

ING Captive Re DAC

Solvency & Financial Condition Report (SFCR)

Reporting period ended December 31, 2023

SUMMARY	1
A. BUSINESS & PERFORMANCE	2
A.1 Business	2
A.2 Underwriting Performance	3
A.3 Investment Performance	5
A.4 Performance of other activities	5
A.5 Other Information	5
B. SYSTEM OF GOVERNANCE	6
B.1 General information on the system of governance	6
B.2 Fit & Proper requirements	8
B.3 Risk Management System including the own risk and solvency assessment	9
B.4 Internal Control System	11
B.5 Internal Audit Function	13
B.6 Actuarial Function	13
B.7 Outsourcing	14
B.8 Any other information	16
C. RISK PROFILE	17
C.1 Underwriting Risk	17
C.2 Market Risk	18
C.3 Credit Risk	19
C.4 Liquidity and Concentration Risk	0
C.5 Operational Risk	0
C.6 Other material Risks	1
C.7 Any other information	1
D. VALUATION FOR SOLVENCY PURPOSES	3
D.1 Assets	3
D.2 Technical Provisions	3
D.3 Other Liabilities	6
D.4 Alternative Methods of Valuation	6
D.5 Any Other Information	6
E. CAPITAL MANAGEMENT	7
E.1 Own Funds	7
E.2 Solvency Capital Requirement & Minimum Capital Requirement	8
E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR	9
E.4 Differences between the Standard Model & Any Internal Model	9
E.5 Non-Compliance with MCR and SCR	9
E.6 Any Other Information	10

SUMMARY

This Report refers to the business ING Captive Re DAC (“ING Captive Re” or “the Company”), a captive reinsurer, authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2023.

ING Captive Re has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company is engaged exclusively in the underwriting of Professional Liability, Crime and Employment Practices Liability insurance risks, providing coverage to ING Groep N.V. (“the Parent”) entities which are primarily domiciled in Europe, however, entities located in Asia, Australia, North America and South America are also included in the world-wide programme. As the Company is a captive reinsurer, all risks are insured via a direct insurer who cedes 100% of the risk to ING Captive Re.

Investment of Company funds is in line with the documented investment strategy, reflecting a ‘prudent person’ approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which ING Captive Re is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Electric can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over a forward-looking three-year business planning period. The results of this exercise are used to better inform decision making within the Company.

There were no material changes to ING Captive Re’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

As at 31 December 2023, the Company had eligible own funds of Eur 61.15m (2022: Eur 57.21m) available to meet its Solvency Capital Requirement (SCR) of Eur 15.65m (2022: Eur 16.26m) resulting in a Solvency Ratio of 391% (2022: 352%) which is in compliance with the regulatory solvency requirements per the Solvency II regulations. The Board of Directors are satisfied that the Company has adequate and appropriate capital to support its business operations. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end, EUR 4.00m (2022; EUR 4.07m).

The Board are aware of the ongoing conflicts in the Middle east and Ukraine and its potential implications. It is important to note that the Company has no direct underwriting risks associated with the regions. However, the Board remain committed to monitoring any significant shifts in the macroeconomic landscape should they begin to impact the operations of the Company.

There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

ING Captive Re is a private limited company limited by shares, incorporated in Ireland on 11 February 2015 and in line with the requirements of the Companies Act 2014 converted to a designated activity company ('DAC'), limited by shares, effective 28 June 2016 ING Captive Re DAC is a captive reinsurance undertaking, underwriting only the risks of the ING Group. ING Captive Re conducts all its significant business activities from its offices in Ireland including

- underwriting;
- premium invoicing and collection;
- claims reserving and payments; and
- investing.

The Company's registered office and business address is 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1.

The Company is a wholly owned subsidiary of ING Groep N.V., headquartered at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands.

ING Captive Re is authorised by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life reinsurance.

The Company conducts all its business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland. As such the Company strives to ensure compliance with all relevant Irish laws and regulations.

The Company's independent auditor KPMG is located at 2 Harbourmaster Place, IFSC, Dublin 1, Ireland.

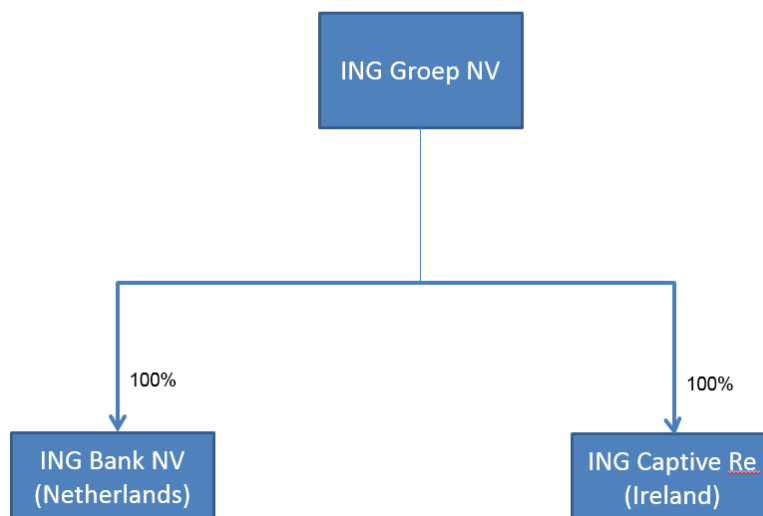
The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

The Company provides reinsurance cover for Professional Liability, Crime and Employment Practices Liability risks of the parent and its subsidiaries only and is therefore considered to be a 'Captive' reinsurance company. ING Groep N.V. is the single shareholder and both immediate and ultimate parent.

