DVA Reinsurance dac

Solvency and Financial Condition Report ("SFCR") for the financial year ended 31 December 2022

Contents

EXECUTIVE SUMMARY **4**

A BUSINESS AND PERFORMANCE **6**

A.1 BUSINESS 6
A.2 UNDERWRITING PERFORMANCE 7
A.3 INVESTMENT PERFORMANCE 8
A.4 PERFORMANCE OF OTHER ACTIVITIES 8
A.5 ANY OTHER INFORMATION 8

B SYSTEM OF GOVERNANCE **9**

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE 9
B.2 FIT AND PROPER REQUIREMENTS 11
B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT 12
B.4 INTERNAL CONTROL SYSTEM 17
B.5 INTERNAL AUDIT FUNCTION 18
B.6 ACTUARIAL FUNCTION 18
B.7 OUTSOURCING 18
B.8 ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE OF THE INSURANCE OR REINSURANCE UNDERTAKING TO THE NATURE, SCALE AND COMPLEXITY OF THE RISKS 19
B.9 ANY OTHER MATERIAL INFORMATION REGARDING THE SYSTEM OF GOVERNANCE OF THE COMPANY 19

C RISK PROFILE **20**

C.1 UNDERWRITING RISK 20
C.2 MARKET RISK 21
C.3 CREDIT RISK 22
C.4 LIQUIDITY RISK 23
C.5 OPERATIONAL RISK 24
C.6 OTHER MATERIAL RISKS 24
C.7 AMOUNT OF EXPECTED PROFIT INCLUDED IN FUTURE PREMIUMS AS CALCULATED IN ACCORDANCE WITH ARTICLE 260(2) 25
C.8 STRESS AND SENSITIVITY TESTS 25
C.9 ANY OTHER INFORMATION 25

D VALUATION FOR SOLVENCY PURPOSES **26**

D.1 ASSETS 26
D.2 TECHNICAL PROVISIONS 26
D.3 OTHER LIABILITIES 28
D.4 ALTERNATIVE METHODS FOR VALUATION FOR OTHER LIABILITIES 28
D.5 ANY OTHER INFORMATION 28

E CAPITAL MANAGEMENT **29**

E.1 OWN FUNDS 29
E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT 31
E.3 ANY USE OF THE EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT. 31
E.4 INTERNAL MODEL INFORMATION. 32
E.5 NON COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND SIGNIFICANT NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT. 32

E.6 ANY OTHER INFORMATION. 32

F TEMPLATES 33

Executive Summary

The harmonized EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by (re)insurers.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

Company Background

DVA Reinsurance dac is a company incorporated in Ireland and authorised by the Central Bank of Ireland to carry out the following classes of non-life reinsurance business:

- General Liability

The Company is a captive reinsurance undertaking assuming non-life excess casualty reinsurance risks of the parent company Deutsche Bahn AG.

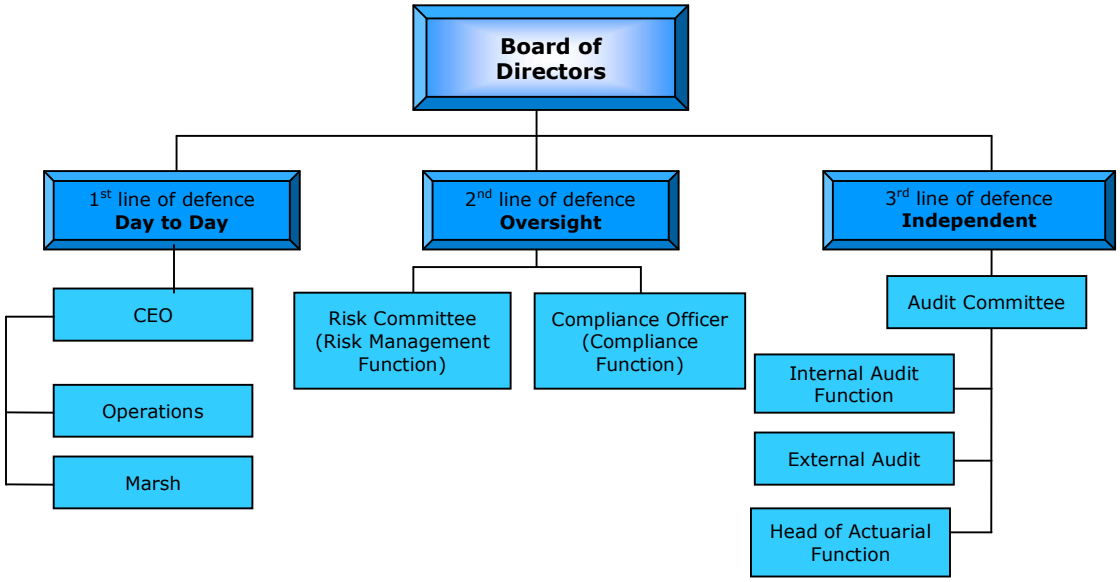
Business and Performance

After evaluating the results of the 2018 tender of the parent company's excess liability program it was concluded that the Company would not participate in the program and would not write any new business for the foreseeable future.

Premium written in 2022 amount to €Nil (2021: €Nil). Reinsurance premiums ceded are €Nil (2021: €Nil). Loss before tax amounts to €236,236 (2021 loss: €200,384).

System of Governance

The Company has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as summarised in the following organisation chart:



Outsourced Activities

The following is a list of the important outsourced operational functions together with the jurisdiction in which the service providers of such functions or activities are located:

Critical Outsourcing Arrangement				
Outsourced Provider	**Service Outsourced**	**Internal / External**	**Jurisdiction**	**Outsourcing Oversight**
Marsh Management Services (Dublin) Limited	Captive Manager	External	EU	Chief Executive (PCF-8)
	Compliance Function			
Marsh Limited	Head of Actuarial Function	External	EU	
Mazars	Internal Audit	External	EU	

Risk Profile

The Company uses the Standard Formula to assess the solvency and capital requirements. The following table outlines the material risks to which the Company is exposed as well as the undiversified capital charge associated with the risks at year end 2022 and 2021.

Year ending	SCR	Market	Default	Non-Life
31 December	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**
2022	1,160	671	1	744
2021	1,620	783	1	1,169

Valuation for Solvency Purposes

The valuation of assets and liabilities for Solvency II purposes is the same as IFRS except for

differences in the valuation of technical provisions.

