

FCA Capital Re
Designated Activity Company
Solvency and Financial Condition
Report 2022

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Executive Summary

This report was approved by the Board of Directors of FCA Capital Re DAC (thereafter referred as “FCAC Re” or “the Company”) on 3rd April 2023.

The narrative sections D and E of this report are subject to audit review by the Company’s external auditors, including the following Quantitative Reporting Templates (“QRTs”), which are included as Appendix:

- S.02.01.02 - Balance sheet
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-life Technical Provisions
- S.19.01.02 - Non-life Insurance Claims Information
- S.23.01.01 - Own funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

The Company’s reporting currency is Euro.

FCAC Re, incorporated in 2008, is a 100% owned subsidiary of FCA Bank SpA (‘FCAB’), a banking group operating in the European automotive financing sector as a joint venture between FCA Italy S.p.A (a member of the Stellantis Group, an international automotive group) and CA Consumer Finance S.A (a member of the Crédit Agricole, a leading French banking group). FCAB currently manages all the main financial activities in order to support the sales of several automotive brands, mainly in Europe, through financing of the dealer network, financing of private customers, leasing and hire services for fleets. FCAB is present in 18 countries, through 32 legal entities and 12 branches.

In April 2022, Credit Agricole Consumer Finance (“CACF”) and Stellantis signed binding agreements, inter alia, providing for the acquisition by CACF of 100% of the capital of FCA Bank. The transaction should be completed in April 2023 once the required authorization has been obtained from the relevant anti-trust authorities and market regulators. This restructure is not expected to have an impact on the operations and organisational structure of FCAC Re, however, the Company might have an opportunity to extend the scope of its business strategy as a result of this reorganisation in the future.

As a composite reinsurance undertaking, the Company is regulated by the Central Bank of Ireland (“CBI”) and rated Low Risk under the PRISM impact rating. The strategy of the Company is to offer reinsurance cover related to the insurance benefits offered in conjunction with the financing products sold by Group companies on a pan European scale. The Company currently accepts the reinsurance risk on Credit Protection Insurance (“CPI”) and Guaranteed Asset Protection (“GAP”) policies distributed by companies within the FCAB group.

The CPI policies reinsured by the Company are ceded from CACI Life DAC and CACI Non Life DAC entities, both authorised and regulated in Ireland by the CBI and owned by Credit Agricole Group. The Company accepts reinsurance risk on Credit Payment Protection Insurance ('CPI') policies distributed by sister companies within the FCAB Group inceptioned in three European countries (Germany, France, and Spain) for Life and Non-Life risk. Until 2015, the Company also reinsured policies distributed in Italy and Poland.

From 2019 onwards, the Company commenced reinsuring risks on GAP policies inceptioned in Germany, France, Spain and Poland and, from 2022, also in Italy. The GAP policies are underwritten by AXA France IARD, headquartered in France. GAP policies cover potential shortfall experienced by the customer where a vehicle is damaged, or stolen and deemed to be a "total loss".

The above reinsurance inwards arrangements are structured as proportional quota share agreements, accepting 95% of CPI risks, 80% of GAP risks in Germany, France, Spain and Poland and 85% in Italy. These arrangements are written on a funds withheld basis. The Company also has in place quota share retrocession arrangements which transfer 90% of its CPI risks, on a funds withheld basis, to Hannover Re, for policies inceptioned up to 31st December 2022 and AXA France IARD from 1st January 2023 onwards, which allow the Company to mitigate the related risks. For GAP risks, the Company has negotiated with AXA France IARD, a stop loss cover which will ensure that the insurer retains future losses in excess of 100% and up to 200% of the total premiums earned in respect of policies underwritten in the period of the reinsurance treaty.

As in previous years, the Company has continued to manage its dormant claims reserve in accordance with the requirements of the Italian insurance regulator, Istituto per la Vigilanza sulle Assicurazioni ("IVASS") and its Cedant, CACI with further claims settlements taking place during the year. The balance of this provision as at 31 December 2022 is €3.9m (2021: €6.7m).

In 2022, the Company booked a net profit before tax, based on its IFRS Financial Statements, of €3.4m (2021: €1.4m). The underwriting performance of the GAP portfolio has positively impacted the overall result which was higher than last year due to the addition of the Italian GAP business line.

Given the existing quota share arrangements on the CPI business, stop loss on the GAP business, coupled with a healthy solvency coverage as at the end of 2022 (€13.2m - 188%), the Company believes it has sufficient own funds and liquidity to withstand any future emerging experiences. This assessment is also supported by the 2022 ORSA which included two sets of base case scenarios featuring different levels of premiums, each stressed by an increase in sales and claims volumes.

The Company has a comprehensive system of governance in place led by the Board of Directors and the Board Committees (Risk and Audit Committees). The Board and the two Board Committees meet regularly throughout the year. In addition, the Company has established the four key control functions of Risk, Actuarial, Compliance and Internal Audit, all of which operate within a clearly defined framework and report to the Committees and/or Board.

The Company's risk management framework is well defined and includes ongoing risk identification, mitigation and management activities. The Company uses the Solvency II standard formula to calculate its Solvency Capital Requirement (SCR). This formula confirms that the largest risk, from a risk quantification perspective, is the Non-Life underwriting risk, primarily driven by the GAP business volumes, inception since 2019. The second largest risk is the risk of counterparty default. This arises as a result of the capital held by the Company, the level of funds withheld by the Cedants, funds held in commercial banks and in intragroup investments with the parent company, FCAB.

Life, Health and Non-Life underwriting risks are measured against the defined stresses of the standard formula. These risks are manifested largely in claims shocks which could be caused by pandemic or natural disasters in the cases of life and health risks and could be influenced by adverse macroeconomic conditions in the case of non-life risks (loss of employment).

The Company's assets and liabilities, under Solvency II methodology, are valued at best estimate. This differs in some respects from the IFRS valuations for Financial Statements. In particular, the technical provisions for the Solvency II balance sheet represent the present value of future claim payments. A risk margin is also included in technical provisions, which represents the cost of holding the solvency capital requirement. Section D of the SFCR shows the comparison between the Solvency II balance sheet and the Financial Statements.

At the end of 2022, the Company had a surplus of assets over liabilities of €24.8m on a Solvency II valuation basis. This compares to a SCR requirement of €13.2m and indicates a solvency cover ratio of 188%. The SCR has exceeded the minimum capital requirement of €3.9m required under Solvency II, reflecting the level of new business volumes, predominantly driven by GAP. The assets included a capital contribution of €5m, which was received from its Parent, FCA Bank S.p.A. in October 2022.

As publicly disclosed, CA Consumer Finance and Stellantis have signed binding agreements providing for the creation of a European leader in operational car leasing and the acquisition by CA Consumer Finance of 100% of the capital of FCA Bank and Leasys Rent (now rebranded as Drivalia). The agreements relating to this transaction have been signed, while their implementation is expected to be completed by April 2023. FCA Bank S.p.A have already obtained ECB authorisation to change the name of the company which will be implemented at the closing date, FCA Capital Re is adopting a similar approach.

The Company reviewed its risk profile in light of the Russian invasion of Ukraine and identified no specific new material risks to the business, however the Risk Committee will continue to monitor developments. During 2022 the Company was the subject to a cyber-attack which was reported to the relevant authorities. The attack was resolved with minimal operational impact on the Company. The Board along with the Senior Management and IT personnel, continue to monitor this risk on an ongoing basis, whilst maintaining an effective oversight of possible developments with regards to this conflict.

A. Business and Performance

1. Business Description

The Company is a designated activity company incorporated in Ireland and limited by shares. It is authorised by the Central Bank of Ireland to carry on the business of Reinsurance.

Its registered address, and the address from which it operates, is:
29 Fitzwilliam Place,
Dublin 2,
Ireland.

The supervisory authority responsible for financial supervision of the Company is:
Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1,
Ireland.

