Ares Reinsurance dac

Solvency and Financial Condition Report ("SFCR") for the financial year ended 31 December 2016

Contents

Executive Summary

The new, harmonized EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by (re)insurers. This document is the first version of the Solvency and Financial Condition Report ("SFCR") that is required to be prepared by Ares Reinsurance dac ('ARES DAC' or 'the Company').

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

Company Background

Ares Reinsurance dac ("the Company") is a company incorporated in Ireland. The principal activity of the Company is to act as reinsurer for both life and non-life risks from consumer payment protection insurance policies sold by the insurers to customers of financial services and consumer lending companies.

The Company is authorised by the Central Bank of Ireland as a composite reinsurance undertaking in accordance with the provisions of the European Union (Insurance and Reinsurance) Regulations.

Business and Performance

The Company commenced trading on 1 January 2005. Following a strategic review of the business model by the parent company all single business premium is in run-off from March 2016. The Company continues to receive revolving premium.

The Company produces its financial statements in accordance with International Financial Reporting Standards ("IFRS"). On an IFRS basis the Company produced a pre-tax profit of EUR 6,189,271 (2015: EUR 7,710,958). The directors consider the level of business and the financial position of the Company to be satisfactory.

The Company's assets are prudently invested, providing access to funds at short notice taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

System of Governance

The Company is subject to the Corporate Governance Requirements for Insurance Undertakings 2015. The corporate governance principles of the Company are implemented via the following Corporate Governance Framework:

- Board of Directors
- Board Sub-Committees
- Outsourced Service Providers
- Internal Control Framework
- Risk Management Framework
- Compliance Function
- Audit – Internal & External
- Actuarial Function

Risk Profile

The Company uses the Standard Formula to assess the solvency and capital requirements. As a composite reinsurer the key risks are Life, Health Underwriting and Non-Lon Life Underwriting risk. Life underwriting risk comprises over 1/3 of the basic SCR before diversification effect at 31 December 2016.

Valuation for Solvency Purposes

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

- differences in the valuation of technical provisions and associated reinsurance recoverables;
- the financial statements include deferred acquisition cost. There is no concept of deferred acquisition costs in Solvency II; future acquisition cost cash flows are valued in Solvency II technical provisions.

Capital Management

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

The SCR coverage ratio at 31 December 2016 position was 184%, with own funds of EUR 21.7m and a Solvency Capital Requirement ("SCR") of EUR11.7m.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new shares capital.

A BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Name and legal form of the undertaking

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

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

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

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

A.1.3 External auditor of the undertaking

The independent auditors of the Company are:

Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Place, Harcourt Street, Dublin 2, Ireland.

A.1.4 Holders of Qualifying Holdings in the Undertaking

The Company is wholly owned by AGOS Ducato S.p.A., a company incorporated in Italy.

A.1.5 Legal Structure of the Group

The directors regard AGOS Ducato S.p.A., a company incorporated in Italy, as the immediate parent company. Crédit Agricole S.A., a company incorporated in France, as the ultimate and controlling parent company.

A.1.6 Material lines of business and geographical areas

The principal activity of the Company is to act as reinsurer for both life and non-life risks from consumer payment protection insurance policies sold by the insurers to customers of financial services and consumer lending companies.

All the reinsurance business accepted by the Company is from Italy.

A.1.7 Significant Business events during the reporting period

Following a strategic review of the business model by the parent company all single business premium is in run-off from March 2016.

A.2 Underwriting Performance

All premium revenue relates to reinsurance acceptance for both life and non-life risks from consumer payment protection insurance policies sold by the insurers to customers of financial services and consumer lending companies.

For management purposes, the reinsurance business of the Company is split between Life Reinsurance and Non-Life Reinsurance. This split is the basis on which the Company reports its primary segment information. For the purposes of capital reporting these are categorized as follows:

Class of Business as per IFRS	Solvency II Class of Business
Life Reinsurance	Accepted reinsurance - Other life insurance
Non-Life Reinsurance Accident and Health	Proportional income protection reinsurance
Non-Life Reinsurance Accident and Health	Proportional miscellaneous financial loss reinsurance

The Company has determined that the EUR is the functional currency.

The tables below show a summary of the technical (underwriting) account for the year ended 31 December 2016 by material Line of Business and Geographical area (based on IFRS):

Underwriting performance for the main lines of Business and Geographical areas per Financial Statements:

31/12/2016:

Italy	**Life**	**Non-Life**	**Total**
	EUR'000	**EUR'000**	**EUR'000**
Gross Written Premiums	547	2,343	2,890
Outward Reinsurance Premium	(872)	(1,008)	(1,880)
Gross Earned Premiums	12,721	7,335	20,055
Earned Reinsurance Premium	(3,537)	(2,415)	(5,952)
Net Claims Incurred	(5,584)	(907)	(6,491)
Net Operating Expenses	(1,375)	(110)	(1,485)
Allocated Investment Return	10	53	63
Total technical profit	**2,236**	**3,954**	**6,190**

31/12/2015:

Italy	Life	Non-Life	Total
	EUR'000	EUR'000	EUR'000
Gross Written Premiums	12,254	6,520	18,774
Outward Reinsurance Premium	(1,858)	(1,792)	(3,650)
Gross Earned Premiums	16,152	8,869	25,021
Earned Reinsurance Premium	(4,659)	(2,975)	(7,633)
Net Claims Incurred	(7,037)	(856)	(7,893)
Net Operating Expenses	(1,764)	(274)	(2,038)
Allocated Investment Return	166	88	254
Total technical profit	**2,858**	**4,853**	**7,711**

The key variances relate to a decrease of both gross and outward reinsurance written and earned premiums due to the single premium business entering run-off from March 2016.

A.3 Investment Performance

A.3.1 Income and expenses arising by asset class

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

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

Asset Class	31/12/2016	31/12/2015
	Amount EUR'000	Amount EUR'000
Cash and fixed deposits	28,418	49,496
Reinsurance & other receivables	37,447	49,106

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

Asset Class	31/12/2016 Total EUR'000	31/12/2015 Total EUR'000
Cash and fixed deposits	61	216
Reinsurance and other receivables	2	39
Total	**63**	**255**

Investment income of EUR 61k (2015: EUR 216k) has been earned from third party bank deposits and EUR 2k (2015:39k) from deposits with ceding undertakings.