Capital Management

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new shares capital over the three year time horizon used for business planning.

The Company has received additional Share Capital of €1.3m by means of a capital injection from the shareholder (€650k in November 2018, with a further €650k in December 2020)

The company solvency position including the individual risks is as follows:

	Capital requirement	Eligible capital	Solvency ratio
31 December 2022	**EUR'000**	**EUR'000**	**%**
SCR	1,160	4,393	379%
MCR	3,900	4,393	113%

	Capital requirement	Eligible capital	Solvency ratio
31 December 2021	**EUR'000**	**EUR'000**	**%**
SCR	1,620	4,515	279%
MCR	3,600	4,515	125%

Following completion of the CBI's thematic review of intra-group counterparty and concentration risk it was concluded for the purpose of calculating solvency that a rating of AA should be applied (in prior years "A" was applied) to the Company's intercompany balance with its parent. This results in a lower SCR / higher solvency ratio in the current year. The MCR remains unaffected whether "AA" or "A" is applied.

A BUSINESS and PERFORMANCE

A.1 Business

A.1.1 Name and legal form of the undertaking

DVA Reinsurance dac (hereinafter "the Company") is incorporated in the Republic of Ireland and is a private company limited by shares.

A.1.2 Name of the Supervisory Authority responsible for the financial supervision of the undertaking

The Company is regulated by the Central Bank of Ireland (CBI). The CBI can be contacted at:

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

A.1.3 External auditor of the undertaking

The independent auditors of the Company are:

BDO, Statutory Audit Firm, Block 3, Miesian Plaza, 50 - 58 Baggot Street Lower, Dublin 2, Ireland.

A.1.4 Holders of Qualifying Holdings in the Undertaking

The Company is wholly owned by Deutsche Verkehrs-Assekuranz-Vermittlungs GmbH, a company incorporated in Germany.

A.1.5 Legal Structure of the Group

Deutsche Verkehrs-Assekuranz-Vermittlungs GmbH is owned by Deutsche Bahn AG, the ultimate and controlling parent company which is incorporated in Germany.

A.1.6 Material lines of business and geographical areas

The Company is a captive reinsurance undertaking assuming non-life excess casualty reinsurance risks of the parent company Deutsche Bahn AG.

The material geographical area in which the Company operates is Western Europe.

A.1.7 Significant Business events during the reporting period

After evaluating the results of the 2018 tender of the parent company's excess liability program it was concluded that the Company would not participate in the program and would not write any new business. It is not expected to write any new business for the upcoming timeframe.

Since the start of 2020 there has been an outbreak of a new virus, the Coronavirus (Covid-19). The board is monitoring the developing situation and assessing the commercial, operational and economic risks to the business as part of their ongoing risk management. The government guidance is being applied to ensure the ongoing health and wellbeing of our staff and clients is maintained.

A.2 Underwriting Performance

The premium income written by the Company in 2022 was Nil. 2021 premium income was derived from the coverage of the non-life reinsurance risks of Deutsche Bahn AG.

The Company is licensed to write the following lines of business: Excess Casualty (Class 13). For the purposes of capital reporting this is categorised as Non-Proportional Reinsurance – Casualty.

The Company has determined that the Euro (€) is the functional currency.

The table below shows a summary of the technical (underwriting) account for the year ended 31 December 2021 (based on Irish GAAP):

Non-Proportional Reinsurance – Casualty Western Europe	31/12/2022	31/12/2021
	€'000	€'000
Gross written premiums	-	-
Reinsurers' share of premiums	-	-
Claims incurred	-	-
Net operating expenses	(236)	(200)
Allocated investment return	-	-
Net underwriting (loss)/income	**(236)**	**(200)**

The Company experienced its first claim in 2017 and has posted an outstanding loss reserve of €1,750,000 for its share. There is no reinsurance recovery posted.

A.3 Investment Performance

A.3.1 Income and expenses arising by asset class

The Company has an investment strategy which complies with the requirements of "the prudent person principle".

As at 31 December 2021 the Company's investment portfolio comprised the following asset classes:

Asset Class	31/12/2022		31/12/2021	
	Amount €'000	% of portfolio	Amount €'000	% of portfolio
Cash at bank and in hand	94	1.62%	13	0.02%
Group cashpool	5,712	98.38%	6,701	99.98%
Total	**5,805**	**100%**	**6,714**	**100%**

The table below sets out the investment returns by asset class:

Asset Class	31/12/2022	31/12/2021
	Total €'000	Total €'000
Cash and fixed deposits	-	-
Total	-	-

Investment interest rates continue to remain at zero

A.3.2 Gains and losses recognised directly in equity

No gains and losses have been recognised directly in equity.

A.3.3 Investments in securitisation

There are no investments in securitisation.

A.4 Performance of Other Activities

A.4.1 There have been no other significant activities undertaken by the company other than its reinsurance and related activities.

A.5 Any Other Information

There are no other material matters in respect of the business and performance of the Company.

B SYSTEM of GOVERNANCE

B.1 General information on the system of governance

B.1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

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

Board of Directors:

The Company's Board of Directors carries responsibility for the effective, prudent and ethical oversight of the business and set it business strategy and risk appetite. The Board of Directors is also responsible for ensuring that risk and compliance are properly managed in the company.

The current composition of the Board of Directors is as follows:

H. Schaefer (Chairman)

H. Twohig

J. Kelly

H. Senf

J. O'Reilly

Board Sub-Committees:

The Board recognises that it is necessary to have in place such sub-committees of the Board as are necessary to ensure that the business is being managed, conducted and controlled in a prudent manner with administrative and accounting procedures and internal control mechanisms and risk management systems that are sound and appropriate for the business.

Risk Committee:

The Board has established a Risk Committee. As the Board only comprises 5 members, the full Board, including the Chairman and the CEO have elected to act as the Risk Committee. In addition, the chair of the Risk Committee can only be selected from members who are also independent non-executive directors. H. Twohig currently acts as Chairperson of the Risk Committee.

Audit Committee:

The Board has established an Audit Committee. As the Board only comprises 5 members, the full Board, including the Chairman and the CEO have elected to act as the Audit Committee. In addition, the chair of the Audit Committee can only be selected from members who are also independent non-executive directors. J. Kelly currently acts as Chairperson of the Audit Committee.

