Euro Insurances DAC (LPINS)

Solvency and Financial Condition Report ("SFCR") 2017

For the year-end 31 December 2017

Contents

Executive Summary

This Solvency and Financial Condition Report ("SFCR") has been prepared in line with the requirements of the Solvency II ("SII") Regulations, to assist clients of Euro Insurances DAC ("the Company" or "LPINS") and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position.

The structure of the SFCR follows the requirements set forth in Annex XX of the Delegated Acts, and consists of the following sections: (A) Business and Performance, (B) System of Governance, (C) Risk Profile, (D) Valuation for Solvency II Purposes and (E) Capital Management.

a) Summary Section A: Business and Performance

The Company is a wholly owned subsidiary of LeasePlan Corporation NV, P.J. Oudweg 41, 1314 CJ Almere Stad, The Netherlands. On 21 March 2016, LP Group B.V. acquired 100% of the shares of LeasePlan Corporation N.V. from Global Mobility Holding B.V.

The Company insures / reinsures the motor damage and third party liability risks of LeasePlan companies and third party clients, providing motor own damage risk services to these companies and cover for ancillary motor and leasing related risks. The Company operates on a Freedom of Services ("FoS") basis primarily into European markets.

The company's profit before tax for the financial year 2017 was €33.7m. The following table summarises the financial performance of the Company for the reporting period ending 31 December 2017:

Financial Performance as at 31st December 2017 (€'000)	
	Amount
Underwriting Performance	42,668
Investment Performance	(586)
Other Income and Expenses	(8,408)
Net Profit before Tax	**33,674**
Unrealised investment gains	0
Comprehensive Income	**33,674**
Corporation Tax	(4,321)
Comprehensive Income after Tax	**29,353**

The Company achieved underwriting income of €42.7m, investment income of -€0.6m and incurred other income and expenses not related to the underwriting or investment income of -€8.4m.

No significant business or other event occurred over the reporting period that had a material impact on the Company.

Refer to Section A for further detail relating to business and performance.

b) Summary Section B: System of Governance

The Board's responsibility includes ensuring that an appropriate System of Governance is in place throughout the Company. To discharge this responsibility, the Board has established frameworks for risk management and internal control using the "Three Lines of Defence" model, as follows:

- **1st Line of Defence (Business Operations):** Business management is responsible for the identification and assessment of risks and the implementation and enforcement of controls.

- **2nd Line of Defence (Oversight & Challenge):** Board Sub-committees and Control Functions provide key oversight of activities in business operations and challenge the completeness/accuracy of risk identification, assessment and controls.

- **3rd Line of Defence (Independent Assurance):** Internal Audit provides independent and objective assurance on the robustness of the Risk Management System, and the appropriateness and effectiveness of internal controls.

In addition, the Company has adopted a Fit and Proper Person Policy and operates a Code of Conduct for all staff. In particular, all persons performing Pre-Approved Control Functions (PCF's) must be competent and capable as demonstrated through qualifications, having obtained appropriate skills, sound knowledge of the Company's business, understanding of the applicable regulatory and legal environment and compliance with the Central Bank of Ireland's Minimum Competency Code. The Company also operates a range of controls over its outsourcing.

Management considers the Company to have a robust system of governance based on the nature, scale and complexity of its operations.

Refer to Section B for further detail on the Company's system of governance.

c) Summary Section C: Risk Profile

The Company's risk landscape comprises underwriting risk, market risk, credit risk, operational risk and liquidity risk that arise as a result of doing business. These risks are assessed within the Company using an entity level assessment conducted by the management team, process level assessments conducted by process owners and a strategic risk assessment conducted by the Board Risk Committee.

For those risk types managed through the holding of capital, the company measures and monitors risk profile on the basis of the Solvency Capital Requirement ("SCR"). A summary of the Company's SCR by primary risk type at 31 December 2017 is set out below:

€'000	LPINS Capital Requirements
Market risk	15,681
Counterparty default risk	13,217
Non-life underwriting risk	81,237
Operational risk	6,182
Life underwriting risk	895
LACDT	(12,807)
SCR	**89,649**

*where LACDT is the Loss Absorbing Capacity of Deferred Taxes

The Company's largest risk charge is for non-life underwriting risk. This charge represents the risk associated with the writing of and settling of claim provisions for insurance business. Underwriting risk is mitigated through a combination of geographical diversification, underwriting key risk indicators, risk appetite statements and a process-level risk and control assessment to assess, monitor and report upon underwriting risk. This risk is also mitigated through the purchase and use of reinsurance.

Although no capital is deemed necessary to cover other risks including liquidity risks, the position regarding the need to hold capital in respect of liquidity risk is regularly monitored while, at the same time, a number of mitigations relevant to liquidity risk are in place including performing daily and monthly cash flow forecasts to monitor liquidity positions, performing daily monitoring of bank accounts against the monthly cash flow forecast and short matching assets to cover some longer tail technical reserve payment requirements.

Refer to Section C for further details on the Company's risk profile.

d) Summary Section D: Valuation for Solvency Purposes

Assets, technical provisions and other liabilities are valued in the Company's Solvency II Balance Sheet according to Solvency II regulations. The principle that underlies the valuation methodology for Solvency II purposes is the amount for which they could be exchanged, transferred, or settled by knowledgeable and willing third parties in an arm's length transaction – often referred to as the "market consistent" value of assets.

The following table presents a summary of the Solvency II valuation of assets and liabilities compared to the Statutory Accounts as at 31 December 2017:

Comparison of valuation of assets and liabilities under Solvency II vs Statutory Accounts (€'000)		
	Solvency II	**Statutory Accounts Valuation**
Assets		
Total Assets	**374,512**	**459,010**
Liabilities	0	
Technical Provisions	210,736	299,725
Other liabilities	38,670	46,807
Total Liabilities	**249,406**	**346,532**
Excess of assets over liabilities	**125,107**	**112,478**

The main differences between the valuation bases, methods and assumptions used by the Company in the two reporting bases are outlined in Section D.

e) Summary Section E: Capital Management

The strategic objectives of capital management within the Company are to ensure regulatory compliance including maintaining adequate levels of capital, to maintain sufficient liquidity, to manage and allocate capital efficiently, and finally to ensure that all of the above objectives are consistent with the continuation of profitable business in line with Company Strategy.

The following table compares the solvency position of the Company, which is assessed using the Standard Formula, at 31st December 2017 to the position at 31st December 2016:

LPINS Solvency Position (€'000)	At December 2017	At December 2016
Eligible Own Funds	125,107	102,810*
Solvency Capital Requirement	89,649	77,503
SCR Coverage	140%	133%
Minimum Capital Requirement	33,345	29,192
MCR Coverage	375%	352%

**Note this includes a capital contribution of €10.8m which did not qualify as part of OF's at 31 December 2016, but which was approved at 31 December 2017. The 2016 SCR figures were restated to include this capital contribution for comparison purposes.*

All of the Company's own funds are classified as Tier 1 and are available to cover the SCR and the MCR. The main driver of the increase in own funds was the approval by the CBI of a €10.8m capital contribution and the main driver of the increase in Solvency Capital Requirement was an increase in the non-life underwriting risk charge. Overall this led to an increase in SCR coverage ratio of 23%.

There were no instances of non-compliance with the MCR and the SCR during the reporting period.

Refer to Section E for further details on the Company's capital management.

f) Summary: Material Changes over the Reporting Period

This report relates to the financial year ending 31 December 2017. During the year there were no materials changes to the areas set out in sections A to E above.

A Business and Performance

1. Business and External Environment

Euro Insurances DAC (t/a Leaseplan Insurance), with an address at LeasePlan House, Ground Floor, Central Park, Leopardstown, Dublin 18, Ireland.

The Company had a headcount of 46 at year end 2017.

a) Supervisor and External Auditor

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is as follows:

Central Bank of Ireland,
North Wall Quay,
Spencer Dock,
PO Box 11517,
Dublin 1,
Ireland.

KPMG Ireland, with an address at 1 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland are the external Auditors for the Company. The Company's KPMG Audit partner is Ivor Conlon.

The Company's financial year end is 31 December each year and the Company reports in Euro.

b) Position within the Group

The Company is a wholly owned subsidiary of LeasePlan Corporation NV, with an address at Gustav Mahlerlaan 360, 1082 ME, Amsterdam, The Netherlands. Please note recent change in address of head office.

None of these investors has a(n indirect) controlling interest in LeasePlan Corporation NV:

- ADIA: Since 1976, the Abu Dhabi Investment Authority (ADIA) has been prudently investing funds on behalf of the Government of Abu Dhabi, with a focus on long-term value creation. ADIA manages a global investment portfolio that is diversified across a number of asset classes and sub categories, including quoted equities, fixed income, real estate, private equity, alternatives and infrastructure.
- ATP: ATP was established in 1964 and is Denmark's largest pension fund and one of Europe's largest pension funds.
- Broad Street Investments: A Singapore based Holding company.
- GIC: GIC is a leading global investment firm with well over US$100 billion in assets under management. Established in 1981, the firm manages Singapore's foreign reserves and is positioned for long-term and flexible investments across a wide range of asset classes, including public equities, fixed income, real estate, and private equity. In private equity, GIC invests through funds as well as directly in companies, partnering with fund managers and management teams to help businesses achieve their objectives. GIC employs more than 1,300 people.

- PGGM: PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered: asset management, pension fund management, policy advice and management support. Either alone or together with strategic partners, PGGM develops innovative future provisions by linking together pension, care, housing and work.
- TDR Capital: TDR Capital LLP is a highly selective private equity firm with a track record of investing in businesses. TDR Capital LLP was founded in 2002 and currently manages funds totalling over €5 billion on behalf of a range of sophisticated investors

The Company does not have any subsidiaries.

c) Material Lines of Business and Geographical Areas

The Company insures / reinsures the motor damage and third party liability risks of LeasePlan companies and third party clients, providing motor own damage risk services to these companies and cover for ancillary motor and leasing related risks.

The Company mainly deals with LeasePlan entities in Europe under the FoS model and there are fronting arrangements (i.e. technically reinsurance business) for the business the Company writes in Australia and New Zealand.

d) Significant Events over the Period

The implementation of the strategy “The Power of One LeasePlan” has started and will continue in the coming years. Under this programme, insurance has been identified as one of the strategic value streams and thus there is a strong focus on the insurance activities within the LeasePlan Group.

During 2017, the Company’s insured fleet grew with increased fleet in existing programs and the deployment of new insurance programs across a number of jurisdictions.

2. Underwriting Performance

a) Underwriting Performance by Material Line of Business / Geographical Area

The Company insures / reinsures the motor damage and third party liability risk of LeasePlan companies and third party clients, providing motor own damage risk services to these companies and cover for ancillary motor and leasing related risks.

Please find below an overview of underwriting income by geographical area:

Underwriting Income by Geographical Region (€'000)		
Region	**2017**	**2016**
Central Europe (Belgium, France, Austria, Germany, Luxembourg)	8,350	5,266
Eastern Europe (Czech Republic, Poland, Hungary, Romania, Slovakia)	6,581	5,355
Northern Europe (Norway, Netherlands, Denmark, Sweden, Finland, Ireland, United Kingdom)	11,033	4,716
Southern Europe (Italy, Spain, Portugal, Greece)	15,224	12,555
Rest of the world (Australia, New Zealand)	1,480	1,053
Total	**42,668**	**28,944**

Central Europe showed an improved performance from 2016 with France & Germany being the main drivers. The uplift in the performance in Eastern Europe is mainly due to positive results from the increased Own Damage fleets in Romania, Czech Republic and Hungary. In 2016 the company had seen deterioration in market conditions for insurance in the Netherlands and Norway; these markets stabilised in 2017 and thus there is an uplift in the result for Northern Europe in 2017. Southern Europe continued to perform well and grew their fleet in 2017 with strong results from Italy, together with positive performance in Greece and Spain.

The underwriting income figures above exclude overhead expenses and investment income.

Please find below an overview of underwriting income by line of business:

Underwriting Income by SII Line of Business (€'000)		
Line of Business	**2017**	**2016**
Income protection	5,409	-
Motor vehicle liability	19,469	13,480
Other motor	8,669	7,999
Fire and other damage	185	-
Legal expenses	522	416
Assistance	159	604
Miscellaneous financial loss	6,776	5,417
Other motor (proportional reinsurance)	1,480	1,026
Total	**42,668**	**28,944**

The main drivers for the variance on underwriting income by line of business between 2016 and 2017 relate to Motor vehicle liability & Other motor lines of business. Italy, Norway & Spain's third party liability programs continued to achieve strong results. In 2016, there was a deterioration in the claims environment in the Netherlands; this market settled in 2017. Poland is a significant contributor to the Other motor result. The main drivers for the increase in income for Other motor is the increased fleets in other Eastern European countries i.e. Hungary, Czech Republic & Romania.

The underwriting income figures above exclude overhead expenses and investment income.

3. Investment Performance

a) Investment Performance by Asset Class

The Company has €305.8m (2016 €285m) in deposits. The investment income on these deposits for 2017 was - €0.5m (2016 €0.5m). There are no management or transaction costs associated with the placement of the deposits.