A comparison between 2016 and 2015 shows that the decrease in interest earned in 2016 is due to lower amounts held in 3rd party fixed deposits as well as an overall decrease in EUR interest rates.

There are no investments in securitization and no gains and losses have been recognised directly in equity.

A.4 Performance of Other Activities

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

A.5 Any Other Information

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

B SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

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

As of September 2016, the Company was classified as Low Risk firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System. It was previously classified as Medium- Low Risk firm.

The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015 ("The Requirements").

The corporate governance principles of the Company are implemented via the following Corporate Governance Framework:

- Board of Directors
- Board Sub-Committees
- Outsourced Service Providers
- Internal Control Framework
- Risk Management Framework
- Compliance Function
- Audit – Internal & External
- Actuarial Function

The Company has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines.

Board of Directors:

The Board is responsible for the direction and oversight of the Company and believes that good governance involves clarity of roles and responsibilities and the proper utilization of distinct skills and processes.

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

Vincent Julita (Chairman)

Patrick Heffernan (General Manager)

Ian Clancy

Alessandro Sterzi

Peter Hughes (Independent Non-Executive Director)

Robert Frewen (Independent Non-Executive Director)

Board Sub-committees:

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

The Company has established a Risk Committee and an Audit Committee which operate in accordance with their Terms of Reference and regularly report to the Board.

Audit Committee:

The Committee assists the Board in fulfilling its oversight responsibilities however the existence of the Committee does not in any way diminish the overall responsibility of the Board for such matters as reviewing and approving the annual report of the Company. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process and the Company's process for monitoring compliance with laws and regulations.

In fulfilling its purpose, it is the responsibility of the Committee to maintain free and open communication between the Committee, statutory auditors, the internal auditors, and management of the Company, and to determine all parties are aware of their responsibilities.

Risk Committee:

The general duties and responsibilities of the Committee including overseeing risk management function are set in the Risk Committee Terms of Reference. The Committee Chairperson shall report verbally to the Board at the next Board meeting on all matters within its duties and responsibilities, and written minutes of Committee meetings should be presented to the Board at the following meeting; and the Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

General Manager:

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

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

Independent Control Functions:

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

Risk Management Function

The role of the Company's risk management function is to identify and evaluate the major risks facing the Company and to facilitate the implementation of the risk management system. The Board of Directors has outsourced the role to AGOS Ducato S.p.A. The roles and responsibilities of the risk management function are set out within the risk management policy. The CRO's primary responsibility is to the Board and he/she reports to the Board periodically with direct access to the Chairman. The CRO reports to the risk committee on regular basis.

Compliance Function

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

Actuarial Function

The Board has established an independent Actuarial Function, effective 1 January 2015. The Actuarial Function addresses the actuarial needs of the Company, including the requirements introduced by Solvency II, in a manner that is proportionate to the nature, scale and complexity of the Company's activities. The role and responsibilities of the Actuarial Function are set out in the agreement with the outsourced function holder.
The role of the Actuarial Function is outsourced to third party provider, Deloitte.

Internal Audit Function

The internal audit function is outsourced to AGOS Ducato S.p.A. The internal audit function is responsible for the examination and evaluation of the adequacy and effectiveness of the system of internal control and other elements of the system of governance. The role and responsibilities of the internal audit function is set out in the Internal Audit Policy and in the outsourcing agreement.

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

No material changes took place over the reporting period, except for a change in the Head of Actuarial Function holder arrangements.

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

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

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

The aim is, at all times, to align employee and executive interests with those of the shareholder, and to incentivize employees and executives to perform at the highest levels.

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

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

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

There is a service level agreement in place with its immediate parent, AGOS Ducato S.p.A, for the provision of Chief Risk Officer and Internal Audit Function.

Mr. I. Clancy, a director of the Company, is also a director of Marsh Management Services (Dublin) Limited; a critical outsourced provider of the Company.

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

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

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

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

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

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

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

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

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

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

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

B.3.1 Risk management system

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

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

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

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

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

<u>Identify</u>

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

<u>Assess</u>

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

Manage

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

Monitor/Report

Monitoring and reporting to the Board is undertaken on a regular basis from a number of sources including the Risk Management Function, Risk Committee, Compliance Officer and the Internal Audit Function.

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

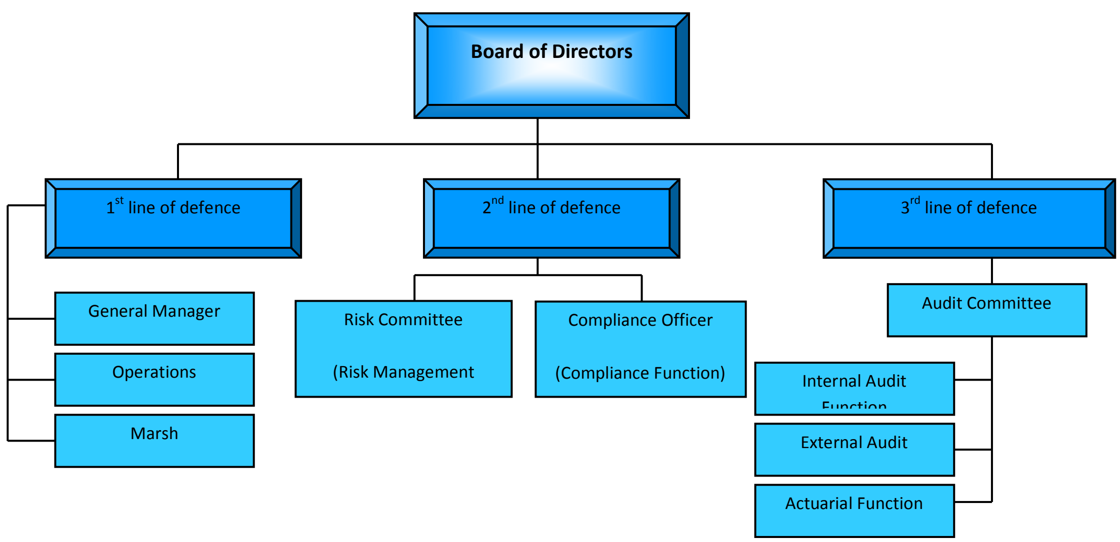
The result is a risk management strategy, which is led by the Board of Directors whilst being embedded in the Company's business systems, strategy and policy setting processes and the activities of the Company.