Chief Executive Officer ("CEO")

The Board has delegated authority for oversight of the operations and administration of the Company to the CEO who has relevant financial services expertise, qualifications and background to ensure that he has the necessary knowledge, skills and experience required to comprehend fully each of the following:

- the nature of the Company's business activities and related risks;
- his individual direct and indirect responsibilities and the Board's responsibilities;
- the Company's financial statements

The CEO is responsible for:

- oversight of the Company's operations, performance and overall prudent and efficient operation of the business;
- bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

Independent Control Functions:

The Company has established the four key control functions in line with Solvency II requirements: risk management, actuarial, compliance and internal audit. These functions, each possessing distinct responsibilities, are tasked with providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Risk Management Function

The role of the Company's risk management function is to identify and evaluate the major risks facing The Company and to facilitate the implementation of the risk management system. The Board of Directors has appointed a Chief Risk Officer and who is also a member of the Board of Directors, to undertake this role. The roles and responsibilities of the risk management function are set out within the risk management policy.

Compliance Function

In order to effectively monitor and report on The Company's requirement to be in compliance with all applicable laws and regulatory requirements the Board of Directors has outsourced the compliance function to the Captive Manager, Marsh Management Services (Dublin) Limited ("the Manager") and an employee of the Manager has been appointed as Compliance Officer. The Compliance Officer reports to the Board.

Actuarial Function

To ensure compliance with Solvency II obligations, the role of the Head of Actuarial Function ("HoAF") is outsourced to a third party provider. The HoAF reports to the Board.

Internal Audit Function

The internal audit function is outsourced to Mazars. The scope of internal audit activities includes the examination and evaluation of the effectiveness of the internal control, risk management and governance systems and processes of the entire licensed entity, including the Company's outsourced activities. The Internal Audit function reports to the Audit Committee.

B.1.2 Material changes in the system of governance that have taken place over the reporting period.

No material changes took place over the reporting period, aside from the fact that certain functions, including the actuarial function, internal audit function and risk management functions were finalised and approved by the CBI in line with Solvency II requirements.

B.1.3 Remuneration policy for the administrative, management or supervisory body and employees

B.1.3.1 Remuneration policy for the administrative, management or supervisory body and employees

The Company is committed to ensuring that the company operates a fair and transparent remuneration policy for all employees and executives. This policy is designed to ensure that the level of remuneration should be sufficient to attract and retain the required calibre of employees and directors and also be structured in such a way as to be sufficiently motivating and reward exceptional performance within the Company.

Remuneration of employees and directors is determined with reference to market data and conditions. Salary and bonus reviews are subject to approval by two directors.

Remuneration of the Directors is determined by the Chairman with reference to market data and conditions.

The Board of Directors of the Company includes Group Directors who are employed and remunerated by the shareholder.

Independent Non-executive directors and the CEO receive a fixed remuneration; there are no variable components of their remuneration.

B.1.3.2 Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

As a captive reinsurer, the principal activity of the Company is the provision is the carrying out of excess casualty reinsurance for Deutsche Bahn AG.

The Company did not enter into any transactions with key management personnel in the Deutsche Bahn Group during the year ended 31 December 2022.

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

On 1 October 2010, Part 3 of the Central Bank Reform Act 2010 introduced a harmonised statutory system for the regulation by the CBI of persons performing Controlled Functions (‘CFs’) and Pre-Approval Controlled Functions (‘PCFs’) in regulated financial service providers.

On 1 December 2011 the CBI issued the Fitness & Probity Standards under Section 50 of the Central Bank Reform Act 2010 which all persons performing Controlled Functions or Pre-Approval Controlled Functions should, at a minimum, comply with.

Guidance for (Re)Insurance Undertakings on the Fitness & Probity Amendments 2015 further assist companies in complying with their obligations brought in by the Solvency II (European Union (Insurance and Reinsurance) Regulations 2015 S.I. 485 of 2015).

The Company has adopted a Fitness and Probity Policy (reviewed by the Board on an annual basis) with the purpose of ensuring that:

- persons holding key positions within the Company are assessed in terms of their fitness and probity in relation to a proposed role and on an ongoing basis;
- effective procedures are in place to undertake this assessment;
- the results of such an assessment are documented;
- the Board is satisfied that it can conclude that persons holding key positions are fit and proper;
- responsibility is assigned to ensure fitness and probity is monitored on a continuous basis;
- approval is sought from the Central Bank of Ireland ('CBI') prior to the appointment of persons performing Pre-Approval Control Functions.

B.2.2 Process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

The Policy outlines the procedures that must be followed for assessing the fitness and probity of persons performing CFs and PCFS while also stipulating the requirements for instances when either of these functions are outsourced to a regulated or unregulated entity.

It also focuses on the documentation, controls and governance that are required to be in place to ensure compliance with the abovementioned Regulations.

This is achieved in the main by means of internal checklists, documentary evidence of qualifications proving suitability for the role in question, references, regulatory authority, companies' office and police authority checks and self-certifications from the applicant in the form of Curricula Vitae and the CBI Individual Questionnaires.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

The Company's risk management system is set out as follows:

1. The Board sets the Company Strategy.
2. The Board sets the Risk Strategy. The Risk Strategy describes and addresses the management of all material risks that the Company is exposed to in pursuit of the Company Strategy.
3. The Board sets the Risk Appetite. The Risk Appetite sets out the desired level of risk and the maximum level of variation from its risk appetite that it is willing to accept.
4. The Board has approved a Risk Policy and other individual risk policies necessary for the implementation of it Risk Strategy, consistent with its Risk Appetite.

The Company uses the Standard Formula to assess the solvency and capital requirements.

The Company performs an Own Risk and Solvency Assessment ("ORSA") at least annually. The main purpose of performing the ORSA is to ensure that the Company engages in a process of assessing all risks inherent in the business and determining the corresponding capital needs.

In order to ensure effective risk governance, the system has been designed to identify, assess, manage and monitor and report exposure to risk. This is a continuous process subject to continuous review and development.

Identify

The board reviews the risk profile of the Company at least annually and the Risk Management Function reviews the risk profile on an ongoing basis to ensure that the material risks of the Company are identified and recorded in the risk register.

Assess

Risks identified in the risk register are then quantified by the Board with input from the Risk Management Function and tolerances are established through the development of a risk appetite statement.