Material geographic areas in which the company carries out business are Europe, Asia, Australia North America and South America

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

ING Captive Re is a 100% subsidiary of ING Groep N.V., a company incorporated in the Netherlands
ING Captive Re DAC – Structure Chart



Details on other Group subsidiaries and related undertakings are published within the ING Annual Report and Financial Statements, 2023, which is available to download at <https://www.ing.com/Investor-relations/Financial-Reports/Annual-reports.htm>

The operation of the Company is subject to local regulatory requirements in Ireland, the country in which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

There have been no significant events during the reporting period which have had a material impact on the Company.

A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided reinsurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary who serves as the Head of Actuarial Function

ING Captive Re's business is the provision of reinsurance in a manner which enhances the risk management, economic and administrative efficiency of the ING Groep. Reinsurance is provided under two regulatory lines of business; General Liability and Miscellaneous Financial Loss.

ING Captive Re's strategic objectives are formulated in conjunction with ING Groep as part of its global insurance arrangements. The Group strategy is to retain the first Eur 100,000 of each and every claim by the local entity with the remainder to be insured with a global insurer who cedes 100% of the risk to ING Captive Re, up to a maximum of €62.5m, gross of deductible.

Since the Company prepares its financial statements in accordance with IFRS, the underwriting performance information outlined in this section is on an IFRS basis.

	2023	restated 2022
Insurance revenue	8,615,941	8,640,175
Insurance service expenses	1,545,266	(9,927,784)
Insurance service result	10,161,207	(1,287,609)
Finance (expenses)/income from insurance contracts issued	(1,033,743)	713,389
Net insurance finance (expenses)/income	(1,033,743)	713,389
Net insurance result	9,127,464	(574,220)
Other operating expenses	(393,120)	(322,789)
Total expenses	(393,120)	(322,789)
Profit/ (loss) after tax	7,642,551	(784,883)

Insurance revenue in the financial year ended 31 December 2023 totalled €8.6m, in line with the prior year.

Insurance revenue split by line of business are as follows:

(€'000)		2022	
Line of Business	2023	restated	Variance
General Liability	5,170	5,184	(14)
Miscellaneous Financial Loss	3,446	3,456	(10)
Insurance revenue	8,616	8,640	(24)

Insurance revenue relates to business inception during the period and as the period of risk is commensurate with the reporting period, there is no unearned portion at the period end.

Premium pricing is re-assessed annually with the assistance of loss data. This takes account of the underlying risks to be insured, historical claims performance, and the relevant costs associated with the administration of the programme. The marginal increase in premium on the prior year is reflective of a reasonably benign claims experience since the Company was incorporated in 2015.

Provision is made for notified losses on all underwriting years with no difference between Gross and Net figures as there is no further retrocession beyond the reinsurance company. Claims incurred by line of business is set out below:

(€'000)	Claims Paid			Movement in Claims Provisions		
Line of Business	2023	2022	Variance	2023	2022	Variance
General Liability	(579)	(4,174)	3,595	(2,347)	4,582	(6,929)
Miscellaneous Financial Loss	(1,860)	(1,607)	(253)	5,299	(8,016)	13,315
Total	(2,439)	(5,781)	3,342	2,952	(3,434)	6,386

Profit after tax for year ended 31 December 2023 amounted to €7.64m (restated 2022: €0.78m loss).

The Company has no employees, other than the directors, who did not receive any remuneration during the year (2022: Nil).

A.3 Investment Performance

Investments are held in deposits with credit institutions. The Company holds its cash and cash equivalents with ING Bank whose credit rating with Standard & Poor is AA-. Balances held at banks are non-interest bearing. The total amount at 31 December 2023 in this bank was €83.32m (2022: €77.32m)

The interest income for the year up to 31 December 2023 was €NIL (2022: €NIL).

The Company has no investments in securitised asset classes and all investment income is recognised in the Company's income statement.

A.4 Performance of other activities

ING Captive Re does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5 Other Information

The Company had no foreign exchange gain/ (loss) (2022: Nil) during the reporting period on settlement of premiums receivable.

There are no other material items to report in this section.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

In aiming to meet the requirements for sound corporate governance, ensuring efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

- 1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
- 2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.
- 3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
- 4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure since the prior reporting period. ING Captive Re implemented the above framework in advance of the inception of Solvency II.

In order to achieve the Company's objectives, the Board has established a system of governance with the following core components:

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

Given the limited scale and complexity of the Company, and having reviewed the risks facing the company thoroughly, the Board are satisfied that the system of governance in place is adequate.