The Company's external auditor is:
PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

FCAC Re is a 100% owned subsidiary of FCA Bank SpA ('FCAB'), a banking group operating in the European automotive financing sector as a joint venture between FCA Italy S.p.A (a member of the Stellantis Group, an international automotive group) and CA Consumer Finance S.A (a member of the Crédit Agricole, a leading French banking group).



The Company accepts reinsurance of Credit Payment Protection Insurance ('CPI') and Guaranteed Asset Protection ("GAP") policies distributed by companies within the FCAB group. The policies reinsured by the Company during 2022 were inceptioned in 5 European countries (Italy, Germany, France, Spain, and Poland), covering Life, Non-Life and Health risks.

2. Underwriting Performance

Gross written premiums, net of cancellations and refunds, inceptioned in 2022 are in respect of CPI and GAP policies sold by FCAB group companies in Germany, France and Spain (CPI) and in Germany, France, Spain and Poland and Italy (GAP). These also include premium refunds related to CPI Policies distributed in Italy and Poland, prior to 2015. The individual covers within the CPI policies distributed by the FCAB group include Life, Health and Non-Life perils. GAP risks are classified as a Non-Life peril as they cover the loss or damage of vehicle. The underwriting performance of the Company for 2022 is summarised by line of business as follows

	31/12/2022			31/12/2021		
	Life	Health	Non-Life	Life	Health	Non-Life
Summary Underwriting Performance	€000's	€000's	€000's	€000's	€000's	€000's
Gross Premiums Written	3,244	1,387	15,092	3,331	536	4,234
Outward Reinsurance Premium	(2,920)	(1,248)	(39)	(2,998)	(483)	(27)
Change in provision for Unearned Premium, Gross Amount	(860)	(20)	(10,180)	324	769	(1,571)

Change in provision for Unearned Premium, Reinsurer's Share	774	18	24	(292)	(693)	(18)
Net Earned Premium	238	137	4,897	366	131	2,618
Reinsurance commission	778	214	9	800	121	7
Change in deferred commission income	(241)	94	(5)	23	172	4
Fronting Fees	(326)	(92)	(2,066)	(407)	(54)	(721)
Change in deferred commission expense	1	(13)	1,219	(23)	(66)	231
Net commission income/ (expense)	212	202	(843)	393	173	(479)
Claims Paid, Gross Amount	(4,305)	(138)	(297)	(2,180)	(225)	(236)
Claims Paid, Reinsurer's Share	3,874	124	8	1,962	203	36
Change in provision for Claims, Gross Amount	3,122	122	68	(2,500)	25	(220)
Change in provision for Claims, reinsurer's share	(2,810)	(110)	(17)	2,250	(22)	(3)
Claims Incurred	(118)	(2)	(237)	(468)	(20)	(424)
Underwriting Performance	332	337	3,816	291	283	1,715

The Company pays commissions to its Cedants (CACI/AXA) based on the earning pattern of the gross premiums written by the Cedants at source. The Company receives commissions for the CPI business from the Retrocessionaire, also based on the earning pattern of this business.

The Company's business is exclusively reinsurance of policies distributed by group companies. The policies are multi-year policies with single premium payable at inception (Spain, Italy and partially Germany) or regular premium paid monthly (France and partially Germany). The Company thus earns the premium over the full term of the policies and reflects its earned commission income and commission expenses accordingly.

3. Investment Performance

The investment policy of the Company is to invest all of its surplus assets in current accounts and short term bank deposits with a maximum maturity of nine months or less as well as in investments with the parent company.

At end 2022 and 2021, the Company had investment assets as follows:

Investment Assets	31/12/2022 €000's	31/12/2021 €000's
Current Accounts and Deposits with Credit Institutions	9,155	7,591
Current Accounts and Deposits with Group	9,786	4,789
	18,491	12,379

4. Other Income and Expenses

In the earlier years of the operation the Company earned net profit share income based on the underwriting performance of its CPI business. Since 2019, the amount was effectively nil due to the establishment of the Italian dormant claims reserve, the impact of which has resulted in an underwriting loss for Hannover Re. As per the retrocession treaty, the Company shares in Retrocessionaire's underwriting profits and does not absorb any losses at an aggregate level.

The Company paid an annual stop loss fee on the GAP business ceded by AXA France. The fee payable was based on the earned premium at risk.

The following table shows the other operating income and expenses of the Company for 2022 and 2021.

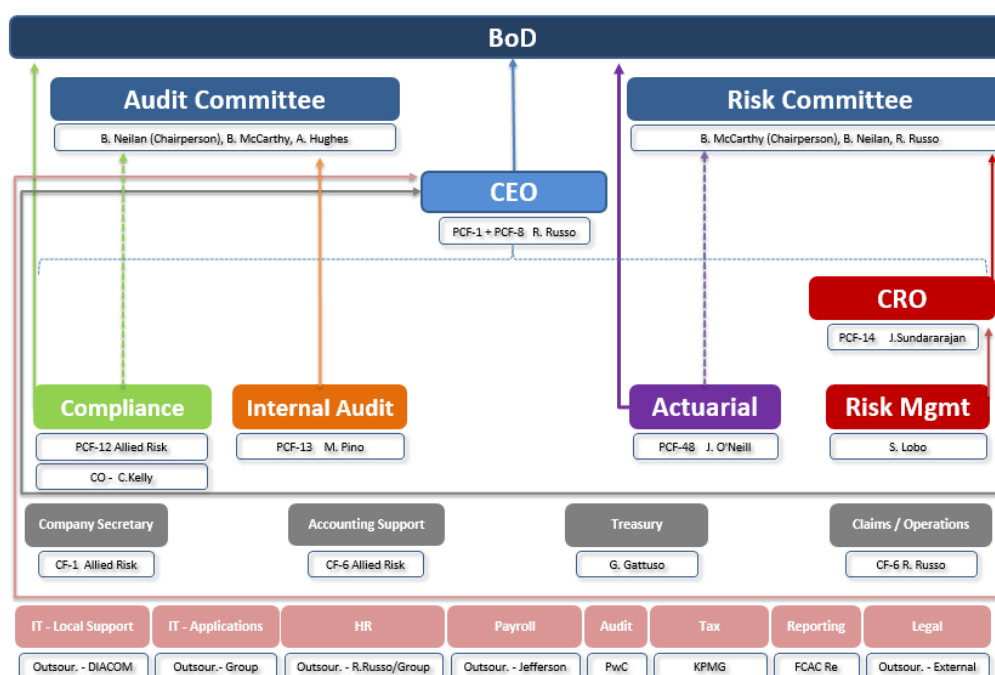
Other Operating Income / (Expenses)	31/12/2022 €000's	31/12/2021 €000's
Net Profit Share Earned	-	-
Stop Loss Fees	(24)	(13)
Net interest expense	4	(63)
Administrative expenses	(994)	(853)
	<u>(1,014)</u>	<u>(929)</u>

B. System of Governance

1. General Governance Arrangements

B.1.1 Organisation Design

As at 31st December 2022, the governance and organisational structure of the Company is designed as follows:



The Board of Directors, as at the end of 2022, consisted of two independent non-executive directors, one executive director, two group non-executive directors and one executive directors who has taken the positions of Chief Executive Officer/Country Manager for this Company. The names, nationality and roles of the directors are set out below:

Name	Position	Nationality
Giacomo Carelli	Chairman and Group Non-Executive Director	Italian
Alexander Hughes	Group Non-Executive Director	British
Brendan McCarthy	Independent Non-Executive Director	Irish
Brian Neilan	Independent Non-Executive Director	Irish
Roberto Russo	Executive Director	Italian

Barbara Judge	Non-Executive Director	British
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The Board retains ultimate responsibility for risk management and internal controls within the Company. It is responsible for ensuring that appropriate systems are aligned to the strategic business objectives and are continuously in place for monitoring management's performance in terms of risk management and internal controls.

- The Board of Directors is made up of six members with extensive experience in the financial and insurance sector and includes two Independent Non-Executive Directors. The Board meets at least four times per year.
- The Board operates in accordance with the CBI regulations and with the Irish Company Law and has an annual forward planning agenda in place to ensure that all the relevant items are covered during the year.
- The Board carries out a self-assessment of its performance on an annual basis.
- The Board set up two committees: the Audit Committee composed of two INEDs and one NED; and the Risk Committee which has two INEDs and an Executive Director.

The duties of the Risk Committee are, inter alia:

- Advising the Board of the Company's appropriate risk appetite;
- Advising the Board on risk tolerance for the current business and for future strategy, taking into account the Company's overall risk appetite, its current financial position, and FCAC Re's ability to manage and control risks as part of the proposed strategy;
- Recommendations to the Board on an appropriate and effective risk strategy, framework and resource plan to support the Company's business strategy;
- Carrying out of a detailed risk review of the Company, at least twice per year, with findings reported to the Board;
- Development of an appropriate risk appetite metrics for each of the major risk classes and oversight of a reporting system to the Board which summarises the Company's position vis a vis the risk metrics;

- Advising the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, amounts, types and distribution of both internal capital and own funds, adequate to cover the Company's risks;
- Monitoring and challenging the actual exposure to risk and recommending that appropriate actions are taken to manage exposures within the risk appetite parameters set by the Board. This monitoring task includes a regular review of the operational risk;
- Advising the Board on the annual ORSA and Recovery Plan process, proposing relevant stress scenarios to model through the Company's economic capital model and proposing to the Board recovery options as well as the overall solvency capital needs of the business, if different from the SCR calculated by the EIOPA standard formula;
- Reviewing risk implications of proposed business developments within the reinsurance businesses. In particular, this includes considering new reinsurance concepts and the use of new reinsurance products and, if appropriate, recommending them to the Board;
- Overseeing the ongoing development, implementation and operation of the risk strategy, framework, and resource plan.

The duties of the Audit Committee are, inter alia:

- Considering the annual audit plans (internal and external) and the scope of the specific audit engagements, ensuring that co-ordination of audit effort is maximised;
- Reviewing the findings of all audit reports and overseeing the implementation of any recommendations accepted;
- Ensuring satisfactory completion of the annual statutory Financial Statements, annual regulatory returns and the audit of same;
- Review and assessment of the system of internal controls for the Company, to ensure it to be consistent and effective;

- Oversight of the completion of the annual solvency and financial condition report and the regular supervisory report, when required.

Company Secretary Services are provided by Allied Risk Management Limited (ARM).

As at 31st December 2022, the four key functions required by the Solvency II regulations are resourced as follows:

Key Function	KFHs	PCF
Compliance (Allied Risk Management or ARM)	C. Kelly	PCF12
Internal Audit (FCAB - HQ)	M. Pino	PCF13
Risk Management (FCA Automotive Services Limited)	J. Sundararajan	PCF14
Actuarial (ARM)	A. Kenny / J. O'Neill (effective from October 2022)	PCF48

- The Compliance function is outsourced to ARM with the Head of Function role carried out by Christina Kelly, an employee of ARM.. The compliance function has a direct reporting line to the Audit Committee of the Board and is overseen by the CEO.
- The Internal Audit function is outsourced to the Group Internal Audit function of FCA Bank SpA with the Head of Function role carried out by Mr Michelangelo Pino, an experienced senior manager in the Group Internal Audit function. The Head of Internal Audit reports to the Audit Committee regarding audit planning and findings for FCAC Re and is overseen by the CEO. In 2023, subject to CBI approval, there will be a change in Internal Auditor to Mr Naresh Chauhan, employed by FCA Automotive Services Limited, a Group Company, who will take over from Mr Michelangelo Pino.
- The Risk Management Function is headed up by Mr John Sundararajan, CRO, who is employed by FCA Automotive Services Limited, a Group Company. The CRO reports directly to the Risk Committee and is overseen by the CEO.
- The Actuarial function is outsourced to ARM and the Head of Actuarial Function role, which changed function holder in October 2022, is carried out by a qualified actuary John O'Neill who reports directly to the Risk Committee and is overseen by the CEO.

B.1.2 Remuneration policy and practices

The Company's approach to remuneration is based on and fully aligned to, the Group's remuneration approach, which is based on the following principles:

- a) Integrity and ethical behaviour;
- b) Clear governance;
- c) Full compliance with regulatory requirements and with the Code of Conduct that FCA Bank has adopted;
- d) Remuneration programs that address the expected leadership standards and business results;
- e) Compensation structure that does not provide incentives to encourage employees to take risks that are not in line with the Company's risk profile;
- f) Sustainability of remuneration and alignment with corporate results and individual performance;
- g) Internal remuneration equity and competitiveness towards the external market; and
- h) Retention and motivation of the most strategic talents, at all levels of the organization.

The Company approach is based on a balanced package of fixed and variable elements, acting on the motivation and retention of employees and guaranteeing fairness and the consistency of the remuneration systems:

- Fixed remuneration is the most relevant component; it remunerates the role and responsibilities covered, reflecting the experience and skills of each human resource.
- Variable remuneration is related to achieved results, linking the remuneration with the short and long term performance of the Company and the Group, in order to strengthen the alignment between the shareholders and management/employees' interests.

B.1.3 Material transactions with related parties

During the year the Company reinsured premium of €3.2m and €1.4m from CACI Life DAC and CACI Non-Life DAC respectively. CACI Life DAC and CACI Non-Life DAC are both operations within the Crédit Agricole Group which owns 50% of FCAB, the parent of the Company.

As at the year-end there is a balance of €3.4m recoverable from CACI Life DAC and a balance of €2.9m recoverable from CACI Non-Life DAC.

At 31 December 2022, the Company had invested €9.7m in a group cash pooling account with the Irish Branch of FCAB.

2. Fit and Proper Requirements

The Company has a Fitness & Probity policy which clearly sets out the Company's procedures for assessing competence and capabilities necessary for all key functions in the organisation. Key functions are those defined as 'Controlled Functions' (CF's) and 'Pre-Approval Controlled Functions' (PCF's) in S.I. No. 615 of 2011, or as amended in subsequent legislation.

An individual is required to have the competence necessary to perform the CF or PCF for which he or she is proposed. The Board tests this with regard to the qualifications and experience of the individuals, their knowledge of the business of the regulated financial service provider as a whole and the specific responsibilities and requirements of the proposed role, which are documented in the fitness & probity checklist completed as part of the due diligence process.

In particular the Board considers:

- whether the person has shown the capacity previously to undertake similar responsibilities of the position;
- the existing responsibilities of the individual including but not limited to the number of existing directorships held by the individual;
- the degree of competence and proficiency to undertake a relevant function that the person has demonstrated in a previous or current role.

The Board also consider the person's character and reputation and their financial soundness before confirming them in a CF or PCF role. This process includes a self-assessment attestation by the individual which is aligned to sections 4.1 and 5.2 of the Standards of Fitness and Probity issued by the CBI pursuant to section 50 of the Central Bank Reform Act 2010.

The initial as well as an ongoing due diligence carried out by the Company includes regulatory checks for any sanctions published, director restrictions or disqualifications, checks against bankruptcy and criminal judgement databases as well as professional qualifications (if applicable) and the evidence of current subscriptions.

3. Risk Management System (including Own Risk and Solvency Assessment)

The Board and Senior management recognise the importance of:

- implementing an appropriate risk management system;
- promoting an effective risk management culture within the organisation and ensuring financial stability through the mitigation of the main risks;

- reviewing and renewing the risk management framework on a regular basis.

The primary goal of the Risk Management system is to provide guiding principles to protect the interests of cedants, stakeholders, shareholders and employees and to put appropriate controls in place to ensure that the principles set are implemented. It is recognised that any failure in the Risk Management system could lead to acceptance of risks in a form or quantity that may:

- result in an unsupported financial loss;
- lead to negative reputational damage to the organisation as well as to its parent company and related affiliates;
- lead to the loss of the key personnel within the organisational team that is required to run a successful operation; and,
- lead to non-adherence to the regulations.

The risk management framework is a compilation of processes, procedures, actions, and communications designed to ensure all relevant risks have been identified, assessed, addressed, and monitored on an annual basis through the correlation of the following components:

- Risk Management Policy;
- Risk Appetite Statement (“RAS”);
- Risk Register;
- The Own Risk and Solvency Assessment (ORSA);
- Recovery Plan.
- Other risk management policies

The Risk Management Policy, RAS and other risk management policies are approved by the Board of Directors and outline guidelines and core expectations are established for the management of risks within the organisation.

In particular, the Risk Appetite Statement defines the level of risk that the Company is willing to assume within its risk capacity to achieve its strategic objectives and business plan.

The Company has a Chief Risk Officer in place who reports to the Risk Committee and is responsible for implementing the risk management framework.

The Risk Register is the main tool currently used by the Company to identify and assess risks in accordance with the steps set out in the Risk Management Policy which are identified as: risk identification, risk assessment, risk control & monitoring and risk mitigation. Those risks are assessed on a regular basis and actions are addressed where controls are not effective.

The latest formal review and approval of the Risk Register by the Risk Committee of the Board took place in July 2022 and will continue to be reviewed at least annually in the future.

The Risk Management framework & associated Risk Appetite Statement are currently considered appropriate and proportionate to the Company based on:

- the size of the business operations;
- the fact that the main business activities relate to the reinsurance of underwriting risks in a niche market place predominantly associated with consumer finance products in the auto financing industry.

The nature of the Company's business activities is to accept the risks, on a quota share reinsurance basis, included within the terms of the original policies, and therefore the risk strategy includes acknowledgement of insurance risk and the ability to mitigate and control the risks inherent in the activities of an insurer.

The ORSA process enhances this risk management framework and facilitates consideration by the Board of the capital requirements of the business having regard to the nature of business written and the manner in which it manages risks on an ongoing basis.

The ORSA process is carried out at least once per year, with a plan to update it during the interim period where the Company's strategy, or the business environment, changes in any material way. The Board thus review the ORSA output and determine the Company's overall solvency needs on an annual basis.

In preparation for the ORSA, the Company prepares a five year business plan, aligned to the Company strategy agreed by the Board. The Risk Committee of the Board considers the key risks facing the Company which develops a number of possible scenarios which could have a material impact on the Company's business plan, both positive and negative, and consequently on the Company's capital position.

Based on the above, the Company, using the Solvency II standard model functionality, (i) assesses the Solvency Capital Requirement (SCR) for the Company for each of the periods of the plan, and (ii) examines the potential impact on the SCR of the various risk scenarios

deemed relevant. The impact on the SCR is considered, in quantitative terms by building models to stress the five year business plan or alternatively, through a narrative approach which seeks to understand the implications, in relative terms, of a realisation of any of the risk scenarios, including the impact on capital requirements.

Having completed the process above based on the Solvency II Standard Model, the Board must consider if the model is suitable in all respects to determine the overall solvency needs of the Company, both for the short term and the medium term.

Applying the Solvency II Standard Model to the Company, it can be seen that the key elements of the capital requirement are (i) Counterparty Default Risk, (ii) Insurance Risk (Life, Health and Non-Life), and (iii) Operational Risk.

The Board considers the calculated SCR, based on the application of the standard model, to be appropriate for the short term capital needs of the business.

The medium / longer term assessment of overall solvency needs is correlated with the projected business plan, the stress scenarios applied to the business plan, and the general consideration of potential risk impacts.

The Board consider it prudent to set a medium term solvency target buffer which is monitored in addition to the SCR balance. The Company has determined that it is appropriate, in the medium term, to set its overall solvency needs at 120% of its SCR. The 120% is in line with Company's approach in estimating future losses in its Solvency II technical provision models which allows for economic cycles and unforeseen events as well as the mitigating impact of quota share reinsurance and stop loss protection on the company's SCR balance.

4. Internal Control System

The Company has established an Internal Control Policy which clearly sets out the nature of the internal control system for the business.

The internal control system comprises

- a) Board level controls;
- b) operational controls; and
- c) the independent control functions, including the Compliance Function.

Board level controls include the development of, and dissemination by, the Board of company policies. These policies are documented for significant areas of control and clearly set out the Company's objectives, the responsibilities of the various stakeholders, and the level and frequency of reporting activities to the Board.

Board level controls also include the set of activities reserved by the Board (and listed in the Board charter) for their pre-approval, and the development and implementation of a delegated authorities schedule which clearly sets out those activities which are delegated to the various levels of management in the business.

The Company also adopts a three lines of defence risk management framework:

In the first line of defence operational controls are determined through the documentation of internal and outsourced processes with key control points listed and monitored. Both manual and automated controls are defined and each is assigned a business owner and a frequency. The business owner is responsible for this risk. Monthly validation reports are prepared and reviewed internally.

The second line of defence includes the Compliance, Actuarial and Risk Management Functions. The Risk Management Function is currently insourced with the Head of Function role provided by John Sundararajan, employed by Group Company. The Compliance and Actuarial Function is currently outsourced to ARM with Ms Kelly acting as Head of Compliance and Mr O'Neill acting as the HoAF.

The third line of defence is internal audit and this is carried out by Mr Pino, a group employee. He prepares a 3 year rolling internal audit plan for the Audit Committee's consideration annually and also provides a copy of his report for consideration by Management and the Audit Committee annually before the report is finalised. His findings and recommendations are noted in his report and are followed up by Management and confirmed by Mr Pino on an agreed timeline basis.

As stated above, the Compliance Function is responsible for:

- documentation of all relevant obligations of the Company from legislation, regulatory codes and guidelines, and internal policies and its assessment of the Company's performance in this regard;
- reporting to the Board to provide assurance regarding the compliance of the Company; and
- provision of compliance support to the business, including advice on requirements and relevant training to the Board and employees of the Company.

5. Internal Audit Function

As stated above, the Internal Audit Function is resourced from the Group Internal Audit function of FCA Bank S.p.A. with the Head of Function role carried out by a senior member of the Group Internal Audit Function. It is proposed that the Internal Auditor Head of Function

role will change in 2023. The Head of the Internal Audit Function reports to the Audit Committee.

Risk Mapping systematically identifies and evaluates company risks and controls in place to mitigate them, with a view to providing the basis for the multi-year audit programme and the yearly audit plan, and establishing the priorities for the audit missions based on a “risk level” of the activity/process to be audited and the level of reliability of the Internal Control System of the Company.

The multi-year audit programme is derived directly from the auditable risk mapping. The multi-year programme is updated each year, when drawing up the yearly audit plan.

It is important that the Internal Audit Function maintains its independence and objectivity from the activities it reviews. It is a requirement of the internal audit policy established by the Company that those employees working within the Internal Audit Function do not carry out any roles / activities within the organisation which would be outside of the sphere of Internal Audit activities.

6. Actuarial Function

The Company has outsourced the provision of actuarial services, and the Head of Actuarial Function to ARM, a firm of actuarial consultants in Dublin.

The Head of Actuarial Function attends the Board and Board Committee meetings of the Company. A Letter of Engagement, and accompanying Statement of Work, is agreed by the Company at the beginning of each year covering at least the following activities to be implemented by the Actuarial Function:

- co-ordination of the calculation of the technical provisions (best estimate liability and risk margin);
- assessing the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assessing the sufficiency and quality of data used in the calculation of technical provisions and providing recommendations, where appropriate on measures to improve data quality (annually);
- comparing best estimates against experience;
- informing the Board of the reliability and adequacy of the calculation of technical provisions;

- preparing and presenting an annual Actuarial Function Report to the Board, including the expression of an opinion on the overall underwriting policy, and on the adequacy of reinsurance arrangements;
- contributing to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the MCR, SCR, ORSA and Recovery Plan processes;
- providing an actuarial opinion to the Board in respect of the ORSA process of the Company;
- provision of an Actuarial Opinion on Technical Provisions ('AOTP') to the CBI (based on the figures submitted in the annual QRTs);
- provision of an Actuarial Report on Technical Provisions ('ARTP') to the Board, which supports the AOTP;
- Providing exclusively some of the quarterly and annual QRTS, supporting Management in the preparation of other quarterly and annual QRTs as well as providing the quarterly SCR and inputs into the SFCR and RSR/Summary RSR reports.

7. Outsourcing

The Board has established an outsourcing policy which requires, at least, the following checks to be carried out when selecting an outsourced service provider:

- the ability and capacity of the provider to deliver the required activities satisfactorily, in both normal and stressed circumstances;
- assessment of the financial strength of the service provider;
- assessment of the economic and reputational status of the service provider;
- verification of the absence of any explicit or potential conflict of interest arising on appointment of the service provider;
- consideration of the independence of the provider, where such is required;
- the level of dependence on the service provider and the company's risk appetite in this regard; and
- the location and sub-outsourcing arising from the appointment of the service provider and the risks associated with same.

The Company's outsourcing policy also requires a written agreement to be drawn up between the outsource service provider and the Company with specific consideration of the procedures set out in the Fitness and Probity Policy for individuals carrying out controlled activities.

The agreement complies with relevant laws and regulations and contains, through specific clauses and annexes, at least the following:

- service description, contract duration and the related fees;
- the level of quality expected of the service provider, by defining SLA – Service Level Agreement and/or KPI – Key Performance Indicators;
- details about the regular reporting on the service provider's activity to be submitted by the Outsourcer, if applicable;
- the right for the Company to perform controls (directly or through its Parent Company or agents) on all services provided under the agreement;
- the provision of emergency mechanisms, to be tested at least once a year, to ensure the continuity of the business provided under the agreement;
- the agreement to contain details of exit clauses with time frame for transfer of service defined;
- the confidentiality, data protection, data security and information security provisions;
- the IT Cyber Security compliance with the relevant guidelines.

All outsourcing contracts and specific general terms and conditions are approved by the Board of Directors and the agreement is signed by an authorised signatory.

The Company has an outsourced service supervision model in place which requires:

- the management to perform a regular monitoring of each key SLA in place;
- the Board to be regularly informed about the status of outsourcing contracts, the results of SLA monitoring and corrective measures put in place with the service provider;
- the identification and valuation of major risks associated with outsourcing, which is included in the operational risk mapping activity, and
- the reporting to the Board of any major incidents and potential losses greater than €20k associated with outsourced activities.

- a confirmation of the service providers' business continuity plan and testing;
- the risks associated with outsourcing to be included in the Company's Risk Register and the associated risk mitigation plans to be reviewed on an annual basis, taking into account new emerging risks;
- the Company to maintain a register and a detailed outsourcing dossier for all outsourced service providers and review their performance and their importance to the Company on an annual basis.
- the Company to carry out a periodic tender process of the outsourced key functions (at least every 5 years). However the Board can decide to extend this period if the timing of the tender coincides with critical changes or endeavours of the Company and conducting the tender would present a risk of destabilising Company's operations.

The following is a register of outsourced providers for both essential and standard operational functions.

Service	Operating country	Jurisdiction	Group/ Third Party
HoAF	Ireland	Ireland	Third party
Actuarial Support	Ireland	Ireland	Third party
Compliance	Ireland	Ireland	Third party
Company Secretary	Ireland	Ireland	Third party
Accounting Support	Ireland	Ireland	Third party
Head of Internal Audit	Ireland	Italy	Group
CRO	Ireland	UK	Group

8. Assessment of Governance

The Company only writes business which has been accepted by group companies. The Company has diversified its risk exposures by writing its reinsurance business across two business lines and across five countries in Europe. The Company is well capitalised and has a low risk appetite for market or liquidity risk.

The Board considers the system of governance as outlined above to be appropriate for the nature, scale, and complexity of the business and its inherent risks

C. Risk Profile

1. Underwriting Risk

C.1.1 Risk Exposure

The Company accepts, on a quota share reinsurance basis, CPI risks (Life, Accident & Sickness, Unemployment, and Disability) and GAP risks related to the consumer finance customers of FCAB in Germany, France, Spain, Italy and Poland. The Company has a portfolio of CPI risks from Italy and Poland, also related to the consumer finance customers of FCAB, which are in run-off.

The Company reinsures, on a quota share basis, the life, accident and sickness, and loss of employment covers of CPI policies. The Company also reinsures GAP policies which cover the potential shortfall experienced by the customer where a vehicle is damaged, or stolen and deemed to be a total loss.

The main insurance risks are related to claims experience being higher than the assumptions in the pricing of the products. This could arise as a result of economic evolution in the markets in which the risks are covered or as a result of claims shocks due to concentration exposure, pandemic, change in insurance regulations in individual countries etc.

C.1.2 Risk Concentration

The Company seeks to reduce concentration of risks by accepting reinsurance of risks which are sourced across two business lines with different risk structures and across several countries in Europe. Within each country, the Company has set per customer and per country limits to be applied by the Cedants within the books of business ceded to the Company.

C.1.3 Risk Mitigation

The Company retrocedes 90% of all of the insurance risks to a Retrocessionaire, Hannover Re over the period 2008-2022 which will change to AXA from 2023. While this retrocession policy does provide mitigation of insurance risks, the Company recognises that claims exposure does revert to it through the profit share arrangements where FCAC Re receives between 80% - 95% of underwriting profits from the Retrocessionaires.

In relation to GAP business line, the Company has also negotiated with AXA France IARD, a stop loss cover which will see the insurer retaining future losses in excess of 100% and up to 200% of the total premiums earned in respect of policies underwritten in the period of the reinsurance treaty.

The Company analyses and reviews actual claims experience on an ongoing basis, receiving policy level data on claims from the Cedants monthly. On a quarterly basis, claims experience reports are brought to the Board for consideration and reviewed against the loss ratio tolerances in the Risk Appetite Statement.

Any significant spikes in claims experience are discussed with the insurer, who also maintains a close watch on its experience and has the opportunity to propose price increases on the products (for new business) if necessary.

The Board's risk appetite for underwriting risks is set out by country in the Risk Appetite Statement which is reviewed annually by the Board. As stated above, specific limits are set for customer exposures (encapsulated in the reinsurance contracts) and for the expected loss ratios. Actual loss ratios are monitored on an on-going basis and the Board reviews the claims performance by class of business and by country at each of the board meetings.

C.1.4 Risk Sensitivity

It is expected that the unemployment risk element of the loss ratios will be impacted by the economic cycles in the countries in which the Company writes business. As such, this element of the anticipated loss ratios will differ from one period to the next. The pricing of the products anticipates this changing loss ratio expectation and the risk tolerances have been set to also allow for movements in the expected results over the different timeframes. The other material underwriting risks of FCAC RE are not deemed to differ significantly over short, medium and long term time horizon.

Please refer to section D2 for results of technical provision sensitivities.

2. Market Risk

C.2.1 Exposure

The Company invests surplus assets in (i) fixed rate bank deposits, (ii) interest bearing bank current accounts, and (iii) deposits or cash pooling accounts with its parent company which is a bank licensed in Italy, acting through its Irish Branch. The interest bearing assets are all variable rate products thus there is no explicit market risk exposure. Over 2022, The Russian invasion of Ukraine carried significant risks for a world economy that is yet to fully recover after more than two years of Covid19 pandemic. The Company has undertaken a CBI Ukraine Questionnaire in 2022 and, in parallel, has monitored the evolution under different areas of risk IT and Cyber security; Counterparty Risk; Investment Risk; Currency Risk; Outsourcing Risk. Overall, the Board and senior management have determined that, to the best of their knowledge, there is no material exposure to the Company's operations on the financial position as at today.

C.2.2 Concentration

The Company is not subject to any material market risk (outside the assets held as described above) and thus no concentration of market risk exists.

C.2.3 Mitigation

The Company is not subject to any material market risk and exposure and thus does not believe mitigations are necessary for this type of risk and will continue to monitor them.

C.2.4 Risk Sensitivity

The Company is not subject to any material market risk and thus has no material risk sensitivity in this area.

3. Credit Risk

C.3.1 Exposure

The Company is exposed to counterparty default risk with respect to its investments in current accounts and deposits with banks, including deposits with the Irish branch of the parent company FCAB.