Manage

The Board determines the minimum standards to be maintained by the Company in order to manage the risks in a way that is consistent with its risk appetite by developing suitable individual risk policies.

Monitor/Report

Monitoring and reporting to the Board is undertaken at least quarterly from a number of sources including the Risk Management Function, Compliance Officer and the Internal Audit Function.

Findings from the development of the risk register are considered by the Board in the preparation of the annual internal audit plans.

The result is a risk management strategy, which is led by the Board of Directors whilst being embedded in the Company's business systems, strategy and policy setting processes and the activities of the Company.

B.3.2 Implementation of the Risk management system

The Company recognises the need to have appropriate governance, monitoring and reporting processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks it is or might be exposed to.

Responsibility for risk management is spread throughout the Company and the wider Deutsche Bahn group. Appropriate internal reporting procedures and feedback loops ensure that information on the risk management framework is actively monitored and managed by all relevant functions and the Board.

The Company adopts a "3 lines of defence" approach for the overall governance of its risk management system.

The Board of Directors is ultimately responsible for the risk management framework and internal control, including approval of the Company strategy and business planning.

1st Line of Defence – Day to Day:

Operations – the Manager: The Manager provides day to day operations, accounting, financial reporting and administrative support services and company secretarial and regulatory reporting services on an outsourced basis to the Company.

2nd Line of Defence – Oversight:

Risk Management Function ("RMF"): The RMF is responsible for the oversight of the ongoing development, implementation and operation of the risk management framework, strategy, related resource plan and making recommendations to the Board thereon.

Compliance Function: The Compliance Function is recognised as a key part of the Company's internal control system which should identify, assess, monitor and report on the compliance risk exposure of the Company. The Compliance Function also shares its responsibilities with other Company Functions which are responsible for their specific areas.

In order to help achieve its compliance objective the Board has appointed a Compliance Officer. The role of the Compliance Officer is set out in the Company's Board approved Compliance Policy.

3rd Line of Defence – Independent Assessment:

Internal Audit Function: The Board has established an Internal Audit Function that is an independent function outside of the Company with a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and other elements of the system of governance of the Company.

The responsibilities of the Internal Audit function are set out in the Company's Board approved Internal Audit Policy. The Internal Audit Function reports to the Audit Committee.

External Audit: The Board recognises that the independent external auditor has an important role in the effectiveness of the governance and risk management systems of the Company. The Company is required by law to appoint an external auditor on an annual basis.

Actuarial Function: The role of the Actuarial Function is outsourced to third party provider via the terms of a written SLA.

B.3.3 ORSA

B.3.3.1 ORSA process

The Company prepares an ORSA on an annual basis and on an ad-hoc basis, if circumstances materially change. The objective of the ORSA process is to enable the Board to assess its capital adequacy in light of the assessments of its risks and the potential impacts of its risk environment, and to enable the Company to make appropriate strategic decisions.

The ORSA process is a rolling project plan of how the ORSA is completed, the interaction and contributions from different stakeholders, the process timetable, the audit trail and the monitoring and reporting cycle.

The Company has adopted the following approach for the conduction of the ORSA process:

Risk Management System: Board puts in place an effective risk management framework comprising of strategies, tolerances, policies, governance, monitoring and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the company is or could be exposed in pursuing its Company strategy.

Risk Identification: Board initiates an organised identification of all actual risks as well as emerging risks, taking into account the Company's strategy and business planning horizon.

Risk Appetite: Appetites and tolerance limits for the risks identified are set by the Board, which provide a basis for allocating risk capacity against the Company's exposure to particular risk categories.

Current Business Activities, Risk Profile, Capital and Solvency: Analysis of the current business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Forecast Business Activities, Risk Profile, Capital and Solvency: Analysis of the forecast business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory

and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Stress and Scenario Analysis: Board assesses the effect of different stresses (including reverse stress testing) and scenarios.

Impact on Strategy: Output of the ORSA process is reviewed and challenged by the Board and is being continuously embedded into the Company strategy and system of governance.

The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and that it includes risk sensitivities that can be used in shaping strategy and risk appetite.

The Board reviews the ORSA report and considers appropriate action for the business such as:

- Decisions in relation to capital;
- Reassessment of risk profile and appetite;
- Additional risk mitigation actions;
- Reassessment of investment strategy.

B.3.3.2 ORSA review and approval process

The risk management process and ORSA is performed on an annual basis, after the SCR calculation or when there is a significant shift in The Company's business plan. The risk monitoring is performed on an on-going basis and the Risk Register is annually reviewed and updated during the ORSA review process.

Under the following circumstances, a non-scheduled ORSA shall be performed immediately (in addition to the scheduled ORSA):

- Significant change in the risk profile of the Company which can be defined as a major change to the business strategy/business activity/insurance program etc. (i.e. business activities other than the Company's current underwriting activity)
- Significant changes to Non-Financial matters - Operational/Regulatory and Legal/Strategic/Group Risks.
- Significant changes in Other categories - Capital Shortage Risks/quality of capital etc.

B.3.3.3 Statement explaining how the undertaking has determined its own solvency needs given its risk profile and how its capital management activities and its risk management system interact with each other.

The Company determines the solvency capital and assesses the overall solvency needs using the Solvency II standard formula.

A three year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements position is produced using the standard formula. The results are subjected to a range of scenario testing that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the 3 year business planning horizon. The Company also exceeds its strategic minimum SCR coverage over the period.

Following a review of the Company's ORSA, it is clear that the 2017 claim and the decision to go into run-off have had a significant impact on the Company's eligible capital. The Board sought and received two separate capital injections from its parent company to improve its solvency coverage. The first was received in 2018 (€650,000), with the second in 2020 (€650,000) by way of an issuance of additional 1,300,000 ordinary shares of €1 each.

B.4 Internal Control System

B.4.1 Description of the internal control system

The Board of Directors is ultimately responsible for the internal control framework, including approval of the Company strategy and business planning. Board level controls include the Board charter, Company policies, reports and minutes of Board meetings.

The Internal Control Framework of the Company has three other elements, as previously detailed in section B3.2:

First line of defence: "Day to day" operations and associated controls.

Second Line of defence: oversight from Compliance, Risk Management functions.

3rd Line of defence – Independent Assessment, internal audit and actuarial functions (and also external audit).

