SOLVENCY AND FINANCIAL CONDITION REPORT

DOMESTIC & GENERAL INSURANCE EUROPE AG

Company Registration Number: HRB 30859

For the year ended 31 March 2020

Contents

Notes and explanations:

- Solvency Capital Requirement: The final amount of the Solvency Capital Requirement is still subject to supervisory review.
- Rounding: The values presented in the following are automatically rounded. Rounding differences may therefore occur.

DIRECTORS' REPORT

The Directors of DGIEU are responsible for preparing the Solvency and Financial Condition Report ("SFCR") for the year ended 31 March 2020 in accordance with the Federal Financial Supervisory Authority in Germany ("BaFin") rules and Solvency II Regulations ("Solvency II").

We certify that:

1. the SFCR has been properly prepared in all material respects in accordance with the BaFin rules and Solvency II Regulations; and

2. we are satisfied that:
   a) throughout the financial year in question, the Company has complied in all material respects with the requirements of the BaFin rules and Solvency II Regulations as applicable to the Company; and
   b) it is reasonable to believe that, at the date of the publication of the SFCR, the Company has continued to so comply, and will continue to so comply in future.

Approved by the DGIEU Management Board

And signed on behalf of the Board

Mark Bridges

Date: 01 September 2020

SUMMARY

The Solvency and Financial Condition Report is a central element of the Solvency II reporting requirements of insurance companies and serves to create transparency about the economic situation of the Company.

In this SFCR, essential qualitative and quantitative information on Domestic & General Insurance Europe AG ("DGIEU" or "Company") is published.

The present SFCR for the financial year ended 31 March 2020 (“FY20”) is the first SFCR of DGIEU.

DGIEU is a German insurance company, authorised and supervised by BaFin. DGIEU received its regulatory approval from BaFin on 5 April 2019. For this reason, no changes compared to the previous year can be reported in this SFCR.

Essential information on the individual chapters of the SFCR is listed below:

A. Business and Performance

DGIEU is a German regulated insurance company and part of the Domestic & General Group (“Group”). DGIEU is 100% owned by Domestic & General Insurance PLC (“DGI”) located in the UK.

The Group has established DGIEU as a preparation for the impact of Brexit.

DGI has transferred the writing of new business to DGIEU for all relevant clients from 1st November 2019 for all non-UK EEA business.

Domestic & General is a leading specialist provider of appliance care services for domestic appliances and consumer electronic products in its home UK market and a specialist provider in several international markets.

The business of DGIEU comprises the non-UK EEA business of the Group. This includes the business of the three branches in Spain, Italy and France. DGIEU also serves Portugal, Belgium, Netherlands, Austria, Poland and Ireland.

The Company's profit and loss account after reinsurance shows that gross premiums written in the year was €33.052k and earned income in the year was €-1.524k. The loss before tax was €14.558k.

The local GAAP balance sheet shows the Company's financial position with net assets of €24.820k.

B. System of Governance

DGIEU's system of governance is effective and proportionate to the nature, scale and complexity of its activities. DGIEU's organisation ensures that the risks arising from the business model are identified, assessed and managed.

The DGIEU's system of governance was established during the reporting period. Further specification will be undertaken in the current financial year.

C. Risk Profile

Ensuring good customer outcomes is at the heart of DGIEU's business. Due to this focus, the Company sets its risk appetite at an appropriately prudent level to ensure that key risks to customers are identified, managed and mitigated wherever possible.

DGIEU has implemented a comprehensive risk management process for the identification, analysis and evaluation of risks.

DGIEU's principal risks (material risks) particularly belong to the following risk categories: Strategic risks, Operational risks, and Financial risks.
The Company manages these risks through appropriate measures, which are regularly assessed and reviewed.

DGIEU's three most significant risks measured by the Solvency Capital Requirement in the reporting period were as follows:

- Non-life underwriting risk
- Counterparty default risk
- Operational risk

D. Valuation for Solvency Purposes

DGIEU prepares the solvency balance sheet for the purpose of determining the available own funds. The Company does not benefit from the use of a volatility adjustment or the use of a transitional measure.

DGIEU considers the bases, assumptions and methods used in the valuation of assets and liabilities for solvency purposes to be adequate.

E. Capital Management

Sufficient capital is retained to ensure financial stability of the Company and to meet regulatory requirements. The capital structure is kept under review to ensure these requirements are met. The DGIEU Management Board regularly reviews the capital position of DGIEU under the European Solvency II directive.

The Company's capital position as of 31 March 2020 is as follows:

	2020 € '000
Eligible Own Funds	15.329
Solvency Capital Requirement (SCR)	7.432
Ratio of Eligible Own Funds to the SCR	206%

DGIEU uses the Solvency II standard model (standard formula). Based on this model and on its assessment of risk and solvency requirements, it remains well capitalised.

Effects of the Corona Pandemic

The worldwide spread of the Corona Virus (COVID-19) was declared a pandemic by the World Health Organization (WHO) on 11 March 2020. The European Insurance and Occupational Pensions Authority (EIOPA) classifies the current situation as a "major development".

The pandemic is currently affecting many aspects of private and professional life. It is currently assumed that COVID-19 can have an impact on the Company's earnings and risk situation.

All information on the future impact of the corona pandemic is subject to great uncertainty. Nevertheless, DGIEU outlines possible impacts below.

Business Continuity

DGIEU has put a special focus on the maintenance of business operations. All employees of the Company were able to switch completely to the home office within a very short time while maintaining the usual standards, this included contact centres that take sales and service calls. All employees were provided with the necessary working materials as quickly as possible in order to be able to carry out their work outside the office without restrictions. Internal policies were also drawn up, for example to ensure data security in the home office. To keep the employees informed, regular calls are made with the management level.

Furthermore, DGIEU maintains close contact with the outsourcing partners to be able to monitor their business continuation during the Corona Pandemic.

As well as employee welfare, customer satisfaction continues to be DGIEU's top priority. All necessary measures have been taken to ensure customer satisfaction and to maintain service. DGIEU has also received very positive customer feedback on its service during the Corona Pandemic.

Business Performance

Linked to the Company's business model, the first period of the pandemic led to a decline in new business. This was due to the closure of the retail point of sale trade on the one hand, and to a change in customer purchasing behaviour on the other, although DGIEU benefited from having a broad footprint (including subscription business) with some countries lockdown being less drastic, or shorter than others. DGIEU reacted quickly and took appropriate measures to continue generating new business. For example, the Company has started initiatives to promote the online business of its partners. Since the reopening of stores, volumes are back to normal.

The cancellation rate remained at a level almost comparable to that before the Pandemic.

Underwriting Risk

Due to its business model, DGIEU does not expect any significant impact on the underwriting risk caused by the Corona Pandemic. An indicator of this is that the cancellation rate is comparable to that before the Pandemic.

The Company assumes that health and life insurance business in particular will be affected by this Pandemic. As DGIEU does not operate these lines of business, the Company does not expect any significant impact on underwriting risk.

Market Risk

The Corona Pandemic caused considerable stress on the financial markets in the first quarter of 2020, and further development depends on the macroeconomic impact of the crisis and the effectiveness of government support measures. At the end of the first quarter, significant price losses were recorded for shares and, to a lesser extent, for corporate bonds.

Due to no investments in FY20, DGIEU is not affected by these trends. No effects on the capital requirement for market risk are expected.

A. BUSINESS AND PERFORMANCE

A.1 Business

DGIEU is a stock corporation based in Wiesbaden. The registered office address of the Company is Hagenauer Straße 44, 65203 Wiesbaden, Germany.

The Company is registered at the local court in Wiesbaden under the number HRB 30859.

The Company's financial year ends on 31 March.

The principal activity of DGIEU is the provision of appliance care products. The business of DGIEU comprises the non-UK EEA business of the Group. This includes the business of the three branches in Spain, Italy and France. DGIEU also serves Portugal, Belgium, Netherlands, Austria, Poland and Ireland.

There is an intra-group reinsurance arrangement between DGIEU and DGI. This reinsurance arrangement ensures a reduction of the insurance risk at DGIEU and is related to the transfer of the insurance book from DGI to DGIEU.

DGI is a reinsurer for DGIEU, with 90% ceded to it from DGIEU (whose business model is aligned with DGI).

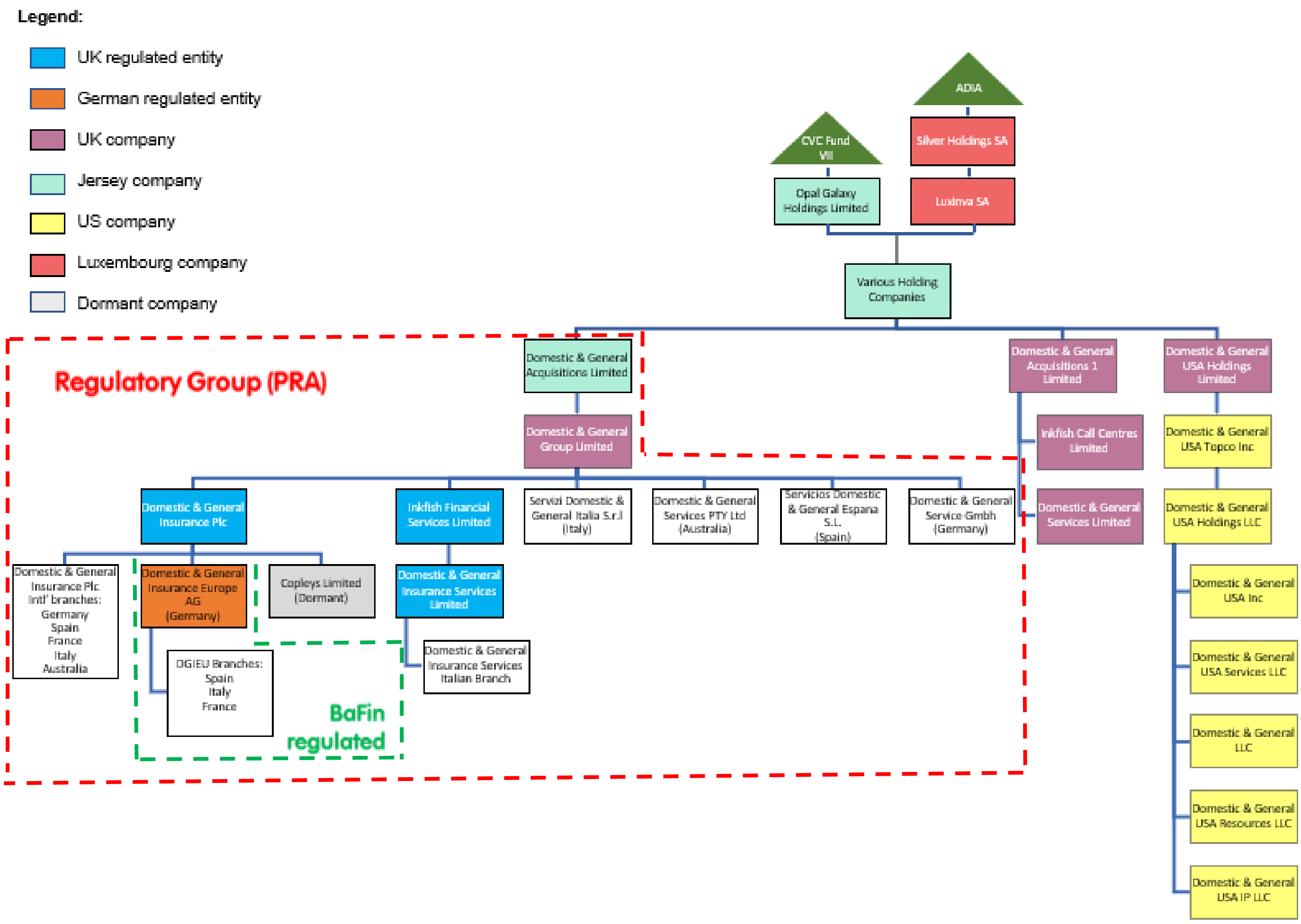
Group structure

During the financial year to 31 March 2020, certain funds (“CVC Funds”) advised by CVC Capital Partners reached an agreement with Luxinva S.A, an entity ultimately wholly-owned by the Abu Dhabi Investment Authority (“ADIA”), for Luxinva S.A., to acquire a circa 30% stake in the Group. CVC Funds has continued to be the Group’s majority shareholder via CVC Fund VII. The ultimate controlling party is Opal Galaxy Holdings Limited, a company incorporated in Jersey.

Domestic & General Acquisitions Limited is the ultimate non-EU insurance holding company and Domestic & General Group Limited is the EU insurance holding company. DGIEU is wholly owned by DGI.

DGI has decided to split off its Non-UK EEA business by setting up DGIEU as a subsidiary that is registered in Germany and has obtained its licence in April 2019. This decision was driven by the UK leaving the European Union.

A condensed version of the organisation chart is shown below:



Supervision

DGIEU is authorised and supervised by BaFin. Details of the competent supervisory authority are listed below:

Bundesanstalt für Finanzdienstleistungsaufsicht
Graurheindorfer Str. 108
53117 Bonn
Postfach 1253
53002 Bonn
Fon: 0228 / 4108 - 0
Fax: 0228 / 4108 - 1550
E-Mail: poststelle@bafin.de
De-Mail: poststelle@bafin.de-mail.de

For the Group to which DGIEU belongs, the following supervisory authorities are also relevant:

- Prudential Regulation Authority (“PRA”), United Kingdom
- Financial Conduct Authority (“FCA”), United Kingdom
- Australian Prudential Regulation Authority (“APRA”), Australia
- Autorité de Contrôle Prudentiel et de Résolution (“ACPR”), France (for conduct regulation purposes)
- Dirección General de Seguros y Fondos de Pensiones (“DGSFP”), Spain (for conduct regulation purposes)

- Istituto per la Vigilanza sulle Assicurazioni (“IVASS”), Italy (for conduct regulation purposes)

External Auditors

The Company’s statutory annual financial statements and the Solvency II balance sheet are audited by KPMG, who can be contacted at Barbarossaplatz 1a, 50674 Köln, Germany.

A.2 Underwriting Performance

DGIEU has identified key performance indicators (“KPIs”) measuring the financial performance and strength of the Company.

DGIEU’s result for FY20 is as follows:

	2020 € '000
Gross Premiums Written	33.052
Net Earned Premiums	-1.524
Net Claims	1.461
Net Insurance Expense	8.123
Other Technical Expense	23
Net Operating Expense	3.428
Loss before Tax	-14.558

Gross Premiums Written (“GPW”) - consists of amounts invoiced in respect of warranty insurance business net of cancellations and exclusive of Insurance Premium Tax (“IPT”). With 93,4%, the significant part of GWP was generated in Spain and Portugal (“Iberia”) and is mainly from the local product retailer business.

Net Earned Premiums - represents the amount of premium recognised in the current year relating to insurance business, net of cancellations, in accordance with the earnings patterns applied to each contract. Earnings commence when the policy goes "on-risk". The negative net earned premiums are due to local GAAP adjustments . The earning acceleration of reinsurance is bigger than the earning acceleration of direct insurance due to the size of the ceding commission. In line with the GWP ratio by country, the main part of the earned income is from Iberia (91,6%).

Net Claims / Claims Ratio - is expressed as a proportion of earned income and claims incurred. The total DGIEU ratio of claims incurred in relation to earned income (-95,9%).

Net insurance expenses – the net insurance expenses include mainly commission expenses (€21.631k) and other operating administration costs and cost allocations (€4.489k). This is reduced by the Reinsurance Ceding Commission (€17.997k).

DGIEU business has significant acquisition costs, particularly through the call centre, that are recovered through the renewal cycle. Since the business started in FY20 without the renewal book (which is still in DGI and is planned to transfer at the end of December 2020, “Part VII transfer”), it is not benefiting from the profit of that book to offset the acquisition cost weight. Additionally, DGIEU has taken over the overhead basis of the non-UK EEA business, and, whilst there is a contribution by DGI for servicing that back book, it is not sizeable enough to cover completely the cost basis. Additionally, acquisition costs are not allowed to put as an asset in the IFRS balance sheet, but are expense under local GAAP. Whilst there is some positive mechanisms to alleviate the impact of that (acceleration of earnings), they do not apply to subscription policies, which are a sizeable item in DGIEU book. These are the main drivers for the **loss before tax** (- €14.558k).

DGIEU writes extended warranty insurance in Spain, Germany, Portugal, Ireland, France, Netherlands, Belgium, Italy, Austria and Poland. With respect to the underwriting performance, the main geographical areas are Iberia (including Spain and Portugal) and Germany/Austria.

DGIEU's underwriting performance by main geographical areas for FY20 is as follows:

	TOTAL			Iberia		
	FY20 € 000	% RI; %Ceding	% total	FY20 € 000	% RI; %Ceding	% total
Gross premiums written	33.052		100,0%	30.870		93,4%
Reinsurance premium	-29.746	90,0%		-27.783	90,0%	
Change in gross unearned premiums	-16.027			-15.237		
Change in reinsurers' share in gross unearned premiums	11.198	69,9%		10.754	70,6%	
Earned premiums	-1.524		100,0%	-1.396		91,6%
Gross claims	4.066			2.977		
Claims reinsurers' share	-2.606	64,1%		-1.907	64,1%	
Net claims	1.461			1.069		
Gross operating expense	26.120			20.005		
Ceding commission	-17.997	54,4%		-16.809	54,5%	
Net operating expenses	8.123			3.197		
Other technical expense	23			40		
Balance on the technical account, net of reinsurance	-11.130			-5.703		
Other income	4.218			1.602		
Other expense	7.645			2.920		
Loss before tax	-14.558			-7.021		
Tax	-141			-13		
Loss for the financial year	-14.416			-7.008		

	Germany & Austria			Other		
	FY20 € 000	% RI; %Ceding	% total	FY20 € 000	% RI; %Ceding	% total
Gross premiums written	1.222		3,7%	959		2,9%
Reinsurance premium	-1.100	90,0%		-863	90,0%	
Change in gross unearned premiums	-323			-466		
Change in reinsurers' share in gross unearned premiums	225	69,6%		219	46,9%	
Earned premiums	24		-1,6%	-152		9,9%
Gross claims	593			497		
Claims reinsurers' share	-380	64,1%		-319	64,1%	
Net claims	213			179		
Gross operating expense	3.911			2.203		
Ceding commission	-666	54,5%		-522	54,5%	
Net operating expenses	3.246			1.680		
Other technical expense	-27			10		
Balance on the technical account, net of reinsurance	-3.407			-2.020		
Other income	1.388			1.228		
Other expense	2.953			1.772		
Loss before tax	-4.973			-2.564		
Tax	0			-129		
Loss for the financial year	-4.973			-2.435		

93,4% of the gross written premiums and 91,6% of the earned premiums is relating to Iberia and mainly comes from large retailer clients (e.g. MSH, Worten and Radio Popular). Medimax within retailer business, and Electrolux Group, Bauknecht and Beko within OEM business are the main clients in Germany.

The relatively low proportion of gross premiums written in Germany (3,7%) is in line with the proportion of earned income (-1,6%) of the total amounts. These low ratios are mainly due to different products sold in Germany compared to Iberia. Whilst in Iberia sales include mainly new business with large retailers, selling mainly point of sales policies that are multiyear and paid upfront, Germany is impacted by the nature of its new business (subscription business), where local GAAP recognizes only premium that is due.

Under Solvency II, extended warranty insurance is classified under the Solvency II line of business "Miscellaneous Financial Loss". DGIEU has extended, for some products, the coverage offered beyond pure extended warranty by including coverage for damage and theft. Specific reference to extended warranty insurance within the other non-life catastrophe risk guidance (see Annex XII of the Delegated Acts) explicitly clarifies that extended warranty insurance within the Solvency II line of business "Miscellaneous Financial Loss" may also provide additional cover against eventualities such as accidental damage, loss or theft. Therefore, the entirety of DGIEU's business has been classified under the Solvency II line of business "Miscellaneous Financial Loss".

A.3 Investment Performance

DGIEU did not carry out any own investments in FY20. No information can therefore be given on the investment performance.

A.4 Performance of other activities

In the year ended 31 March 2020, there was no other material income or expense incurred during the reporting period. DGIEU has no material financial lease / operating lease reported within commitments.

A.5 Any other information

In the year ended 31 March 2020, there was no additional other information that would require reporting.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the system of governance

DGIEU Supervisory Board

The Company's Supervisory Board comprises of Directors who are responsible to the shareholder and other stakeholders for ensuring that the Company is appropriately managed and that it achieves its objectives. The Board meets to determine the Company's strategic direction, to review the operating and financial performance and to oversee that the Company is adequately resourced and effectively controlled.

The main tasks of the DGIEU Supervisory Board are:

- Supervise the DGIEU Management Board but with no right to instruct or take day-to-day decision
- Issues Rules of Procedures for the DGIEU Management Board
- Mandates the statutory auditor
- Approve the financial statements
- Reserved matters – Veto right e.g. acquisition or sale of real property, assumption of guarantees, obligations exceeding a defined amount
- Appoints (and removes) members of the DGIEU Management Board

The DGIEU Supervisory Board consists of three members:

DGIEU Supervisory Board (Meetings every six month)	
David Tyler	Chairman
Tom Hinton	Deputy Chairman (until 1 January 2020)
Joe Fitzgerald	Deputy Chairman (from 1 January 2020)
Steve Purser	Member

A major change in the reporting period was the change within the DGIEU Supervisory Board. Joe Fitzgerald replaced Tom Hinton on the Supervisory Board from 1 January 2020.

DGIEU Management Board

The main tasks of the DGIEU Management Board are:

- Responsible for proper business organisation
- Manages the Company in accordance with the law, Articles of Association and the Terms of Reference (manages with the due care and diligence of a prudent and conscientious businessman)
- Implements and executes Group´s strategy
- Provides direction on day to day strategy
- Reviews Company´s risk and issues
- Adheres to regulation and compliance
- Reviews key people risks and issues
- Acts as escalation point for issues raised by the business

The DGIEU Management Board consists of three members:

DGIEU Management Board (Meetings every 3 months, other invitees as required)		
Name	**Role**	**Responsibility**
Mark Bridges	Chief Executive Officer ("CEO")	Lead Management overall, Strategy, Sales, Operations, Personnel, Supervisory Board matters
Idriss Ben Hadj Yahia	Chief Financial Officer ("CFO")	Finance and Accounting, Underwriting, Actuarial, Internal Audit
Bernhard Blaum	Chief Risk Officer ("CRO")	Compliance, Risk Management, Data Privacy, CoSec

Until 31 March 2020 the DGIEU Management Board met every three months. In future a two-monthly rhythm is planned.

European Management Operations Committee ("EMOC")

The EMOC meets monthly at various DGIEU European sites. The Committee has the purpose to implement and track progress against the strategy and plans adopted by the Management Board.
Members are to be confirmed by the DGIEU Management Board but mirror the International Director's current trading group meetings. Members of the EMOC are the Members of the DGIEU Management Board, International OEM Director, International Operations Director, Director of Service, Head of Channel Marketing, International Programme Director, Country Head of Spain & Retail Plus Director, HR Director of Business Partnering & Talent, International Business Development Director, General Counsel and International Business Manager. EMOC is chaired by Mark Bridges (CEO of DGIEU) and organised by the International Business Manager.

The main tasks of the EMOC are:

- Executes Company strategy, discusses changes and developments and plan actions
- Runs the business in line with Company policies
- Sets up controls to deal with Company risks
- Provides direction on day-to-day strategy
- Information exchange and alignment with Group Executive Committee

Another meeting of the EMOC members is the regular trading meeting. From mid-March 2020, DGIEU has set up additional daily trading calls with non-UK EEA Senior Management to discuss developments regarding the coronavirus and trading performance, to ensure a proper business development and stable operations.

Key Functions

An insurance company must set up four Key Functions in accordance with the requirements of Solvency II. The DGIEU Management Board has appointed responsible persons for each of the following four Key Functions:

- Risk Management Function according to § 26 Para 8 Insurance Supervisory Law ("VAG"),
- Compliance Function according to § 29 Para 1 VAG,
- Internal Audit Function according to § 30 Para 1 VAG and
- Actuarial Function according to § 31 Para 1 VAG.

Risk Management Function

According to § 26 VAG Para 8, insurance companies must set up an independent Risk Management Function that is structured in such a way that it significantly promotes the implementation of the Risk Management System.

Selected main tasks of the Risk Management Function include:

- Evaluation and review of the Risk Strategy,
- Promoting risk awareness,
- Reviewing risk assessment methods,
- Monitoring the Risk Management System (including risk appetite statements and positions, as well as Key Risk Indicators (“KRIs”)),
- Developing, testing and validating internal models in use for the calculation of DGIEU’s solvency capital requirements*,
- Proposing limits and
- Definition of and regular update on principal risks and key controls.

* as of 31 March 2020 DGIEU does not apply an internal model, but the Company is in the application process for the use of undertaking-specific parameters ("USPs").

These main tasks include the following aspects in detail:

- **Coordination:** The Risk Management Function coordinates activities relating to Solvency II, in particular Risk Management activities. The Risk Management Function ensures the correct implementation of Risk Management policies and the development of strategies, methods, processes and procedures for identifying, assessing, monitoring and controlling risks.
- **Risk control:** The Risk Management Function plays a key role in determining the solvency situation and risk-bearing capacity and carries out the Company's own risk and solvency assessment in cooperation with other specialists and Key Functions.
- **Early warning function:** The Risk Management Function is responsible for identifying risks as early as possible and coordinating proposals for suitable measures.
- **Advice:** The Risk Management Function advises the DGIEU Management Board on all Risk Management issues, including strategic decisions.
- **Monitoring:** The Risk Management Function monitors the effectiveness of the Risk Management System, identifies potential weaknesses, develops proposals for improvement and reports to the Management Board.
- **Reporting:** The Risk Management Function reports comprehensively to the DGIEU Management Board on the current risk and solvency situation and is responsible for internal and external risk reporting.
- **Training:** To promote the risk culture, the Risk Management Function carries out internal risk management training for the staff.

Bernhard Blaum leads DGIEU’s Risk Management Function and is the responsible member of the Management Board (CRO). The Risk Management Function is supported by the International Risk Manager. The International Business Manager ensures that risk activities are aligned with the Business Strategy and overall non-UK EEA activities and developments. This implementation is used to separate functions regarding the division of workload of operational activities.

Compliance Function

According to § 29 Para 1 VAG, insurance companies must have an effective internal control system, which includes at least business administration and accounting procedures, an internal control framework, adequate internal reporting structures and a Compliance Function.

Selected main tasks of the Compliance Function include:

- Identification and assessment of compliance risks,
- Design and execute DGIEU compliance monitoring,
- Monitoring of the Regulatory Horizon / industry news to ensure compliance with applicable laws and regulations,
- Advise and train both DGIEU business and management functions in Compliance matters.

These main tasks include the following aspects in detail:

- **Risk identification and assessment:** The Compliance Function identifies and assesses the risks associated with the breach of legal requirements (“Compliance risks”) on an ongoing basis and provides an annual Compliance report to the DGIEU Management Board.
- **Monitoring / Control testing:** The Compliance Function monitors compliance with legal requirements by executing DGIEU’s compliance monitoring programme according to the “Compliance Monitoring Plan”. The compliance monitoring programme follows a risk-based approach across both internal and external (third party) distribution and service channels. It also incorporates the management of the Whistleblowing process according to § 23 Para 6 VAG, including the set-up of a Whistleblowing system.
- **Monitoring of Regulatory Horizon / industry news:** The Compliance Function assesses the potential impact of changes in the legal environment and the industry on the Company (“Horizon scanning”).
- **Advice:** The Compliance Function advises both DGIEU business and Management Board on compliance with the laws and regulations that apply to the operation of the insurance business. The Compliance Function ensures the correct implementation of Compliance policies and the development of strategies, methods, processes and procedures for identifying, assessing, monitoring and controlling risks.
- **Product and Pricing Governance:** The Compliance Function supports product and pricing governance and is a member of the European Pricing and Product Governance Committee.
- **Training:** To promote Company-wide compliance, the Compliance Function carries out internal compliance training for the staff.

Bernhard Blaum leads DGIEU’s Compliance Function and is the responsible member of the Management Board (CRO). The Compliance Function is supported in his role by DGIEU’s Compliance team, headed by the International Compliance Manager. The International Business Manager ensures that compliance activities are aligned with the Business Strategy and overall non-UK EEA activities and developments. This implementation is used to separate functions regarding the division of workload of operational activities.

The organisation of the Compliance Function is considered appropriate and effective in accordance with the principle of proportionality.

Internal Audit Function

Under Solvency II insurance companies must set up the Internal Audit Function. The audit mandate of the Internal Audit Function relates to the entire business organisation, including outsourced areas and processes.

Selected main tasks of the Internal Audit Function include:

- Auditing the system of governance,
- Ensuring compliance with the audit plan,
- Maintaining independence, and
- Advising the management.

These main tasks include the following aspects in detail:

- **Audit:** The Internal Audit Function reviews and assesses the functionality, effectiveness and adequacy of the system of governance and reviews all activities and processes of the system of governance, including the other Key Functions (implementation of strategy, efficiency of processes, compliance with internal and external regulations, reliability of reporting).
- **Surveillance:** The Internal Audit Function supports the DGIEU Management Board in the performance of its supervisory duties.

The Internal Audit Function of DGIEU is outsourced to Grant Thornton LLP (Grant Thornton). Idriss Ben Hadj Yahia is the responsible member of the Management Board (CFO) for the Internal Audit Function.

The organisation of the Internal Audit Function is considered appropriate and effective in accordance with the principle of proportionality.

<u>Actuarial Function</u>
According to § 31 VAG, insurance companies must have an effective Actuarial Function.

Selected main tasks of the Actuarial Function include:

- Calculation of technical provisions,
- Informing the management about the topics listed below,
- Assessment of the appropriateness of the methods used and definition of USPs applied and
- Assessment of the quality of the data used.

These main tasks include the following aspects in detail:

- **Coordination:** The Actuarial Function coordinates the calculation of technical provisions.
- **Assessment:** The Actuarial Function assesses the adequacy and quality of the underlying data.
- **Monitoring:** The Actuarial Function ensures the appropriateness of the methods and underlying models used and the assumptions made. The Actuarial Function monitors the calculation of the technical provisions.
- **Support:** The Actuarial Function supports the Risk Management Function in the effective implementation of the Risk Management System and the risk and solvency assessment.
- **Reporting:** The Actuarial Function informs the DGIEU Management Board about the reliability and appropriateness of the calculation of technical provisions.

The Actuarial Function is also responsible for reviewing the appropriateness of the underwriting and reinsurance strategies and is required to produce annual opinions on each.

The Actuarial Function of DGIEU is outsourced to Milliman LLP (”Milliman”). Milliman assists with the calculation of the SCR and of the technical provisions, and with DGIEU's Solvency II reporting requirements. Idriss Ben Hadj Yahia is the responsible member of the Management Board (CFO) for the Actuarial Function.

The organisation of the Actuarial Function is considered appropriate and effective in accordance with the principle of proportionality.

Governance Committees

The DGIEU Supervisory Board and the DGIEU Management Board are ultimately responsible and accountable for ensuring that a sound risk management culture and framework is embedded. Some responsibilities for the oversight and monitoring of risk management (including adherence to risk appetite for selected risk categories) are delegated to DGIEU's committees, as reflected in their terms of references.
The following committees were established for DGIEU:

- European Pricing and Product Governance Committee
- European Conduct Standards Committee

European Pricing and Product Governance Committee ("EPPGC")
The EPPGC meets bi-monthly and ad-hoc if required. The scope of the EPPGC covers three defined areas of Product Development as well as pricing application and focusses specifically on the customer impact.

- **New products & modification:** designing new products or modifying or developing existing products;
- **Channel & Client Development:** development of new channels for existing products; changes to an existing channel; and rollout of an existing product/terms and conditions for a new client;
- **Promotional offers:** marketing incentives and payment methods for existing products and channels; and
- **Pricing application:** the pricing strategy being employed to calculate product price.

Membership of the EPPGC consists of at least one representative from Marketing and a representative from Compliance. The membership of the EPPGCs is as follows: Members of the DGIEU Management Board, the International Legal Director, International OEM Director, International Retail Plus Director, Group Chief Risk Officer, Group Head of Risk, International Business Manager and International Compliance Manager.

European Conduct Standards Committee ("ECSC")
The ECSC meets quarterly (in line with DGIEU Management Board) and ad-hoc if required. Selected main tasks of the ECSC are:

- Setting conduct standards, principles and policies
- Promoting conduct standards and fair treatment of costumers
- Monitoring conduct risks in Service and Claims, Complaints and Quality Assurance (e.g. due to Q+V and mystery shopping)
- Reviewing emerging risks and identifying route causes, and
- Reviewing cases of misconduct and deciding on future mitigation measures

The actions of the ECSC are based on the vision of "keeping our customers' world's running by delivering an essential service that won't let them down".

The ECSC is chaired by Bernhard Blaum (CRO of DGIEU). Further members of the committee are the members of the DGIEU Management Board, the International Operations Director, International Legal Director, Group

Service and Claims Director, International OEM Director, International Retail Plus Director, Director of Contact Centres, Head of Performance & Insights, Group Chief Risk Officer, Group Head of Risk, International Business Manager, International Compliance Manager and International Risk Manager.

Other risk management issues of DGIEU are dealt with in the following committees at Group level. Information is passed on to the Group by the DGIEU Management Board.

Audit & Risk Committee ("ARC")

The Audit & Risk Committee is a key governance committee that oversees and manages risk (including regulatory risk). Under its terms of reference, the ARC meets at least three times a year.

The Committee has an established annual plan of work, and its responsibilities include: review of the appropriateness of the Company's accounting principles and procedures; review of the effectiveness of the audit process and the relationship of the Company with its external auditors including the level and nature of non-audit services; review of the effectiveness of the internal Audit Function; and review of the effectiveness of the Company's internal controls, in particular, regulatory compliance and risk management.

In parallel, the ARC ensures that all group subsidiaries (across all jurisdictions) are reviewed and monitored and that there are in place consistent and clearly communicated, effective financial reporting processes, risk frameworks and compliance monitoring processes.

Remuneration Committee ("REMCO")

The Group Remuneration Committee covers all Group companies including DGIEU. Under its terms of reference, the REMCO meets at least once a year. The Committee has responsibility for determining the overall framework and policy for remuneration of the Chairman, the independent non-executive directors, the executive directors and senior executives of the Group. The remuneration policy for executive directors and senior management is to ensure that they are provided with appropriate incentives to encourage appropriate customer outcomes as well as enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

The Committee also:

- Approves the design of, and determine targets for, any performance related pay and bonus schemes,
- Reviews and approves the appointment or termination of employment and the individual remuneration, including any variable remuneration, of any employee whose base salary is in excess of £120.000 (approximately € 130.000) p.a.,
- Determines the policy for and scope of pension arrangements, service agreements for the Executive Management, termination payments and compensation commitments,
- Reviews and approves the establishment of any pension, retirement, death or disability or life assurance scheme, and
- Oversees any major changes in employee benefit structures.

Executive Committee ("ExCo")

The ExCo meets weekly and its purpose is to manage generally the business of the Group according to the strategy set by the Board from time to time. Subject to those matters which are reserved to the Board (or Board committees), the ExCo has operational authority for:

- The day-to-day management of the Company's strategy, operations and business development,

- Reviewing Company risks and issues and incorporating considerations within the planning and budgetary process,
- Monitoring the Company's adherence to regulation and compliance,
- Reviewing key people risks and issues,
- Ensuring strategic transformation programmes are aligned to the organisation's strategy, and
- Acting as an escalation point for issues raised from the Company.

The CEO of DGIEU is member of the Group ExCo.

<u>Group Risk Committee ("GRC")</u>
The Group Risk Committee monitors and assesses the effectiveness of the Group risk management framework, including tracking adherence to risk appetite on a continuous basis. The GRC aims to meet monthly.

The Committee's responsibilities include assessing the effectiveness of the Group risk management framework, compliance with applicable conduct and prudential requirements and monitoring adherence to risk appetite and escalating key matters, and where relevant, recommendations for approval to ExCo or ARC or Board on a timely basis.

The CEO of DGIEU is member of the GRC.

<u>Finance & Trading Committee ("FATC")</u>
The purpose of the FATC includes the following:

- To optimise trading performance versus the fee and acquisition cost budget,
- To ensure that any variances to the fee and acquisition cost budget are fully understood and have appropriate action plans,
- To ensure that customer satisfaction is not being affected by trading decisions,
- To agree a 3-month future trading outlook and test readiness for the upcoming 3 months trading; and
- To provide a trading update for the Early Trading View and Month End Performance Review.

FATC has a cabinet responsibility for the fee & acquisition cost budget, however individual FATC attendees are accountable for the trading performance of their respective trading area. Each accountable member of each trading area is responsible for producing to the FATC the following:

- Outlook for next 3 months trading,
- Analysis of any variance to the fee and acquisition cost budget (format prescribed),
- Action plan to remedy the variance,
- Updates against the action plan.

The role of the FATC is to then agree the analysis presented, provide constructive input into the content of the action plans and support in delivering the action plans.

<u>Group Investment & Capital Committee ("ICC")</u>
The purpose of the Group Investment and Capital Committee is to review, direct and evaluate the performance of:

- Investment decisions and investment decisions making processes for the Group,
- Capital management, distribution planning and execution within the Group,
- The Groups compliance and conformance to the EIOPA requirements on systems of governance and wider applicable elements of the Solvency II regime.

The Committee ensures that investments are appropriate with respect to DGIEU's obligations to meet its liabilities and satisfy the prudent person principles. Key matters discussed by the Committee that require further escalation or approval will be reported to the Finance & