

Darep DAC

Solvency and Financial Condition Report

For Financial Year Ending 31st December 2023 (the “reporting period”)

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Executive Summary

Darep DAC (“Darep”, “the Company” or “the undertaking”) is a captive reinsurance company domiciled in Ireland which forms part of the Banco Santander S.A. Group and is regulated by the Central Bank of Ireland (“CBI”).

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of Banco Santander S.A. and its subsidiaries.

This report provides the reader with a more in depth look at the Company’s business and performance, systems of governance, risk profile and solvency and capital positions. The Company has complied with all relevant aspects of the Solvency II Regulations.

In 2023 Darep DAC recommenced underwriting activities to reinsure a Banker's Blanket Bond (“BBB”) line of business with a commencement date of the 1st July 2023. This line of business had previously been insured in the external insurance market. Although Darep DAC have underwritten BBB previously the structure of this program differs and required the submission of a “change in business plan” to the Central Bank of Ireland (“CBI”) which was approved on the 27th June 2023. Darep DAC participates in the program as a reinsurer with a maximum retention of USD15 million (with the exception of Poland and Portugal, max USD13 million) minus local deductible each and every loss (“EEL”) with no annual aggregate for core countries and a maximum retention of USD10 million EEL with USD20 million shared annual aggregate for non-core countries. The net annual premium is approximately at EUR4.7 million. Taking into account the captive retentions and the local deductibles the maximum loss Darep DAC could suffer for any one loss in any one country is USD11 million.

In conjunction with submitting the “change of business plan” to the CBI Darep DAC also submitted an application and received approval for an ancillary own funds item in the form of a capital commitment agreement. This agreement will ensure that the MCR is adequately provided for and capital is available to Darep should it be required. The deed provides that, upon demand, Banco Santander will pay a capital contribution to Darep DAC up to an overall cap, prior to such a demand being made the capital contribution will remain unpaid.

As at 31st December 2023, the Company’s gross technical provisions as calculated under Solvency II valuation principles were EUR 5,593k (2022: EUR 2,359k), net technical provisions EUR 5,290k (2022: 121k) compared to FRS 102 gross technical provisions of EUR 5,926k (2022: EUR 2,978k), net technical provision EUR 5,591k (2022: 329k) as booked in the financial statements of the Company. The increase in technical provisions year on year is reflective of Darep recommencing underwriting activities in the period.

With eligible capital available for the Solvency Capital Ratio (“SCR”) of EUR 11,714k (2022: EUR 7,472k) the Company achieved a SCR coverage of 103% (2022: 514%) and eligible capital available

for the Minimum Capital Requirement (“MCR”) of EUR 6,914k (2022: EUR 7,472k) the Company achieved a MCR coverage of 243% (2022: 575%).

The risk profile of the Company has changed since the last reporting date this impacting the business performance in the period. It has been a number of years since Darep DAC has actively underwritten any risks and as noted above, the structure and risk profile of the new line of business differs from what was previously underwritten. Previously Darep DAC retroceded a high percentage of the risk underwritten back to the external market. Under the new program Darep DAC retains risk by participating as reinsurer with retention levels specified country by country. Since program inception two potential incidents have been reported either of which could result in a claim under the BBB policy however at the time of reporting there remains a significant degree of uncertainty and subsequently the threshold of a claim has not been met for either.

There have been no material changes to the Company’s system of governance or valuation for solvency purposes over the reporting period.

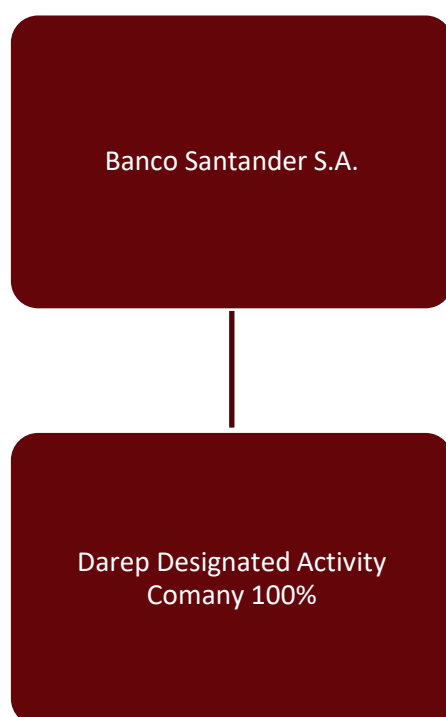
Where there is limited detail provided in a particular section, a proportionate approach has been taken due to the scale, nature and complexity of the Company.

There has been no material impact to the Company as a result of the COVID-19 pandemic and the Directors do not expect it to impact the risk profile of the Company going forward.

Section A: Business and Performance

A.1 Business

- (a) The name and legal form of the undertaking is Darep Designated Activity Company.
- (b) The name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, New Wapping Street, North Quay Wall, Dublin 1, D01 F73X, Ireland.
Telephone: +353 1 224 6000.
- (c) The name and contact details of the external auditor of the undertaking is PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.
Telephone: +353 1 792 6000.
- (d) The undertaking is 100% owned by Banco Santander S.A.
- (e) Details of the undertakings position within the legal structure of the Banco Santander Group is summarised as follows:



- (f) The Company currently reinsures Financial Lines however historically it also reinsured Life and Personal Accident and Property & Casualty programmes. The Company's material geographical areas where it carries out business are Europe, the Americas and other territories.
- (g) With the exception of new business and reported reinsurance claims incurred as detailed in the Executive Summary, no significant business or other events have occurred over the reporting period that have had a material impact on the Company.

A.2 Underwriting Performance

The Company reported an underwriting loss in the period of EUR 796k compared to a loss of EUR 229k in the previous reporting period. The key driver of this underwriting loss was the change in provision for claims on the Bankers Blanket Bond (“BBB”) policy underwritten. The underwriting year for this policy runs from the 1st July 2023 to the 30th June 2024. As noted in the Executive Summary two potential incidents have been reported either of which could result in a claim under the BBB policy however at the time of reporting there remains a significant degree of uncertainty and subsequently the threshold of a claim has not been met for either incident.