The various functions assisting the Board, including the Compliance Function, have defined lines of reporting directly to the Board. In relation to any violation of relevant law by the Company the Compliance Function as well as reporting to the Board, will, in certain circumstances, also be required to report to outside bodies such as the Central Bank of Ireland.

The Board are satisfied that the system of governance in place is adequate for the nature, scale and complexity of the risks of the Company.

The Company complies with the obligations and standards contained in the Corporate Governance Requirements for Insurance Undertakings 2015 and in line with Central Bank expectations.

According to these principles, the chosen governance model is one of "three lines of defence" which is illustrated as follows:

Governance structure

Board of Directors		
Operations - Underwriting/Claims Management Operations - Finance and Accounting Operations - Investment Operations - Administration	Risk Management Function Compliance Function Actuarial Function Claims Committee	Internal Audit Function
1st line of defence Risk and control embedded in the business Primary accountability within the context of day-to-day operations. The first line of defence ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the board.	2nd line of defence The oversight functions The 2nd line is in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned.	3rd line of defence Provides independent assurance The 3rd line challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Board.

The Board undertake responsibility for performing the equivalent function of an Audit Committee in relation to the reporting period 31 December 2023.

There have been no material changes to this structure in the period. Given the limited scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board is satisfied that the system of governance in place is adequate.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

Remuneration and material transactions

The members of the Board of Directors receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid.

As a captive reinsurer, all ING Captive Re's inward premium flows and claims payments relate to reinsured risks of the shareholder group. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit & Proper requirements

ING Captive Re has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered.

For those roles which are prescribed by the CBI as Controlled Functions (CFs) and Pre-approval Controlled Functions (PCFs), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

B.3 Risk Management System including the own risk and solvency assessment

The Company has taken appropriate actions in order to:

- embed risk management as a key function within its governance structure; and
- develop and maintain effective processes and reporting procedures to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the Company is exposed.

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

In addition to these policies, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been documented.

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') process annually in order to provide its Board of Directors with a forward-looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are considered.

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations. As part of Own Risk Solvency Assessment process the Company selected the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs based on the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to match prospective solvency needs with capital position. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to the SCR under Pillar I.	Gathers information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensures that risk exposures are measured on a regular basis triggering exception report for the Board. In line with CBI requirements the Head of Actuarial Function provides an actuarial Opinion to the Board of Directors in respect of the ORSA while the results of the ORSA process are presented to the Board. Following feedback and approval from the Board, the Company's ORSA report is finalised, and results submitted to the CBI within 2 weeks.

The capital risk appetite for ING Captive Re is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent approach to capital to ensure that ING Captive Re is in a comfortable position to meet its SCR obligations.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the Company's governance manual.
2) Risk assessment	Procedures and policies are detailed and formalised in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.

3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

In order to set out how the Internal Control System is implemented the Company's processes and related control activities are documented, monitored and reviewed on a regular basis. These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year. Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company has outsourced its Compliance Function to its Insurance Managers. The Insurance Managers have appointed a Head of Compliance who is responsible for overseeing all compliance activities and ensuring the Compliance Function of the Company is adequately resourced. The Compliance Function reports to the Board at each and every Board meeting on its activities.

The responsibilities of the Compliance Function include:

Assisting in ensuring the long term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risk faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;
- identification and communication throughout the Company the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent Function that objectively evaluates and recommends improvements to the Company's Internal Control System by facilitating an objective and independent assessment. It assists the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company. The audit approach is risk based and in line with an annual audit plan which is provided by the Head of Internal Audit to the Board of Directors.

Responsibilities of the Internal Audit Function include:

- Establishing, implementing and maintaining a rolling multi-year audit plan setting out the audit work to be undertaken, taking into account the Company's activities and its system of governance and risk management
- Presenting the audit plan to the Board on an annual basis
- Provide a written report to the Board upon the completion of the annual internal audit including findings, recommendations and timelines for any remediation of work

The Internal Audit Function and the appointed Head of Internal Audit report directly to the Board of Directors.

Independence and Impartiality

The Company's Internal Audit Function is independent of the activities audited and independent from the operational Functions and the Board of Directors. The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

B.6 Actuarial Function

The Actuarial Function is outsourced to Aon with a named Head of Actuarial Function, appointed as and approved as pre-approval controlled function (PCF), reporting to the Board of Directors. The Head of Actuarial Function is a pre-approval controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Actuarial Function carries out its role with the following tasks:

- Coordination of the calculation of technical provisions
- Identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- Explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- Assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive.
- provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;

- Taking into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion;
- Report in writing at least annually to the Board of Directors, documenting all material tasks that have been undertaken by the Actuarial Function, including:
 - (i) Details of the Technical Provisions
 - (ii) Methodologies & assumptions
 - (iii) Data sufficiency & quality
 - (iv) Experience analysis
 - (v) Report to the Board on reliability & adequacy
 - (vi) Opinion on Underwriting policy
 - (vii) Opinion on Reinsurance arrangements.
- Contribute to the effective implementation of the Risk Management System in particular with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and the ORSA process.
- think critically and organize the execution of actuarial approaches
- provide an actuarial Opinion to the Board of Directors in respect of the ORSA

Responsibility

The HoAF reports to the Board of Directors and issues a report in writing at least annually documenting all of the material tasks that have been undertaken by the Actuarial Function during the reporting period.