The Company holds all funds on deposits or in cash accounts, thus there were no gains or losses on investment for 2017 (2016 nil).

LPINS Investment Performance (€'000)		
	2017	**2016**
Deposits		
Investment Income	*(495)*	*460*
Gains/Losses	*0*	*0*

There are two drivers for the reduction in the investment income between 2016 & 2017:

- In 2016, the Company had the benefit of a 3 year €50m deposit with LeasePlan Corporation N. V. earning 1.42% (Matured 15 Dec 2016); and

- Interest rates continued to deteriorate in 2017 and the Company paid between 0.35% & 0.60% interest on approx. €180m during the year.

b) Investments in Securitisations

The Company holds all funds on deposits or in cash accounts, therefore the Company is not invested in securitisations.

4. Performance of other activities

a) Description of Other Material Income / Expenses

The Company had foreign exchange losses in 2017 of €0.1m (2016 gain of €0.4m). Operating Expenses for 2017 were €8.4m (2016 €9.5m).

LPINS - Performance of Other Material Income/Expenses (€'000)		
	2017	**2016**
Foreign Exchange (Losses)/gains	(91)	362
Operating Expenses	(8,408)	(9,450)

Foreign currency transactions are translated into the functional currency utilising the exchange rates prevailing at the date of these transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised. The Company completes a review of the net assets and liabilities in foreign currencies on a monthly basis and reduces any material exposure. The Company does not engage in foreign exchange trading.

The main driver for the reduction in overhead is the decrease in wages & salaries resulting from the reduced headcount.

5. Any other information

The Company has no other disclosures to make in respect of the Company's Business and Performance.

B System of Governance

1. General Information on the System of Governance

a) Board and Sub-Committee Structure

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

The Company's Board of Directors carry responsibility for the oversight of the business and sets its strategy and risk appetite. At year-end 2017 the Board comprised the following:

- Board of Directors:
    - G. Stoelinga, Chairman (Group Non-Executive Director);
    - D. Pos (Group Non-Executive Director);
    - I. Barbadillo (Group Non-Executive Director);
    - G. Owens (Independent Director);
    - M. Harney (Independent Director);
    - H. Kaastra (Executive Director)

- Company Secretary:
    - M. Clarke

The Chairman of the Board is a group non-executive director. Effective 1 February 2018 D. Pos resigned from the Board and sub-committees.

The following sub-committees have been established by the Board to assist it in discharging its obligations: Board Risk Committee and Audit and Compliance Committee. In July 2017 the Board dissolved its Remuneration Committee sub-committee due to the existence of a CRD compliant Remuneration Committee and Remuneration Policy at group level and the Board's continued role in reviewing the Company's Remuneration Policy. The Board Risk Committee comprises all members of the Board. During 2017, the Audit and Compliance Committee comprised G. Owens (Chairman), M. Harney and D. Pos. Each Committee operates under defined terms of reference and reports to the Board.

The Company is committed to high standards of corporate governance. The Company has appointed an independent Head of Actuarial Function and the Board has completed an annual review of governance and its committee structures in line with the Corporate Governance Requirements for Insurance Undertakings 2015. During the financial year to 31 December 2017, the Board met on 6 occasions, the Audit and Compliance Committee met on five occasions, the Board Risk Committee met on four occasions and the Remuneration Committee met on one occasion.

The Audit and Compliance Committee exercises oversight over the Company's Internal Control System and the Board Risk Committee exercises oversight over the Company's Risk Management System.

The Audit Committee assists the Board in discharging its responsibilities in relation to:

a) The integrity of the Company's financial statements,
b) The effectiveness of the Company's compliance and internal controls,
c) The Solvency II Actuarial Function including Actuarial Opinion on Technical Provisions,
d) The effectiveness of the Company's Internal Audit function, and
e) Monitoring the effectiveness, independence and objectivity of the external auditor.

The Board Risk Committee assists the Board in discharging its responsibilities in relation to:

f) The implementation and effectiveness of the Company's Risk Management System,
g) The timely reporting of material deviations from defined risk appetite,
h) Reviewing the risk profile of the Company and monitoring the key risks it faces,
i) Monitoring the performance of outsourced providers, and
j) The Own Risk and Solvency Assessment (ORSA).

Apart from the dissolution of the Remuneration Committee as described above, there were no material changes in the Company's system of governance during the year.

b) Remuneration Policy and Practice

The Company's Board has adopted a Remuneration Policy. The aim of the Remuneration Policy is to ensure that the Company's remuneration practices do not encourage excessive risk taking, to promote sound and effective risk management and to ensure that the Company's Remuneration Framework is in line with its values and long-term interests. The Company' Remuneration Policy adopts the Group Remuneration Framework of its parent company, LeasePlan Corporation N. V. The LeasePlan Group Remuneration Framework aims to attract, retain, motivate and reward high-calibre employees to deliver first rate long-term business performance in line with the business strategy and approved risk appetite.

LeasePlan Corporation is a Dutch DNB regulated credit institution, and, as a result, the LeasePlan Group Remuneration Framework adopts the remuneration rules applicable to Dutch credit institutions. These rules comprise CRDIV and the Dutch Banking Code, the Regulation on Sound Remuneration Policies pursuant to the Financial Supervision Act 2014, the Dutch Act on Remuneration Policies for Financial Enterprises (Wbfo) and Book 2 of the Dutch Civil Code. The Company, through its Remuneration Policy and the LeasePlan Group Remuneration Framework, is subject to these remuneration rules. In addition, the Company's Remuneration Policy applies the Central Bank of Ireland Guidelines on Variable Remuneration Arrangements for Sales Staff.

In accordance with the Company's Remuneration Policy and the LeasePlan Group Remuneration Framework the following remuneration principles apply to all Company staff:

a) Remuneration will, in general, be set at the median of the relevant market, assuming a comparable split between fixed and variable remuneration;
b) Variable remuneration is performance-related, consists of a mix of financial (maximum 50%) and non-financial elements and reflects both short- and long-term strategic goals;
c) Variable remuneration targets are specific, measureable, attainable, relevant and time-bound;

d) Variable remuneration can never exceed 100% of fixed remuneration;
e) Other benefits for staff are provided in line with market practice; and
f) Clawback and malus provisions are applicable to all variable remuneration awarded.

The Company's Remuneration Policy seeks to prevent the taking of more risk than is acceptable under the Company's risk appetite framework. Remuneration plans reward according to performance at group, company and individual level as appropriate. Individual objectives include a combination of financial and non-financial targets, taking into account ethical behaviour and corporate responsibility. Variable remuneration plans are underpinned by performance management systems in order to reinforce a performance culture.

The Company does not offer share options or shares to staff or board members. The Company operates a defined contribution pension scheme which is open to all employees. Non-executive members of the Board do not participate in the scheme. Only independent non-executive members of the Board receive remuneration from the Company in respect of their Board membership.

c) Material Transactions with Connected Persons

The Company is a wholly owned direct subsidiary of LeasePlan Corporation N.V. The majority of the Company's business is intra-group, meaning that the Company predominately writes insurance in connection with the motor fleet leasing and management activities of its affiliates within the LeasePlan Group. Many of the Company's policyholders, intermediaries, claims representatives and other service providers are subsidiaries of LeasePlan Corporation N.V. and some of the Company's bank deposits are with LeasePlan Corporation N. V. During the reporting period the Company continued and/or entered into such transactions in the normal course of its business. Also, during the reporting period the Company declared and paid a dividend of €5m to LeasePlan Corporation N.V. The Company did not enter into material transactions with members of the Board or persons who exercise a significant influence on the Company.

2. Fit and Proper Requirements

The Company has adopted a Fit and Proper Person Policy and operates a Code of Conduct of Conduct for all staff. The Company's Fit and Proper Person Policy applies the requirements of the Central Bank of Ireland's Fitness and Probity Standards ("the Standards") and the Company complies with same. Persons who hold control functions, including key functions known as Pre-Approval Control Functions (PCFs), are subject to assessment and due diligence in accordance with the policy. The Company assesses the fitness and probity of such persons prior to their assumption of the control function concerned. The fitness and probity of the holders of control functions is subject to ongoing monitoring. All persons performing Pre-Approval Control Functions must be competent and capable. The Company requires this to be demonstrated through professional or other qualifications, having obtained appropriate skills, demonstrating a sound knowledge of the Company's business, demonstrating an understanding of the applicable regulatory and legal environment and where applicable, and/or compliance with the Central Bank of Ireland' Minimum Competency Code.

The Company's Fit and Proper Person Policy and related procedures set out the Company's fitness and probity assessment process. The assessment process comprises an application form, certification, evidence of professional qualifications, evidence of continuing professional development where relevant, record of interview, references, record of previous experience, concurrent responsibilities and evidence of compliance with the Minimum Competency Code where relevant.

The Company's assessment process also includes probity and financial soundness due diligence which for PCFs includes completion and signature by the individual of the Company's Probity and Financial Soundness Declaration and background checks and searches as prescribed in the Central Bank of Ireland Fitness and Probity Requirements. Following this due diligence, the Company's Fitness and Probity Committee completes, documents and signs the assessment. For PCFs an on-line application is then made to the Central Bank of Ireland and the Company certifies as to the outcome of its prior assessment. The proposed holder of a PCF may commence in his role following receipt of approval by the Central Bank of Ireland. The Company requires PCF holders to certify annually as to their compliance with the Fitness and Probity Standards and confirm that information provided previously remains accurate.

3. Risk Management System including the Own Risk and Solvency Assessment

a) Risk Management System

The Company's Risk Management System includes clearly defined risk management objectives, written policies for the material risks faced by the Company, a Risk Management Framework to identify, assess, manage, monitor and report on risks and an Own Risk and Solvency Assessment (ORSA) process.

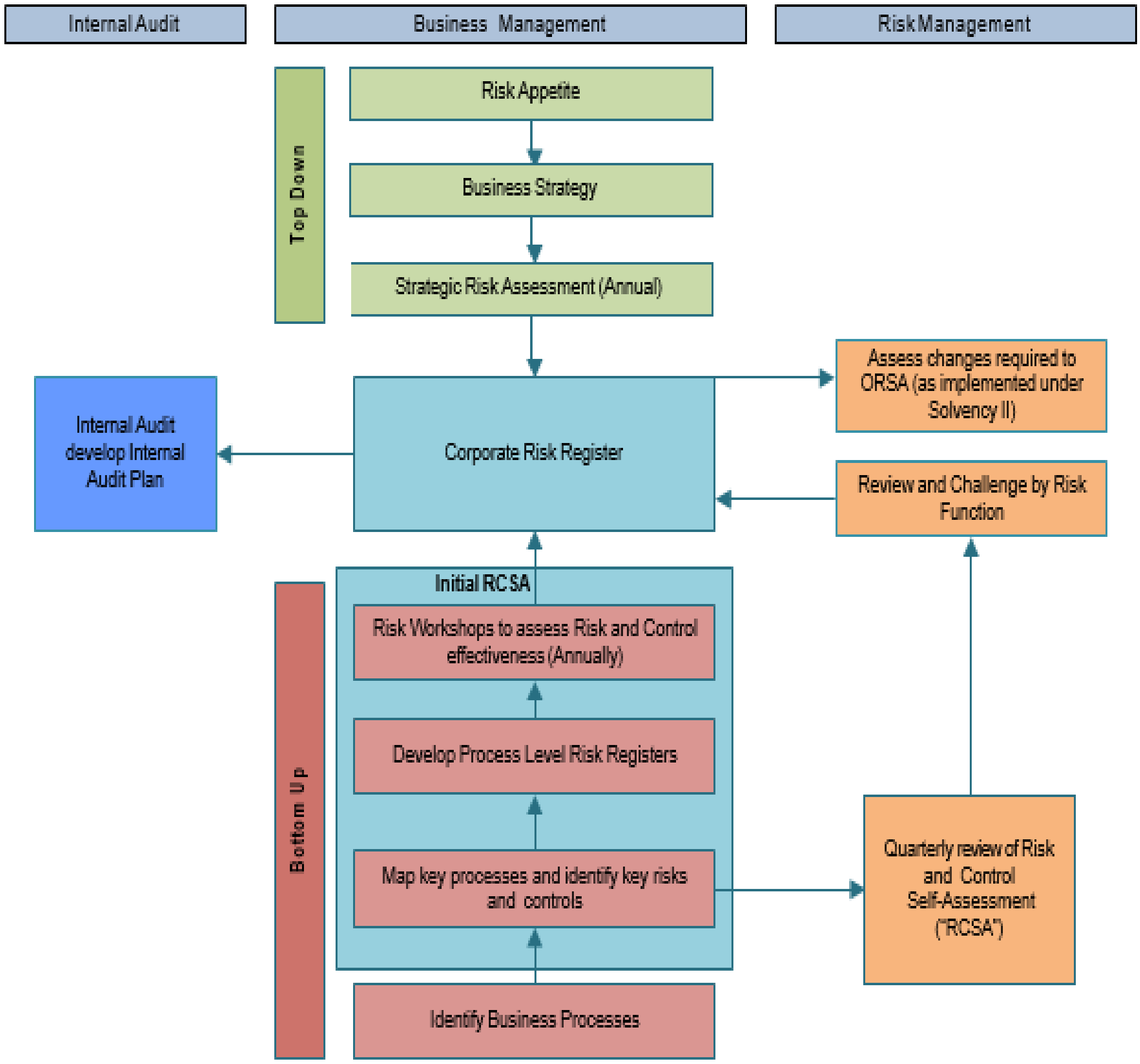
The Company's Risk Management Strategy takes account of the Company's business strategy and seeks to monitor and manage the risks associated with the implementation of the business strategy.