2023

EUR 000

	Financial Lines	Life & PA	Property & Casualty	Total
Earned Premiums	2,461	-	-	2,461
Claims Paid	-	-	-	-
Change in Provision for Claims	(2,843)	-	-	(2,843)
Net Operating Expenses	-	-	-	(414)
Underwriting Profit	(382)	-	-	(796)

2022

EUR 000

	Financial Lines	Life & PA	Property & Casualty	Total
Earned Premiums	-	-	-	-
Claims Paid	(12)	-	-	(12)
Change in Provision for Claims	79	-	-	79
Net Operating Expenses	-	-	-	(296)
Underwriting Profit	67	-	-	(229)

A.3 Investment Performance

- (a) The Company maintains its investments in cash equivalents and short-term deposits with EU regulated credit institutions. The premium from the BBB policy underwritten was received in the period and was payable in USD. The return on the investments over the reporting period was income of EUR 202k compared to EUR 25k in the previous reporting period. Interest rates have increased over the course of the financial year resulting in a higher rate of return. The below table summarises the deposits by counterparty together with interest income as reported in the financial statements:

EUR 000

	2023	2022	Movement	Movement %
Cash at Bank				
AIB EUR	935	1,217	(282)	(23%)
AIB USD	4,626	2	4,624	231200%
AIB GBP	169	172	(3)	(2%)
Deposits				
Barclays Bank Ireland PLC	6,523	6,311	212	3%
Interest Income	202	25	177	708%

(b) No gains or losses were recognised directly in equity.

(c) The Company had no investments in securitisation, during the reporting period or previous reporting period.

A.4 Performance of Other Activities

There have been no other significant activities undertaken by the Company other than its captive reinsurance activities.

A.5 Any Other Information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

Section B: System of Governance

B.1 General Information on the System of Governance

- (a) The Company outsources the key functions of Risk, Compliance, Actuarial, Internal Audit and Corporate Administration, with ultimate responsibility for these functions remaining with the Board of Directors – refer to further paragraphs within this section for additional information on outsourcing. The Board consists of senior individuals within the Banco Santander Group, a previous Santander executive and an independent director who is a qualified actuary.

The Company is classified as a low impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM (Probability Risk and Impact System). The Company is subject to the Central Bank of Ireland's *Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015*.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to maintaining high standards of Corporate Governance. The Company takes a risk-based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

The Board has five directors who meet formally at least twice annually and there is additional interaction between members of the Board throughout each financial year. Alberto García Pecharromán resigned as Chair during the reporting period and José Ignacio Del Corral Serrano and Jorge Vico Pedrero were appointed.

The directors of the Company are;

- Mr José Ignacio Del Corral Serrano - Chair and Non-Executive Director
- Mr Jorge Vico Pedrero - Non-Executive Director
- Mr Javier Calderón Gonjar - Non-Executive Director
- Mr Michael McInerney - Non-Executive Director
- Mr Richard Tulloch - Independent Non-Executive Director

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit Function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the subsequent Board meeting for discussion and consideration.

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- (b) No material changes in the system of governance have taken place over the reporting period.
 - (c) Due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy.
 - (d) As a captive reinsurance undertaking, it is common to have material transactions with its shareholder. There are procedures in place at Company and group level to ensure that all transactions are on an arm's length basis. There have been no material transactions during the reporting period with the shareholder, with persons who exercise a significant influence on the undertaking, or with members of the administrative, management or supervisory body.

B.2 Fit and Proper Requirements

- (a) The Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's *Guidance on Fitness and Probity Standards*. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

Selection and recruitment process for Key Function Holders (referred to as Pre-Approval Control Functions or PCF's):

- Preparation of a written job description outlining the duties and responsibilities for the role,
 - Completion of an assessment of the level of fitness and probity required for the role,
 - Advertisement of the position where required,
 - Interview process to match suitable candidates to the specific role,
 - Completion of fitness and probity due diligence referred to below and
 - Upon Central Bank of Ireland approval, a letter of appointment is issued and training provided.
- (b) The process for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:
 - Interview and application,
 - The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's *Guidelines on Fitness and Probity Standards*. The following is captured:
 - Evidence of a relevant professional qualification,
 - Confirmation of continuous professional development,
 - Evidence of professional membership of an organisation (where applicable),
 - Reference checks,
 - Review record of previous experience, including a review of curriculum vitae,

- Record of experience gained outside the State (where applicable) – consider the extent to which the person can demonstrate competency that relates specifically to the function within the State,
- Review of list of directorships and concurrent responsibilities,
- Checks are also undertaken with the regulator, Companies Registration Office and a judgment debt check is performed,
- Signed Fitness and Probity declarations and
- Individual Questionnaire.
- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment and
- As part of the continuing obligations, annual declarations are sought from all PCFs; each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk Management System

- (a) The Company has established a number of risk management policies including a Risk Appetite Statement which includes an escalation procedure, an Operational Risk Policy, a Risk Register, a Liquidity Risk Policy, a Capital Management Policy with an Operational Resilience Framework in place. The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and operational risks such as fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks. Quantifiable risks are set out in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.
- (b) The risk management system including the risk management function is implemented and integrated into the organisational structure and decision-making processes of the Company via:
 - Review and ongoing maintenance of risk related policies by the Board,
 - Adherence with and annual review of the Company's Risk Appetite Statement,
 - Adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals,
 - Adequately resourced internal audit function with a regular review cycle,
 - Business continuity planning,
 - An Operational Resilience Framework,
 - Succession plan for key roles and
 - Monthly underwriting and financial reporting.

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The ORSA process

referred to in the following paragraphs is a key component in the Company's risk management and decision-making processes.

The primary strategic objective and purpose of the Company was to support the risk management and risk transfer programs of the Grupo Santander and its subsidiaries.

B.4 Own Risk and Solvency Assessment ("ORSA")

ORSA Process

In line with the Company's ORSA policy, a full ORSA is performed each year. A full or partial ORSA would also be performed in the event of a known or expected event that could cause the risk profile of the Company to change. During 2023 an ORSA was performed as part of the "change of business plan" application.

The objective of the ORSA process is to enable the Board to assess capital adequacy in light of the assessment of its risks and the potential impacts of its risk environment, and to enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities so that the output can be used in shaping the future strategy and risk appetite.

The ORSA process can be broken down into the following stages:

- Risk identification,
- Financial projections,
- Solvency projections,
- Stress, scenario and sensitivity testing,
- Qualitative discussion of risks and
- Board and management discussion and review.

At the end of the process, the ORSA report and ORSA reporting template are finalised and approved by the Board.

Risk Identification

The first step in the ORSA process is to consider which risks should be assessed. This process is performed continually throughout the year and has included the input of the Board, management, finance and actuarial functions. The risk appetite statement and various risk policies are key inputs into the identification of the risks to be considered as part of the ORSA process. Updates to these documents are also informed by the results of the ORSA process and the way it monitors, manages and mitigates risk.

Financial Projections

The second step of the ORSA process is to project the Profit and Loss Account and Balance Sheet of the Company. A short- and medium-term projection of the Balance Sheet from 1-3 years was chosen as an appropriate timescale to provide an adequate view of the Company's financial and solvency position.

The accounts are projected on an Irish GAAP basis under the assumptions detailed below. These base case projections were provided by the Company, after which the actuarial and risk functions then produced the Solvency II balance sheet and SCR calculations for the base case and for the various scenarios considered.