B.4.2 Implementation of the compliance function

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

To help achieve this aim the Board has established a Compliance Function, staffed by an appointed Compliance Officer, to supplement not supplant, the responsibilities of the Board to ensure compliance with legislation and applicable requirements.

The role of the Board appointed Compliance Officer is to:

- assist the Board with ensuring ongoing compliance with legislation and applicable requirements;
- enhancing the Company's awareness of compliance matters;
- monitor the Company's compliance with (re)insurance 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;
- provide 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 presents a Compliance Officer 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.5 Internal audit function

B.5.1 Implementation of the internal audit function

The Company has outsourced its Internal Audit Function to Mazars. The internal audit function possesses a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

To this end, the Internal Audit Function is mandated to:

- establish, implement and maintain an audit plan setting out the audit work to be undertaken in the upcoming years, taking into account all activities and the complete system of governance of the Company;
- take a risk-based approach in deciding its priorities;
- report the audit plan to Board of Directors;
- issue recommendations based on the result of work carried out in accordance with the audit plan and submit a written report on its findings and recommendations to the Board of Directors on at least an annual basis.

B.5.2 Independence of the internal audit function

The function provides independent and objective assurance services

B.6 Actuarial function

The role of the Actuarial Function is outsourced to third party provider, Marsh via the terms of a written SLA.

The key role of the Head of Actuarial Function (HoAF) is to provide the following services:

- Opinion on Underwriting Policy
- Opinion on Technical Provisions
- Opinion on Reinsurance Arrangements
- Contribution to the Risk Management System
- Contribution to calculation of capital requirements
- Opinion on the ORSA process

B.7 Outsourcing

The Company has established an Outsourcing Policy which sets out the requirements for identifying, justifying and implementing material outsourcing arrangements. This Policy has been adopted by the Company and includes following:

- Definition of outsourcing and critical outsourcing;
- Risk Mitigation strategies;
- Board and Management responsibility;
- Due Diligence;

- Business Continuity Management (BCM);
- Contractual Arrangements;
- Management and control of the Outsourcing Relationship;
- Intra-Group Outsourcing;
- Final approval

The Company's outsourcing arrangements are subject to annual review and the findings of the report, along with the Outsourcing Policy are reviewed by the Board.

The following is a list of the important outsourced operational functions together with the jurisdiction in which the service providers of such functions or activities are located:

Critical Outsourcing Arrangement				
Outsourced Provider	**Service Outsourced**	**Internal / External**	**Jurisdiction**	**Outsourcing Oversight**
Marsh Management Services (Dublin) Limited	Captive Manager	External	EU	Chief Executive (PCF-8)
	Compliance Function			
Marsh Limited	Head of Actuarial Function	External	EU	
Mazars	Internal Audit	External	EU	

B.8 Assessment of the adequacy of the system of governance of the insurance or reinsurance undertaking to the nature, scale and complexity of the risks

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

B.9 Any other material information regarding the system of governance of the Company

No material changes regarding the system of governance of the Company took place.

C RISK PROFILE

C.1 Underwriting risk

C.1.1 Key underwriting risks

Underwriting risk at 31 December comprises 55% (2021:55%) of the undiversified basic SCR.

The key underwriting risks to which the Company is exposed to are set out below:

Non-life premium and reserve risk

Underwriting risk arises from two sources – premium risk (pricing) and adverse claims development (reserve risk).

For a non-life reinsurer, underwriting risk is the risk arising from non-life reinsurance obligations in relation to the perils covered and the processes used in the conduct of business.

There are a number of material risks that are considered as a result of the Company's reinsurance underwriting. For premium risk, the Company has considered the risk of under-pricing of premiums resulting in higher loss ratios than expected.

For reserve risk, the Company has considered the risk of over- and under-reserving of actual and expected claims. In this case the Company has sufficient historical premium and claims data to demonstrate a very stable reinsurance business written and has determined the appropriate loss ratio for the risks written.

Non-life catastrophe risk

The risk of a major natural or man-made catastrophe event occurring, while not listed in the Company's risk register, is considered as part of its reinsurance strategy. Catastrophe risk is limited to 210% of the gross premium written for the forthcoming year. As the Company did not write any new business in 2021 or 2022 catastrophe risk is set at Nil.

C.1.2 Assessment and risk mitigation techniques used for underwriting risks

The Company monitors and controls risks via various methods, including:

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing reinsurance risks with quality underwriting and claims expertise and information;
- Diversifying and limiting reinsurance through ongoing review and management;
- Retaining risk within an approved risk appetite and solvency requirements;
- Transferring risk if required, through retrocession with high credit quality entities;
- Monitoring changing environment and market conditions that effect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Independent opinion on the reasonableness and adequacy of the overall underwriting policy is provided by the Head of Actuarial Function on an annual basis.

C.1.3 Material Risk Concentrations

The Company has identified its exposure to concentrations of risk within the Underwriting Policy. Concentrations of risk may arise as the Company only writes reinsurance business for Deutsche Bahn AG via fronting insurers and has not established any open-market insurance relationships. This is mitigated by way of the excess reinsurance structure which limits the Company's exposure to €2.7m in the event of a single large loss event.

C.2 Market risk

C.2.1 Material market risks

Market risk is the risk arising from the level of volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, real estate prices and exchange rates. Market risk is arrived at using the assumptions and calculations methods contained in the Standard Formula.

Investment objectives are outlined in the Company's Investment and Asset Liability Policy.

The Company has placed €5.712m in the Deutsche Bahn group cash pool (2021: €6.701m) resulting in a market risk charge of €671k comprising 47% (2021: 1.43m) of the undiversified basic SCR.

Concentration Risk: the risk that excessive exposure to counterparty will impact on the solvency of Company.

Spread Risk: the sensitivity of the value of investments, primarily bonds and deposits in respect of the Company, to changes in the level or in the volatility of credit spreads.

Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve.

Interest rate risk: the risk that the Company is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates.

Interest rate risk is minimal as assets are in general short term in nature.

Currency risk: the risk that the Company is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets or liabilities arising from changes in underlying exchange rates.

Currency risk is not considered to be material given the nature and structure of the Company's business.