B.3.2 Implementation of the Risk management system

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

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

The Company adopts a "3 lines of defense" approach for the overall governance of its risk management system as illustrated below:



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

The ultimate objective of the risk management system is to advocate sound risk management which aims at reinforcing the Company's risk culture and embed risk management into the policy-making, planning and decision making of the Company.

B.3.3 ORSA

B.3.3.1 ORSA process

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

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

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

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

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

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

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

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

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

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

B.3.3.2 ORSA review and approval process

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

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

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

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

Under the circumstances outlined in the Company's ORSA policy or based on a request from the local Regulator, a non-scheduled ORSA shall be performed immediately (in addition to the scheduled ORSA).

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

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

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

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the 5 year business planning horizon. The Company also exceeds its strategic minimum SCR coverage over the period.

The results of the ORSA show that the Company has sufficient eligible capital own funds to:

- Maintain a comfortable margin over its Overall Solvency Needs for its current and projected business activities over the business planning horizon;
- Continue to meet internal and regulatory solvency targets for capital management;
- Continue its business on a going concern basis over the business planning horizon.

B.4 Internal Control System

B.4.1 Description of the internal control system

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

The Internal Control Framework of the Company has 3 lines of defense, as per previously illustrated in section B3.2.

- First Line of Defense: “Day to day” operations, General Manager and associated controls
- Second Line of Defense: oversight from Compliance, Risk Management functions
- Third Line of Defense – Independent Assessment, Audit Committee, Internal Audit Function and Actuarial Function (and also external audit).

B.4.2 Implementation of the compliance function

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

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

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

The key responsibilities of the Compliance Function are:

- Advising the senior management of the firm on compliance with regulations
- Assessing the possible impact of any changes in the legal environment
- Identifying and assessing of compliance risk.

The intended compliance activities will be set out in an annual compliance plan and the Compliance Function reports to the Board of Directors on a regular basis.

B.5 Internal audit function

B.5.1 Implementation of the internal audit function

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

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

The Internal Audit Function reports to the Company's Audit Committee on behalf of the Board.

AGOS Ducato S.p.A. performs the role of the Head of Internal Audit on an outsourced basis.

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

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

B.5.2 Independence of the internal audit function

The internal audit function provides independent and objective assurance services, via an Internal Audit Agreement between the Company and AGOS Ducato S.p.A.

B.6 Actuarial function

The Company has established an Actuarial Function that is reports to the General Manager and the Board of Directors. The actuarial function is carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business of the undertaking, and who are able to demonstrate their relevant experience with applicable professional and other standards.

The key roles of the function are expected to be as follows:

- to coordinate the calculation of technical provisions,
- to ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions,
- to assess the sufficiency and quality of the data used in the calculation of technical provisions,
- to compare best estimates against experience,
- to inform the board of directors of the reliability and adequacy of the calculation of technical provisions,
- to oversee the calculation of technical provisions,
- to express an opinion on the adequacy of reinsurance arrangements, and
- to contribute to the effective implementation of the risk management system.

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

B.7 Outsourcing

The Company has established an Outsourcing Policy which sets out the requirements for identifying, justifying and implementing material outsourcing arrangements. The policy enables the Company to mitigate the risk inherent with such outsourcing arrangements and control the outsourced functions.

This Policy has been adopted by the Company and includes following:

- Definition of outsourcing and critical outsourcing;
- General Outsourcing Requirements;
- Board and Management responsibility;

- Due Diligence;
- Business Continuity Management;
- Contractual Arrangements;
- Management and control of the Outsourcing Relationship;
- Intra-Group Outsourcing;
- Central Bank notification process;
- Final approval

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

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

Critical Outsourcing Arrangements				
Outsourced Provider	**Service Outsourced**	**External/ Intra-group**	**Jurisdiction**	**Designated PCF with the overall responsibility for the outsourced key functions**
Marsh Management Services (Dublin) Ltd	Manager	External	EU	PCF-8
	Compliance Function	External	EU	
Deloitte	Actuarial Function	External	EU	
AGOS Ducato S.p.A.	Internal Audit Function	Intra-group	EU	
AGOS Ducato S.p.A.	Risk Management Function	Intra-group	EU	

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

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

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

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

C RISK PROFILE

C.1 Underwriting risk

C.1.1 Key underwriting risks

Company acts as reinsurer for both life and non-life risks from consumer payment protection insurance policies sold by the insurers to customers of financial services and consumer lending companies.

The main insurance risks are related to claims experience being higher than the assumptions in the pricing of the products and a risk of under-reserving. Higher claims could arise as a result of economic evolution in the markets in which the risks are covered or as a result of claims shocks due to concentration exposure, etc.

To mitigate the risks the Company engaged professional Actuarial firm to carry out a reserving review and entered into a quota share retrocession agreement. Some of insurance risks to are retroceded to Hannover Re on a 35% quote share basis. The Board's risk appetite for underwriting risks is set in the Risk Appetite Statement which is reviewed annually by the Board.

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

Any significant spikes in claims experience are discussed with the ceding companies, who also maintain a close watch on their experience.

Key risk charges:

Life underwriting risk of EUR 6,768k comprises 39% of the basic SCR before diversification effect at 31 December 2016.

Health (similar to Non-life) underwriting risk of EUR 4,566k comprises 27% of the basic SCR before diversification effect at 31 December 2016.

Non-Life (excluding Health) underwriting risk of EUR 2,265k comprises 13% of the basic SCR before diversification effect at 31 December 2016.

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

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

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing reinsurance risks with quality underwriting and claims expertise and information;

- Retaining risk within an approved risk appetite and solvency requirements;
- Transferring risk if required, through reinsurance/retrocession with high credit quality entities;
- Monitoring changing environment and market conditions that effect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Independent opinion on the reasonableness and adequacy of the overall underwriting policy is provided by the Head of Actuarial Function on an annual basis.

C.2 Market risk

C.2.1 Material market risks

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

Investment objectives are outlined in the Company's Investment Policy.