Solvency Projections

The third step in the ORSA process is to use the above financial projections to calculate the Company's Solvency Capital Requirements for each of the next four years on a Solvency II basis.

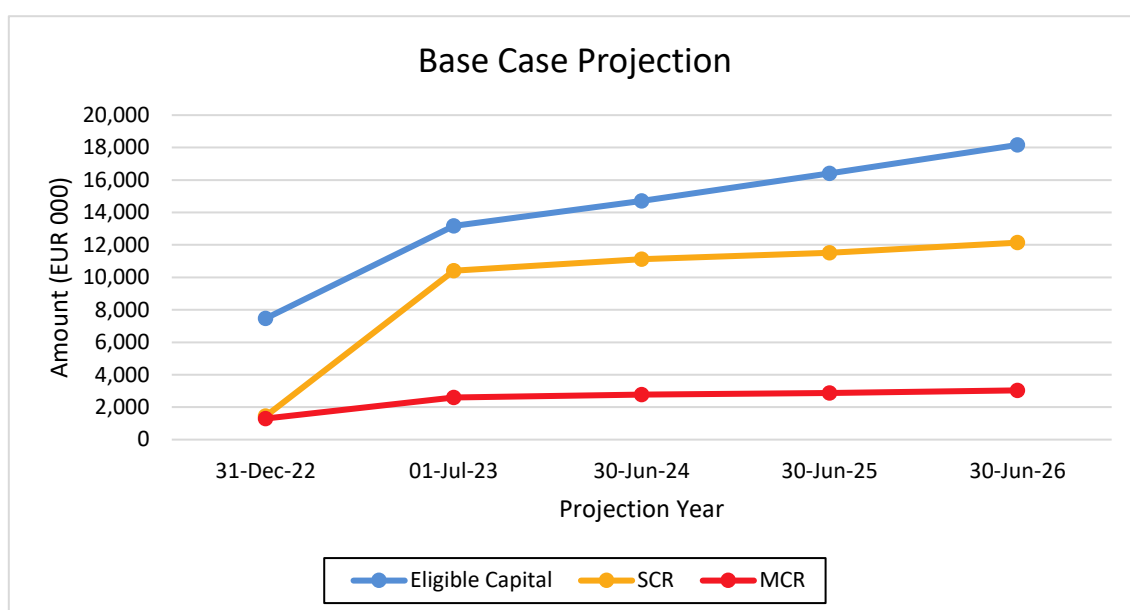
The SCR is the level of available capital that undertakings are required to hold under Solvency II. It is a risk-based capital measure, calibrated at a 1-in-200-year loss.

The MCR is the absolute minimum level of capital that undertakings are required to hold under Solvency II. It is calculated as a formula of premium and reserves, subject to a minimum of 25% of the SCR and a maximum of 45% of the SCR.

An outline of the results of these financial projections is presented below:

EUR 000

	30-Jun-24	30-Jun-25	30-Jun-26
SCR	11,113	11,514	12,140
Available Capital SCR	14,718	16,410	18,166
SCR Coverage Ratio	132.4%	142.5%	149.6%
SCR Margin	3,605	4,896	6,026
MCR	2,778	2,879	3,035
Available Capital MCR	9,918	11,610	13,366
MCR Coverage Ratio	357.0%	403.3%	440.4%
MCR Margin	7,140	8,732	10,331



Stress, Scenario and Sensitivity Testing

The fourth step in the ORSA process is to consider cases where the above projections may diverge from the base case. This analysis is performed through stress and scenario testing.

Furthermore, reverse stress tests of the Company's SCR and risk appetite are performed to identify the minimum level of performance which would be required to cause a breach of the Company's solvency and risk appetite.

The nature and scope of the stress and scenario tests are decided upon following a number of discussions between management, the Board and the Head of Actuarial Function.

The stresses and scenarios considered as part of the 2023 ORSA process focused on the new lines of business underwritten and were as follows:

Quantitative

- Pessimistic Scenario (USD 11M loss in year 2),
- Recovery Scenario (capital injection from parent company) and
- Optimistic Scenario (50% of underwriting years incur no loss to the Company)

Qualitative Discussion of Risks

A qualitative discussion of how the following risks and how they impact the Company was undertaken:

- Legal dispute with a reinsurer (legacy business),
- Failure of Allied Risk Management and
- Potential loss event triggering a call on contingent capital.

The final step of the ORSA process is the presentation of the draft projections, stress and scenario tests to the Board and management. This prompts further discussion and review of the stress and scenario tests, with further scenarios being considered at the request of the Board. This section outlines the key issues discussed in the ORSA at Board meetings and highlights the key actions and outcomes of these discussions.

B.5 Internal Control

(a) Internal Control System

The principle control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters and minutes of Board meetings. The policies describe the Board's approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the Compliance Officer. In practice, other directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all Company policies are fit for purpose. The relevant area of the business is responsible for ensuring that procedures are up to date and reflect how the business operates. All amendments are submitted to the Board for approval. There is a compliance monitoring programme in place to review all of the Company's regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Company has established the four key independent control functions required under the *Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015* – actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Where any functions or activities are outsourced, the Company expects that any outsourcing entity manages its control framework to the same standards as the Company and adheres to the Company's policies and procedures and employs fit and proper people in its controlled functions. The Company has a Service Level Agreement in place with each outsourced entity with Key Performance Indicators set to ensure regular reporting to the Board. Attestations are also received from the Service Provider in respect of the ongoing fitness and probity of its Key Control Functions. Any significant or material event that occurs requires immediate reporting to the Board.

(b) Compliance Function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through compliance monitoring.

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within

the Company. The activities of the Compliance Function are subject to periodic review by Internal Audit.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

B.6 Internal Audit Function

The Internal Audit Function which was established during 2016 is governed by the Company's internal audit policy and is an integral part of the Company's internal control framework. It is implemented on an outsourced basis with CSI Chartered Accountants Limited, 10 Clanwilliam Square, Dublin 2.

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to the adequacy of the governance, risk management and internal control framework,
- Audits are conducted with a Board approved Internal Audit Plan,
- The Head of Internal Audit reports to the Board which oversees the risk-based Audit Plan and outcomes thereof,
- Internal Audit reports can highlight any significant control failings or weaknesses identified and the impact that have had, or may have and the actions and timings which management have agreed to take to rectify them and;
- Internal Audit prepare an annual report for the Board which provides a themed assessment of the effectiveness of the Company's system of risk management and internal controls during the reporting period.

It is the responsibility of the Internal Audit Function to independently, but proportionately, assess the effectiveness of the internal control system, governance and risk management systems and to provide to the Board an evaluation of the adequacy of such systems and controls. The Head of Internal Audit has a duty to highlight any significant control failings or weaknesses identified and the impact they have had or may have and the actions and timings which management have agreed to take to rectify them.

