,708
Net	R0300	-266	-2,158	-23	-1,611	-554	-7	-4,619
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	67	144	-4	28	84	62	382
Gross - Non-proportional reinsurance accepted	R0330		173	7	87	57	61	386
Reinsurers' share	R0340	286	2,313	31	1,731	595	12	4,967
Net	R0400	-219	-1,996	-28	-1,616	-453	111	-4,200
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	30	247	3	185	64	1	531
Other expenses	R1200							247
Total expenses	R1300							778

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S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance				Total Non-Life obligation
		Workers' compensation insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0040	C0070	C0080	C0090	C0100	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										
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140										
Net Best Estimate of Premium Provisions	R0150										
Claims provisions											
Gross	R0160	7	809	3,828	885	1,127	62	1,013	1,360	1,465	10,556
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	6	689	3,259	753	959	52	863	1,158	1,247	8,987
Net Best Estimate of Claims Provisions	R0250	1	120	569	131	167	9	151	202	218	1,569
Total Best estimate - gross	R0260	7	809	3,828	885	1,127	62	1,013	1,360	1,465	10,556
Total Best estimate - net	R0270	1	120	569	131	167	9	151	202	218	1,569
Risk margin	R0280	1	57	272	63	80	4	72	97	104	750
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	8	866	4,100	948	1,207	66	1,085	1,457	1,569	11,306
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	6	689	3,259	753	959	52	863	1,158	1,247	8,987
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	2	178	841	194	248	14	223	299	322	2,319

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Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]
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Gross Claims Paid (non-cumulative)
(absolute amount)

Development year												In Current year		Sum of years (cumulative)	
Year		1	2	3	4	5	6	7	8	9	10 & +				
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											366	R0100	366	366
2013	R0160												R0160		
2014	R0170												R0170		
2015	R0180												R0180		
2016	R0190												R0190		
2017	R0200												R0200		
2018	R0210												R0210		
2019	R0220												R0220		
2020	R0230												R0230		
2021	R0240												R0240		
2022	R0250												R0250		
Total												R0260	366	366	

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year												Year end (discounted data)	
Year	1	2	3	4	5	6	7	8	9	10 & +			
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
Prior											11,745	R0100	10,556
2013												R0160	
2014												R0170	
2015												R0180	
2016												R0190	
2017												R0200	
2018												R0210	
2019												R0220	
2020												R0230	
2021												R0240	
2022												R0250	
Total												R0260	10,556

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares

Reconciliation reserve

Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

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

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

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

Total ancillary own funds

Available and eligible own funds

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

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Reconciliation reserve

Expected profits

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

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	3,540	3,540			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	39,452	39,452			
R0140					
R0160					
R0180	4,200	4,200			
R0220					
R0230					
R0290	47,192	47,192			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	47,192	47,192			
R0510	47,192	47,192			
R0540	47,192	47,192			
R0550	47,192	47,192			
R0580	24,000				
R0600	6,000				
R0620	196.63%				
R0640	786.52%				

	C0060
R0700	47,192
R0710	
R0720	
R0730	7,740
R0740	
R0760	39,452
R0770	
R0780	
R0790	

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk
Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement
Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
Solvency capital requirement excluding capital add-on
Capital add-on already set
Solvency capital requirement
Other information on SCR
Capital requirement for duration-based equity risk sub-module
Total amount of Notional Solvency Capital Requirement for remaining part
Total amount of Notional Solvency Capital Requirements for ring fenced funds
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	22,488		
R0020	3,318		
R0030			
R0040	5		
R0050	456		
R0060	-2,583		
R0070			
R0100	23,684		
	C0100		
R0130	317		
R0140			
R0150			
R0160			
R0200	24,000		
R0210			
R0220	24,000		
R0400			
R0410			
R0420			
R0430			
R0440			

Annex I

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	217		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040	1		
Motor vehicle liability insurance and proportional reinsurance	R0050			
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070	120		
Fire and other damage to property insurance and proportional reinsurance	R0080	569		
General liability insurance and proportional reinsurance	R0090	131		
Credit and suretyship insurance and proportional reinsurance	R0100	167		
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140	9		
Non-proportional casualty reinsurance	R0150	151		
Non-proportional marine, aviation and transport reinsurance	R0160	202		
Non-proportional property reinsurance	R0170	218		

Linear formula component for life insurance and reinsurance obligations

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

Overall MCR calculation

	C0070	
Linear MCR	R0300	217
SCR	R0310	24,000
MCR cap	R0320	10,800
MCR floor	R0330	6,000
Combined MCR	R0340	6,000
Absolute floor of the MCR	R0350	2,880
	C0070	
Minimum Capital Requirement	R0400	6,000