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

Concentration risk of EUR 2.1m is the most significant market risk charge and arises from the fixed deposit of EUR 14.7m held with BNP Paribas and Barclays (A & A- rating).

Spread Risk is the sensitivity of the value of investments, primarily deposits in respect of the Company, to changes in the level or in the volatility of credit spreads. Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve.

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

Interest and spread risk are not considered largely material given the nature and structure of the Company's investments. The Company has allocated an interest rate charge of EUR0.2m and a spread risk charge of EUR 0.4m.

Currency risk: the risk that the Company is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets or liabilities arising from changes in underlying exchange rates. All the transactions of the Company are denominated in Euro and all its bank accounts are held in Euro. The Company is not exposed to any currency risk.

C.2.2 Prudent person principle applied to market risks

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

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

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

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

C.3 Credit risk

C.3.1 Counterparty Credit Defaults Risk

Credit risk comprises 8% of the basic SCR before diversification effect at 31 December 2016.

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations towards the Company. The primary sources of credit risk for the Company are related to its investment activities and the reinsurance/retrocession counterparty credit risk. To mitigate the investment risk, the Company has set counterparty concentration and credit quality limits, together with other controls, in order to ensure that exposures are managed within its established risk appetite and tolerances.

The counterparty default risk module in the Standard Formula is driven by cash at bank and deposits with ceding companies.

C.3.2 Prudent person principle applied to credit risks

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

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

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

- Minimum rating criteria for the placing of deposits and opening of bank accounts, in line with the Company Investment Policy;
- Monitoring the credit ratings of counterparties;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process;
- Retaining risk within an approved risk appetite and solvency requirements;
- Establishment of cedant and retrocession counterparty credit quality limits approved by the Board;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

The Company believes that credit risk is limited because all the counterparties are regulated credit institutions or insurance undertakings with high credit ratings assigned by international credit rating agencies.

C.4 Liquidity risk

C.4.1 Material liquidity risks

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

The Company has no appetite for risk. It minimises its liquidity risk by ensuring that it has at all times sufficient liquidity on demand and available at short notice to meet its business needs.

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

The Company's cash in-flow is generated from premium income. Its cash out-flow consists mainly of claims payments and a small volume of administration expenses

C.4.2 Prudent person principle applied to liquidity risks

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

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

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

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- The Company monitors cash movements and performs cash flow forecasting which are regularly reported to the Company;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process.

C.5 Operational risk

C.5.1 Material operational risks

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

The Company has considered a number of operational risks arising out of its activities in its risk register. For example, the Company has considered the risk of fraud arising from the misappropriation of Company funds, the risk of being overly reliant on key personnel and the risk that there is an inadequate business plan in place.

For such non-quantifiable risks, the Company has set a strategic surplus (target) of 20% as a prudent buffer to the Standard Formula calculation.

Operational risks are also addressed in the capital requirement as an addition to the BSCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 December 2016 is EUR 0.7m.

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

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

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Implementing a robust system of internal controls and procedures;
- Segregation of duties;
- Monitoring and internal reporting;
- Outsourcing its management to an experienced management company;
- Setting a strategic surplus target of 20% above the SCR;
- Commitment of effective corporate governance.

C.6 Other material risks

The Company has included a range of non-quantifiable risks in its ORSA process.

Sample risks include:

- Regulatory and Compliance;
- Outsourcing.

The Company has no appetite for regulatory risk. It is the objective of the Company to be at all times in compliance with Insurance Acts and Regulations, and with Guidelines issued by the insurance supervisory authority and other applicable legislation in accordance with good corporate governance and codes of conduct.

The Company outsources a number of its operations and key functions as outlined in previous section of the SFCR. All critical outsourcing arrangements have Service Levels and/or Letter of Engagement in place with an appropriate notice period.

This would provide the Company with sufficient time to find an alternative professional services provider. Additionally, performance of outsourced providers is reviewed on an annual basis and such review would flag any potential deficiencies of the individual service provider.

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

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

The amount of expected profit included in future premiums calculated in accordance with Article 260 (2) is EUR 7.8m as at 31 December 2016.

C.8 Stress and sensitivity tests

The Company's ORSA considers a broad range of risk categories that the Company is exposed to over its planning horizon. In determining relevant stress scenarios and sensitivity analysis the

Board of Directors considered the material risks as identified in the Company's risk register while also considering the Company's risk appetite metrics. The scenarios test the following:

- failure in underwriting;
- complete run off status;
- lapse stress;
- contract boundaries;
- downgrade in credit ratings of banks;
- downgrade in credit rating of ceding companies;
- operational event;
- insufficient reserving;
- dividend payout.

Additionally, a number of complex scenarios have been considered including a combined life stress, combined scenario, simultaneous scenario and reverse stress scenario.

As part of the ORSA the Company considers the sensitivity of the standard formula model to the changes in the risk profile including sensitivity to reinsurance agreements, counterparty diversification and sensitivity to asset diversification.

The results of the stresses are relatively benign apart from the dividend paying and a reverse stress scenarios, reflecting the future expected profitability of the business. The ORSA evidences that the Company has sufficient own funds to:

- Maintain a comfortable margin over its Overall Solvency Needs for its current and projected business activities over the business planning horizon
- Continue to meet internal and regulatory solvency targets for capital management.

C.9 Any Other Information

The Company has identified all material risks through its risk register and ORSA process and there is no other material information regarding the risk profile of the Company that warrants disclosure. As the Company is not writing new business the Company considers any change to the risk profile unlikely.

D VALUATION for SOLVENCY PURPOSES

D.1 Assets

D.1.1-2 IFRS and Solvency II Valuations

The table below sets out the value of the Company's material assets as at 31 December 2016:

	31/12/2016		**31/12/2015**	
Types of Assets	**Assets per IFRS**	**Assets per Solvency II**	**Assets per IFRS**	**Assets per Solvency II**
	Total EUR'000	**Total EUR'000**	**Total EUR'000**	**Total EUR'000**
Cash at bank and in hand	13,778	13,778	6,556	6,556
Deposits	14,640	14,672	42,940	42,960
Deposits to cedents	28,465	28,502	40,756	40,802
Deferred Acquisition Cost	4,457	-	7,385	-

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

<u>Cash at bank and in hand & Fixed Deposits</u>

The above comprises cash held by the Company and fixed term bank deposits with an original maturity of up to 24 months. The carrying value of these assets approximates their fair value.