It is the objective of the Internal Audit Function to provide independent assurance that risk management processes are operating effectively and in accordance with required legislation and regulation. To ensure this, effective controls are in place to mitigate risks or reduce those risks to an acceptable level in accordance with the Company's defined risk appetite.

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it to maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control.

B.7 Actuarial Function

The Actuarial Function is outsourced to Allied Risk Management. Allied Risk Management's actuaries attend every Board meeting and receive regular updates on claim activity. The Company's technical

provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II technical provisions.

The responsibilities of the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following.

- Co-ordinate the calculation of the technical provisions,
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of the technical provisions,
- Assess the sufficiency and quality of the data used in the calculation of the technical provisions,
- Compare Best Estimates against experience,
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of the technical provisions,
- Oversee the calculation of the technical provisions in the cases set out in Article 82,
- Express an opinion on the overall underwriting policy,
- Express an opinion on the adequacy of the reinsurance arrangements and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment.

B.8 Outsourcing

The Company has an outsourcing policy the purpose of which is to establish the requirements for identifying, justifying, implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Company's Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing,
- Outsourcing risks,
- Risk mitigation,
- Board and management responsibility,
- Assessment and due diligence on outsourced service provider,
- Essential requirements for inclusion in Service Level Agreements,
- Management and oversight of outsourced activities,
- Reporting requirements,
- Table of outsourced service providers and
- Business continuity and contingency planning.

The Company only enters into an outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adheres to the *Central Bank of Ireland Notification*

Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Function or Activities under Solvency II Regulations.

The following is a list of the critical or important functions the Company has outsourced and the jurisdiction in which the outsourced service providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	Allied Risk Insurance & Reinsurance Services Limited	Ireland
Internal Audit Function	CSI Chartered Accountants Limited	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Management Limited	Ireland

B.9 Assessment of the Adequacy of the System of Governance

Considering the nature, scale and complexity of the risks inherent in the business, the Company is very satisfied with its assessment of the adequacy and appropriateness of its system of governance.

B.10 Any Other Disclosures

There is no other material information regarding the system of governance of the Company.

Section C: Risk Profile

C.1 Risk Profile

The risk profile of the Company has changed since the last reporting date. Previously the Company wrote large lines and relied heavily on reinsurance, ceding up to 99% of some risks and therefore underwriting risk was limited. This changed when underwriting recommenced with the BBB line of business and underwriting risk is now the primary risk faced by Darep DAC. The rationale for underwriting this line of business is, by utilizing Darep DAC, the parent can protect itself against both the loss of external insurance market capacity and from the hardening of external markets. Under the new program Darep DAC retains a higher degree of underwriting risk which is controlled through a combination of local deductibles and captive retention levels. Taking into account the captive retentions and the local deductibles the maximum loss Darep DAC could suffer for any one loss in any one country is USD11 million.

The Company uses the Solvency II Standard Formula as its measure of economic capital in the quantitative assessment of risk presented below.

C.1 (a) Underwriting Risk

As noted above underwriting risk is now the primary risk faced by Darep DAC. This risk is controlled through a combination of local deductibles and captive retention levels and the Company was able to avail of all historic underwriting information when considering this line of business. A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows:

Non-Life Business:

EUR 000

	SCR 2023	SCR 2022
Premium and Reserve Risk	3,675	26
Catastrophe Risk	10,282	-
Non-Life Lapse	422	-
Diversification Credit	(2,619)	-
Non-Life Underwriting Risk SCR	11,760	26

Lapse risk has been calculated in a literal interpretation of the Solvency II technical specifications; however, this is not considered to be a risk for the Company whatsoever.

Darep DAC writes non-proportional reinsurance and catastrophe risk is as follows:

EUR '000

	SCR 2023	SCR 2022
Natural Catastrophe Risk	-	-
Non-Proportional Property Reinsurance Risk	-	-
Man-Made Catastrophe Risk	10,282	-
Other Non-Life Catastrophe Risk	-	-
Diversification Credit	-	-
Aggregated NL Cat Risk Module Net SCR	10,282	-
Aggregated Catastrophe Risk Mitigation	-	-
Total Non-Life catastrophe risk Final Net SCR	10,282	-

Underwriting Risk Mitigation

The Company has a combination of local deductibles and captive retention levels in place to mitigate underwriting risk. The appropriateness of this structure is assessed in the ORSA process.

C.1 (b) Market Risk

The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market currency risk, interest rate risk, credit risk and liquidity risk.

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates.

The Company's investment assets are with two banks, Barclays Bank Ireland PLC and AIB, both of which are well-rated.

Currency Risk

The Standard Formula Currency Risk charge is 25% of the mismatch in currency exposure; this is estimated as EUR 672k (2022: 48k).

A significant proportion of the Company's principal transactions are carried out in non-Euro currencies. The Company manages currency exposure by seeking to ensure that its non-Euro assets are primarily matched by liabilities in the same currencies.

The company's business exposure to foreign exchange risk arises primarily with respect to US Dollar coupled with Sterling, Brazilian Real and Polish Zloty for the legacy book of business. The business financial assets are primarily denominated in the same currencies as its reinsurance and investment liabilities, which mitigates the foreign currency exchange rate risk.

Sensitivity Analysis - Currency Risk

The net exposure to the principle foreign currencies at 31st December 2023 are as follows:

EUR 000

Currency	2023	2022
US Dollar \$	757	24
Pound Sterling £	167	171
Polish Zloty zł	1,726	12

The exposure to Polish Zloty has increase year on year due to the creation of the Outstanding Loss Reserves ("OSLR") recorded in Polish Zloty. The impact of a 5% adverse change to all currency exchange rates simultaneously at 31st December 2023 has been calculated at EUR 57k (2022: EUR 10k).

C.1 (c) Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation, thus causing the Company to incur a financial loss. As part of the underwriting process the company chose historically to only to cede risks to reinsurers with A or higher credit ratings.

EUR 000

Year	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations €'000	Financial investment and cash at banks €'000
2023	898	12,252
2022	3,129	7,702

The following table provides information regarding the aggregated credit risk exposure of financial assets:

Rating Agency	Credit ratings 2022	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations	Financial investments and cash at bank
Standard & Poor's	AA+	1%	-
Standard & Poor's	AA	54%	-
Standard & Poor's	AA-	41%	-
Standard & Poor's	A+	4%	-
Standard & Poor's	A	-	53%
Standard & Poor's	A-	-	47%
Total		100%	100%

Rating Agency	Credit ratings 2022	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations	Financial investments and cash at bank
Standard & Poor's	AA+	4%	-
Standard & Poor's	AA	47%	-
Standard & Poor's	AA-	-	-
Standard & Poor's	A+	48%	-
Standard & Poor's	A	1%	82%
Standard & Poor's	A-	-	18%
Total		100%	100%

C.1 (d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet cash commitments. Liquidity risk may result from the inability to sell financial assets quickly at their fair values, a reinsurance liability falling due for payment earlier than expected or an inability to generate cash inflows as anticipated.