The main objective of the Company's Risk Management System is to ensure that all significant risks are identified, assessed, monitored and controlled within the agreed risk appetite. The framework ensures that the risk management process is explicit and facilitates effective oversight and challenge. Risk control procedures and systems seek to manage, rather than eliminate, the risk of failure to meet business objectives. The Company's Risk Management Framework includes the following processes:

a) Risk Appetite setting and monitoring;
b) Company level Enterprise Risk Assessment;
c) Process level Risk and Control Assessment;
d) Board level Strategic Risk Assessment; and
e) Risk Reporting.

The Company in these processes has adopted the 'Risk Control Cycle' in order to identify, assess, manage, monitor and report on the risks to which it is exposed:

The following diagram describes how the Company's Risk Management System is integrated into the Company's organisational structure and decision-making processes.



There were no gaps identified in the Risk Management System during the reporting period.

b) Own Risk and Solvency Assessment ("ORSA")

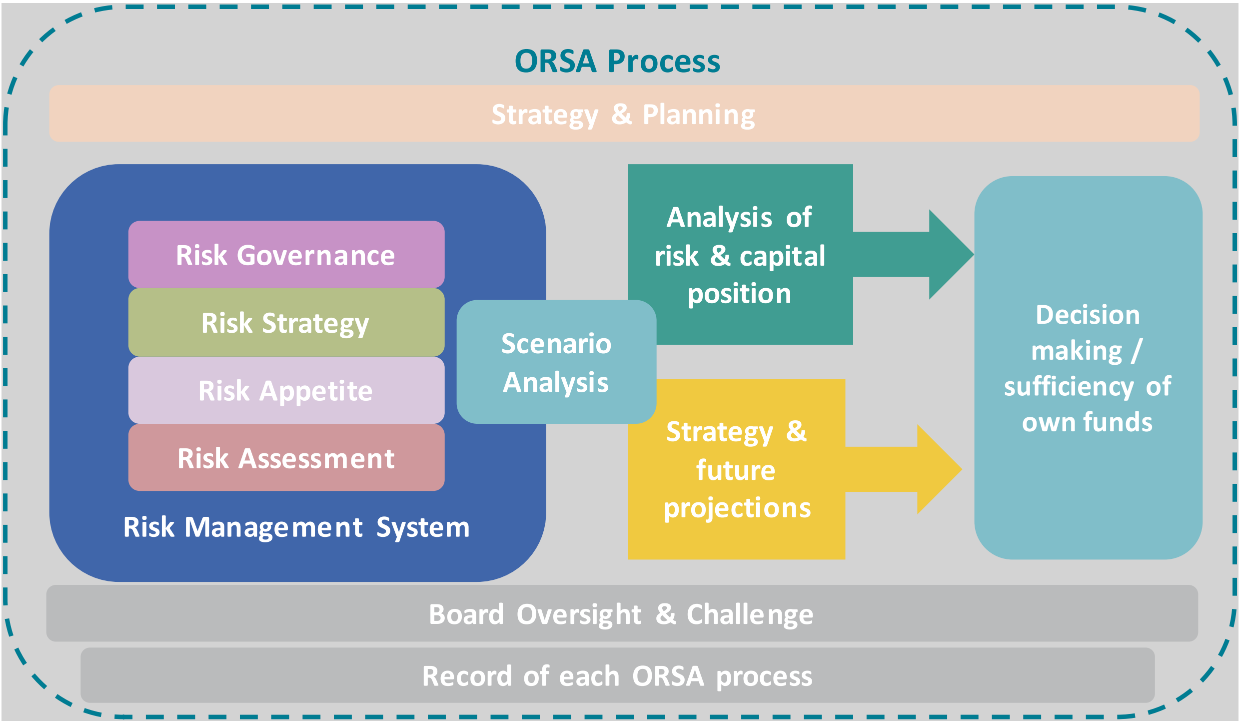
The Company's Risk Management System includes the conduct of an Own Risk and Solvency Assessment (ORSA) at least annually and more often in the event of a material change in the Company's risk profile. During the reporting period the Company conducted one scheduled ORSA. No material change occurred necessitating the performance of an ad hoc ORSA during the reporting period.

The Company uses its ORSA process to consider its risk exposures and capital requirements over the business planning timeframe. This acts as a key input into the Company's strategic decision making and business planning process. The Company's ORSA assesses risks inherent in its business and determines its corresponding capital needs whilst taking into consideration its risk profile, approved risk tolerance limits and business strategy. The Company's ORSA process comprises the following steps:

The Company's ORSA process is a circular process that relies on key elements of the business:

a) Board strategy, policies and plans;
b) The Solvency II Pillar I Balance Sheet standard model results, and base assumptions used;
c) The Risk Management System and its outputs, which identifies the key risks;
d) The Board Risk Committee which reviews, challenges and approves the test scenarios including the ORSA output;
e) The Actuarial Department which runs the tests on the Balance Sheet, for capital adequacy and produce the resultant output;
f) The Risk Function, Actuarial area and management who assess the outputs and prepare the reports;
g) The Actuarial Function which provides its opinion on both the ORSA input stress tests and resultant outputs
h) The Board Risk Committee and Board's assessment of the output and resultant capital, strategy and risk appetite review; and
i) ORSA reporting to the Central Bank of Ireland.

In its ORSA the Company uses the Solvency II Standard Formula Model to calculate the required solvency capital and to assess the overall solvency needs. The results are subjected to a range of scenario and stress tests that are reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn. The following diagram depicts the ORSA process in greater detail. It shows that stress and scenario testing are used in conjunction with the assessment of risk and capital to facilitate decisions about the adequacy of the Company's own funds.



ORSA assessments to date indicate that the Company is adequately capitalised.

4. Internal Control System

The Company's Internal Control System consists of five interrelated components, namely control environment, risk assessment, control activities, reporting, and monitoring. The Company's Internal Control System adopts the "Three lines of Defence" model as set out in the following diagram.

Three Lines of Defence Model

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Business Operations: Business Management is responsible for the identification and assessment of risks and the implementation and enforcement of controls	**Oversight & Challenge:** Board Sub-committees and Control Functions provide key oversight of activities in business operations and challenge the completeness / accuracy of risk identification and assessment, and implementation of controls	**Independent Assurance:** Internal Audit provides independent and objective assurance on the robustness of the Risk Management System, and the appropriateness and effectiveness of internal controls
Key Components: • Managing Director • All employees • Management of outsourced service providers • Actuarial Department • Investment Committee • Underwriting Committee • Executive Management Committee	**Key Components:** • Board Risk Committee • Risk Function • Compliance Function • Actuarial Function • Insurance Risk Committee • Non-Insurance Risk Committee	**Key Components:** • Internal Audit Function • Audit & Compliance Committee

The Company's Internal Control System and Internal Control Policy set out the role of each of the first line of defence functions in respect of business operations, the second line of defence functions in relation to oversight and challenge and the third line of defence functions in relation to independent assurance.

The Actuarial Function is the second line of defence and operates independently of both the first line (responsible for determining the technical provisions, reinsurance and underwriting) as well as the other three key functions (internal audit, risk management and compliance).

a) Compliance Function

The Company's Compliance Function, led by the Head of Legal, Risk and Compliance, operates in accordance with the Company's Compliance Policy. The Compliance Function is independent from business units and forms part of the second line of defence within the Company's Internal Control System. The primary activities of the Compliance Function comprise:

a) Identification of compliance obligations;
b) Development and delivery of an annual compliance plan and report;
c) Training and education;
d) Advice on compliance matters;
e) Incident management and reporting;
f) Liaison with the Central Bank of Ireland and other regulators; and
g) Reporting including to the Audit & Compliance Committee.

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

5. Internal Audit Function

The Company outsources its Internal Audit Function to the Group Audit Department of LeasePlan Corporation N. V. in accordance with the Company's Outsourcing Policy. The Function operates in accordance with the Company's Internal Audit Policy and the LeasePlan Corporation Internal Audit Charter which have been approved by the Board. The policy is reviewed and updated on an annual basis and more frequently if required.

The Company's Internal Audit function is independent from business units and forms part of the third line of defence in the Company's Internal Control System. The Company's outsourcing of its Internal Audit Function to its parent company assists in preserving the independence and objectivity of the function, as the function comprises no staff of the Company. The Company and its Internal Audit Function subscribes to the Institute of Internal Auditors definition of internal audit which requires "independent, objective, assurance". The Company's Internal Audit Policy sets out the measures taken by the Company and the Internal Audit Function to maintain ongoing independence including audit staff rotation.

The Internal Audit Function conducts an internal audit of the Company at least annually. Internal Audit findings and recommendations are reported to the management body who are required to respond to those findings and recommendations.

The Internal Audit Function, via the LeasePlan Senior Corporate Vice President Internal Audit, reports to the Audit and Compliance Committee of the Company. The Audit and Compliance Committee considers audit plans, audit reports, resourcing and performance.

6. Actuarial Function

The Company outsources its Actuarial Function, including Head of Actuarial Function, to an actuary and Central Bank approved Head of Actuarial Function within a Big 4 firm in accordance with the Company's Outsourcing Policy. The Function operates in accordance with the Company's Actuarial Function Terms of Reference. The Company's Actuarial Function forms part of the second line of defence in the Company's Internal Control System.

The Company's Actuarial Function has the following key responsibilities:

Technical Provisions

- Coordination of calculation of technical provisions including the Actuarial Function Report on Technical Provisions ("ARTP");
- Review of appropriateness of methodologies and assumptions;
- Review of data sufficiency and quality; and
- Experience analysis.

Opinions

- Delivery of Actuarial Opinion on Technical Provisions ("AOTP") following analysis conducted for the ARTP;
- Delivery of Opinion on the Company's Underwriting Policy;
- Delivery of Opinion on the Company's Reinsurance arrangements; and
- Delivery of Opinion on the Company's ORSA.

Risk Management

- Contributing to the effective implementation of the Risk Management System, in particular with regard to the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR"); and contributing to the Own Risk and Solvency Assessment ("ORSA") process.

7. Outsourcing

The Company operates an Outsourcing Policy which is approved by the Audit and Compliance Committee and adopted by the Board. The Outsourcing Policy outlines the Company's policy with regard to the outsourcing of critical or important functions or activities (" Core Outsourcing") which are essential to the operation of the Company. As the Company is part of the LeasePlan group, much of the Company's outsourcing is to other group entities. The Company's Core outsourced activities comprise:

Core Activity	Description	Jurisdiction of Service Provider
Claims Handling	Provision of claim handling activities on behalf of the Company (some claims handling activities may not constitute critical or material outsourcing and therefore some claim handlers may not be in scope).	Various EEA jurisdictions into which the Company writes insurance
Investment Management (Deposits)	Provision of treasury services to the Company.	Ireland
Data storage and systems support	Management of the platforms that host the Company's systems and data and provision of first line support to the Company.	Ireland
Internal Audit	Provision of internal audit services	Netherlands
Actuarial Function	Actuarial Function including Head of Actuarial Function	Ireland
System to support Solvency II Reporting	System to support Solvency II QRT Reporting to the Central Bank of Ireland	Germany
Fiscal representation and administration	Fiscal representation and administration activities in the countries in which the Company operates.	United Kingdom and the various EEA jurisdictions into which the Company writes insurance
Investment Management (Bonds)	Exercise of investment discretion within investment guidelines set by the Company (this new Core Outsourcing was approved by the Board in Q4 2017 but has not, as yet, commenced)	UK

8. Any other information

The Company believes that its system of governance as set out in the Company's Internal Control System, Risk Management System and Board Charter are adequate in the light of the nature, scale and complexity of the risk inherent in its business. The Company's business is monoline, namely motor and related insurances, and its business is predominately in connection with the fleet leasing and fleet management activities of its affiliate entities within the LeasePlan group. The Company believes that its Internal Control System incorporates appropriate challenge and oversight by persons with appropriate knowledge of the Company's business. The Company believes that its Risk Management System, including ORSA, provides a sufficiently forward-looking and robust assessment of risk in the context of the Company's predominately intra-group business model. Finally, the Company believes that its corporate governance, including Board, sub-committees and management committees, provides appropriate internal review and challenge.

The Company has no other disclosures to make in respect of the Company's System of Governance.