C.2.2 Prudent person principle applied to market risks

The high quality and conservative investments are a consequence of the investment assets being prudently invested, taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.2.3 Assessment and risk mitigation techniques used for market risks

The Company monitors and controls risks via various methods, including:

- Compliance with the Investment and Asset Liability Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Monitoring changing environment and market conditions that affect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.2.4 Material Risk Concentrations

The Company does not have any material market risk components.

C.3 Credit risk

C.3.1 Material market risks

Credit risk at 31 December comprises Nil% (2021:Nil%) of the undiversified basic SCR.

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations towards the Company.

The counterparty default risk module in the Standard Formula is driven by cash at bank.

Moving funds in 2017 from the call deposit account to the group cash pool all but eliminated the Company's exposure to credit risk.

C.3.2 Prudent person principle applied to credit risks

Counterparties are selected by taking into account the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty.

C.3.3 Assessment and risk mitigation techniques used for credit risks

The Company monitors and controls risks via various methods, including:

- The Board is responsible for monitoring the on-going suitability of the chosen banking institutions to ensure they are in line with Deutsche Bahn and Company requirements, including applicable ratings;
- Annual review of Reinsurance strategy by the Board, minimum credit rating of A in place;

- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process;
- Retaining risk within an approved risk appetite and solvency requirements;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.3.4 Material Risk Concentrations

Credit risk concentration arises in respect of the fixed deposit and the reinsurance counterparty.

C.4 Liquidity risk

C.4.1 Material liquidity risks

Liquidity risk refers to the risk that undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.

It is the Company's policy that liquidity and concentration risk is minimised as much as possible

The Company has considered the risk of a lack of liquidity available to pay insurance liabilities in its risk register. No specific allocation of capital is considered necessary for this risk.

The Company's cash in-flow is generated from premium income.

C.4.2 Prudent person principle applied to liquidity risks

The investment assets are prudently invested taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.4.3 Assessment and risk mitigation techniques used for liquidity risks

The Company monitors and controls risks via various methods, including:

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Company funds are invested in call deposits, ensuring that appropriate funds are available when required;
- Premiums are billed on an annual basis. Upon receipt of premium, investments are made in line with the Company's Investment and Asset Liability Policy;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process.

C.5 Operational risk

C.5.1 Material operational risks

Operational risk is the risk of loss resulting from failed internal processes, people and systems or from external events. Operational risks which can result in losses include internal fraud. External fraud, employments practices, system failures and disregard of company policies.

The Company has considered a number of operational risks arising out of its activities in its risk register. For example, the Company has considered the risk of fraud arising from the misappropriation of Company funds.

The Company has outsourced the management of its operations to the Manager and is therefore reliant on Marsh's business continuity plan being robust enough to meet its requirements.

Operational risks are addressed in the capital requirement as an addition to the BSCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 December 2022 is €37K (2021:€58k).

C.5.2 Assessment and risk mitigation techniques used for operational risks

The Company monitors and controls risks via various methods, including:

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Risk of fraud is mitigated by all supporting documentation for payments undergoing a separate review sign-off, approval and parent company authorisation.
- All payment instructions are subject to bank call-back procedures;
- Monitoring and internal reporting;
- Commitment of effective corporate governance.

C.6 Other material risks

The Company has included a range of non-quantifiable risks in its ORSA process. Documented associated actions exist for each of these risks and they are reviewed on a quarterly basis by the Board of Directors.

Sample risks include:

- Regulatory and Compliance
- Human error.

The Board considers that these non-quantifiable risks that are not captured by the standard model are covered by the application of a specified strategic solvency target.

C.7 Amount of expected profit included in future premiums as calculated in accordance with Article 260(2)

This requires the disclosure of the expected profit included in future premiums (EPIFP) which is also required to be separately disclosed in template S.23.01 (own funds). For the Company this is the Premium Provision figure.

C.8 Stress and sensitivity tests

The Company's ORSA contains three scenarios. Stress testing is based on the largest risks per the Company's risk register, which have been determined to be the impact of a downgrade in the credit rating of the Company's investments and cash holdings, the impact of an increase in the level of the claim reserve held from its current gross level €35m to €50m, and the concurrence of both events.

Following a review of the Company's ORSA, it is clear that the 2017 claim and the decision to go into run-off have had a significant impact on the Company's eligible capital. The Board sought and received two separate capital injections from its parent company to improve its solvency coverage. The first was received in 2018 (€650,000), with the second in 2020 (€650,000) by way of an issuance of additional 1,300,000 ordinary shares of €1 each.

The Board also noted the Company's reliance on its Parent Company to support its capital base should it be required.

C.9 Any Other Information

The Company has identified all material risks through its risk register and there is no other material information regarding the risk profile of the Company that warrants disclosure.

D VALUATION for SOLVENCY PURPOSES

D.1 Assets

D.1.1-2 Local GAAP and Solvency II Valuations

The table below sets out the value of the Company's material assets as at 31 December 2022:

	31/12/2022	
	Assets per GAAP	Assets per Solvency II
	Total €'000	Total €'000
Cash and cash equivalents	94	94
Group cash pool	5,712	5,712
Total assets	**5,805**	**5,805**

	31/12/2021	
	Assets per GAAP	Assets per Solvency II
	Total €'000	Total €'000
Cash and cash equivalents	13	13
Group cash pool	6,701	6,701
Total assets	**6,714**	**6,714**

The Company's assets are recognised and valued using the following principles:

Cash and cash equivalents

Cash and cash equivalents are carried at cost.

D.2 Technical Provisions

D.2.1 Local GAAP and Solvency II Valuations

The Company experienced its first loss in 2017 and has posted an outstanding loss reserve of €1,750,000. The reserve as at 31 December 2022 is €1,072k (2021: €1,744k). There is no reinsurance recovery posted (2021 € Nil).

	31/12/2022	
	TPs per GAAP	TPs Solvency II
	Total €'000	Total €'000
Best estimate liabilities (BEL)	1,072	1,240
Risk margin (RM)	-	97
Total best estimate liabilities	**1,072**	**1,336**

	31/12/2021	
	TPs per GAAP	TPs per Solvency II
	Total €'000	Total €'000
Best estimate TPs	1,744	1,948
Risk margin	-	174
Total best estimate TPs	**1,744**	**2,123**

The value of technical provisions equals the sum of the Best Estimate Liability ("BEL") and the Risk Margin ("RM").

Technical provisions are calculated gross of amounts recoverable from reinsurance contracts.