The Company had cash at bank of EUR 12,252k (2022: EUR 7,702k) at the end of the reporting period of which EUR 5,729 (2022: EUR 1,391k) was available on demand.



The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company maintains significant levels of liquid assets and it does not settle historic retrocession premiums or reinsurance claims until the corresponding premiums and claims have been collected.

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is EUR NIL.

C.1 (e) Operational Risk

The Company's operational risk is considered low. This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational damage
- compliance and regulatory

The Company writes one reinsurance contract per year relating to Banco Santander risks with the assistance of professional insurance brokers. As such the operational risk is very limited (compared to a retail insurer for example).

The Company has engaged Allied Risk Management, a professional captive management company with over thirty years' experience in captive management, as its corporate administrator. The Company has a strong corporate risk culture and a full suite of governance policies and processes which further limit operational risk.

The introduction of Solvency II with its governance requirements (including the requirement for Compliance, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

The Company recognises its dependency on Allied Risk Management and is satisfied with Allied Risk Management's Business Continuity Plan. This is further addressed in the Stress and Scenario Tests contained in the ORSA and in the Operational Resilience Framework.

The Company does not handle large volumes of individuals' sensitive information and its IT servers are subject to a daily remote backup. This limits the Company's exposure to any Cyber-attack, for example "ransomware".

In line with CBI guidelines the Company put in place an Operational Resilience Framework which details Darep DAC's ability to respond and adapt to and recover and learn from an operational disruption.

C.1 (f) Other Material Risks

There are no other material risks identified by the Company.

C.2 Risk Exposures

C.2 (a) Risk Measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as detailed further in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess the risks in the Company and a description of the measures used therein are as follows: there have been no material changes over the reporting period:

Green	Green represents the Risk Appetite of the Company, it represents the level of risk the Company is willing and able to accept to satisfy its strategic objectives
Amber	Amber represents Risk Tolerances and acceptable variances which will be brought to the attention of the Board and will require monitoring
Red	Red represents the Limit for each risk, (where possible) it indicates when action needs to be taken to stop or change a situation which may result in an unacceptable level of risk to the Company

C.2 (b) The Nature of Material Risk Exposures

The material risk that the Company is exposed to is underwriting risk. This is addressed in detail under Underwriting Risk and Technical Provisions and the risk appetite for this risk is detailed below;

Line of Business	Risk Appetite	Risk Tolerance	Risk Limit
BBB	<USD 11 million each and every loss (EEL)	=USD 11 million each and every loss (EEL)	>USD 11 million each and every loss (EEL)

C.2 (c) Investments in Accordance with the 'Prudent Person Principle'

The Company is required to invest all assets and particularly assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'. The prudent person principle defines that the assets must be invested in a manner acceptable to a 'prudent person' – that is that the decisions are generally accepted as being sound for the average person.

The Company maintains its assets in cash equivalents and short-term deposits with EU regulated credit institutions with a maturity of less than one year.

C.3 The Nature of Material Risk Concentrations

The Banco Santander Group has operations through the world and as such the Company is not exposed to geographical concentrations of risk. The Company wrote a diversity of business lines.

Concentration risk is managed through the limit system, whereby the Company cannot lose more than the event or aggregate limit on any one claim or series of claims.

C.4 Risk Mitigation Practices

The strategy of the Company was to accept insurance on a quota share basis and underwriting risk was controlled through high retrocession percentages. Underwriting risk is now controlled through a combination of local deductibles and captive retention levels.

Credit risk was mitigated at the underwriting stage through a series of policy rules including minimum credit rating criteria and credit loss mitigation clauses within the contract agreements. Credit risks are monitored monthly and managed within a series of policy rules including mitigation

through reinsurance contracts in cases of material deterioration of counterparty credit ratings and following the appropriate level of credit and solvency rating for each reinsurance company participating in Darep's reinsurance treaties.

C.5 Liquidity Risk

The Company's funds are held in bank accounts and short-term deposits, ensuring sufficient cash is on hand to meet claim payments as and when they fall due and to cover any unexpected cash outflows.

C.6 Risk Sensitivities

In its ORSA Process, the Company considered a number of both quantitative and qualitative stresses. The stresses and scenarios considered as part of the 2023 ORSA process submitted as part of the "change of business plan" application to the CBI were as follows:

Quantitative

- Pessimistic Scenario (USD 11M loss in year 2),
- Recovery Scenario (capital injection from parent company) and
- Optimistic Scenario (50% of underwriting years incur be no loss to the Company)

Qualitative Discussion of Risks

A qualitative discussion of how the following risks and how they impact the Company was undertaken:

- Legal dispute with a reinsurer (legacy business),
- Failure of Allied Risk Management and
- Potential loss event triggering a call on contingent capital.

C.7 Any Other Disclosures

There is no other material information regarding the risk profile of the Company during the reporting period.

Section D: Valuation for Solvency Purposes

D.1 Assets

D.1 (a) Valuation of Assets

As at 31st December 2023, the Company held the following assets:

Darep dac Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill		
Deferred Acquisition Costs		
Intangible Assets		-
Deferred Tax Assets		-
Pension benefit surplus		-
Property, plant & equipment held for own use	-	-
Investments	6,539	6,539
Property (Other than Own Use)		-
Participations and related undertakings		-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed		-
Equities (Other than Participations) - Unlisted		-
Bonds	-	-
Government and Multilateral Banks		-
Corporate		-
Structured Notes		-
Collateralised Securities		-
Collective Investments Undertakings		-
Derivatives		-
Deposits other than cash equivalents	6,539	6,539
Other Investments		-
Mortgages and Loans Made	-	-
Mortgages & loans to individuals		-
Other Mortgages & loans		-
Loans on Policies		-
Reinsurance recoverables	436	303
Reinsurance share of TP - non-life excluding health	436	303
Reinsurance share of TP - health similar to non-life		-
Deposits to cedants		-
Insurance & Intermediaries Receivables	98	98
Reinsurance Receivables	466	466
Receivables (trade, not insurance)		-
Own Shares		-
Amounts due in respect of own fund items or initial fund called up but not yet paid in		-
Cash & Cash Equivalents	5,729	5,729
Any Other Assets, Not Elsewhere Shown		-
Total assets	13,267	13,133

Recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial Measurement

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Realised and unrealised gains and losses arising from changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Interest income is recognised when earned. Expenses are recognised when incurred.