C Risk Profile

The Company is subject to underwriting risk, market risk, credit risk, liquidity risk and operational risk. These risks comprise the company's primary material risks. These risks are assessed within the Company using an entity level assessment conducted by the management team, process level assessments conducted by process owners and a strategic risk assessment conducted by the Board Risk Committee. The Company's Risk Function, led by the Head of Legal, Risk and Compliance, operates in conjunction with the Risk Function of its parent, LeasePlan Corporation. The Company has adopted the risk mitigation techniques of its parent company where considered appropriate. While a number of enhancements were made to the Company's risk management framework during the reporting period (described below), there were no material changes to the Company's risk exposure and there were no material changes to the measures used to assess same. The Company does not use special purpose vehicles and does not have exposures arising from off-balance sheet positions.

The table below gives the breakdown of the various risk charges making up the Company's SCR as at 31 December 2017, as calculated by the Standard Formula:

€'000	LPINS Capital Requirements
Market risk	15,681
Counterparty default risk	13,217
Non-life underwriting risk	81,237
Operational risk	6,182
Life underwriting risk	895
LACDT	(12,807)
SCR	**89,649**

1. Underwriting Risk

a) Risk Exposure

The Company's exposure to Underwriting Risk is across 23 jurisdictions. The Company's gross written premium during the reporting period was €207.9m across all jurisdictions. Legislation, regulations, market requirements and market practices vary across these markets. Likewise, underwriting requirements and risks vary across these markets. While the Company's Underwriting Risk is diversified across multiple markets, its knowledge of individual markets is necessarily less than that of domestic insurers in those markets. The Company's Underwriting Risk Policy sets out the Company's processes for the management of Underwriting Risk. The Company uses a process-level risk and control assessment to assess, monitor and report upon Underwriting Risk. The company uses key risk indicators and risk appetite statements to monitor its underwriting risk. During the reporting period the Company developed additional key risk indicators for underwriting risk which are monitored by the Underwriting Committee. There were no material changes to the Company's underwriting risk exposure during the reporting period.

The Company's largest risk charge under the SCR is the Non-life underwriting risk charge. This charge represents the risk associated with the writing of and settling of claims provisions for insurance business. At 31 December 2017, the Company had a non-life underwriting risk charge of €81.2m.

The Company also has a small risk charge of €0.9m in respect of life underwriting risk. This risk charge relates to the longevity risk associated with Periodical Payment Orders (PPO's).

b) Risk Concentration

The Company writes various types of non-life insurance risks, including motor third party liability and motor own damage, as well as ancillary cover and leasing related risks. The Company's business is predominately sourced from within the LeasePlan Group.

The Company's business is well diversified both between countries and within countries. Thereafter, a modest level of diversification exists between product lines. Concentration of risk is also mitigated through reinsurance.

c) Risk Mitigation

The Company's Risk Management System, and related policies, set out the techniques used by the Company to manage and mitigate the risk to which it is exposed. The Company uses its program of risk assessments, risk appetite monitoring and risk governance via risk committees and the Board Risk Committee to monitor the continued effectiveness of these risk mitigation techniques.

The risk mitigation techniques used by the Company to mitigate underwriting risk are set out in the Company's Underwriting Risk Policy. These include the operation of risk selection and pricing procedures, the operation of an Underwriting Committee, underwriting authorities, reinsurance, underwriting exposure limits, escalation procedures, and reporting (including to the control functions of the Company).

In addition, reinsurance is purchased to reduce and contain the volatility of results. The level of retention in different reinsurance contracts is aligned with the size and the risk profile of the underlying portfolios. This includes taking account of the cost of reinsurance on the one hand

and the risk that is retained on the other. Risk that is retained is constrained through pre-defined limits set by the Underwriting Committee.

The Company's underwriting risk appetite and underwriting key risk indicators are used by the Underwriting Committee, Risk Committee and the Board Risk Committee to monitor the ongoing effectiveness of these risk mitigation techniques. The Underwriting Function undertakes an underwriting process level risk and control assessment. In addition, the Company's business controls function (second-line of defence) and internal audit function (third-line of defence), test and audit the effectiveness of the Company's underwriting processes.

d) Risk Sensitivity

A number of sensitivity tests are used to assist the Company with understanding its exposure to the volatility of the Company's more material risks. The Company regularly produces sensitivity tests on their key risk exposures to help inform the decision-making processes, and as part of the framework used to identify and quantify risks.

The following are the sensitivity analyses carried out that impact Underwriting Risk:

- Expected loss ratios are a key assumption in the estimate of ultimate losses. As at 31 December 2017, sensitivity analyses show that an increase of 2.5% in the loss ratios used in the calculation of the technical provisions would result in a decrease in the SCR charge of €169k.

The above stress test would have the following impact on the Company's Solvency Coverage Ratio:

Scenario	Own Funds	Solvency Capital Requirement (SCR)	Solvency Coverage Ratio
Base scenario	**125,107**	**89,649**	**140%**
Increase in loss ratios of 2.5%	120,370	89,481	135%

2. Market Risk

a) Risk Exposure

The Company's exposure to Market Risk is predominately in relation to its investments. The Company's investments at the reporting date totalled €305.8m. The Company's investments are predominately bank deposits. Deposits with a term of greater than 7 days are subject to interest rate risk. The Company holds minor quantities of non-euro currencies for matching purposes. These are subject to foreign exchange risk. The Company's Investment Risk Policy sets out the Company's processes for the management of market risk. Investment risk forms part of the Company's Finance function process-level risk and control assessment through which the risk is assessed, monitored and reported. During the reporting period interest rates on deposits continued to deteriorate and this had a negative impact on the investment return for the financial period.

As at 31 December 2017, the Company had a Market Risk charge under the SCR of €15.7m. The Company's Market Risk charge is based on the Company's investments in term deposits. The market risk charge captures currency, spread and interest rate risk, along with the Company's concentration risk exposure to certain credit institutions.

b) Risk Concentration

The aim of the Company's Asset Liability Management Policy is to select assets that are matched to the total liabilities (as far that is possible) by currency, duration and by suitable type (predominately deposits). The Company is therefore exposed to concentration risk by product (deposits) and by currency (and therefore geographical area).

However, LeasePlan Treasury provides the Company with monthly financial market updates, including historic and anticipated future environment information. LeasePlan Treasury controls Group Counterparty and Concentration limits and allocation of limits to all entities, and receives reporting against the limits, prepared by the Finance Function of the Company.

c) Risk Mitigation

The Company's Risk Management System, and related policies, set out the techniques used by the Company to manage and mitigate the risk to which it is exposed. The Company uses its program of risk assessments, risk appetite monitoring and risk governance via management risk committees and the Board Risk Committee to monitor the continued effectiveness of these risk mitigation techniques.

Market Risk is the risk of loss resulting directly or indirectly from fluctuations in the level of the market price of assets, liabilities and financial instruments. The risk mitigation techniques used by the Company to mitigate Market Risk are set out in the Company's Investment Risk Policy. These include the following:

- Adopting a conservative approach to investments;
- Holding sufficient investment values and investment liquidity to ensure all liabilities are met as they fall due; and
- Ensuring that there are appropriate policies, strategies and procedures in place to meet these objectives.

The Company's assets have been invested in accordance with the 'prudent person principle', in that the Company has placed the funds that support the claims reserves with external institutions with a S&P investment grade or higher. In addition, the Company applies the prudent person principle in deciding the appropriate level of deposits to place with LeasePlan Group.

The continued effectiveness of the Company's risk mitigation techniques for Market Risk is monitored by the Company's Investment Management Meeting and, as required, Investment Committee in accordance with the Company's Investment Risk Policy and Investment Management Meeting and Investment Committee Terms of Reference. In addition, the Company's investment risk appetite is used by the Non-Insurance Risk Committee and the Board Risk Committee to monitor the ongoing effectiveness of these risk mitigation techniques.

d) Risk Sensitivity

A number of sensitivity tests are used to assist the Company with understanding its exposure to the volatility of the Company's more material risks. The Company regularly produces sensitivity tests on their key risk exposures to help inform the decision-making processes, and as part of the framework used to identify and quantify risks.

The following are the sensitivity analyses that are carried out that impact Market Risk:

- As at 31 December 2017, sensitivity analyses show that an increase in interest rates using EIOPA shock up yield curves would result in a decrease in the SCR of €384k, and a decrease in interest rates using EIOPA shock down yield curves would result in an increase in the SCR of €7k.

The above stress test would have the following impact on the Company's Solvency Coverage Ratio:

Scenario	Own Funds	Solvency Capital Requirement (SCR)	Solvency Coverage Ratio
Base scenario	125,107	**89,649**	**140%**
Interest rates shock up	132,088	89,265	148%
Interest rates shock down	123,861	89,656	138%

3. Credit Risk

a) Risk Exposure

The Company is subject to credit risk but the majority of this is in relation to LeasePlan Group entities as policyholders, mediators or claim handlers. The Company operates a credit risk assessment and monitoring process. The Company's main non-LeasePlan credit risk is in relation to reinsurers and the banks in which it places deposits. The Company's Reinsurance Risk Policy and Investment Risk Policy set out the Company's processes for the management of credit risk with these counterparties. Credit risk forms part of a number of process-level risk and control assessments within the Company through which, together with the related risk appetite statements, the risk is assessed, monitored and reported. There were no material changes to the Company's credit risk exposure during the reporting period. The Company's non-LeasePlan deposits are with institutions with a Standard & Poor (S&P) investment grade or higher.

As at 31 December 2017, the Company has a Counterparty Default risk charge under the SCR of €13.2m. The Company's Counterparty Default risk charge relates to the risk that counterparties do not meet their obligations as they fall due. This includes exposure to banks, reinsurers, policyholders and intermediaries.

b) Risk Concentration

There is potential for concentration of risk through the Company's exposure to banks in which it places deposits and reinsurers.

In relation to its exposure to banks, the Company has counterparty risk limits in place which restrict exposure with any one bank.

In order to avoid concentration risk with reinsurers, the Company has limits in place which restricts the maximum share held by reinsurer and by credit rating. On a quarterly basis, a report is prepared and distributed to the Board of Directors and the Risk Committee outlining the current credit rating of reinsurers, along with other monitored factors such as share of exposure, outlook and ownership structure.

c) Risk Mitigation

The Company's Risk Management System, and related policies, set out the techniques used by the Company to manage and mitigate the risk to which it is exposed. The Company uses its program of risk assessments, risk appetite monitoring and risk governance via risk committees and the Board Risk Committee to monitor the continued effectiveness of these risk mitigation techniques.

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations to the Company. The Company is exposed to credit risk in the following key areas:

- Amounts due from institutions in respect of deposits placed;
- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from policyholders; and
- Cash at bank.

The risk mitigation techniques used by the Company to mitigate credit risk are set out mainly in the Company's Reinsurance and Investment Risk policies. The Company manages its credit risk exposure by monitoring and managing the levels of exposure to each counterparty and by monitoring the S&P rating of all assets to ensure the Company's investments are in secure assets of a high quality.

The continued effectiveness of the Company's risk mitigation techniques for credit risk is monitored by the Company's risk committees. In addition, the Company's credit risk appetite is used by the Non-Insurance Risk Committee and the Board Risk Committee to monitor the ongoing effectiveness of the above risk mitigation techniques.

d) Risk Sensitivity

A number of sensitivity tests are used to assist the Company with understanding its exposure to the volatility of the Company's more material risks. Sensitivity tests are regularly produced on our key risk exposures to help inform the decision-making processes, and as part of the framework used to identify and quantify risks.

The following are the sensitivity analyses carried out that impact Credit Risk:

- As at 31 December 2017, sensitivity analyses show that a downgrade of 1 credit quality step of the bank with whom the Company holds the majority of cash balances would result in an increase in the SCR of €2.7m.

The above stress test would have the following impact on the Company's Solvency Coverage Ratio:

Scenario	Own Funds	Solvency Capital Requirement (SCR)	Solvency Coverage Ratio
Base scenario	**125,107**	**89,649**	**140%**
Downgrade of 1 quality steps of largest bank	125,107	92,376	135%

4. Liquidity Risk

a) Risk Exposure

As the Company's investments are predominately held in short-term bank deposits it is subject to limited liquidity risk. The Company's Liquidity Risk Policy and Asset Liability Management Policy set out the Company's processes for the management of liquidity risk. Liquidity risk forms part of the Company's Finance function process-level risk and control assessment through which, together with the related risk appetite statement, the risk is assessed, monitored and reported. There were no material changes to the Company's liquidity risk exposure during the reporting period.

b) Risk Concentration

Risk concentrations in relation to liquidity risk can arise in a number of ways:

- **Risk concentration in product type:** The Company invests primarily in term deposits, therefore the Company does have a concentration in terms of product type. This concentration does not impact the Company's ability to generate cash in times of stress, as the asset classes employed are quite liquid.

- **Risk concentration in maturity:** The Company short matches assets to cover some longer tail technical reserve payments, so there exists a certain level of concentration in shorter maturity assets. However, this is a prudent policy with respect to liquidity position and is aligned to LeasePlan Corporation group policy. In addition, the Company has minimum acceptable credit ratings (investment grade or higher) and concentration risk limits in place which set the maximum allowable exposure by credit institution.