Under Solvency II, the technical provisions represent the present value of future claims, expenses, and profit share on a best estimate basis using the relevant risk-free interest rate term structure. For the financial statements, the technical provisions consist of the unearned reinsurance premiums plus the claims reserves. The calculation methodology applied, and the individual elements included in, the technical provisions under Solvency II and financial statements are thus quite different.

The technical provisions are calculated based on the discounted value of the expected future claims for the in force business.

The projected future cashflows that are modelled include:

- any future regular premium receipts
- claims payments to the ceding companies
- expenses
- commissions to the ceding companies
- profit share payments
- retrocession premium payments
- retrocession commission
- retrocession claims recoveries

Risk Margin

The risk margin has been calculated separately by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations.

In calculation, its risk margin the simplification used by the Company is Method 1 outlined in Guideline 61 and Annex IV of EIOPA's Guidelines on Valuation of Technical Provisions. This involves approximating the individual risks or sub-risks within some or all modules and sub-modules to be used for the calculation of future Solvency Capital Requirements for the reference undertaking.

D.2.2 Uncertainty associated with the value of Technical Provisions

All estimates of unpaid loss reserves are inherently uncertain. The key sources of uncertainty associated with the value of technical provisions relate to potential changes in claim frequencies, claim recovery rates, expenses, and cancellation/lapse rates.

D.2.3 Solvency II and local GAAP valuation differences of Technical Provisions by material line of business

See table in Section D2.1 (2021 € Nil):

D.2.4 The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

D.2.5 The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

D.2.6 The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

D.2.7 The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.2.8 Recoverables from reinsurance and special purpose vehicles

There were no recoverables or special purpose vehicles as at 31 December 2022 (2021 € Nil).

D.2.9 Material changes in relevant assumptions made in the calculation of technical provisions

There are no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the previous reporting period ("Day 1" Solvency II reporting).

D.3 Other liabilities

Other liabilities at 31 December 2022 were €76K (2021: €76K) and are composed of accrued expenses.

There were no differences between the Local GAAP and Solvency II valuations.

D.4 Alternative Methods for Valuation for other liabilities

The Company does not use any alternative methods for valuation.

D.5 Any Other Information

There are no other material matters in respect of the valuation of assets and liabilities.

E CAPITAL MANAGEMENT

E.1 Own funds

E.1.1 Objective, policies and processes for managing own funds

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt over the three year time horizon used for business planning.

The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR, target solvency margin cover is currently set at 120% of the SCR;
- Dividends will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the abovementioned target SCR cover;
- The Company's own funds are primarily invested in in cash or cash equivalents and structured products in line with the Board approved Investment Policy.

E.1.2 Own funds analysed by tiers

An analysis of own funds is shown below:

Date	Description	Tier 1 €'000	Total €'000
1 January 2022	Opening balance comprising: Ordinary share capital Reconciliation Reserve	 1,950 2,944	 **1,950** **2,944**
	Additional Share Capital issued	-	**-**
	Movement in the Reconciliation reserve for the year ended 31 December 2021	(501)	**(501)**
31 December 2022	Closing balance	4,393	**4,393**
	Represented by:		
	Ordinary share capital	1,950	**1,950**
	Reconciliation reserve (comprising retained earnings and Solvency II adjustments)	2,443	**2,443**
	Total Basic own funds after deductions	4,393	**4,393**

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a)(1) of the Delegated Regulation. The positive

reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has no tier 1 restricted own funds and no tier 2 or tier 3 own funds.

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Solvency Capital Requirement is €4,393k (2021: €4,515). This is comprised of Tier 1 unrestricted Basic Own Funds of €4,393k (2021: €4,515k).

E.1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Minimum Capital Requirement is €4,393k (2021: €4,515). This is comprised of Tier 1 unrestricted Basic Own Funds of €4,393k (2021: €4,515).

E.1.5 Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

Reconciliation of Basic Own Funds to Equity as per financial statements		
	2022 €'000	**2021 €'000**
Solvency II - Basic Own Funds	4,393	4,515
Total Equity as per financial statements	4,657	4,894
Difference:	(264)	(379)

E.1.6 None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.7 The Company does not hold any ancillary own funds.

E.1.8 No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the total SCR and MCR at 31 December 2022 and 2021:

	2022 €'000	2021 €'000
SCR	1,160	1,620
MCR	3,900	3,600

The final amount of the SCR remains subject to supervisory assessment.

E.2.2 Solvency Capital Requirement split by risk modules

.Year ending	SCR	Market	Default	Non-Life
31 December	EUR'000	EUR'000	EUR'000	EUR'000
2022	1,160	671	1	744
2021	1,620	783	1	1,169

Following completion of the CBI's thematic review of intra-group counterparty and concentration risk it was concluded for the purpose of calculating solvency that a rating of AA should be applied (in prior years "A" was applied) to the Company's intercompany balance with its parent. This results in a lower SCR / higher solvency ratio in the current year. The MCR remains unaffected whether "AA" or "A" is applied.

E.2.3 Simplified calculations are not used for any of the risk modules or sub-modules.

E.2.4 The Company does not use undertaking specific parameters in its computation.

E.2.5 The Minimum Capital Requirement is calculated using the Standard Formula specifications.

The absolute MCR for the undertaking is €3,900,000.

E.2.6 There were no material changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period.

E.3 Any use of the equity risk sub-module in the calculation of the Solvency Capital Requirement.

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4 Internal model information.

The Company applies the Standard Formula model and does not use an internal model to calculate the Solvency Capital Requirement.

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

There were no breaches of the Solvency Capital Requirement or the Minimum Capital Requirement) over the reporting period.

E.6 Any other information.

There are no other material matters in respect of the valuation of capital management.

F TEMPLATES

The following QRTs are required for the SFCR.

QRT ref	QRT Template name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses
S.05.02	Premiums, claims and expenses by country
S.17.01	Technical Provisions
S.19.01	Non- Life Claims
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01	Minimum Capital Requirement

The templates are included at the end of the report.