D.1 (b) Material Differences used in Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directives. The only difference in the value of assets, excluding technical provisions, between the Irish GAAP financial statements and the Solvency II Annual Quantitative Reporting Templates (QRT's) relates to the reclassification of debtors arising from reinsurance operations which was shown separately in the Irish GAAP financial Statements.

D.2 Technical Provisions

2023

EUR 000

Line of Business (Reinsurance)	Gross Best Estimate Liabilities	Risk Margin	Recoverables from Reinsurance Contracts and SPVs	Total Technical Provisions Net of Recoverables
Life	-	-	-	-
Proportional fire and other damage to property	-	-	-	-
Proportional general liability	89	1	87	3
Proportional income protection				
Non proportional casualty	4,407	1,096	216	5,287
Total	4,496	1,097	303	5,290

2022

EUR 000

Line of Business (Reinsurance)	Gross Best Estimate Liabilities	Risk Margin	Recoverables from Reinsurance Contracts and SPVs	Total Technical Provisions Net of Recoverables
Life	-	-	-	-
Proportional fire and other damage to property	440	1	418	23
Proportional general liability	1,912	5	1,820	97
Proportional income protection	-	-	-	-
Non proportional casualty	-	-	-	-
Total	2,352	6	2,238	120

On the Solvency II measurement basis, technical provisions are based on the discounted best estimate liabilities to which a risk margin is added.

On the Irish GAAP measurement basis, the claim provision is estimated using a combination of Chain Ladder and Bornhuetter Ferguson methodologies for the larger classes. Some of the smaller classes have a small volume of claims, hence an Expected Loss Ratio approach is used in determining the best estimate claim provision for these classes.

The main risk to the Technical Provisions is the emergence of a large claim or claims, particularly from the BBB line of business.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims. Having reviewed the claims reports for a number of the largest claims this risk is considered low, with the Company taking an appropriate approach to claim reserving.

For all lines of business, the Company uses the undiscounted Best Estimate Claim Provision as a floor for the Technical Provisions booked in its Financial Statements, with an appropriate margin added to this figure, reflective of inherent uncertainty.

In calculating its technical provisions, the Company has not applied any of the following items:

- The matching adjustment referred to in Article 77b of Directive 2009/138/EC,
- The volatility adjustment referred to in Article 77d of Directive 2009/138/EC,
- The transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC and
- The transitional deduction referred to in Article 308d of Directive 2009/138/EC.

The Company has recoverables held on the balance sheet from legacy reinsurance contracts which will be the subject of a commutation agreement. The Company has no recoverables from special purpose vehicles. There have been no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the prior year technical provisions calculation.

D.3 Other Liabilities

D.3 (a) Valuation of Other Liabilities

As at 31st December 2023, the Company recorded the following liabilities for solvency purposes.

Darep dac Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	6,029	5,593
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	6,029	
<i>Best Estimate</i>		4,496
<i>Risk Margin</i>		1,097
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	-	
<i>Best Estimate</i>		-
<i>Risk margin</i>		-
Other Technical Provisions	0	
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	482	482
Reinsurance payables	-	-
Payables (trade, not insurance)	6	6
Subordinated liabilities	-	-
Subordinated liabilities not in BOF	-	-
Subordinated liabilities in BOF	-	-
Any other liabilities, not elsewhere shown	134	138
Total liabilities	6,650	6,219
Assets less Liabilities	6,616	6,914

D.3 (b) Material Differences used in Valuation of Other Liabilities

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.4 Material Information Regarding Valuation of Assets and Liabilities

There is no further material information regarding the valuation of assets and liabilities for solvency purposes.

Section E: Capital Management

E.1 Own Funds

The Company has a documented Capital Management Policy and there is no appetite for losses resulting from breach of the solvency margin. In addition, the ORSA process is an integral part of the Company's Capital Management Process. The outputs of the Actuarial Function Report are also used in the Company's decision-making process in respect of capital management.

The Company is a designated activity company whose shares are fully paid up. It has no debt-financing, nor does it have any plans to raise debt or issue new shares in the short or medium term. The Company's own funds are invested in cash, short-term deposits or short-term loans to its parent group. There is no intention to change this policy. The medium-term capital management plan set out by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of SCR (or MCR where relevant),
- No capital is planned to be issued in the short- or medium-term,
- No dividends are anticipated in the short or medium term and
- Own fund items are to be invested in external bank deposits, cash or loaned to its parent group in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

EUR 000

Own Funds Item	Value at 31 December 2023	Value at 31 December 2022
Tier 1 unrestricted	6,914	7,472
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	4,800	-
Tier 3	-	-
Tier 3 ancillary	-	-
TOTAL	11,714	7,472

The equity as shown in the undertaking's financial statements is EUR 297k less (2022: EUR 206k less) than the excess of assets over liabilities as calculated for solvency purposes; this difference is due mainly to the inclusion of the risk margin in the Solvency II technical provisions and ancillary own funds item.

EUR 000

Reconciliation	2023	2022
Irish GAAP Available Capital	6,617	7,266
Risk Margin	(1,097)	(8)
Profit on UPR	955	-
Expense Loading	(215)	205
Margin for Uncertainty	114	5
Discounting	540	4
Ancillary Own Funds Item	4,800	-
Solvency II Available Capital	11,714	7,472

The Company has no own-fund items subject to the transitional arrangements referred to in Article 308b(9) and 308b(10) of Directive 2009/138/EC.

The Company has one item of ancillary own funds. During the reporting period Darep DAC received approval from the CBI for an ancillary own funds item in the form of a capital commitment agreement. This agreement will ensure that the MCR is adequately provided for and capital is available to Darep should it be required. The deed provides that, upon demand, Banco Santander will pay a capital contribution to Darep DAC up to an overall cap of EUR4.8 million, prior to such a demand being made the capital contribution will remain unpaid.

The Company has no items deducted from own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

2023

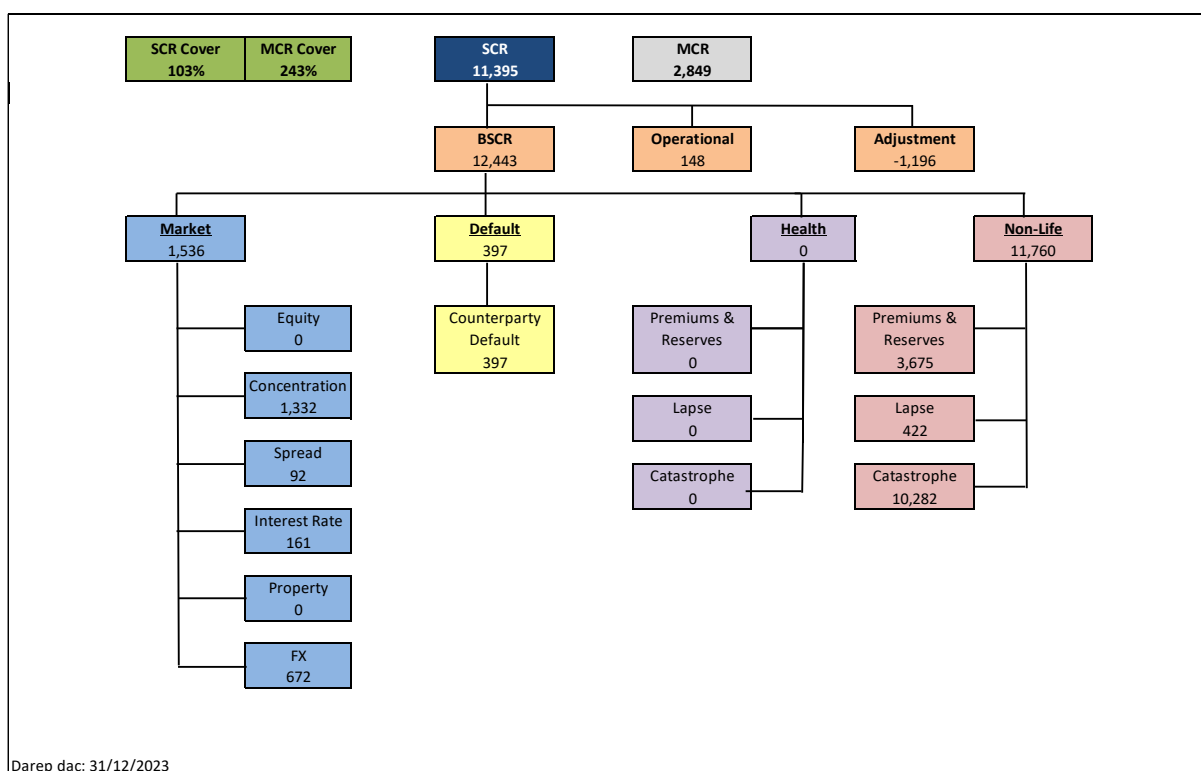
EUR 000

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio
SCR	11,395	11,714	103%
MCR	2,849	6,914	243%

2022

EUR 000

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio
SCR	1,453	7,472	514%
MCR	1,300	7,472	575%



The Company does not use simplified calculations for any risk-modules or sub-modules of the Standard Formula.

The Company does not use undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

The Company is not required to apply any undertaking-specific parameters in accordance with Article 110 of Directive 2009/138/EC and is not subject to any capital add-on.

The MCR as calculated using premium and technical provision volumes as follows:

2023

EUR 000

Line of Business	Net Technical Provisions	Net Premium Written	α	β	MCR NL
Life		-	2%	-	-
Proportional fire & other damage to property		-	9%	8%	-
Proportional general liability	2		10%	13%	
Proportional income protection	-	-	13%	9%	-
Non proportional casualty	4,191	4,896	19%	16%	1,558
Total	4,193	4,896	-	-	1,558

2022

EUR 000

Line of Business	Net Technical Provisions	Net Premium Written	α	β	MCR NL
Life	-	-	2%	-	-
Proportional fire & other damage to property	21	-	9%	8%	2
Proportional general liability	93	-	10%	13%	10
Proportional income protection	-	-	13%	9%	-
Non proportional casualty	-	-	-	-	-
Total	114	-	-	-	12

As detailed herein the risk profile and consequently the Company's SCR and MCR have materially changed during the reporting period.

The loss-absorbing capacity of deferred taxes ("LACDT") is as prescribed in Articles 205-207 of the Delegated Acts. It represents the tax asset that would be created should the events that would give rise to a loss the size of the SCR occur. This can be used to reduce the SCR if the board is of the view that the Company would continue to trade profitably into the future should such circumstances occur. The testing of the recoverability of this deferred tax asset is a requirement of the Central Bank of Ireland for companies that wish to include LACDT in their available capital for solvency purposes. Although deferred tax assets can be carried forward indefinitely in the Irish tax system, the Central Bank of Ireland has also indicated that whilst it will not exclude profits beyond 5 years in this calculation, '*consideration will be given to the normal planning cycle of 3-5-year period*'. Any existing Deferred Tax Asset on the balance sheet must also be taken into consideration in testing the recoverability of the LACDT.

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

The Company is not using the duration-based equity risk-sub-module in the calculation of its SCR.

E.4 Differences Between Standard Formula and Any Internal Models Used

An internal model is not used by the Company.

E.5 Non-Compliance with the MCR and Significant Non-Compliance with SCR

There has been full compliance with the Minimum Capital Requirement and the Solvency Capital Requirement.

E.6 Any Other Disclosures

There is no other material information regarding the capital management of the Company.

Appendices

S.02.01.02

Annex I
S.02.01.02
Balance sheet

	Solvency II value
	C0010
Assets	
Intangible assets	R0030
Deferred tax assets	R0040
Pension benefit surplus	R0050
Property, plant & equipment held for own use	R0060
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 6,539
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 6,539
Other investments	R0210
Assets held for index-linked and unit-linked contracts	R0220
Loans and mortgages	R0230
Loans on policies	R0240
Loans and mortgages to individuals	R0250
Other loans and mortgages	R0260
Reinsurance recoverables from:	R0270 303
Non-life and health similar to non-life	R0280 303
Non-life excluding health	R0290 303
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 98
Reinsurance receivables	R0370 466
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 5,729
Any other assets, not elsewhere shown	R0420
Total assets	R0500 13,133
	Solvency II value
	C0010
Liabilities	
Technical provisions – non-life	R0510 5,593
Technical provisions – non-life (excluding health)	R0520 5,593
Technical provisions calculated as a whole	R0530
Best Estimate	R0540 4,496
Risk margin	R0550 1,097
Technical provisions - health (similar to non-life)	R0560
Technical provisions 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
Technical provisions calculated as a whole	R0620
Best Estimate	R0630
Risk margin	R0640
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650
Technical provisions calculated as a whole	R0660
Best Estimate	R0670
Risk margin	R0680
Technical provisions – index-linked and unit-linked	R0690
Technical provisions 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 482
Reinsurance payables	R0830
Payables (trade, not insurance)	R0840 6
Subordinated liabilities	R0850
Subordinated liabilities not in Basic Own Funds	R0860
Subordinated liabilities in Basic Own Funds	R0870
Any other liabilities, not elsewhere shown	R0880 138
Total liabilities	R0900 6,219
Excess of assets over liabilities	R1000 6,914