- **Risk concentration in provider:** This can arise as a result of dependency on a few providers of liquidity stemming from concentrated counterparty default risk. The Company has counterparty risk limits in place which restrict the concentration risk with any one counterparty.

The Director of Finance, in conjunction with the Investment Management Meeting and, as required, the Investment Committee, ensures the following:

- That the concentration limits to asset classes and individual counterparties are subject to review on a monthly basis and any increases are proposed to the Board for approval;
- That active monitoring and management of concentration risk is undertaken, including an analysis of possible contagion; and
- That asset concentration trends are analysed to identify adverse impacts on the Company and that appropriate remedial action is taken.

The monitoring of liquidity concentration risk limits is outlined in further detail in the following section on Risk Mitigation.

c) Risk Mitigation

The Company's Risk Management System, and related policies, set out the techniques used by the Company to manage and mitigate the risk to which it is exposed. The Company uses its program of risk assessments, risk appetite monitoring and risk governance via management risk committees and the Board Risk Committee to monitor the continued effectiveness of these risk mitigation techniques.

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due. The purpose of liquidity risk management, as part of an overall investment risk strategy, is to ensure there are appropriate practices to provide sufficient liquidity over the short, medium and long term.

The risk mitigation techniques used by the Company to mitigate Liquidity Risk are set out in the Company's Liquidity Risk Policy. These include the following:

- Performing daily and monthly cash flow forecasts to monitor liquidity positions. This includes determining the level of mismatch between the cash inflows and the cash outflows of both assets and liabilities, expected cash flows of insurance and reinsurance to determine the total liquidity needs in the short term including an appropriate buffer for any potential liquidity shortfall;

- Performing daily monitoring of bank accounts against the monthly cash flow forecast. The Company prepares for any unusual cash flow movements by holding at least 5% of its financial assets on call (overnight) or short term fixed deposits (<= 90 days) in the various different currencies; and

- The Company short matches assets to cover some longer tail technical reserve payment requirements.

The Company has Expected Profit Included in Future Premiums ("EPIFP") of €18.3m. The Company's assets generally comprise of deposits placed with highly rated banks and as such these assets are appropriate in terms of their nature, duration and liquidity in order to meet the Company's obligations as they fall due. Hence the Company does not rely on EPIFP to meet ongoing obligations to pay claims, i.e. liquidity is not jeopardised by holding EPIFP.

The continued effectiveness of the Company's risk mitigation techniques for Liquidity Risk is monitored by the Company's Investment Management Meeting and, as required, the Investment Committee, in accordance with the Company's Investment Risk Policy and Investment Management Meeting and Investment Committee Terms of Reference. In addition, the Company's investment risk appetite is used by the Non-Insurance Risk Committee and the Board Risk Committee to monitor the ongoing effectiveness of these risk mitigation techniques.

d) Risk Sensitivity

As discussed above, the Company is exposed to minimal Liquidity Risk due to the nature of its investments. The Company also short matches assets to cover some longer tail technical reserve payments, which is a prudent policy with respect to liquidity position. Liquidity Risk forms part of the Company's Finance function process-level risk and control assessment through which, together with the related risk appetite statement, the risk is assessed, monitored and reported.

Liquidity Risk is not an influential driver of the Company's Solvency Coverage Ratio and as such, the Company does not carry out any sensitivity analyses on this risk.

5. Operational Risk

a) Risk Exposure

The Company is subject to operational risk. The Company is exposed to operational risk arising from operations conducted in-house and from operations which it has outsourced. The Company's Operational Risk Policy sets out the Company's processes for the management of operational risk. The Company uses its risk appetite statements for operational risk and its program of operational risk monitoring and business continuity management to assess and monitor the risk. The Company, through its entity level risk assessment and, in particular, through its various process-level risk and control assessments assesses, monitors and reports upon operational risk. During the reporting period the Company developed additional key risk indicators for operational risk which are monitored by the Non-Insurance Risk Committee. There were no material changes to the Company's operational risk exposure during the reporting period.

As at 31 December 2017, the Company has an operational risk charge under the SCR of €6.2m. This relates to the risk associated with the people, processes and systems involved in the running of the Company.

b) Risk Concentration

The Company does not have a risk concentration relating to operational risk. The potential for concentration risk is continuously managed and monitored using the risk management techniques outlined in the section below.

c) Risk Mitigation

The Company's Risk Management System, and related policies, set out the techniques used by the Company to manage and mitigate the risk to which it is exposed. The Company uses its program of risk assessments, risk appetite monitoring, key risk indicators and risk governance via risk committees and the Board Risk Committee to monitor the continued effectiveness of these risk mitigation techniques.

Operational Risk is the risk of a positive, negative or potential loss resulting from inadequate or failed internal processes, human behaviour and systems or from external incidents. The risk mitigation techniques used by the Company to mitigate Operational Risk are set out in the Company's Operational Risk Policy. These include risk identification, the conduct of entity level and process level risk assessments, the implementation of appropriate risk responses following assessment, risk monitoring, operational risk appetite statement setting and reporting. The Company operates an operational risk incident monitoring process and categorises incidents into the following categories:

- Internal Fraud;
- External Fraud;
- Employment Practices and Workplace Safety;
- Clients, Products & Business Practices;
- Damage to Physical Assets; and
- Execution, Delivery & Process Management.

In addition, the Company's business continuity management and information security functions seek to mitigate operational risk in their respective areas.

The continued effectiveness of the Company's risk mitigation techniques for operational risk is monitored by the Company's risk committees. In addition, the Company's operational risk appetite is used by the Non-Insurance Risk Committee and the Board Risk Committee to monitor the ongoing effectiveness of the above risk mitigation techniques.

d) Risk Sensitivity

Operational risk, while something that requires ongoing vigilance is not, by itself, a substantial risk for the Company. Accordingly, while no specific risk sensitivity is provided here for same, during the ORSA process, a qualitative assessment of material operational risks is carried out, as well as a quantitative assessment of the impact of a large operational loss on the Company. The impact of this operational loss was to reduce the Own Funds as a result of a decrease in profit, however it did not have a material impact on the Company's Solvency Coverage Ratio.

6. Any other material risks

As part of the regular ORSA process, the overall risk profile and the associated capital needs are assessed against the Company's actual solvency capital position. The most important risks to which the Company is exposed, including risks that are not incorporated into the standard formula, are identified through a combined top-down (strategic risk assessment) and bottom-up (control risk self-assessments) approach. The following risks, outside the scope of the standard formula, are recognised by the Company as requiring ongoing vigilance:

- Cyber Risk;
- Brexit;
- Reputational Risk; and
- Strategic Risk.

a) Cyber Risk

With the increased dependency on electronic data storage within the Company and the industry, there is increasing cyber security risk of data theft, and malicious data and service disruption within the industry. For this reason, the Company operates an Information Security Function within the second line of defence. The function monitors 14 information security domains on a quarterly basis. These domains cover the core elements of cybersecurity, namely:

a) Application security;
b) Information and data security;
c) Network security;
d) Business continuity planning; and
e) Ongoing end user education.

Performance in relation to each information security domain, including the required periodic activities per domain, is monitored by management and the Audit and Compliance Committee.

b) Brexit

Due to the Company's limited activities in the UK market it has little direct exposure to Brexit. However, the Company considers that it is likely to have exposure to some indirect effects of Brexit, mainly in relation to market risk. The risk associated with Brexit has been considered by the Company in its Non-Insurance Risk Committee, Board Risk Committee and in the Company's ORSA.

c) Reputational Risk

Reputational risk is the risk to the Company's earnings/capital due to an adverse perception of the image of the Company on the part of clients, counterparties, shareholders, investors and regulators.

Reputational risk is included in the Company's corporate risk register and managed through the Risk Control Self-Assessment process where it is assessed in the Company's Enterprise Risk Assessment. The Company has a risk appetite statement for reputational risk which is monitored through the Risk Appetite monitoring process.

The Company also has specific controls in place to limit reputational risk exposure such as the LPINS Code of Conduct and contractual agreements with outsourced service providers, both of which focus on ethical behaviour, honesty, trust and integrity.

d) Strategic Risk

Strategic risk is the risk to the Company's earnings/capital due to adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment.

Strategic risk is included in the Company's corporate risk register and managed through a number of controls. The Company incorporated a strategic risk component into its 2017 ORSA stress testing process through the inclusion of a reverse stress test looking at the impact of premium growth. A number of additional strategic risks that have low residual risk (i.e. taking controls into account) are assessed in the Company's Enterprise Risk Assessment.

7. Any other information

The Company has no other information to disclose in respect of the Company's Risk Profile.

D Valuation for Solvency Purposes

1. Assets

This section contains information regarding the valuation of the balance sheet items. For each material asset class, the bases, methods and main assumptions used for Solvency II purposes are outlined.

The following table analyses the Company's financial assets at 31 December 2017:

	Assets as at 31 December 2017	
	Solvency II Value €'000	Statutory Accounts Value €'000
Deferred acquisition costs		2,340
Property, plant & equipment held for own use	0	507
Deposits other than cash equivalents	172,898	25,069
Reinsurance recoverables from:	11,550	13,440
Non-life excluding health	*5,888*	*8,003*
Life excluding health and index-linked and unit-linked	*5,662*	*5,436*
Insurance and intermediaries receivables	31,815	111,576
Receivables (trade, not insurance)	117	117
Cash and cash equivalents	158,132	305,961
Total assets	**374,512**	**459,010**

Valuation of most financial assets is based on fair value for statutory purposes. In the paragraphs below, the valuation methodologies are described:

<u>Deferred acquisition costs</u>

Deferred acquisition costs are the amount of an insurer's acquisition costs incurred as premium is written, but earned and expensed over the term of the policy. The unearned portion is capitalized and recognized as an asset on the insurer's balance sheet. However, for Solvency II purposes deferred acquisition costs of €2.3m are excluded from the valuation of assets.

<u>Property, plant & equipment held for own use</u>

Property, plant & equipment are valued at net book value for statutory purposes, However, for Solvency II valuation computer software tailored to the needs of the undertaking that can't be sold to another user shall be valued at nil (€507k of the property, plant & equipment relates to the capitalised value of the general ledger system and data management system).

<u>Deposits other than cash equivalents</u>

Deposits other than cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period end to confirm the balances held. There are no differences between Solvency II valuation and IFRS valuation of deposits other than cash equivalents. However, the split between deposits and cash & cash equivalents is different between IFRS and Solvency II. Accrued interest is excluded under IFRS however it is included under Solvency II.

Reinsurance asset

The Reinsurance asset relates to the amounts that can be collected from reinsurers, the value of the asset is estimated using a method that is in line with the reinsurance contract for IFRS purposes. However, the reinsurance asset has been adjusted for Solvency II purposes for the expected default of the reinsurer and discounting.

The Company has claims that have been settled via court awarded Periodic Payment Orders ("PPOs") that provide regular payments to the claimant until death. As such these obligations have been valued using life techniques and the related reinsurance recoveries re-classified as a Life Reinsurance Asset.

Insurance and intermediaries receivables

Insurance and intermediaries receivable balances represent premiums due from policyholders. The Company has contracts which exist at the valuation date (31 December) with associated premiums which are not due to be paid until after the valuation date. The future premiums were treated as debtors for IFRS reporting. A creditor was set up for the associated future commission payments. However, the premiums and commission are a future cashflow associated with an existing contract and as such, they should form part of the technical provisions. At 31 December, the amount of future premium is approx. €78m. This is included as a reduction in technical provisions. In addition, €58m relates to unearned exposures and €19m relates to premiums earned in 2017 (mainly December), which are not due to be invoiced until January 2018.

Cash and cash equivalents

Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period end to confirm the balances held. There are no differences between Solvency II valuation and IFRS valuation of cash and cash equivalents.

2. Technical Provisions

a) Technical Provisions Basis, Methods and Assumptions

The following section outlines the approach, general methodology and components of the Company's Technical Provisions. The two main components of the Technical Provisions are the best estimate provision and the risk margin. There are several distinct provisions that feed into the overall best estimate provision.

Provision for Claims Outstanding: The provision for claims outstanding covers cashflows related to all claim events which occur before or at the valuation date. The cashflows projected comprise of:

- Outstanding claims / Case reserves;
- Incurred but not reported claims; and
- Incurred but not enough reported claims.

The Company makes use of the below standard techniques in order to arrive at an estimation of the ultimate level of claims:

Development Factor Method ("DFM")

- For this method, the Company assumes that for a particular accident period, the proportion of the ultimate claims, which has developed by each period, follows past trends.
- A set of assumed development factors is arrived at. The development factors are typically calculated as a weighted average of past accident periods. More recent accident periods generally receive a higher weighting.
- Projections are carried out on past claims data using the development factors that have been determined.
- The DFM is applied to both paid and incurred claims to produce both paid and incurred ultimate claims estimates.

Loss Ratio Method

- For this method, a projected loss ratio for a particular accident period is estimated by reference to an older, more developed period.
- By applying the projected loss ratio to a known earned premium, ultimate claims are estimated for the relevant accident period.