<u>Deposits to cedents</u>

The Directors consider that the carrying value of these receivables approximates their fair value.

<u>Deferred Acquisition Cost ("DAC")</u>

Acquisition costs, which represent commission and other related expenses, are deferred subject to recoverability and amortised over the period in which the related premiums are earned. There is no concept of deferred acquisition costs in Solvency II; future acquisition cost cash flows are valued in Solvency II technical provisions. Cash flows now due and overdue are valued in Receivables or Payables as appropriate.

Except for differences in valuation of DAC for solvency purposes and those used for its valuation in financial statements, there are no other material differences. All other variances in the above table relates to inclusion of accrued interest under Solvency II as part of the asset amount.

D.2 Technical Provisions

D.2.1 IFRS and Solvency II Valuations

The Company is a reinsurance undertaking authorised to carry on life and non-life assurance business. The Company reinsures, on a quota share basis, the life, accident and sickness, and loss of employment covers of credit protection insurance policies ("CPI") underwritten by the ceding companies and classifies these covers respectively as:

Class of Business as per IFRS	Solvency II Class of Business
Life Reinsurance	Accepted reinsurance - Other life insurance
Non-Life Reinsurance Accident and Health	Proportional miscellaneous financial loss reinsurance
Non-Life Reinsurance Accident and Health	Proportional income protection reinsurance

The table below shows an analysis of the technical provisions as at 31 December 2016:

Insurance Class	31/12/2016		31/12/2015	
	TPs per IFRS EUR'000	TPs per Solvency II EUR'000	TPs per IFRS EUR'000	TPs per Solvency II EUR'000
Accepted reinsurance - Other life insurance				
Best estimate of liabilities (BEL)	28,209	28,073	41,683	21,849
Risk margin	-	2,245	-	988
Total technical provisions - Life	**28,209**	**28,910**	**41,683**	**22,837**
Proportional income protection reinsurance				
Best estimate of liabilities (BEL)	-	1597	-	10,513
Risk margin	-	128	-	630
Proportional miscellaneous financial loss reinsurance				
Best estimate of liabilities (BEL)	12,798	542	19,315	3,537
Risk margin	-	43	-	212
Total technical provisions – Non-Life	**12,798**	**2,310**	**19,315**	**14,892**

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

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

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

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

The projected future cashflows that are modelled include:

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

Risk Margin

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

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

D.2.2 Uncertainty associated with the value of Technical Provisions

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

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

See analysis in Section D2.1.

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

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

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

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

D.2.8 Recoverables from reinsurance and special purpose vehicles

	31/12/2016		**31/12/2015**	
	Assets per IFRS	**Assets per Solvency II**	**Assets per IFRS**	**Assets per Solvency II**
	Total EUR'000	**Total EUR'000**	**Total EUR'000**	**Total EUR'000**
Reinsurance recoverable	11,070	8,856	16,719	9,145

When calculating amounts recoverable from reinsurance contracts the Company takes account of the time difference between recoveries and direct payments. The result from that calculation is adjusted to take account of expected losses due to default of the counterparty. That adjustment is based on the probability of default of the counterparty and the average loss resulting there from (loss-given-default)

There were no special purpose vehicles as at 31 December 2016 (2015 EUR NIL).

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

During the year, the Company reviewed its assumptions in relation to contract boundary and carried out a lapse study; results of which contributed to changes in the calculation of the technical provisions.

D.3 Other liabilities

The table below sets out the value of the Company's other material liabilities as at 31 December 2016:

	31/12/2016		31/12/2015	
	Liability per IFRS	**Liability per Solvency II**	**Liability per IFRS**	**Liability per Solvency II**
	Total EUR’000	**Total EUR’000**	**Total EUR’000**	**Total EUR’000**
Premiums due to cedants and reinsurers	6,983	6,983	9,443	9,443
Deposits received from reinsurers	8,754	8,757	13,091	13,095

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

There were no differences between the IFRS and Solvency II valuations; except for minor reclassification of accrued interest.

D.4 Alternative Methods for Valuation for other liabilities

The Company does not use any alternative methods for valuation.

D.5 Any Other Information

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

E CAPITAL MANAGEMENT

E.1 Own funds

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

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

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

The Company had also received capital contributions of EUR 2.365m which was converted into called up share capital in March 2016.

The Company has an approved Capital Management Policy and Plan which sets out the Company's approach to:

- capital management including the Board of Directors ("the Board") approved risk appetite tolerances for the level of capital required to cover solvency requirements;
- classification of capital items used to meet its solvency capital requirements;
- dividend distributions;
- capital contingency plans; and
- monitoring and reporting procedures

E.1.2 Own funds analysed by tiers

An analysis of own funds and changes in own funds over the reporting period is shown below:

Date	Description	Total EUR'000	Tier 1 EUR'000	Tier 2 EUR'000
1 January 2016	Opening balance comprising: Ordinary share capital Capital Contribution Reconciliation Reserve as at 1 January 2016	**39,842** **635** **2,365** **36,842**	37,477 635 - 36,842	2,365 - 2,365 -
	Movement in the Reconciliation reserve for the year ended 31 December 2016	**(1,186)**	(1,186)	-
	Conversion of Cap. Contribution to Share Capital	**-**	2,365	(2,365)
	Dividend Paid	**(17,000)**	(17,000)	-
31 December 2016	**Closing balance**	**21,656**	**21,656**	**-**
	Represented by:			-
	Ordinary share capital	**3,000**	3,000	-
	Reconciliation reserve (comprising retained earnings and Solvency II adjustments)	**18,656**	18,656	-

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a) (1) of the Delegated Regulation. The positive reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has no tier 1 restricted own funds and no tier 2 or tier 3 own funds. The capital contribution of EUR 2.365m was converted into ordinary share capital during 2016. A dividend of EUR 17m was approved for payment in 2016.

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

The eligible amount of own funds to cover the Solvency Capital Requirement is EUR21.7m. This is comprised of Tier 1 unrestricted Basic Own Funds of EUR21.7m.