The Company writes all of its underwriting business through funds withheld, quota share reinsurance treaties, resulting in a significant level of unearned premiums, net of unearned commissions, withheld by the cedants. This creates a further credit risk exposure.

C.3.2 Concentration

The credit risk exposure of the Company is quite concentrated and at the end of 2022 was as follows:

	31/12/2022	
	€000's	
Current Accounts and Deposits		
- FCA Bank S.p.A - Irish Branch	9,786	24.7%
- Citibank & other call deposits	9,155	23.1%
Due from Cedants		
- CACI Life Dac	2,708	6.8%
- CACI Non Life Dac	2,235	5.6%
- AXA France IARD	15,715	39.7%
	39,600	

C.3.3 Mitigation

The Company has an investment policy approved by the Board which requires available resources to be invested at any time with at least two counterparties to mitigate the concentration risk and each counterparty (excluding FCA Bank S.p.A or its Irish branch) must not hold more than 50% of the total available resources.

The reinsurance treaties with Cedants are written to terminate in the instance of an insolvency event within the Cedant thus relieving the Company of any reinsurance liabilities with respect to those premiums which have been unearned and are withheld by the Cedants.

Notwithstanding the insolvency clause, a default by the Cedants would have an impact on the solvency coverage of the Company in that its assets would be reduced by the value of future margins to emerge from those risks which have not yet been earned. Under Solvency II methodology this value is encapsulated in the technical provisions.

C.3.4 Risk Sensitivity

The Company, at the end of December 2022, held €9.1m with banks situated in Ireland (three banks) and €9.7m deposited in the group cash pooling account managed by the Irish Branch of the Parent company.

A default by any of these counterparties would have a consequent impact on the Company's own funds. The reinsurance and the retrocession treaties are drafted such that both terminate future business in the instance of an insolvency, and consequent default, of either party.

4. Liquidity Risk

C.4.1 Exposure

Liquidity risk is the risk that a company does not have sufficient financial resources to enable it to meet its obligations as they fall due, even where the company is solvent. The type of business written by the Company, which does not involve significant costs of acquisition, is such as to ensure very little exposure by the Company to liquidity risk. The Company's exposure is also limited through its investment policy, which is to invest surplus assets in immediately accessible bank current or call deposit accounts.

The Company's exposure to liquidity risk is considered to be low since it maintains a high level of liquid assets to meet its liabilities.

C.4.2 Concentration

With no material liquidity risk exposure, the Company does not suffer from any concentration of liquidity risk.

C.4.3 Mitigation

As mentioned above, the Company's exposure to liquidity risk is mitigated to a very high degree through the investment policy applied to the business and inherently through the nature of the insurance risks accepted and their contracted cashflows since the Company's business is predominantly single premium.

C.4.4 Risk Sensitivity

With no material liquidity risk exposure, the Company does not have any liquidity risk sensitivities.

5. Operational Risk

C.5.1 Exposure

Operational risks include, among others, loss of integrity of data due to incorrect feeds from the markets or from the cedants, systems interruptions for an extended period with respect to the core insurance system or the office environment systems, i.e. due to malfunctioning or to cyber-attack, failure by one of the Company's outsourced providers to supply the service as contracted, loss of key staff with consequent loss of corporate knowledge and experience etc.

The Company is exposed to cyber risk, although, since being a subject to a ransom ware cyber-attack in February 2022, the exposure to that risk had decreased as the Company invested in new server infrastructure ensuring the control environments is very robust. The Company's parent provides daily backups, access controls, VPN connection, secure 2 step verification email boxes as well as guidelines and training on the prevention of cyber-attacks and phishing emails, while the local external IT provider manages the hardware and firewall.

Data integrity issues from the market, with respect to levels of premium income, are monitored closely by the Company. The Company has a set of internal controls for monitoring data integrity to ensure that the bordereaux from the Cedants are consistent with the market data from the Group. Any deficiencies are brought to the attention of the Cedant and the Group for early resolution.

The Company has also invested in development of a new reinsurance software, which will allow for more efficient and reliable data processing. This will be launched in 2023.

C.5.2 Concentration

The size of the Company, its staff turnover and its reliance on third party service providers creates certain concentrations of operational risk. This is particularly apparent in the risk to the Company of the loss of key employees and resources.

C.5.3 Mitigation

The Company maintains an ongoing review of the operational risks and has mitigating features as follows:

- Data is sourced from the markets and separately from the Cedants on a monthly basis, at policy level, and is reconciled with any differences followed up in the same month;
- Data backup procedures are in place;
- The Company has a robust business continuity plan which is tested annually;
- The key outsourced providers (ARM) have detailed SLAs in place which are reviewed annually;
- The Company also has in place detailed end to end procedures encompassing all operational processes.

The Company's size does not facilitate 100% coverage of key staff at all times in terms of succession. The Company therefore accepts that certain staff risks could arise during the period between the loss of staff and their effective replacement and training in the operations of the company. However, when this happens, it is monitored closely by Management.

C.5.4 Risk Sensitivity

Operational risk makes up 2% of the total SCR of the Company. It is a factor based module in the standard formula

D. Valuation for Solvency Purposes

1. Assets

The Company's assets, at fair value, are as set out in the following table:

Assets	31/12/2022 Solvency II €000's	31/12/2022 Financial Statements €000's
Insurance and Intermediaries Receivables	2,993	2,993
Deposits to Cedants	18,695	18,695
Profit Share Receivable	-	-
Cash and Cash Equivalents	18,941	18,941
Reinsurance Asset	6,028	9,831
Deferred Acquisition Costs	-	2,273
Tangible Assets	59	59
Intangible Assets	-	208
Tax Prepayments & Other Receivables	52	52
	46,769	53,052

The Company is party to reinsurance treaties with CACI and AXA. Both treaties are written on a quota share basis with cash flows from the Cedants to the Company following the earning pattern of the ceded business.

Insurance and Intermediaries Receivable represent the amounts earned but not yet paid by the Cedant to the Company. They are thus short term debtors in nature and have a fair value which is the same as book value. Included also is reinsurance receivable for Solvency II purposes.

Deposits to Cedants represent the unearned element of the policies underlying the reinsurance treaties. It will thus be a combination of unearned premiums, less unearned claims, and unearned commission amounts. For Solvency II purposes, these assets have been valued at their book value similar to the accounting treatment as per the Financial Statements with the impact of discounting reflected in the Reinsurance Asset.

The Company reinsures 90% of its CPI business to Hannover Re, on a quota share and funds withheld basis, similar to the reinsurance inwards treaties.

Cash and cash equivalents are balances held on current accounts with credit institutions. For both Solvency II and Financial Statements carrying value of these assets approximates their fair value.

The Solvency II reinsurance asset represents the present value of claim recoveries and profit share payments due to the Company from the reinsurer, Hannover Re. In the Financial

Statements, the reinsurance assets represent the Retrocessionaire's share of the UPR, IBNR, and OSLR.

2. Technical Provisions

The technical provisions as at 31 December 2022 are summarised as follows:

Technical Provisions	31/12/2022 Solvency II €000's	31/12/2021 Solvency II €000's
- Life	4,438	8,261
- Health	1,399	1,814
- Non-Life	7,313	2,797
	<u>13,150</u>	<u>12,872</u>
Risk Margin	2,123	741
Total Technical Provisions	<u>15,273</u>	<u>15,808</u>
Reinsurance Recoverables	6,028	9,831

The Company is a reinsurance undertaking authorised to carry on life and non-life assurance business. These covers are classified as:

- “Life - Other life insurance on accepted reinsurance” Line of Business under Solvency II;
- “Life - Health reinsurance” business under Solvency II; and
- “Non-Life – Miscellaneous Financial Loss” (includes Loss of employment and GAP covers).

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 outgo on a best estimate basis using the relevant risk-free interest rate term structure.

The projected future cashflows that are modelled include:

- any future regular premium receipts

- claims payments to the Cedant
- expenses
- commissions to the Cedant
- profit share payments
- retrocession premium payments
- retrocession commission
- retrocession claims recoveries

These results are then scaled up to reflect the actual size of the liabilities at the reporting date. The reinsurance recoveries are calculated using the same methodology.