Burning Cost Method

- For this method, ultimate claims are arrived at by considering the ultimate cost of claims per unit of exposure.
- The ultimate burning cost for past periods is assessed in order to arrive at an estimate of ultimate claims for more recent accident periods.
- The past estimates used may or may not be adjusted for seasonal and / or inflationary effects.
- This method can be useful for more recent accident periods, avoiding an over reliance on underdeveloped notified claims data.

The company considers the appropriateness of the above methodologies separately by Solvency II line of business and by accident year. The selection of the most appropriate method is based on expert judgement which considers among other factors, the quantity, quality and reliability of the available data, and analyses all important characteristics of the business.

Claims Handling: The Company holds a provision for future claims handling expenses associated with the future processing of claims for accident periods up to the valuation date. The actuarial department assesses an appropriate provision to cover the cost of settling current and future claims arising from insurance business written to the end of the relevant accounting period. It should be noted that for a proportion of the Company's risks, claims are managed by other parties and charged on a "per event" or equivalent basis.

Premium Provision: To calculate the premium provision a forward looking combined ratio estimate is applied to the Company's unexpired premium. The ratio applied includes estimates of claims handling costs and administration expenses. The claims ratio takes account of premium rate changes. The premium provision is net of premiums which are yet to be received for unexpired risk. These future premiums receivable are related to future claims. Premium provision calculations are completed by the actuarial department in conjunction with the finance department. The estimation covers all programmes and all claim types.

Reinsurance: The Company has (non-proportional) reinsurance in place to protect against large individual motor third party liability (TPL) claims. The Company also has reinsurance in place to protect against accumulations of risk related to motor property damage claims, e.g. from catastrophes including weather events.

To calculate the net technical provisions, the Company's reinsurers' share of claims is subtracted from claims provisions.

The Company's reinsurance cover is placed with a variety of third party reinsurers with strong credit ratings. The Company currently has no balances in dispute with respect to third party reinsurance recoveries.

Discounting: As per Solvency II requirements, the Company discounts the run-off of the premium provision and the provision for claims outstanding in order to arrive at the Solvency II technical provisions. The pattern for the run-off of the premium provision and the provision for claims outstanding is arrived at using historic payment development trends. The discounting of the cashflows associated with the premium provision and provision for claims outstanding is performed using discount rates that are no higher than the prescribed risk-free interest rates that are published by the European Insurance and Occupational Pensions Authority ("EIOPA").

Risk Margin: The underlying approach to the risk margin calculation is to calculate the Solvency Capital Requirement ("SCR") for each future year until the business is fully run-off. A cost of capital is then applied to this amount. The Company uses EIOPA's prescribed cost of capital of 6% and applies this to the future SCR estimates. Discounting is performed for each future time period again using EIOPA's prescribed yields. These calculations then arrive at the Company's risk margin.

Summary of Technical Provisions Results: The Company's overall gross and net technical provisions are illustrated in the exhibit below:

GROSS	LPINS Technical Provisions at 31 Dec 2017 (€'000)			
Line of Business	Provision for Claims Outstanding	Premium Provision	Risk Margin	Total
Income protection insurance	5,300	(3,201)	375	2,474
Motor vehicle liability	176,420	(7,474)	12,471	181,417
Other motor	16,638	(1,895)	1,176	15,919
Legal expenses	1,203	(295)	85	992
Assistance	405	(540)	29	(106)
Miscellaneous financial loss	2,195	(5,497)	155	(3,147)
Fire & other damage to property insurance	69	(196)	5	(122)
Annuities from non-life contracts	10,556	0	1,950	12,506
Proportional non-life reinsurance - other motor insurance	1,061	(333)	75	803
Total	**213,847**	**(19,432)**	**16,320**	**210,736**

NET	LPINS Technical Provisions at 31 Dec 2017 (€'000)			
Line of Business	Provision for Claims Outstanding	Premium Provision	Risk Margin	Total
Income protection insurance	5,324	(3,208)	375	2,491
Motor vehicle liability	167,981	(6,097)	12,471	174,355
Other motor	16,703	(1,348)	1,176	16,531
Legal expenses	1,208	(295)	85	997
Assistance	407	(156)	29	280
Miscellaneous financial loss	2,205	(5,497)	155	(3,137)
Fire & other damage to property insurance	70	(196)	5	(122)
Annuities from non-life contracts	4,894	0	1,950	6,844
Proportional non-life reinsurance - other motor insurance	1,009	(137)	75	947
Total	**199,800**	**(16,935)**	**16,320**	**199,185**

The below table compares the gross and net technical provisions as at 31 December 2017 to the position as at 31 December 2016:

	LPINS Technical Provisions (€'000)		
	As at 31 Dec 2017	As at 31 Dec 2016	Difference
Gross Technical Provisions	210,736	186,205	24,531
Net Technical Provisions	199,185	176,913	22,273

There is an increase of €24.5m in the gross technical provisions and an increase of €22.3m in the net technical provisions between 31 December 2016 and 31 December 2017. The movement is primarily driven by the commencement of a number of new programmes during the year alongside business volume growth over the year in a number of countries most notably Italy and Portugal.

b) Level of Uncertainty associated with the Amount of Technical Provisions

The Company's best estimate calculations seek to represent close to the 50th percentile of estimates for the Company's claims liabilities. The best estimate arrived at is the probability weighted estimate of future claims and expenses. As the best estimate is itself an estimate, there is a level of uncertainty associated with this amount.

In terms of quantifiable elements of uncertainty, the main elements include discount rates, loss ratio assumptions for exposure beyond the valuation date and lapse rates.

The table below shows the results of the stress tests carried out on the technical provisions:

Scenario	Net TPs excluding Risk Margin	Relative Change from Base Scenario
Base scenario	**177,971,291**	
EIOPA Shock Up Interest Rates	170,888,669	-4.0%
EIOPA Shock Down Interest Rates	178,750,745	0.4%
Increase in FX rates of 10%	178,202,046	0.1%
Increase in loss ratios of 2.5%	182,708,029	2.7%
Increase of lapse rates by 1% in 2018 and by 2% in 2019	178,289,523	0.2%

- **Interest Rate Risk**

  Applying the EIOPA shock up yield curve reduces the technical provisions by 4% and applying the EIOPA shock down yield curves increases the technical provisions by a modest 0.4%. Being a non-life insurer with relatively short-term liabilities and an even shorter asset-side duration, the Company is not exposed to interest rate movements.

- **Currency FX Rate Sensitivity**

  A strengthening of foreign currency rates against the euro resulted in an increase in the technical provisions of only 0.1%. As it is the Company's Investment Policy to match assets with liabilities in terms of currency, thus the Company does not have material exposures subject to changes in currency rates.

- **Loss Ratio Sensitivity**

  An increase in the loss ratio assumptions of 2.5% results in a 2.7% increase in the technical provisions.

- **Lapse Rate Sensitivity**

  An increase in the lapse rate assumption of 1% in 2018 and 2% in 2019 results in a 0.2% increase in the technical provisions.

Additional sources from which uncertainty could potentially arise are as follows:

Events Not In Data ("ENIDs"): The approaches used by the Company to arrive at a best estimate of ultimate claims allow for the historic level of uncertainty in the past claims data. In order to allow for the uncertainty regarding events that the Company knows are not yet present in past data, the Company has a specific provision for ENIDs.

Premium Provision: The premium provision is subject to additional uncertainty over and above that contained within the claims provision in that it contains cost estimates for events that have not yet occurred. Particularly at year end, it must also contain an allowance for business bound in the main renewal season for 2018 that are not yet recorded on the system, as well as premium contracted and on the system but not yet received. These involve additional assumptions which increase the level of uncertainty, although this is mitigated to a degree by reasonableness checks.

Future Management Actions: As the Company write non-life insurance, the scope for future management actions is limited, therefore this is not a material source of uncertainty in the Company's technical provisions.

c) Solvency II Best Estimate VS Financial Statement Reserves

The Company's Solvency II best estimate uses as a starting point the undiscounted, best estimate provisions that are included in the financial statements. Thereafter, a number of adjustments are applied to comply with Solvency II requirements (e.g. discounting is applied together with an ENID provision being held).

For financial statements, the Company holds an explicit risk margin for prudence / uncertainty consistent with industry practice and to satisfy the IFRS requirement of prudent reporting.

The Company's movement from IFRS reserves to Solvency II technical provisions is set out in the table below:

Total Technical Provisions - IFRS to Solvency II Movements (€'000)			
	Gross	**Ceded**	**Net**
IFRS Reserves	299,725	13,440	286,285
Total Solvency II Technical Provisions	210,736	11,550	199,185

d) Application of the Matching Adjustment

This guideline is not applicable to the Company as the Company does not use the matching adjustment.

e) Application of the Volatility Adjustment

This guideline is not applicable to the Company as the Company does not use the volatility adjustment.

f) Application of the Transitional Risk-Free Interest Rate-Term Structure

This guideline is not applicable to the Company as the Company does not use the transitional risk-free interest rate-term structure.

g) Application of the Transitional Deduction

This guideline is not applicable to the Company as the Company does not use the transitional deduction.

h) Recoverables from Reinsurance Contracts

The Company has reinsurance in place to protect against both large individual third party liability claims and also accumulations of risk with regard to property damage.

The Company's reinsurance arrangements are taken into account in order to calculate net technical provisions for Solvency II. The Company complies with Solvency II regulation by adjusting claims recoveries due from reinsurers for expected reinsurer default together with discounting expected future reinsurance recoveries using an expected payment pattern relevant to such cashflows.

The exhibit below displays the Company's gross and net technical provisions, along with the Company's reinsurers' share of technical provisions:

	LPINS Technical Provisions (€'000)		
	Gross	RI	Net
Total	210,736	11,550	199,185

3. Other Liabilities

This section contains information regarding the valuation of the balance sheet items. For each material liability class, the bases, methods and main assumptions used for Solvency II purposes are outlined.

The following table analyses the Company's financial liabilities at 31 December 2017:

	Other liabilities as at 31 December 2017	
	Solvency II Value €'000	Statutory Accounts Value €'000
Technical Provisions - non-life	198,230	287,142
Technical Provisions - life (excluding unit linked and index linked)	12,506	12,583
Total Technical Provisions	**210,736**	**299,725**
Insurance and intermediaries payables	35,588	43,725
Reinsurance payables	291	291
Payables (trade, not insurance)	2,791	2,791
Total liabilities	**249,406**	**346,532**
Excess of assets over liabilities	**125,107**	**112,478**

Valuation of most financial liabilities are based on fair value for statutory purposes. In the paragraphs below, the valuation methodologies are described.

Technical provisions

The details of the technical provisions, along with the difference between Solvency II and IFRS, are detailed in Section 2(c) Solvency II Best Estimate versus Financial Statement Reserves.

Please note that as at 31 December, the amount of future premium was approximately €78m. and was included as a reduction to technical provisions.

Insurance & intermediate payables

The main differences between Solvency II and IFRS for insurance & intermediate payables are the reclassification of the non-technical (aggregate deductible) liabilities to the technical provisions where the aggregate deductible refund had been completed, and an amount of future commission of approx. €1.4m that was included as an increase in technical provisions.

Reinsurance payables

There are no differences between Solvency II valuation and IFRS valuation of reinsurance payables.

Payables (trade, not insurance)

The difference between Solvency II and IFRS for payables is not due to a change in valuation but the increase in the tax liability due to the increase in the financial result included in the company's own funds (excess of assets over liabilities) under Solvency II. The main driver in the increase in Solvency II Own Funds is the result generated by the Written but not yet Incepted (WBNYI) business. Please note that the Company does not have a Deferred Tax Asset, so any movements on the revenue of the Company will have an impact on the tax creditor.

4. Alternative Methods for Valuation

This section is not applicable to the Company as the Company does not use any alternative methods for valuation.

5. Any other information

The Company has no other disclosures to make in respect of the Company's Valuation for Solvency Purposes.

E Capital Management

1. Own Funds

a) Objectives / Policies / Processes for Managing Own Funds

The strategic objectives of capital management within the Company are:

- **Regulatory compliance:** To ensure compliance with the Company's regulatory capital requirements and in the case of adverse SCR levels, the approach to recoverability including the consideration of capital relief measures and / or additional capital;
- **Liquidity:** To maintain sufficient liquidity to ensure the Company is able to meet its obligations in a timely manner and at a reasonable cost in accordance with the Company's Liquidity Risk Policy;
- **Efficient capital allocation:** To manage and allocate capital efficiently to achieve sustainable returns and facilitate growth objectives;
- **Financial strength:** To ensure access to capital markets on competitive terms, so that the company's overall cost of capital is minimised; and
- **Continuity of business:** All of the above objectives are consistent with the continuation of profitable business in line with Company Strategy.

Taken together, these strategic goals seek to strengthen the Company's ability to withstand losses from adverse business and market conditions, enhance its financial flexibility and serve the interests of the Company's stakeholders.

The Company strives to ensure that it maintains capital levels which are consistent with the Company's Risk Appetite Framework, the Company's Corporate Strategy, as well as statutory minimum requirements at both a point in time and on a forward looking basis.