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

The eligible amount of own funds to cover the Minimum Capital Requirement is EUR 21.7m. This is comprised of Tier 1 unrestricted Basic Own Funds of EUR 21.7m.

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

The table below presents the material difference between equity as shown in the financial statements prepared on an IFRS basis and the excess of assets over liabilities calculated for solvency purposes at 31 December 2016.

Basic Own Fund Items	Solvency I valuation principles	Solvency II Valuation Principles	SII v SI
Ordinary share capital (net of own shares)	3,000	3,000	-
- Paid up	3,000	3,000	-
- Called up			
Share premium account			
Retained earnings including profits from the year net of foreseeable dividends	16,947	16,947	-
Other reserves from accounting balance sheet	-	-	-
Reconciliation reserve		1,709	1,709
- Adjustments to assets		(6,671)	(6,671)
- Adjustments to technical provisions		8,380	8,380
- of which equalisation provisions		-	-
Total Basic own funds before adjustments	19,947	21,656	1,709

Reconciliation Reserve

The reconciliation reserve comprises the excess of assets over liabilities of the Solvency II Balance Sheet and the key adjustments relate to treatment of DAC and Technical Provisions. Solvency II Technical Provisions are calculated on a best estimate basis.

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

E.1.7 Tier 3 funds are made up of an amount equal to the value of net deferred tax assets.

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

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

The table below shows the total SCR and MCR at 31 December 2016:

	EUR'000
SCR	11,738
MCR	3,600

The final amount of the Solvency Capital Requirement is still subject to supervisory assessment.

E.2.2 Solvency Capital Requirement split by risk modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 December 2016.

Risk Modules	EUR'000s
Market Risk	2,159
Counterparty Default Risk	1,404
Life Underwriting Risk	6,768
Health Underwriting Risk	4,566
Non-Life Underwriting Risk	2,265
Basic SCR before diversification	17,162
Diversification	(6,153)
Basic Solvency Capital Requirement	**11,009**
Operational Risk	729
Loss Absorbing Capacity of Deferred Taxes	
Solvency Capital Requirement	**11,738**

Undertaking specific parameters or simplified calculations are not used for any of the risk modules or sub-modules.

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

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

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

As at 31 December 2016 the Company applied AMCR of EUR 3.6m.

E.2.6 Material changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period

	31/12/2016	31/12/2015
	EUR'000	EUR'000
SCR	11,738	15,658
MCR	3,600	3,600
SCR Cover	184%	240%

The Life Underwriting and Market Risk charges are the main drivers resulting in decrease of SCR over the reporting period Company paid and declared a dividend of EUR 17m resulting in decrease of available funds.

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

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

E.4 Internal model information.

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

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

There were no breaches of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

E.6 Any other information.

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

F APPENDICES

- Public QRTs

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	40,185
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	14,671,534
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	-
Government Bonds	**R0140**	-
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	-
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	14,671,534
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	-
Loans and mortgages	**R0230**	-
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	8,855,599
Non-life and health similar to non-life	**R0280**	702,812
Non-life excluding health	**R0290**	177,818
Health similar to non-life	**R0300**	524,994
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	8,152,786
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	8,152,786
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	28,502,680
Insurance and intermediaries receivables	**R0360**	3,037,048
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	1,298,190
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	13,777,770
Any other assets, not elsewhere shown	**R0420**	-
Total assets	**R0500**	70,183,005

Annex I
S.02.01.02
Balance sheet

Liabilities		**Solvency II value**
		C0010
Technical provisions – non-life	**R0510**	2,309,590
Technical provisions – non-life (excluding health)	**R0520**	584,347
TP calculated as a whole	**R0530**	-
Best Estimate	**R0540**	541,079
Risk margin	**R0550**	43,269
Technical provisions - health (similar to non-life)	**R0560**	1,725,242
TP calculated as a whole	**R0570**	-
Best Estimate	**R0580**	1,597,494
Risk margin	**R0590**	127,748
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	30,318,023
Technical provisions - health (similar to life)	**R0610**	-
TP calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	30,318,023
TP calculated as a whole	**R0660**	-
Best Estimate	**R0670**	28,073,081
Risk margin	**R0680**	2,244,942
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	8,757,106
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	6,983,424
Payables (trade, not insurance)	**R0840**	159,190
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	48,527,333
Excess of assets over liabilities	**R1000**	21,655,672

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance
		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional r**							
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**
Premiums written									
Gross - Direct Business	**R0110**								
Gross - Proportional reinsurance accepted	**R0120**		1,750,279						
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**		752,575						
Net	**R0200**		997,704						
Premiums earned									
Gross - Direct Business	**R0210**								
Gross - Proportional reinsurance accepted	**R0220**		5,478,888						
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**		1,804,302						
Net	**R0300**		3,674,586						
Claims incurred									
Gross - Direct Business	**R0310**								
Gross - Proportional reinsurance accepted	**R0320**		1,922,748						
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**		622,545						
Net	**R0400**		1,300,204						
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**		- 1,122,866						
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**		- 499,970						
Net	**R0500**		- 622,896						
Expenses incurred	**R0550**		856,961						
Other expenses	**R1200**								
Total expenses	**R1300**								

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								
Gross - Proportional reinsurance accepted	**R0120**			592,828					2,343,107
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**			254,901					1,007,476
Net	**R0200**			337,927					1,335,631
Premiums earned									
Gross - Direct Business	**R0210**								
Gross - Proportional reinsurance accepted	**R0220**			1,855,724					7,334,612
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**			611,125					2,415,428
Net	**R0300**			1,244,599					4,919,184
Claims incurred									
Gross - Direct Business	**R0310**								
Gross - Proportional reinsurance accepted	**R0320**			651,244					2,573,992
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**			210,859					833,403
Net	**R0400**			440,385					1,740,589
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**			- 380,320					- 1,503,186
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**			- 169,342					- 669,312
Net	**R0500**			- 210,978					- 833,874
Expenses incurred	**R0550**			290,256					1,147,217
Other expenses	**R1200**								
Total expenses	**R1300**								1,147,217