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7 Outsourcing

The objectives of the Company's Outsourcing Policy is to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's, and where applicable a relevant sub committee's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

The following critical or important Functions / activities are outsourced by the Company:

Critical or important Function	Outsourced Service Provider	Location
Underwriting and Claims administration	Aon Insurance Managers	Ireland
Finance and Accounting	Aon Insurance Managers	Ireland
Risk Management Function	ING Bank N.V. Dublin Branch	Ireland
Compliance Function including Head of function	Aon Insurance Managers	Ireland
Actuarial Function including Head of Function	Aon Global Risk Consulting	United Kingdom
Internal Audit Function including Head of Function	ING Groep	Netherlands

Assessment of adequacy of system of governance

The Board, with input and expertise from the captive insurance manager and the Risk Management and Compliance Functions performs an annual assessment of the adequacy of EIIDAC's system of governance, with due regards to Solvency II laws, regulations, and related guidance as well as the CBI Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Board's assessment is supplemented by periodic internal audit work.

Based on the most recent assessment, the Board has concluded that the system of governance is appropriate for the nature, scale and complexity of the Company.

B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. RISK PROFILE

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting Risk

The Company underwrites contracts that transfer reinsurance risk. The risk under any reinsurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation and recording process and to detail the Company's approach to the calculation of technical provisions. Annual support and certification is provided by an Actuarial Function.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

As the Company is a captive reinsurer, it is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer-term nature of the risks which the Company underwrites.

The Company manages these risks through its underwriting strategy of arranging for an external qualified actuary to review pricing and reserve adequacy of the Company on an annual basis and having adequate reinsurance arrangements in place. The Company also monitors emerging issues and factors in their potential impact on the Company's pricing and claims reserving.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by the Company's Actuarial Function.

As part of the Company's ORSA process, stress and scenario tests incorporating and combining differing risk types are considered. The impact of the Company experiencing a Downgrade in the credit rating of the Company's sole banking institution; from "A" to "BBB", resulting in a higher counterparty default risk charge, and increases it by EUR 6.1m to EUR 11.35m, this translates to a EUR 4.95m increase in the SCR of the Company to EUR 21.21m (after diversification benefits). While the Company's income also reduces, no significant impact to the Company's capital levels is incurred as a result. Despite the EUR 4.95m increased SCR to EUR 21.21m, the Company's SCR coverage ratio only reduces to 270%, demonstrating the Company's ability to withstand the risk event and maintain its minimum capital requirement of 100% and remain within the Company's risk appetite of 120% SCR coverage.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in the ultimate loss ratios ('ULRs') used in the estimation of claims reserves for financial statements purposes and holding all other assumptions constant. The resultant impact on Gross and Net Insurance contract liabilities (ICL) and Profit before Tax (PBT) for the financial period is shown below:

	Gross ICL	Net ICL	Impact on PBT for the year
	€	€	€
31-Dec-23			
Insurance contract liabilities +10%	2,067,789	2,067,789	(2,067,789)
Insurance contract liabilities -10%	(2,067,789)	(2,067,789)	2,067,789
 Restated 31-Dec-22			
Insurance contract liabilities +10%	2,394,780	2,394,780	(2,394,780)
Insurance contract liabilities -10%	(2,394,780)	(2,394,780)	2,394,780

C.2 Market Risk

Market risk is the risk of loss arising from adverse movements in market prices. Investments are maintained in cash deposits with an approved credit institution. Investments are all maintained in Euro, the reporting currency of the Company.

ING Captive Re has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;

- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

Interest rate risk arises on the Company's fixed income portfolio. The fair value of the fixed income portfolio is generally inversely correlated to movements in market interest rates. If market interest rates fall, the fair value of the Company's fixed income investments would tend to rise and vice versa. The sensitivity of the price of fixed income securities is impacted by its duration. The greater a security's duration, the greater its percentage price volatility.

Given the short-term cash nature of the assets and the fixed interest on debt securities, the impact of interest rate risk is limited. The exposure is kept under review; however, the Company did not carry out any stress testing or sensitivity analysis relating to the market risk during the reporting period.

Foreign currency risk can be described as the risk that the Company might be affected due to an adverse movement in foreign exchange rates. The Company is a Euro regulated company that operates in Ireland.

The Company's principal transactions are carried out in Euro and its exposure to foreign exchange risk arises primarily with respect to Euro. Premium and claims are paid in Euro but as the company has claims incurred in countries denominated in other currencies, including USD and TRY, the Company is exposed to foreign exchange movements impacting the final amount of claims being paid once settlement has been reached. Due to the limited exposure to currency risk, management considers that it is unnecessary to attempt to mitigate foreign exchange rate fluctuations.