The risk margin is calculated using the cost of capital approach set out in the Directive:

- first, the Solvency II capital requirement (“SCR”) representing non-hedgeable risks is projected for each future year (until the expiry of all contracts); Individual sub-risks are approximated to calculate the future SCRs (known as method 2);
- the SCR in each future year is then multiplied by the prescribed cost of capital rate (6% p.a.) to get the cost of holding the Solvency II capital requirement in each future year;
- these cost-of-capital figures are then discounted to a single present value using the risk-free yield curve specified by EIOPA to determine the overall risk margin.

The key assumptions in the technical provision calculation are the loss ratios, per policy expense assumptions, and lapse/cancellation rates.

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.

Neither the matching adjustment, volatility adjustment, nor transitional measures apply to the Company.

The overall technical provision at the end of 2022 has increased by €2.2m. The increase is predominantly driven by the Company paying out the Italian Dormant Claims which subsequently reduced the reserve from €6.7m as at the end of 2021 to €3.9m as at the end of 2022 and also the inclusion of the BBNI premiums in the LTP. The Non-Life technical provision has increased by around €4.1m which is a direct result of the inclusion of the Italian GAP business. Movements in technical provision were also impacted by revised loss ratio assumptions used in calculating the future claims as well as the provision for future expenses updated in accordance with the Company’s budget assumptions.

3. Other Liabilities

The Company's other liabilities, at fair value, are set out in the following table:

Liabilities	31/12/2022 Solvency II €000's	31/12/2022 Financial Statements €000's
Insurance and Intermediaries Payables	-	-
Deposits from Reinsurers	4,918	4,918
Payables (trade, not reinsurance)	67	67
Deferred Tax Liability	590	-
Deferred Acquisition Costs, reinsurer's share	-	1,347
Any other liabilities	609	609
	6,184	6,941

Insurance and Intermediaries Payables represent the amounts recognised but not yet paid by the Company. They are thus in the nature of short term creditors and have a fair value which is the same as the book value. For 2022, the company incurred a receivable which was classified under Assets for Solvency II purposes.

Deposits from Reinsurer represent the unearned element of the policies underlying the retrocession treaties. It will thus be a combination of unearned premiums, less unearned claims, and unearned commission amounts. For Solvency II purposes, these liabilities have been valued at their book value in the accounting records of the Company with the impact of discounting reflected in the Reinsurance Asset. The Solvency II valuation above is thus the same as the Financial Statements valuation for the Company.

For Solvency II valuations, future profit margins on the business already written are recognised on a best estimate basis. This results in the value of Own Funds being greater under the Solvency II basis than for the Financial Statements basis. For this reason, a deferred tax liability is recognised which is not included in the Financial Statements balance sheet.

4. Alternative Methods for Valuation

The Company does not use any alternative methods for valuation.

E. Capital Management

1. Own Funds

E.1.1 Objectives, policies and processes for managing Own Funds

The Board of Directors have set an objective to have sufficient Own Funds at all times to cover the Company's SCR and MCR requirements plus a buffer. At each board meeting, the latest available analysis of SCR, MCR and Own Funds is presented in the quarterly risk report, reviewed by the Risk Committee of the Board.

On an annual basis, the Board oversees the preparation of a one year budget and a five year strategic business plan projection. The results of these forward plans are considered for planning capital needs for the future.

E.1.2 Structure, amount and quality of Own Funds

The Company's Own Funds consists of paid in ordinary share capital, retained profits, and a reconciliation reserve.

Own Funds at the beginning and the end of 2022 are as follows:

Own Funds	31/12/2022 €000's	31/12/2021 €000's
Paid in Share Capital	1,000	1,000
Capital Contribution	5,000	-
Retained Profits	15,181	12,146
Reconciliation Reserve	4,131	308
	25,312	13,454

All Own Funds are Tier 1. There is no use of Ancillary Own Funds. The Own Funds items are not dated and therefore are longer in duration than the Company's liabilities.

The company received €5m as capital contribution from its parent as Tier 1 funds to aid the reinsurance of the new Italian GAP business volumes. There have been no other material movements in assets or liabilities other than those projected as the book of business continues to increase in size.

E.1.3 Eligible Own Funds to cover Solvency Capital Requirement

The Company's Own Funds are all tier 1 unrestricted and available to cover the SCR.

E.1.4 Eligible Own Funds to cover Minimum Capital Requirement

The Company's Own Funds are all tier 1 unrestricted and available to cover the MCR.

E.1.5 Difference between equity in the Financial Statements and Own Funds

The following table reconciles the equity shown in the Financial Statements of the Company at end 2022 to the Solvency II Own Funds at that date:

	31/12/2022
	€000's
sEquity per Financial Statements	
- Ordinary share capital	1,000
- Capital contribution	5,000
- Retained profits	15,181
Adjustments for Solvency II	
- Difference in the value of Reinsurance Asset	(3,803)
- Difference in Technical Provisions	9,657
- Exclusion of Deferred Acquisition Cost Asset	(927)
- Inclusion of Deferred Tax Liability	(590)
- Exclusion of Intangible Asset	(208)
Own Funds based on Solvency II	<u><u>25,212</u></u>

2. Solvency Capital Requirement / Minimum Capital Requirement

E.2.1 Amount of SCR and MCR

At end 2022, the SCR and MCR for the Company were as follows:

	31/12/2022 €000's	31/12/2021 €000's
Solvency Capital Requirement	13,225s	5,951
Minimum Capital Requirement	3,900	3,600

E.2.2 SCR split by Risk Modules

The Company's SCR split by risk modules at end 2022 and end 2021 is as follows:

	31/12/2022 Solvency II €000's	31/12/2021 Solvency II €000's
Standard Formula Risk Modules		
Market Risk	314	240
Counterparty Default Risk	2,490	1,559
Life Underwriting Risk	878	1,452
Health Underwriting Risk	650	466
Non-Life Underwriting Risk	11,820	4,322
Undiversified BSCR	16,152	8,038
Diversification Benefit	(2,687)	(2,294)
Basic SCR	13,465	5,744
Loss-absorbing Capacity Adjustment	(590)	(44)
Intangible Asset	-	-
Operational Risk	350	252
Solvency Capital Requirement	13,225	5,951
Minimum Capital Requirement	3,900	3,600

The changes in SCR modules over the period can be explained as follows:

- The increase in Market risk is reflective of the foreign currency risk driven by the increase in GAP business in Poland;
- The movements in Counterparty default risk component of the SCR is attributable to the movements in cash and cash equivalents, the addition of the capital contribution received

from the parent, the credit rating of the counterparties and the solvency coverage of the Cedant (when credit rating is not available);

- For Life underwriting risk, the inclusion of BBNI in the calculation has slightly reduced the impact of the shock scenarios, thus lowering the SCR;
- The increase in health risk is due to a moderate increase in this line of business versus prior year;
- The increase in Non-Life underwriting risk module is driven by introduction of the new Italian GAP business, which was inceptioned on a retrospective basis from January 2022 as well as the introduction of BBNI in the technical provisions.

The loss absorbing capacity of deferred tax (“LACDT”) within the SCR is generally calculated as 12.5% of the gross SCR i.e. the Basic SCR plus the operational risk. However, it is required to test the established LACDT for recovery from future profits. For prudence, the LACDT has been capped to the deferred tax liability amount of €523K as at the end of 2022.

E.2.3 Use of Simplified Calculations

The Company does not use any of the simplifications as defined under Solvency II as part of its SCR calculations.

E.2.4 Use of undertaking specific parameters

Undertaking specific parameters are not used in the calculation of SCR.

E.2.5 Inputs used to calculate the MCR

The table below summarises the inputs used by the Company to calculate the MCR at 31st December 2022. The MCR is calculated based on factors applied to sums assured, premiums, and technical provisions.