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**	
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance	Health reinsurance	Life reinsurance
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**
Premiums written									
Gross	**R1410**								546,880
Reinsurers' share	**R1420**								872,666
Net	**R1500**								- 325,786
Premiums earned									
Gross	**R1510**								12,720,742
Reinsurers' share	**R1520**								3,536,855
Net	**R1600**								9,183,887
Claims incurred									
Gross	**R1610**								7,748,931
Reinsurers' share	**R1620**								2,362,299
Net	**R1700**								5,386,632
Changes in other technical provisions									
Gross	**R1710**								80,332
Reinsurers' share	**R1720**								- 117,445
Net	**R1800**								197,777
Expenses incurred	**R1900**								1,617,222
Other expenses	**R2500**								
Total expenses	**R2600**								

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		einsurance)
		Credit and suretyship insurance
		C0090
Premiums written		
Gross - Direct Business	**R0110**	
Gross - Proportional reinsurance accepted	**R0120**	
Gross - Non-proportional reinsurance accepted	**R0130**	
Reinsurers' share	**R0140**	
Net	**R0200**	
Premiums earned		
Gross - Direct Business	**R0210**	
Gross - Proportional reinsurance accepted	**R0220**	
Gross - Non-proportional reinsurance accepted	**R0230**	
Reinsurers' share	**R0240**	
Net	**R0300**	
Claims incurred		
Gross - Direct Business	**R0310**	
Gross - Proportional reinsurance accepted	**R0320**	
Gross - Non-proportional reinsurance accepted	**R0330**	
Reinsurers' share	**R0340**	
Net	**R0400**	
Changes in other technical provisions		
Gross - Direct Business	**R0410**	
Gross - Proportional reinsurance accepted	**R0420**	
Gross - Non- proportional reinsurance accepted	**R0430**	
Reinsurers'share	**R0440**	
Net	**R0500**	
Expenses incurred	**R0550**	
Other expenses	**R1200**	
Total expenses	**R1300**	

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

Premiums written	
Gross - Direct Business	**R0110**
Gross - Proportional reinsurance accepted	**R0120**
Gross - Non-proportional reinsurance accepted	**R0130**
Reinsurers' share	**R0140**
Net	**R0200**
Premiums earned	
Gross - Direct Business	**R0210**
Gross - Proportional reinsurance accepted	**R0220**
Gross - Non-proportional reinsurance accepted	**R0230**
Reinsurers' share	**R0240**
Net	**R0300**
Claims incurred	
Gross - Direct Business	**R0310**
Gross - Proportional reinsurance accepted	**R0320**
Gross - Non-proportional reinsurance accepted	**R0330**
Reinsurers' share	**R0340**
Net	**R0400**
Changes in other technical provisions	
Gross - Direct Business	**R0410**
Gross - Proportional reinsurance accepted	**R0420**
Gross - Non- proportional reinsurance accepted	**R0430**
Reinsurers'share	**R0440**
Net	**R0500**
Expenses incurred	**R0550**
Other expenses	**R1200**
Total expenses	**R1300**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Total
		C0300
Premiums written		
Gross	**R1410**	546,880
Reinsurers' share	**R1420**	872,666
Net	**R1500**	- 325,786
Premiums earned		
Gross	**R1510**	12,720,742
Reinsurers' share	**R1520**	3,536,855
Net	**R1600**	9,183,887
Claims incurred		
Gross	**R1610**	7,748,931
Reinsurers' share	**R1620**	2,362,299
Net	**R1700**	5,386,632
Changes in other technical provisions		
Gross	**R1710**	80,332
Reinsurers' share	**R1720**	- 117,445
Net	**R1800**	197,777
Expenses incurred	**R1900**	1,617,222
Other expenses	**R2500**	
Total expenses	**R2600**	1,617,222

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

			Home country	Top 5 countries (by amount of gross premium written) - non-life obligations		Total Top 5 and home country
			Home country	FR	IT	
Premiums written	Gross - Direct Business	R0110				
	Gross - Proportional reinsurance accepted	R0120	3,045,260	(696,668)	(5,485)	2,343,107
	Gross - Non-proportional reinsurance accepted	R0130				
	Reinsurers' share	R0140	1,065,217	(54,660)	(3,081)	1,007,476
	Net	R0200	1,980,043	(642,008)	(2,403)	1,335,631
Premiums earned	Gross - Direct Business	R0210				
	Gross - Proportional reinsurance accepted	R0220	5,172,373	2,140,895	21,343	7,334,612
	Gross - Non-proportional reinsurance accepted	R0230				
	Reinsurers' share	R0240	1,807,377	595,916	12,135	2,415,428
	Net	R0300	3,364,996	1,544,979	9,208	4,919,184
Claims incurred	Gross - Direct Business	R0310				
	Gross - Proportional reinsurance accepted	R0320	1,079,339	1,491,930	2,723	2,573,992
	Gross - Non-proportional reinsurance accepted	R0330				
	Reinsurers' share	R0340	388,314	444,137	953	833,403
	Net	R0400	691,025	1,047,793	1,770	1,740,589
Changes in other technical provisions	Gross - Direct Business	R0410				
	Gross - Proportional reinsurance accepted	R0420	(744,118)	(744,118)	(14,949)	(1,503,186)
	Gross - Non-proportional reinsurance accepted	R0430				
	Reinsurers' share	R0440	(331,253)	(331,253)	(6,807)	(669,312)
	Net	R0500	(412,866)	(412,866)	(8,142)	(833,874)
Expenses incurred		R0550	1,040,892	110,944	(4,618)	1,147,217
Other expenses		R1200				
Total expenses		R1300				1,147,217

S.05.01.02 - Life Premiums, claims and expenses by country (Top 5 and home country)

			Home country	Top 5 countries (by amount of gross premium written) - life obligations		Total Top 5 and home country
			Home country	IT	FR	
Premiums written	Gross	R1410	2,098,661	906,432	(2,458,212)	546,880
	Reinsurers' share	R1420	733,007	288,410	(148,751)	872,666
	Net	R1500	1,365,654	618,021	(2,309,461)	(325,786)
Premiums earned	Gross	R1510	4,302,103	2,492,234	5,926,405	12,720,742
	Reinsurers' share	R1520	1,498,172	944,192	1,094,492	3,536,855
	Net	R1600	2,803,931	1,548,043	4,831,913	9,183,887
Claims incurred	Gross	R1610	2,231,575	2,026,204	3,491,152	7,748,931
	Reinsurers' share	R1620	828,110	827,320	706,869	2,362,299
	Net	R1700	1,403,465	1,198,884	2,784,283	5,386,632
Changes in other technical provisions	Gross	R1710	38,365	(120,903)	162,870	80,332
	Reinsurers' share	R1720	(59,489)	(77,850)	19,894	(117,445)
	Net	R1800	97,854	(43,053)	142,976	197,777
Expenses incurred		R1900	713,968	383,189	520,065	1,617,222
Other expenses		R2500				
Total expenses		R2600				1,617,222