C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are Cash and cash equivalents. ING Captive Re's only exposure is to ING Bank, with whom the cash deposit is maintained.

As part of the Company's ORSA process, the impact of ING Bank experiencing a one notch downgrade from A to BBB was considered as part of the ORSA carried out in the reporting period. This scenario resulted in an increase in the Company's SCR, however it would have sufficient available capital to meet the regulatory solvency requirements.

There have been no material changes to the measures used to assess the risk exposure or the material risks over the reporting period.

C.4 Liquidity and Concentration Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations. Concentration Risk includes the risk of additional losses incurred by the company due to either a lack of diversification of assets or from a large exposure to the risk of default of a single issuer of securities or a group of related insurers. These risks are assessed under the Risk Appetite framework focusing on the spread of assets and ensuring that the investment portfolio is at any time made up of sufficient liquid assets i.e. daily traded securities or short-term deposits.

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing reinsurance contracts that are expected to be received in the future are not received for any reason other than the insured event having occurred, regardless of the legal or contractual rights of the policyholder to discontinue to policy.

There was no sensitivity analysis conducted during the reporting period in relation to the operational risk.

There have been no material changes in the operational risk environment during the reporting period.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

There is no expected profit included in future premiums calculations.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss.

The Company have a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy. The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk.

In addition, ING Captive Re is subject to Internal and External Audit review.

ING Captive Re maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, ING Captive Re puts in place service level

agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed.

ING Captive Re is aware of the operational risks which could impact the Company, however, management considers that it is unnecessary to stress this during the reporting period.

There have been no other changes in the operational risk environment during the reporting period.

C.6 Other material Risks

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total. (Compare actual versus target performance on a regular basis (as defined for each objective) and produce a variance analysis explaining reexplaining Captive Reasons for deviations.

Sensitivity Risk

The Actuarial Function assesses annually the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period. The exposure is kept under review; however, the Company did not carry out any stress testing or sensitivity analysis relating to the above risk(s) during the reporting period

There was no sensitivity analysis conducted during the reporting period in relation to the other material risks

No other material risks have been identified.

C.7 Any other information

The Prudent Person Principle

The specific requirements of the Prudent Person Principle and its implementation within the Company are detailed in the Company's Governance Manual. This standard outlines the principles and rules which apply to the investment assets of the Company. The implementation of the Prudent Person Principle comprises rules concerning the due diligence and processes, the care, skills and delegation, the quality of investments, diversification, and specific rules for investment categories.

General rules

In general, the Company only invests in assets and instruments whose risks it can properly identify, measure, monitor, manage, control and report, taking into account the assessment of its overall solvency needs, the specific risk profile, approved risk tolerance, and the business strategy. Asset Liability Management is the central part of the Investment Process for the Company: assets held to cover technical provisions are invested in accordance with the nature and duration of the liabilities.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

ING Captive Re prepares its statutory financial statements on a going concern basis in compliance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

There are a number of differences in the financial statement basis under current accounting standards and the Solvency II valuation rules as set out below, however these have no impact on the valuation basis of the assets of the Company at 31 December 2023.

At the end of the current reporting period ING has total assets valued at EUR 83.56m (2022; 78.37m) for solvency purposes. This total comprises the following categories of assets:

	Solvency II	Financial Statements	Difference
ASSETS	€	€	€
Deferred tax assets	382,596	235,473	147,123
Cash and cash equivalents	83,321,814	83,321,814	-
Total Assets	83,704,410	83,557,287	147,123

Deferred SII Tax Asset: Under SII, insurance and reinsurance undertakings should recognise and value deferred tax assets and liabilities in relation to all items that are recognised for solvency purposes or in the tax balance sheet in order to ensure that all amounts which could give rise to future tax cash flows are captured. ING Captive Re have a deferred tax asset because the cash flows from their relevant Basic Own Funds items result in a decrease in available capital when moving from a statutory basis to Solvency II. Consequently, ING Captive Re recognise the additional tax benefit, as additional loss is recognised.

Cash and cash equivalents comprise cash at banks and in hand in non-interest-bearing current accounts. Carrying amounts approximate fair value due to the liquid nature of the assets. There are no valuation adjustments for solvency purposes.

D.2 Technical Provisions

Provision is made for notified losses on all underwriting years. The Company has regard to the loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for reinsurance contract liabilities are based upon management’s best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not reported (IBNR).

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities (BEL) and a Risk Margin (RM). A reconciliation of the technical provisions in the financial statements to the technical provisions in the Solvency II balance sheet has been included below:

	€'000
Statutory Claims Reserves / OSCR	20,678
Removal of Prudence in OSCR	(1,651)
Solvency II expenses	476
Allowance for ENID's	335
Unpaid premium cashflows	(227)
Discounting	(1,764)
Gross SII Technical Provisions	17,797

The table below summarises the overall Solvency II technical provision by line of business. The risk margin has been calculated to be €1.97m, giving a total gross technical provision of €21.86m.