Annex I

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	-
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	-
Government Bonds	**R0140**	-
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	-
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	-
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	5,711
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	5,711
Reinsurance recoverables from:	**R0270**	
Non-life and health similar to non-life	**R0280**	
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	-
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	-
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	-
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	94
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	5,805

Annex I

S.02.01.02

Balance sheet

Liabilities		
Technical provisions – non-life	**R0510**	1,336
Technical provisions – non-life (excluding health)	**R0520**	1,336
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	1,240
Risk margin	**R0550**	97
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	-
Best Estimate	**R0580**	-
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	-
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	-
Reinsurance payables	**R0830**	-
Payables (trade, not insurance)	**R0840**	-
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	76
Total liabilities	**R0900**	1,412
Excess of assets over liabilities	**R1000**	4,393

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 and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**									
Gross - Proportional reinsurance accepted	**R0120**									
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**									
Net	**R0200**									
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**									
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**									
Net	**R0300**									
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**									
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**									
Net	**R0400**									
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**									
Other expenses	**R1200**									
Total expenses	**R1300**									

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 and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								
Gross - Proportional reinsurance accepted	**R0120**								-
Gross - Non-proportional reinsurance accepted	**R0130**								-
Reinsurers' share	**R0140**								-
Net	**R0200**								-
Premiums earned									
Gross - Direct Business	**R0210**								
Gross - Proportional reinsurance accepted	**R0220**								-
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**								
Net	**R0300**								
Claims incurred									
Gross - Direct Business	**R0310**								
Gross - Proportional reinsurance accepted	**R0320**								
Gross - Non-proportional reinsurance accepted	**R0330**					672			672
Reinsurers' share	**R0340**								
Net	**R0400**					672			672
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**								-
Gross - Non- proportional reinsurance accepted	**R0430**					1,072			1,072
Reinsurers'share	**R0440**								-
Net	**R0500**					1,072			1,072
Expenses incurred	**R0550**								
Other expenses	**R1200**								236
Total expenses	**R1300**								236

S.05.02.01.01 Non-Life Premiums, claims and expense by country (Top 5 and home country)

			Home country	Top 5 countries (by amount of gross premium written) - non-life obligations	Total Top 5 and home country
			Home country	Germany	
Premiums written	Gross - Direct Business	R0110			
	Gross - Proportional reinsurance accepted	R0120			
	Gross - Non-proportional reinsurance accepted	R0130	0	0	0
	Reinsurers' share	R0140	0	0	0
	Net	R0200	0	0	0
Premiums earned	Gross - Direct Business	R0210			
	Gross - Proportional reinsurance accepted	R0220			
	Gross - Non-proportional reinsurance accepted	R0230	0	0	0
	Reinsurers' share	R0240	0	0	0
	Net	R0300	0	0	0
Claims incurred	Gross - Direct Business	R0310	0		
	Gross - Proportional reinsurance accepted	R0320	0		
	Gross - Non-proportional reinsurance accepted	R0330	0	672	672
	Reinsurers' share	R0340	0	0	
	Net	R0400	0	672	672
Changes in other technical provisions	Gross - Direct Business	R0410	0		
	Gross - Proportional reinsurance accepted	R0420	0		
	Gross - Non-proportional reinsurance accepted	R0430	1,072	1,072	1,072
	Reinsurers' share	R0440	0		
	Net	R0500	1,072	1,072	1,072
Expenses incurred		R0550			
Other expenses		R1200	236		236
Total expenses		R1300	236		236

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	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									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									
Net Best Estimate of Claims Provisions	R0250									
Total Best estimate - gross	R0260									
Total Best estimate - net	R0270									
Risk margin	R0280									
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320									
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330									
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340									

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	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					1,240			1,240
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								
Net Best Estimate of Claims Provisions	R0250					1,240			1,240
Total Best estimate - gross	R0260					1,240			1,240
Total Best estimate - net	R0270					1,240			1,240
Risk margin	R0280					97			97
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320					1,336			1,336
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340					1,336			1,336

Annex I
S.19.01.21
Non-life Insurance Claims Information

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												R0220		
N-2	R0230												R0230		
N-1	R0240	6	0										R0240	0	6
N	R0250	672											R0250	672	672
													Total R0260	672	678

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170				437.5							
N-7	R0180			437.5	437							
N-6	R0190		437.5	438	436							
N-5	R0200	582.1	438	438	436							
N-4	R0210	587	438	438	436							
N-3	R0220	620	438	436	268							
N-2	R0230	631	436	268								
N-1	R0240	629	268									
N	R0250	504										

		Year end (discounted
		C0360
	R0100	0
	R0160	0
	R0170	0
	R0180	0
	R0190	0
	R0200	0
	R0210	0
	R0220	240
	R0230	247
	R0240	255
	R0250	496
Total	R0260	1,238

Annex I

S.23.01.01

Own funds

		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	1,950	1,950		0	
Share premium account related to ordinary share capital	R0030	-	-		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		0	
Subordinated mutual member accounts	R0050	-		0	0	0
Surplus funds	R0070	-	-			
Preference shares	R0090	-		0	0	0
Share premium account related to preference shares	R0110	-		0	0	0
Reconciliation reserve	R0130	2,443	2,443			
Subordinated liabilities	R0140	-		0	0	0
An amount equal to the value of net deferred tax assets	R0160	-				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	0	0	0
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	4,393	4,393	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			0	
Unpaid and uncalled preference shares callable on demand	R0320	-			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			0	0
Other ancillary own funds	R0390	-			0	0
Total ancillary own funds	R0400	-			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	4,393	4,393	0	0	
Total available own funds to meet the MCR	R0510	4,393	4,393	0	0	
Total eligible own funds to meet the SCR	R0540	4,393	4,393	0	0	
Total eligible own funds to meet the MCR	R0550	4,393	4,393	0	0	
SCR	R0580	1,620				
MCR	R0600	3,900				
Ratio of Eligible own funds to SCR	R0620	379%				
Ratio of Eligible own funds to MCR	R0640	113%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4,393
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	1,950
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	2,443
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	-

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	671		
Counterparty default risk	R0020	6		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	744		
Diversification	R0060	- 299		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	1,122		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	37
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	1,159
Capital add-on already set	R0210	
Solvency capital requirement	R0220	1,159
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	

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

		C0010
MCR_{NL} Result	R0010	231

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150	1,238	-
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

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

Overall MCR calculation

		C0070
Linear MCR	R0300	231
SCR	R0310	1,620
MCR cap	R0320	729
MCR floor	R0330	405
Combined MCR	R0340	405
Absolute floor of the MCR	R0350	3,900
		C0070
Minimum Capital Requirement	R0400	3,900