S.04.05.21

Annex I
S.04.05.21

Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

	Home Country	Top 5 countries: non-life				
		C0011	C0012	C0013	C0014	C0015
R0010	CH					
	C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)						
Gross Written Premium (direct)	R0020					
Gross Written Premium (proportional reinsurance)	R0021					
Gross Written Premium (non-proportional reinsurance)	R0022	4,896,332				
Premiums earned (gross)						
Gross Earned Premium (direct)	R0030					
Gross Earned Premium (proportional reinsurance)	R0031					
Gross Earned Premium (non-proportional reinsurance)	R0032	2,461,551				
Claims incurred (gross)						
Claims incurred (direct)	R0040					
Claims incurred (proportional reinsurance)	R0041	-1,536,592				
Claims incurred (non-proportional reinsurance)	R0042	2,202,039				
Expenses incurred (gross)						
Gross Expenses Incurred (direct)	R0050					
Gross Expenses Incurred (proportional reinsurance)	R0051	496				
Gross Expenses Incurred (non-proportional reinsurance)	R0052	115,959				

Home country: Life insurance and reinsurance obligations

	Home Country	Top 5 countries: life				
		C0031	C0032	C0033	C0034	C0035
	C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020					
Gross Earned Premium	R1030					
Claims incurred	R1040					
Gross Expenses Incurred	R1050					

S.05.01.02

Annex I
S.05.01.02

Premiums, claims and expenses by line of business

Premiums written
Gross - Direct Business
Gross - Proportional reinsurance accepted
Gross - Non-proportional reinsurance accepted
Reinsurers' share
Net
Premiums earned
Gross - Direct Business
Gross - Proportional reinsurance accepted
Gross - Non-proportional reinsurance accepted
Reinsurers' share
Net
Claims incurred
Gross - Direct Business
Gross - Proportional reinsurance accepted
Gross - Non-proportional reinsurance accepted
Reinsurers' share
Net
Expenses incurred
Balance - other technical expenses/income
Total expenses

	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
	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	
R0110																	
R0120																	
R0130														4,896			4,896
R0140														4,896			4,896
R0200																	
R0210																	
R0220																	
R0230														2,462			2,462
R0240														2,462			2,462
R0300																	
R0310																	
R0320							-1,537										-1,537
R0330								-1,521						2,202			2,202
R0340								-16						-956			-2,476
R0400								0						3,158			3,142
R0550														116			116
R1200																	
R1300																	116

Premiums written
Gross
Reinsurers' share
Net
Premiums earned
Gross
Reinsurers' share
Net
Claims incurred
Gross
Reinsurers' share
Net
Expenses incurred
Balance - other technical expenses/income
Total expenses
Total amount of surrenders

Line of Business for: life insurance obligations						Life reinsurance obligations		Total
Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
R1410								
R1420								
R1500								
R1510								
R1520								
R1600								
R1610								
R1620								
R1700								
R1900								
R2500								
R2600								
R2700								

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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	R0010																	
	R0050																	
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															1,321			1,321
Net Best Estimate of Premium Provisions																		
Claims provisions																		
Gross															1,321			1,321
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																		
Net Best Estimate of Claims Provisions																		
Total Best estimate - gross																		
Total Best estimate - net																		
Risk margin																		
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																		

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Non-life Insurance Claims Information

Total Non-Life Business

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

Year	Development year											In Current year	Sum of years (cumulative)
	C0010	1 C0020	2 C0030	3 C0040	4 C0050	5 C0060	6 C0070	7 C0080	8 C0090	9 C0100	10 & + C0110	C0170	C0180
Prior	R0100											R0100	
2014	R0160	5	548	801	12	3,619	1,012	25				R0160	6,022
2015	R0170	17	488	2,944	3,277	17	871					R0170	7,615
2016	R0180		106	25	440							R0180	572
2017	R0190											R0190	
2018	R0200											R0200	
2019	R0210											R0210	
2020	R0220											R0220	
2021	R0230											R0230	
2022	R0240											R0240	
2023	R0250											R0250	
Total												R0260	14,209

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										38	R0100	37
2014	R0160			2,832	4,017	501	520	561	197	118	31	R0160	27
2015	R0170		4,760	3,943	556	884	1,178	530	281	60		R0170	52
2016	R0180	2,552	5,394	5,229	1,076	1,184	822	175	148			R0180	130
2017	R0190	1,158	1,153	573	586	295	155	56				R0190	52
2018	R0200											R0200	
2019	R0210											R0210	
2020	R0220											R0220	
2021	R0230											R0230	
2022	R0240											R0240	
2023	R0250	3,225										R0250	2,878
Total												R0260	3,175

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Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 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	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	635	635			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	6,279	6,279			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	6,914	6,914			
R0300	4,800			4,800	
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					

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

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0400	4,800			4,800	
R0500	11,714	6,914		4,800	
R0510	6,914	6,914			
R0540	11,714	6,914		4,800	
R0550	6,914	6,914			
R0580	11,395				
R0600	2,849				
R0620	102.80%				
R0640	242.72%				

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 fence

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)

	C0060
R0700	6,914
R0710	
R0720	
R0730	635
R0740	
R0760	6,279
R0770	
R0780	
R0790	

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Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

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

Solvency capital requirement excluding capital add-on

Capital add-on already set

of which, capital add-ons already set - Article 37 (1) Type a

of which, capital add-ons already set - Article 37 (1) Type b

of which, capital add-ons already set - Article 37 (1) Type c

of which, capital add-ons already set - Article 37 (1) Type d

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

Approach to tax rate

Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

LAC DT

LAC DT justified by reversion of deferred tax liabilities

LAC DT justified by reference to probable future taxable economic profit

LAC DT justified by carry back, current year

LAC DT justified by carry back, future years

Maximum LAC DT

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	1,536		
R0020	397		
R0030			
R0040			
R0050	11,760		
R0060	-1,250		
R0070			
R0100	12,443		

	C0100
R0130	148
R0140	
R0150	-1,196
R0160	
R0200	11,395
R0210	
R0211	
R0212	
R0213	
R0214	
R0220	11,395
R0400	
R0410	
R0420	
R0430	
R0440	

	Yes/No
	C0109
R0590	1 - Yes

	LAC DT
	C0130
R0640	-1,196
R0650	-1,196
R0660	
R0670	
R0680	
R0690	

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	MCR components	
	R0010	C0010
		1,558
	Background information	
	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	1
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	4,192
Non-proportional marine, aviation and transport reinsurance	R0160	4,896
Non-proportional property reinsurance	R0170	

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	R0200	C0040

Total capital at risk for all life (re)insurance obligations

	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
SCR	R0310
MCR cap	R0320
MCR floor	R0330
Combined MCR	R0340
Absolute floor of the MCR	R0350
Minimum Capital Requirement	R0400