Solvency II gross technical provisions (€'000)

Solvency II Line of Business	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
General Liability	9,264	1,100	10,364	1,026	11,390
Miscellaneous Financial Loss	8,533	998	9,531	945	10,476
Total	17,797	2,098	19,895	1,971	21,866

The Solvency II Technical provisions calculation is based on the latest Solvency II Technical Specifications published by the European Union on 17 January 2015, Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("Delegated Acts").

The Statutory reserving basis is carried out in line with International Financial Reporting Standards (IFRS) principles. The statutory reserving reserves to an estimated ultimate, i.e the total of claim amounts paid for a policy or underwriting year after all exposures have expired and all claims have been fully settled, which includes an allowance for unallocated loss adjustment expenses ("ULAE") and a margin for uncertainty. The statutory reserves include prudence while the Solvency II technical provisions permit no allowance for prudence with the claim estimates stated on a best estimate basis.

The Solvency II technical provisions consist of a claim provision, premium provision and a risk margin. The claim provision includes the premium and claim cash flows associated with periods of exposure prior to the valuation date. The provisions are calculated using discounted expected cash flows.

Under Solvency II, there is no unearned premium provision held on the balance sheet. The Solvency II technical provisions consist of a claim provision and premium provision.

The claim provision includes the premium and claim cash flows associated with periods of exposure prior to the valuation date. Premium provisions include the premium and claim cash flows associated with periods of exposure post the valuation date. The provisions are calculated per line of business using discounted expected cash flows. We have used risk free yield curves as at 31st December 2023, published by EIOPA, to discount the cash flows to the valuation date.

There are a number of other specific changes outlined below:

Premium Cashflows: Under Solvency II, technical provisions are calculated on a discounted cashflow basis so unpaid premium cash flows are included within the valuation.

Bound but not Incepted Contracts: Under Solvency II, the contract recognition basis is different to the current Statutory Financial Statements basis. That is, under Statutory Financial Statements the technical provisions only consider contracts that have incepted as at the valuation date, whereas, under Solvency II all contracts that are legally bound need to be considered, even if they have not yet incepted. Expected profit on these contracts will reduce net technical provisions.

Expenses: Technical provisions are expected to allow for all future expenses that would be incurred in running-off the existing business. Under Solvency II these expense provisions would include additional items such as an allocation of investment manager's costs and other overheads. We have applied an additional allowance 1.7% to the gross reserves to allow for additional expenses that could be allocated to the technical provisions on a Solvency II basis.

Events Not In Data: Solvency II technical provisions should be the best estimate of all future possible outcomes. An adjustment must therefore be made to allow for items not captured within the undertaking's data, e.g. latent claims or extremely high severity, low probability events. These items have been termed 'Events Not in Data' ("ENID"). We have added a loading 2.50% to the gross reserves to allow for the expected cost of ENID. The 2.50% loading applied is consistent with a market analysis carried out by Lloyd's of London.

Risk Margin: The technical provisions include a risk margin, which will bring the best estimate provisions into line with a market consistent valuation. The risk margin covers the discounted cost of capital that would be needed to support the full run-off of the liabilities, and is intended to represent the 'market premium' that would need to be paid in order to transfer the portfolio of liabilities to another party. For this exercise, we have based the risk margin calculation on the Level 3 simplification given in the latest technical specifications. The calculation is a relatively complex process, but can be split into the following steps:

1. An SCR is calculated in relation to the technical provisions on the opening solvency II balance sheet.
2. It is assumed that the future SCRs are proportional to the best estimate claim provisions. Therefore the future SCRs decrease in line with claim provisions run-off.
3. A cost of capital for each future SCR is derived by applying a 6% charge to SCR.
4. These future costs of capital are then discounted to the valuation date.
5. These discounted costs of capital are then summed to calculate the risk margin.

For ING Captive Re the risk margin has been calculated as €1.97m

In calculating its technical provisions on a Solvency II basis, ING Captive Re has not applied any of the following items:

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

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

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

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

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

D.3 Other Liabilities

Aside from Technical provisions, the valuations of which are detailed above, the Company has the following adjustments to Liabilities under the Solvency II valuation rules.

	2023		
	Solvency II	Financial Statements	Difference
OTHER LIABILITIES	€	€	€
Other liabilities	287,961	292,755	(4,794)
Payables (trade, not insurance)	403,087	409,797	(6,710)
TOTAL LIABILITIES	691,048	702,552	(11,504)

Removal of Deferred Acquisition Costs: On a Solvency II valuation basis, there is no concept of accruals, but instead all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation. This impacts both the Gross and Reinsurance elements of the deferred acquisition costs, plus other deferred balance sheet items.

Deferred SII Tax Liability: Under SII, insurance and reinsurance undertakings should recognise and value deferred tax assets and liabilities in relation to all items that are recognised for solvency purposes or in the tax balance sheet in order to ensure that all amounts which could give rise to future tax cash flows are captured.

D4. Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report

In respect of relevant quantitative information for this report please see Annual QRT extract in Appendix 1.

E CAPITAL MANAGEMENT

E.1 Own Funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

On an annual basis, the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR'). A 3-year forward-looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over the business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the shareholder. There have been no material changes to this approach from the prior year.

The Company's own funds consist of the following items:

- Issued Share Capital; and Share Premium and Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted on a quarterly basis to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

The movement in basic own funds during the reporting period reflects the profits realised by the Company due to more favourable claims performance in the period as adjusted for the valuation of net technical provisions on a market consistent fair value basis under Solvency II.

Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2023 €'000	2022 €'000
Ordinary paid up share capital	12,500	12,500
Share premium	12,500	12,500
Reconciliation reserve	37,177	29,534
Total basic own funds in the financial statements	62,177	54,534

At the end of the current reporting period, eligible own funds available to meet the Company's SCR is €61.15m (2022: €57.21m) and eligible own funds available to meet the Company's MCR is €60.764m (2022: €57.21m), comprised solely of Tier 1 capital.

The equity position as shown in the Company's 2023 year-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

	2023 €'000
Equity per the Company's financial statements	62,177
Adjustments to technical provisions	(1,188)
Discounting trade payables	7
Discounting Any other liabilities, not elsewhere shown	5
Deferred tax assets	147
Own funds (excess of assets over liabilities for solvency purposes)	61,147

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. This results in the removal of reinsurance debtor and deferred acquisition cost balances as the future cash flows in relation to these items are dealt with as part of the calculation of technical provisions. Deferred tax is provided on these adjustments at the applicable tax rate. These adjustments are reflected in the Company's reconciliation reserve.

The Company's own funds are not subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

SCR - Solvency Capital Requirement

This is the amount of regulatory capital that should be held under the standard formula SCR technical specifications. It is calculated by simply adding together the Basic Solvency Capital Requirement ("BSCR") and the Solvency Capital Requirement for Operational Risk ("SCROp"), both of which are set out below.

For ING Captive Re, the SCR of €15.65m is less than the current free reserves (i.e. own funds) of €61.17m leaving a surplus of €45.49m.

SCR Results by Risk charge	31-Dec-23	31-Dec-22	Movement
Non-Life Underwriting Risk	10,926	12,032	(1,107)
Counterparty Default Risk	5,588	5,185	403
Market Risk	1,540	1,251	289
<i>Diversification Benefit</i>	<i>(2,996)</i>	<i>(2,772)</i>	<i>(224)</i>
BSCR	15,058	15,697	(639)
Operational Risk	597	654	33
Tax Adjustments	-	-	-
SCR	15,654	16,261	(606)
Available Capital	61,147	57,294	3,872
Surplus/Deficit	45,493	41,033	4,479
Solvency Ratio	391%	352%	38%

The primary movements in the SCR during the period are:

- **Counterparty Default Risk:** This is caused by the increased cash at bank assets and hence loss given default.
- **Non-Life Underwriting Risk:** The increase in the non-life underwriting risk charge is caused by a reduction in geographical diversification benefit. Whilst the overall size of the reserves has not moved materially, a larger proportion of reserves have been allocated to Western Europe for the crime line of business resulting in less geographical diversification credit. IBNR Reserves are allocated to region in accordance with case reserves by region.

To a lesser extent an increase in premiums has also contributed to the increase in the non-life underwriting risk charge.

- **Market Risk:** This is due to a decrease in currency risk arising from a decrease in non-EUR liabilities. ING only hold EUR assets so any decrease in non-EUR liabilities will naturally lead to a decrease in currency risk.

MCR – Minimum Capital Requirement

Under the standard formula, the MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, the Solvency II Directive states that Captive reinsurance undertakings have a minimum MCR of €1.3m.

The MCR for ING Captive Re is calculated in accordance with the standard formula. Setting the MCR involves these steps:

- Firstly, a factor-based calculation is applied using premiums and reserves as the drivers.
- The value of this calculation is either capped or floored such that the value of the MCR is between 25% and 45% of the value of the SCR.
- Finally, the Absolute Minimum Capital Requirement (“AMCR”) is applied. This is a monetary floor on the value of the MCR. For reinsurance captives this is currently set at €1.3m (2022: €1.3m),
- ING Captive Re’s calculated MCR of €3.9m is higher than the AMCR.

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

There was no use of duration based equity risk sub model in the calculation of the SCR

E.4 Differences between the Standard Model & Any Internal Model

ING Captive Re used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with MCR and SCR

There were no incidences of non-compliance with the MCR and SCR

E.6 Any Other Information

There is no other information to report In respect of relevant quantitate information for this report please see Annual QRT extract in Appendix 1.

APPENDICES – Quantitative Reporting Templates

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.04.05.21 - Premiums, claims and expenses by country

S.05.01.02 – Premiums, claims and expenses

S.17.01.02 – Non-Life technical provisions*

S.19.01.21 – Claim development triangles*

S.23.01.01 – Own funds*

S.25.01.21 – SCR using standard formula*

S.28.01.01 – MCR*

*templates subject to external audit.