The Company's capital planning process aims to be dynamic and forward-looking in relation to the Company's risk profile and takes into account the output from the Risk Management System and the Own Risk and Solvency Assessment ("ORSA") as part of capital planning activities.

Capital planning activities shall involve taking into account current and anticipated changes in the Company's risk profile, such as that reflected in its business plan, and forecasting the related impact on capital. In addition, as part of its capital planning, the Company shall integrate projected capital needs with its business planning and financial forecasting processes.

As part of the ORSA process Solvency II balance sheet projections are prepared and solvency requirements based on the strategy and business plan of the Company over a 3-year time horizon.

The Company's capital management policy / plan is monitored by the Board and reviewed annually (or more frequently if there are material changes in the Company's circumstances) and presented to the Audit and Compliance Committee for re-approval.

Responsibility for the on-going monitoring of the Company's Capital Management Policy has been assigned to the Company's Director of Finance, who, with the support of the Risk Function, Actuarial Department and Compliance Function shall perform an annual review to ensure that the document continues to be relevant to current and planned operations at the Company.

b) Own Funds by Tier

Under Solvency II Own Funds are classified into tiers and there are eligibility requirements / limits applicable to the tiers to cover the SCR and MCR.

At present, the Company has only Tier 1 capital, i.e. the highest quality of capital available.

Were the Company to employ lower quality capital (e.g. issue term sub-ordinated debt) in the future this would result in a re-assessment of the Company's Capital Management Policy and Plan and related Risk Appetite Frameworks and Policies.

The Company's Director of Finance shall be responsible for ensuring that the Own Funds items meet the Solvency II eligibility requirements and are classified correctly. The Director of Finance shall also be responsible for ensuring that the terms and conditions of any Own Fund item are clear and unambiguous in relation to the criteria of Solvency II.

Issuance of Own Fund items shall be in accordance with the Company's Capital Management Plan. As part of the business planning and ORSA processes, dividend payments and capital requirements shall be considered in conjunction with the medium-term Capital Management Plan.

The exhibit below outlines the Company's available Own Funds (by tier).

LPINS Own Funds (€'000)			
Available Own Funds		**2017**	**2016***
Share Premium, Issued Share Capital, Retained Earnings	Tier 1	114,302	92,005
	Tier 2	0	0
	Tier 3	0	0
Other own fund items approved by the supervisory authority as basic own funds not specified above	Tier 1	10,805	0
	Tier 2	0	0
	Tier 3	0	0
Total		**125,107**	**92,005**

**Note this excluded a capital contribution of €10.8m which did not qualify as part of OF's at 31 December 2016*

c) Own Funds Eligible to Cover SCR

The exhibit below outlines the Company's Own Funds (by tier) which are available to cover the SCR:

LPINS Own Funds (€'000)			
Own Funds Eligible for SCR		**2017**	**2016***
Share Premium, Issued Share Capital, Retained Earnings	Tier 1	114,302	92,005
	Tier 2	0	0
	Tier 3	0	0
Other own fund items approved by the supervisory authority as basic own funds not specified above	Tier 1	10,805	0
	Tier 2	0	0
	Tier 3	0	0
Total		**125,107**	**92,005**

**Note this excluded a capital contribution of €10.8m which did not qualify as part of OF's at 31 December 2016*

There has been no change in the quality of Own Funds available to cover the SCR, i.e. the company only has Tier 1 capital. There has, however, been an increase in the amount of the Own Funds of €33m. the main drivers for the increase of €33m are the financial results for 2017, the approval of the Capital contribution by the CBI (€10.8m) and the offsetting dividend payment to LeasePlan Corporation NV (€5m).

d) Own Funds Eligible to Cover MCR

The exhibit below outlines the Company's Own Funds (by tier) which are available to cover the MCR:

LPINS Own Funds (€'000)			
Own Funds Eligible for MCR		**2017**	**2016***
Share Premium, Issued Share Capital, Retained Earnings	Tier 1	114,302	92,005
	Tier 2	0	0
	Tier 3	0	0
Other own fund items approved by the supervisory authority as basic own funds not specified above	Tier 1	10,805	0
	Tier 2	0	0
	Tier 3	0	0
Total		**125,107**	**92,005**

**Note this excluded a capital contribution of €10.8m which did not qualify as part of OF's at 31 December 2016*

The own funds available to cover the MCR are the same as those available to cover the SCR. Therefore, the reasons for the differences in amount, quality and structure of own funds between 31 December 2016 and 31 December 2017, are as per section c) above.

e) Differences between Equity in Financial Statements and Basic Own Funds

The Company's financial statements include a margin for prudence when calculating claims reserves. This margin is not included by the Company when calculating claims reserves for the purpose of the Solvency II Balance Sheet.

The table below outlines the Company's reconciliation reserve information:

LPINS Reconciliation Reserve (€'000)		
	2017	**2016**
Excess of assets over liabilities (A)	125,107	102,810
Other basic own fund items (B)	11,484	679
Total (A – B)	**113,623**	**102,131**

The reconciliation reserve has increased by €11.5m during 2017. The main drivers for the increase of €11.5m are the financial results for 2017, the approval of the capital contribution by the CBI (€10.8m) and the offsetting dividend payment to LeasePlan Corporation NV (€5m).

The reconciliation reserve is essentially a formula driven number derived from the Solvency II balance sheet and any potential volatility in this reserve will be driven primarily by changes in the valuation of assets and the valuation of technical provisions and other liabilities (as discussed in Section D). The Company has an Asset Liability Management ("ALM") policy in place to ensure their asset portfolio matches the liabilities in terms of duration and maturity as much as possible, thereby mitigating the potential volatility in the reconciliation reserve. On the liability side, the Company carries out a number of sensitivity tests to assist them with understanding the volatility of their most material risks.

f) Own Funds Items subject to Transitional Arrangements

This guideline is not applicable to the Company as the Company does not have any Own Fund items that are subject to transitional arrangements.

g) Ancillary Own Funds

This guideline is not applicable to the Company as the Company does not have any ancillary Own Funds.

h) Restrictions on Own Funds

As required by the rules of the Portuguese Green Card Bureau, the Company has a charge in place over a designated bank account for the purposes of providing a guarantee required by that body. The Company maintains circa €600k in this restricted bank account.

In the event of strained capital circumstances, the Company cannot immediately draw upon this €600k and as such it represents a restriction to the Company's Own Funds.

2. Solvency Capital Requirement and Minimum Capital Requirement

a) Amount of SCR and MCR

The amounts of the Company's SCR and MCR are outlined below:

€'000	LPINS Capital Requirements
SCR	89,649
MCR	33,345

e) Amount of SCR by Risk Modules

The breakdown of the Company's SCR calculation by risk module is included in the table below:

€'000	LPINS Capital Requirements
Market risk	15,681
Counterparty default risk	13,217
Non-life underwriting risk	81,237
Operational risk	6,182
Life underwriting risk	895
LACDT	(12,807)
SCR	**89,649**

f) Simplified Calculations and / or Company Specific Parameters

This guideline is not applicable to the Company as the Company does not use any simplified calculations or company specific parameters.

g) Undertaking Specific Parameters and / or Capital Add-Ons

This guideline is not applicable to the Company as the Company does not use USPs or have any capital add-ons.

h) Amount of Capital Add-Ons

This guideline is not applicable to the Company as the Company does not have any capital add-ons.

i) Inputs for MCR

The Company's MCR is calculated by using a straight line formula which incorporates net TPs and net premiums written for the for the last 12 months.

The prescribed MCR calculation applies both an upper and lower bound. The upper bound is equal to 45% of the corresponding SCR, while the lower bound is set at 25% of the SCR.

3. Use of Duration-Based Equity Risk Sub-Module in the Solvency Capital Requirement

This section is not applicable to the Company as the Company does not use the duration-based equity risk sub-module when calculating its SCR.

4. Differences between the standard formula and any internal model used

This section is not applicable to the Company as the Company does not use an internal model when calculating its SCR.

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

The Company complied with the Minimum Capital Requirement and the Solvency Capital Requirement during 2017.

The Company has a Capital Management Policy and a Capital Management Plan in place which sets out the Company's approach to setting and monitoring of capital resources, not just at a particular point in time, but over the business planning period. One of the strategic objectives of capital management within the Company is to ensure compliance with regulatory capital requirements and in the case of adverse SCR levels, the approach to recoverability including the consideration of capital relief measures and/or additional capital.

The Company's capital position is monitored on an ongoing basis in accordance with the Risk Appetite Framework. In order to ensure appropriate levels of capital at all times, the Company has defined ranges around its capital risk appetites with thresholds and limits that shall trigger actions.

The Board is responsible for approving and adopting this Capital Management Policy and ensuring sufficient oversight of Capital Management on an on-going basis.

6. Any other information

The Company has no other disclosures to make in respect of the Company's Capital Management.

Appendix I: Glossary

Term	Definition
AOTP	Actuarial Opinion on Technical Provisions
ARTP	Actuarial Report on Technical Provisions
CBI	Central Bank of Ireland
DFM	Development Factor Method
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ENID	Events Not In Data
EPIFP	Expected Profits in Future Premium
FOS	Freedom of Service
IFRS	International Financial Reporting Standards
MCR	Minimum Capital Requirement
ORSA	Own Solvency and Capital Assessment
PCF	Pre-Approved Control Functions
PPOs	Periodical Payment Orders
QRT	Quantitative Reporting Template
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
S&P	Standard & Poors
TPL	Third Party Liability
USPs	Undertaking Specific Parameters
WBNYI	Written but not yet incepted

Appendix II : Quantitative Reporting Templates (“QRTs”)

The table below lists the annual disclosure quantitative templates submitted to the CBI in respect of 31 December 2017:

Code	Template Name
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.12.01.02	Life and Health SLT Technical Provisions
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life Insurance claims information
S.23.01.01	Own Funds
S.25.01.21	SCR - for undertakings on Standard Formula
S.28.01.01	MCR - for undertakings on Standard Formula

1. S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	0.00
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	172,897,787.14
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**	172,897,787.14
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**	11,550,121.00
Non-life and health similar to non-life	**R0280**	5,887,841.00
Non-life excluding health	**R0290**	5,887,841.00
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	5,662,280.00
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	5,662,280.00
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	31,815,397.16
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	117,325.28
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**	158,131,795.70
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	374,512,426.28

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	198,229,663.99
Technical provisions – non-life (excluding health)	R0520	198,229,663.99
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	183,859,131.99
Risk margin	R0550	14,370,532.00
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	12,505,856.00
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	12,505,856.00
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	10,556,023.00
Risk margin	R0680	1,949,833.00
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	35,588,330.78
Reinsurance payables	R0830	291,074.81
Payables (trade, not insurance)	R0840	2,790,937.24
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	249,405,862.83
Excess of assets over liabilities	R1000	125,106,563.46

2. S.05.01.02

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0200
Premiums written														
Gross - Direct Business	R0110		9,248,266.22		105,221,958.90	66,032,150.52		253,589.93			1,019,463.39	3,316,677.94	10,225,486.23	195,317,593.13
Gross - Proportional reinsurance accepted	R0120				0.00	12,477,312.62						0.00		12,477,312.62
Gross - Non-proportional reinsurance accepted	R0130													
Reinsurers' share	R0140		0.00		1,906,141.11	1,533,464.17		0.00			0.00	705,323.50	0.00	4,144,928.78
Net	R0200		9,248,266.22		103,315,817.79	76,975,998.97		253,589.93			1,019,463.39	2,611,354.44	10,225,486.23	203,649,976.97
Premiums earned														
Gross - Direct Business	R0210		9,013,685.60		102,588,619.96	65,224,472.70		253,823.84			993,333.49	3,312,618.06	10,643,509.26	192,030,062.91
Gross - Proportional reinsurance accepted	R0220				0.00	13,732,256.85						0.00		13,732,256.85
Gross - Non-proportional reinsurance accepted	R0230													
Reinsurers' share	R0240		0.00		1,906,141.11	1,533,464.17		0.00			0.00	705,323.50	0.00	4,144,928.78
Net	R0300		9,013,685.60		100,682,478.85	77,423,265.38		253,823.84			993,333.49	2,607,294.56	10,643,509.26	201,617,390.98
Claims incurred														
Gross - Direct Business	R0310		537,732.34		61,564,444.16	41,716,120.56		48,691.35			173,121.47	1,917,383.03	1,280,774.72	107,238,267.63
Gross - Proportional reinsurance accepted	R0320				0.00	10,494,259.87						0.00		10,494,259.87
Gross - Non-proportional reinsurance accepted	R0330													
Reinsurers' share	R0340		0.00		5,534,898.44	559,186.25		0.00			0.00	0.00	0.00	6,094,084.69
Net	R0400		537,732.34		56,029,545.72	51,651,194.18		48,691.35			173,121.47	1,917,383.03	1,280,774.72	111,638,442.81
Changes in other technical provisions														
Gross - Direct Business	R0410		1,025,856.07		17,128,828.76	4,011,132.95		-3,562.93			196,530.55	-57,119.72	291,343.37	22,593,009.05
Gross - Proportional reinsurance accepted	R0420				0.00	-186,716.94						0.00		-186,716.94
Gross - Non-proportional reinsurance accepted	R0430													
Reinsurers' share	R0440		-28.06		4,020,760.36	50,812.33		0.00			0.00	0.00	-42.49	4,071,502.14
Net	R0500		1,025,884.13		13,108,068.40	3,773,603.68		-3,562.93			196,530.55	-57,119.72	291,385.86	18,334,789.97
Expenses incurred	R0550		2,042,699.06		20,772,270.83	11,849,812.03		25,120.88			101,898.55	587,586.14	2,295,835.78	37,675,223.27
Other expenses	R1200													
Total expenses	R1300													37,675,223.27

Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410						0.00			0.00
Reinsurers' share	R1420						0.00			0.00
Net	R1500						0.00			0.00
Premiums earned										
Gross	R1510						0.00			0.00
Reinsurers' share	R1520						0.00			0.00
Net	R1600						0.00			0.00
Claims incurred										
Gross	R1610						-205,310.29			-205,310.29
Reinsurers' share	R1620						0.00			0.00
Net	R1700						-205,310.29			-205,310.29
Changes in other technical provisions										
Gross	R1710						-291,270.19			-291,270.19
Reinsurers' share	R1720						-205,310.29			-205,310.29
Net	R1800						-85,959.90			-85,959.90
Expenses incurred	R1900						0.00			0.00
Other expenses	R2500									
Total expenses	R2600									0.00

3. S.05.02.01

Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(IT) Italy	(PT) Portugal	(ES) Spain	(NL) Netherlands	(PL) Poland
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	2,804,246.90	269,238,508.32	81,627,481.22	52,631,727.46	48,965,206.82	48,502,919.38	34,706,926.54
Gross - Proportional reinsurance accepted	R0120	12,477,312.62	12,477,312.62	0.00	0.00	0.00	0.00	0.00
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	248,173.85	6,193,867.83	1,629,816.65	1,906,787.21	829,841.42	1,454,192.55	125,056.15
Net	R0200	15,033,385.67	275,521,953.11	79,997,664.57	50,724,940.25	48,135,365.40	47,048,726.83	34,581,870.39
Premiums earned								
Gross - Direct Business	R0210	1,255,152.28	130,072,107.13	37,968,456.74	25,656,672.85	23,603,875.36	24,251,459.69	17,336,490.21
Gross - Proportional reinsurance accepted	R0220	13,732,256.85	13,732,256.85	0.00	0.00	0.00	0.00	0.00
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	329,837.29	3,302,684.28	814,908.33	953,393.61	414,920.71	727,096.28	62,528.08
Net	R0300	14,657,571.84	140,501,679.70	37,153,548.41	24,703,279.24	23,188,954.65	23,524,363.41	17,273,962.13
Claims incurred								
Gross - Direct Business	R0310	2,623,511.32	76,540,064.35	22,133,833.23	15,975,596.43	12,734,947.54	12,305,060.68	10,767,115.15
Gross - Proportional reinsurance accepted	R0320	10,494,259.87	10,494,259.87	0.00	0.00	0.00	0.00	0.00
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	388,824.27	3,691,192.99	2,596,295.46	161,785.02	-247,729.22	792,017.46	0.00
Net	R0400	12,728,946.92	83,343,131.23	19,537,537.77	15,813,811.41	12,982,676.76	11,513,043.22	10,767,115.15
Changes in other technical provisions								
Gross - Direct Business	R0410	-810,463.19	18,320,542.62	8,506,927.47	1,031,633.37	2,269,523.38	6,814,771.18	508,150.41
Gross - Proportional reinsurance accepted	R0420	-186,716.94	-186,716.94	0.00	0.00	0.00	0.00	0.00
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	32,165.01	3,561,448.79	1,429,683.64	111,385.53	413,858.26	1,574,356.36	0.00
Net	R0500	-1,029,345.13	14,572,376.89	7,077,243.84	920,247.85	1,855,665.12	5,240,414.82	508,150.41
Expenses incurred	R0550	9,889,709.39	29,685,775.17	3,545,482.89	6,127,529.96	3,367,883.78	4,108,295.08	2,646,874.07
Other expenses	R1200							
Total expenses	R1300		29,685,775.17					

Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
	R1400							
		C0220	C0280	C0230	C0230	C0230	C0230	C0230
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

4. S.12.01.02

Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	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	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020								0.00		0.00						
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030								10,556,022.99		10,556,022.99						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								5,662,279.70		5,662,279.70						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090								4,893,743.29		4,893,743.29						
Risk margin	R0100								1,949,832.97		1,949,832.97						
Amount of the transitional on Technical Provisions																	
Technical provisions calculated as a whole	R0110																
Best Estimate	R0120																
Risk margin	R0130																
Technical provisions - total	R0200								12,505,855.96		12,505,855.96						

5. S.17.01.02

Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	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 calculated as a whole	R0050													
Technical provisions calculated as a sum of BE and RM														
Best Estimate														
Premium provisions														
Gross	R0060		-3,200,781.83		-7,474,498.95	-2,228,368.26		-196,445.73			-295,462.56	-539,647.03	-5,497,109.59	-19,432,313.95
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		7,034.22		-1,377,297.77	-743,382.50		0.00			0.00	-383,685.32	0.00	-2,497,331.38
Net Best Estimate of Premium Provisions	R0150		-3,207,816.04		-6,097,201.18	-1,484,985.75		-196,445.73			-295,462.56	-155,961.71	-5,497,109.59	-16,934,982.57
Claims provisions														
Gross	R0160		5,300,270.99		176,420,054.18	17,698,723.82		69,320.56			1,202,586.67	405,077.88	2,195,412.36	203,291,446.45
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		-23,458.19		8,439,150.61	-13,373.51		-306.73			-5,330.07	-1,791.86	-9,717.74	8,385,172.51
Net Best Estimate of Claims Provisions	R0250		5,323,729.18		167,980,903.57	17,712,097.33		69,627.29			1,207,916.74	406,869.74	2,205,130.10	194,906,273.94
Total Best estimate - gross	R0260		2,099,489.16		168,945,555.23	15,470,355.56		-127,125.17			907,124.11	-134,569.16	-3,301,697.23	183,859,132.50
Total Best estimate - net	R0270		2,115,913.14		161,883,702.39	16,227,111.58		-126,818.44			912,454.17	250,908.02	-3,291,979.50	177,971,291.36
Risk margin	R0280		374,672.49		12,471,011.68	1,251,110.55		4,900.22			85,010.02	28,634.68	155,192.18	14,370,531.82
Amount of the transitional on Technical Provisions														
Technical provisions calculated as a whole	R0290													
Best Estimate	R0300													
Risk margin	R0310													
Technical provisions - total														
Technical provisions - total	R0320		2,474,161.66		181,416,566.91	16,721,466.12		-122,224.95			992,134.13	-105,934.48	-3,146,505.05	198,229,664.32
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		-16,423.97		7,061,852.84	-756,756.01		-306.73			-5,330.07	-385,477.18	-9,717.74	5,887,841.14
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340		2,490,585.63		174,354,714.07	17,478,222.13		-121,918.22			997,464.19	279,542.70	-3,136,787.31	192,341,823.19

6. S.19.01.21

Non-life insurance claims information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	(1) Accident year

Gross Claims Paid (non-cumulative)

(absolute amount)

		Development year										
Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											1,496,520.57
N-9	**R0160**	71,667,061.72	30,079,704.88	3,286,174.01	4,150,318.46	1,845,130.50	389,369.60	342,007.10	502,886.69	239,076.72	242,151.61	
N-8	**R0170**	80,304,614.65	26,119,978.84	3,634,925.86	2,168,226.96	1,640,777.07	1,123,580.34	1,383,959.98	1,801,107.19	691,890.33		
N-7	**R0180**	71,101,898.22	22,756,111.95	3,433,980.71	1,717,669.53	795,284.20	834,470.18	621,923.36	530,985.22			
N-6	**R0190**	52,499,447.03	20,545,903.34	4,228,697.17	3,022,960.15	2,312,594.47	1,030,256.84	953,001.59				
N-5	**R0200**	47,695,445.01	15,929,571.41	2,942,629.61	2,925,688.25	2,038,610.55	1,809,043.38					
N-4	**R0210**	44,057,833.13	17,180,174.85	3,835,041.24	2,888,087.18	1,641,110.09						
N-3	**R0220**	45,161,664.97	20,447,293.76	6,675,147.70	2,595,739.60							
N-2	**R0230**	48,828,302.90	26,328,836.96	5,977,488.04								
N-1	**R0240**	51,941,068.09	29,347,579.25									
N	**R0250**	59,843,045.66										

		In Current year	**Sum of years (cumulative)**
		C0170	**C0180**
	R0100	1,496,520.57	1,496,520.57
	R0160	242,151.61	112,743,881.29
	R0170	691,890.33	118,869,061.22
	R0180	530,985.22	101,792,323.37
	R0190	953,001.59	84,592,860.59
	R0200	1,809,043.38	73,340,988.21
	R0210	1,641,110.09	69,602,246.49
	R0220	2,595,739.60	74,879,846.03
	R0230	5,977,488.04	81,134,627.90
	R0240	29,347,579.25	81,288,647.34
	R0250	59,843,045.66	59,843,045.66
Total	**R0260**	105,128,555.35	859,584,048.67

Gross undiscounted Best Estimate Claims Provisions

		Development year												
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											10,029,884.14	R0100	9,113,211.44
N-9	R0160									2,116,268.34	2,296,282.16		R0160	2,087,813.03
N-8	R0170								4,203,350.80	4,050,492.32			R0170	3,681,138.40
N-7	R0180							2,384,548.95	1,630,725.49				R0180	1,480,128.17
N-6	R0190						3,494,827.09	2,017,307.69					R0190	1,831,279.47
N-5	R0200					10,205,967.75	5,578,362.64						R0200	5,057,727.95
N-4	R0210				11,975,780.90	9,293,188.04							R0210	8,422,504.22
N-3	R0220			21,356,017.41	14,817,362.34								R0220	13,425,290.92
N-2	R0230		35,733,393.25	24,697,834.52									R0230	22,372,454.95
N-1	R0240	74,013,226.92	47,627,842.66										R0240	43,030,562.61
N	R0250	81,580,701.05											R0250	73,395,562.88
												Total	R0260	183,897,674.04

7. S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	679,000.00	679,000.00			
Share premium account related to ordinary share capital	R0030	0.00	0.00			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0.00	0.00			
Subordinated mutual member accounts	R0050					
Surplus funds	R0070	0.00	0.00			
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	113,622,563.46	113,622,563.46			
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	10,805,000.00	10,805,000.00			
Own funds from the financial statements that shall 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 shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0.00				
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	125,106,563.46	125,106,563.46			
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	125,106,563.46	125,106,563.46			
Total available own funds to meet the MCR	R0510	125,106,563.46	125,106,563.46			
Total eligible own funds to meet the SCR	R0540	125,106,563.46	125,106,563.46			
Total eligible own funds to meet the MCR	R0550	125,106,563.46	125,106,563.46			
SCR	R0580	89,649,256.19				
MCR	R0600	33,344,972.68				
Ratio of Eligible own funds to SCR	R0620	1.395511				
Ratio of Eligible own funds to MCR	R0640	3.751887				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	125,106,563.46
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	0.00
Other basic own fund items	R0730	11,484,000.00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	113,622,563.46
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	18,332,783.51
Total EPIFP	R0790	18,332,783.51

8. S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	15,680,899.79		
Counterparty default risk	R0020	13,217,264.71		
Life underwriting risk	R0030	895,244.63		
Health underwriting risk	R0040	14,370,444.45		
Non-life underwriting risk	R0050	81,237,496.43		
Diversification	R0060	-29,127,045.48		
Intangible asset risk	R0070	0.00		
Basic Solvency Capital Requirement	R0100	96,274,304.53		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	6,181,988.26
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	-12,807,036.60
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0.00
Solvency capital requirement, excluding capital add-on	R0200	89,649,256.19
Capital add-ons already set	R0210	0.00
Solvency Capital Requirement	R0220	89,649,256.19
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0.00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

9. 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
MCRNL Result	R0010	33,242,204.07

		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	2,115,913.14	9,265,394.32
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	161,883,702.40	103,272,281.88
Other motor insurance and proportional reinsurance	R0060	16,227,111.58	77,162,064.51
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	0.00	253,589.93
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110	912,454.17	1,019,463.39
Assistance and proportional reinsurance	R0120	250,908.02	2,611,460.70
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0.00	10,225,486.23
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	102,768.61

		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	4,893,743.29	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation		C0070
Linear MCR	R0300	33,344,972.68
SCR	R0310	89,649,256.19
MCR cap	R0320	40,342,165.29
MCR floor	R0330	22,412,314.05
Combined MCR	R0340	33,344,972.68
Absolute floor of the MCR	R0350	3,700,000.00
Minimum Capital Requirement	R0400	33,344,972.68