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030									28,073,081	28,073,081
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080									8,152,786	8,152,786
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090									19,920,294	19,920,294
Risk Margin	R0100									2,244,942	2,244,942
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200									30,318,023	30,318,023

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0210						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0220						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200						

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	**R0010**									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**		- 1,573,989							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**		- 482,605							
Net Best Estimate of Premium Provisions	**R0150**		- 1,091,383							
Claims provisions										
Gross	**R0160**		3,171,483							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**		1,007,600							
Net Best Estimate of Claims Provisions	**R0250**		2,163,883							
Total Best estimate - gross	**R0260**		1,597,494							
Total Best estimate - net	**R0270**		1,072,500							
Risk margin	**R0280**		127,748							
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**									
Best estimate	**R0300**									
Risk margin	**R0310**									

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	**R0320**		1,725,242							
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**		525,001							
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**		1,200,248							

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**			- 533,117					- 2,107,106
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**			- 163,461					- 646,066
Net Best Estimate of Premium Provisions	**R0150**			- 369,656					- 1,461,040
Claims provisions									
Gross	**R0160**			1,074,196					4,245,679
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**			341,279					1,348,878
Net Best Estimate of Claims Provisions	**R0250**			732,917					2,896,800
Total Best estimate - gross	**R0260**			541,079					2,138,573
Total Best estimate - net	**R0270**			363,261					1,435,761
Risk margin	**R0280**			43,269					171,017
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**								
Best estimate	**R0300**								
Risk margin	**R0310**								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	**R0320**			584,347					2,309,590
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**			177,812					702,812
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**			406,529					1,606,777

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	UWY

Gross Claims Paid (non-cumulative)
(absolute amount)

		Development year												In Current year	Sum of years (cumulative)
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**			
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**		**C0170**	**C0180**
Prior	**R0100**											8,401	**R0100**	8,401	8,401
N-9	**R0160**	131,208	344,007	349,594	189,779	158,114	68,954	99,776	53,735	24,689	14,312		**R0160**	14,312	1,434,169
N-8	**R0170**	142,625	808,501	644,185	744,693	630,939	664,538	565,001	321,404	116,960			**R0170**	116,960	4,638,844
N-7	**R0180**	285,948	678,919	721,356	853,964	703,966	623,770	358,089	169,732				**R0180**	169,732	4,395,744
N-6	**R0190**	160,718	685,491	828,467	1,141,511	681,100	565,287	295,008					**R0190**	295,008	4,357,583
N-5	**R0200**	218,601	549,338	970,488	803,090	524,878	592,184						**R0200**	592,184	3,658,579
N-4	**R0210**	166,666	548,209	649,342	474,270	448,191							**R0210**	448,191	2,286,678
N-3	**R0220**	218,698	337,909	366,385	248,960								**R0220**	248,960	1,171,951
N-2	**R0230**	69,031	334,047	275,140									**R0230**	275,140	678,218
N-1	**R0240**	118,233	311,785										**R0240**	311,785	430,018
N	**R0250**	116,444											**R0250**	116,444	116,444
												Total	**R0260**	2,597,116	23,176,629

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												Year end (discounted
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**		
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**		**C0360**
Prior	**R0100**											7,238	**R0100**	7,238
N-9	**R0160**										51,618		**R0160**	51,623
N-8	**R0170**									-			**R0170**	-
N-7	**R0180**								21,418				**R0180**	21,420
N-6	**R0190**							61,788					**R0190**	61,794
N-5	**R0200**						30,140						**R0200**	30,143
N-4	**R0210**					188,577							**R0210**	188,598
N-3	**R0220**				300,501								**R0220**	300,694
N-2	**R0230**			320,128									**R0230**	320,508
N-1	**R0240**		912,482										**R0240**	913,060
N	**R0250**	2,348,492											**R0250**	2,350,601
												Total	**R0260**	4,245,679

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	3,000,000	3,000,000			
Share premium account related to ordinary share capital	**R0030**					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	18,655,673	18,655,673			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**					
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	21,655,673	21,655,673			
Total available own funds to meet the MCR	**R0510**	21,655,673	21,655,673			
Total eligible own funds to meet the SCR	**R0540**	21,655,673	21,655,673			
Total eligible own funds to meet the MCR	**R0550**	21,655,673	21,655,673			
SCR	**R0580**	11,738,348				
MCR	**R0600**	3,600,000				
Ratio of Eligible own funds to SCR	**R0620**	184%				
Ratio of Eligible own funds to MCR	**R0640**	602%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	21,655,673	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	3,000,000	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Reconciliation reserve	**R0760**	18,655,673	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	-	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	7,844,129	
Total Expected profits included in future premiums (EPIFP)	**R0790**	7,844,129	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	2,158,652		
Counterparty default risk	R0020	1,403,637		
Life underwriting risk	R0030	6,768,440		
Health underwriting risk	R0040	4,566,423		
Non-life underwriting risk	R0050	2,265,390		
Diversification	R0060	- 6,153,063		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	11,009,480		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	728,868
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	11,738,348
Capital add-on already set	R0210	
Solvency capital requirement	R0220	11,738,348
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	334,096

		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	1,072,500	997,704
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	363,261	337,927
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
MCR_L Result	R0200	1,664,967

		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	19,920,294	
Total capital at risk for all life (re)insurance obligations	R0250		1,780,914,834

Overall MCR calculation

		C0070
Linear MCR	R0300	1,999,062
SCR	R0310	11,738,348
MCR cap	R0320	5,282,256
MCR floor	R0330	2,934,587
Combined MCR	R0340	2,934,587
Absolute floor of the MCR	R0350	3,600,000
		C0070
Minimum Capital Requirement	R0400	3,600,000