Amounts are in EUR'000

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	383
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	83,322
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	83,704

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	21,866
R0520	Technical provisions – non-life (excluding health)	21,866
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	19,896
R0550	Risk margin	1,971
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	403
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	288
R0900	Total liabilities	22,557
R1000	Excess of assets over liabilities	61,147

S.04.05.21 - Premiums, claims and expenses by country (In thousands of EUR)

Non-life insurance and reinsurance obligations							
	R0010	Home country	Top 5 countries: non-life				
			CH				
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020						
Gross Written Premium (proportional reinsurance)	R0021		9,090				
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030						
Gross Earned Premium (proportional reinsurance)	R0031		9,090				
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040						
Claims incurred (proportional reinsurance)	R0041		-769				
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050						
Gross Expenses Incurred (proportional reinsurance)	R0051		1,017				
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

Life insurance and reinsurance obligations							
	R1010	Home country	Top 5 countries: life and health SLT				
		C0010	C0020	C0021	C0022	C0023	C0024
Gross Written Premium	R1020						
Gross Earned Premium	R1030						
Claims incurred	R1040						
Gross Expenses Incurred	R1050						

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written									
Gross - Direct Business	R0110								0
Gross - Prop reinsurance accepted	R0120			3,636					9,090
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	3,636	0	0	0	0	9,090
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220			3,636					9,090
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	3,636	0	0	0	0	9,090
Claims incurred									
Gross - Direct Business	R0310								0
Gross - Prop reinsurance accepted	R0320			-3,741					-769
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	-3,741	0	0	0	0	-769
Expenses incurred	R0550			455					1,017
Balance - other technical	R1210								
Total technical expenses	R1300								1,017

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensatio n 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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060								1,100				998
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	0	1,100	0	0	0	998
Claims provisions													
Gross	R0160								9,264				8,533
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	0	9,264	0	0	0	8,533
Total Best estimate - gross	R0260	0	0	0	0	0	0	0	10,364	0	0	0	9,531
Total Best estimate - net	R0270	0	0	0	0	0	0	0	10,364	0	0	0	9,531
Risk margin	R0280								1,026				945
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	0	0	11,390	0	0	0	10,476
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	0	11,390	0	0	0	10,476

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
<u>Premium provisions</u>						
Gross	R0060					2,099
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	2,099
<u>Claims provisions</u>						
Gross	R0160					17,797
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	17,797
Total Best estimate - gross	R0260	0	0	0	0	19,896
Total Best estimate - net	R0270	0	0	0	0	19,896
Risk margin	R0280					1,971
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	21,866
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	21,866

S.19.01.21 - Claim development triangles (In thousands of EUR)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		
Prior	R0100													
N-9	R0160													
N-8	R0170	118		4	833	715		-9	5	18				
N-7	R0180		153	644	158			1,987	791					
N-6	R0190		76	1,377			508	40						
N-5	R0200		88			1,323	138							
N-4	R0210				453	624								
N-3	R0220	74	992	22	0									
N-2	R0230	261	1,306	438										
N-1	R0240		41											
N	R0250	199												
Total													2,290	13,377

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100												
N-9	R0160												
N-8	R0170		4,468	4,241	4,698	1,494	1,271	1,014	968	757			699
N-7	R0180	6,177	6,071	5,224	3,512	2,778	2,731	956	994				846
N-6	R0190	12,180	6,968	2,706	1,643	657	442	316					257
N-5	R0200	7,399	9,362	6,595	4,428	2,567	3,360						3,099
N-4	R0210	6,047	3,687	2,591	1,626	980							896
N-3	R0220	3,359	4,073	3,066	1,387								1,304
N-2	R0230	3,535	7,713	4,355									3,855
N-1	R0240	3,509	1,939										1,841
N	R0250	5,472											4,999
Total													17,797

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	12,500	12,500			
Share premium account related to ordinary share capital	R0030	12,500	12,500			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	35,764	35,764			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	383				383
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	61,147	60,764	0	0	383
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	61,147	60,764	0	0	383
Total available own funds to meet the MCR	R0510	60,764	60,764	0	0	
Total eligible own funds to meet the SCR	R0540	61,147	60,764	0	0	383
Total eligible own funds to meet the MCR	R0550	60,764	60,764	0	0	
SCR	R0580	15,654				
MCR	R0600	3,998				
Ratio of Eligible own funds to SCR	R0620	3.906051733				
Ratio of Eligible own funds to MCR	R0640	15.19697593				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	61,147
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	25,383
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	35,764
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	0

S.25.01.21 - SCR using standard formula (In thousands of EUR)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	1,540		
Counterparty default risk	R0020	5,588		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	10,926		
Diversification	R0060	-2,996		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	15,058		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	597
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	15,654
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	15,654
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	Not applicable

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	3,998

Background information		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	10,364	5,454
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	9,531	3,636
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		C0040
MCRL Result	R0200	0

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	3,998
SCR	R0310	15,654
MCR cap	R0320	7,044
MCR floor	R0330	3,914
Combined MCR	R0340	3,998
Absolute floor of the MCR	R0350	1,300
Minimum Capital Requirement	R0400	3,998