	MCR Input	Linear MCR
	€000's	Result
		€000's
Miscellaneous Financial Loss	15,575	1,900
- Net written premiums	7,265	1,351
- Net best estimate		
Life/Health		
- Capital at Risk	2,170,395	1,519
- Net best estimate	-	8

It is then subject to an upper (45%) and lower (25%) band based on the SCR, with an absolute minimum floor of €3.9m.

	31/12/2022 €000's
Linear MCR	4,771
SCR	13,225
MCR cap (45% of SCR)	5,951
MCR floor (25% of SCR)	3,306
Combined MCR	4,771
Absolute floor on the MCR	3,900
Minimum Capital Requirement	4,771

3. Use of Derivative-Based Equity Sub-Module

The Company does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

4. Differences between the Standard Formula and Internal Model Used

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

5. Non-Compliance with the MCR and SCR

The Company has been continuously compliant with both the MCR and the SCR throughout the reporting period.

F. Appendix – Public QRTs

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

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
R0030	
R0040	
R0050	
R0060	83
R0070	
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	6,028
R0280	48
R0290	48
R0300	
R0310	5,981
R0320	1,368
R0330	4,613
R0340	
R0350	18,695
R0360	1,964
R0370	1,030
R0380	28
R0390	
R0400	
R0410	18,941
R0420	
R0500	46,769
	Solvency II value
	C0010
R0510	9,191
R0520	9,191
R0530	
R0540	7,313
R0550	1,878
R0560	
R0570	
R0580	
R0590	
R0600	6,082
R0610	1,503
R0620	
R0630	1,399
R0640	104
R0650	4,579
R0660	
R0670	4,439
R0680	140
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	4,918
R0780	590
R0790	
R0800	
R0810	
R0820	
R0830	
R0840	410
R0850	
R0860	
R0870	
R0880	266
R0900	21,457
R1000	25,312

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)											Line of business for:				Total	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport		Property
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150		C0160
Premiums written																		
Gross - Direct Business	R0110																	
Gross - Proportional reinsurance accepted	R0120											15,092					15,092	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140											39					39	
Net	R0200											15,053					15,053	
Premiums earned																		
Gross - Direct Business	R0210																	
Gross - Proportional reinsurance accepted	R0220											4,912					4,912	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240											15					15	
Net	R0300											4,897					4,897	
Claims incurred																		
Gross - Direct Business	R0310																	
Gross - Proportional reinsurance accepted	R0320											229					229	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340											-9					-9	
Net	R0400											237					237	
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											1,404					1,404	
Other expenses	R1200																	
Total expenses	R1300																1,404	

[illegible]

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

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	
R0010	FR							
	C0080	C0090	C0100	C0110	C0120	C0130	C0140	
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	44	15,048					15,092
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	39						39
Net	R0200	4	15,048					15,053
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	17	4,895					4,912
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	15						15
Net	R0300	2	4,895					4,897
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	-10	238					229
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	-9						-9
Net	R0400	-1	238					237
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	566	838					1,404
Other expenses	R1200							
Total expenses	R1300							1,404

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

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations						Total Top 5 and home country
	C0150	C0160	C0170	C0180	C0190	C0200	C0210	
R1400								
	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written								
Gross	R1410	4,631						4,631
Reinsurers' share	R1420	4,168						4,168
Net	R1500	463						463
Premiums earned								
Gross	R1510	3,751						3,751
Reinsurers' share	R1520	3,376						3,376
Net	R1600	375						375
Claims incurred								
Gross	R1610	1,198						1,198
Reinsurers' share	R1620	1,079						1,079
Net	R1700	120						120
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	15						15
Other expenses	R2500							
Total expenses	R2600							15

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

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

Technical provisions calculated as a sum of BE and RM

Best Estimate
Gross Best Estimate
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total

Risk Margin
Amount of the transitional on Technical Provisions
Technical Provisions calculated as a whole
Best estimate
Risk margin

Technical provisions - total

	Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010																
R0020																
R0030									4,439	4,439					1,399	1,399
R0080									4,613	4,613					1,368	1,368
R0090									-174	-174					31	31
R0100									140	140					104	104
R0110																
R0120																
R0130																
R0200									4,579						1,503	1,503

Annex I
S.17.01.02
Non-life Technical Provisions

Direct business and accepted proportional reinsurance																Accepted non-proportional reinsurance				Total Non-Life obligation
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance					
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180				
Technical provisions calculated as a whole																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole																				
Technical provisions calculated as a sum of BE and RM																				
Best estimate																				
Premium provisions																				
Gross																				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																				
Net Best Estimate of Premium Provision																				
Claims provisions																				
Gross																				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																				
Net Best Estimate of Claims Provision																				
Total Best estimate - gross																				
Total Best estimate - net																				
Risk margin																				
Amount of the transitional on Technical Provisions																				
Technical Provisions calculated as a whole																				
Best estimate																				
Risk margin																				
Technical provisions - total																				
Technical provisions - total																				
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																				
Technical provisions minus recoverables from reinsurance/SPV and Finite Re total																				

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year

Z0020	Accident year [AY]
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Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)	
	1	2	3	4	5	6	7	8	9	10 & +				
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			
Prior	R0100												R0100	
2013	R0160	5	100	323	238	180	63	15	10	5			R0160	940
2014	R0170	2	131	202	141	121	62	9	2	1			R0170	671
2015	R0180	4	10	6	4	1	1						R0180	25
2016	R0190	2	2	2	1	3	1						R0190	13
2017	R0200		1	2	2	2	3						R0200	9
2018	R0210	1	8	2	1	0							R0210	12
2019	R0220	6	48	108	73								R0220	235
2020	R0230	49	108	27									R0230	184
2021	R0240	58	46										R0240	105
2022	R0250	19											R0250	19
Total											R0260	170	2,214	

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year										Year end (discounted data)	
	C0200	1 C0210	2 C0220	3 C0230	4 C0240	5 C0250	6 C0260	7 C0270	8 C0280	9 C0290	10 & + C0300	C0360
Prior	R0100											R0100
2013	R0160			43	31	6	0	0	0			R0160
2014	R0170		29	68	10	0	0	0				R0170
2015	R0180	119	129	21	33	0	0					R0180
2016	R0190	293	212	39	60	7	0					R0190
2017	R0200	167	61	61	25	14						R0200
2018	R0210	53	90	63	44							R0210
2019	R0220	89	111	86	15							R0220
2020	R0230	135	142									R0230
2021	R0240	179	183									R0240
2022	R0250	367										R0250
Total												R0260

Annex I
S.23.01.01
Own funds

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

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

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

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

Total ancillary own funds

Available and eligible own funds

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

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Reconciliation reserve

Expected profits

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

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	1,000	1,000			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	19,312	19,312			
R0140					
R0160					
R0180	5,000	5,000			
R0220					
R0230					
R0290	25,312	25,312			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	25,312	25,312			
R0510	25,312	25,312			
R0540	25,312	25,312			
R0550	25,312	25,312			
R0580	13,225				
R0600	4,771				
R0620	191.40%				
R0640	530.56%				

	C0060
R0700	25,312
R0710	
R0720	
R0730	6,000
R0740	
R0760	19,312
R0770	2,152
R0780	495
R0790	2,646

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

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement**Calculation of Solvency Capital Requirement**

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement**Other information on SCR**

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	314		
R0020	2,490		
R0030	878		
R0040	650		
R0050	11,820		
R0060	-2,687		
R0070			
R0100	13,465		

	C0100
R0130	349
R0140	
R0150	-590
R0160	
R0200	13,225
R0210	
R0220	13,225
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 obligation:

MCR _{NL} Result		C0010		
	R0010	3,252		
			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	7,265	15,575	
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			

Linear formula component for life insurance and reinsurance obligations

MCR _L Result		C0040		
	R0200	1,519		
			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			2,170,395

Overall MCR calculation

		C0070
Linear MCR	R0300	4,771
SCR	R0310	13,225
MCR cap	R0320	5,951
MCR floor	R0330	3,306
Combined MCR	R0340	4,771
Absolute floor of the MCR	R0350	3,900
		C0070
Minimum Capital Requirement	R0400	4,771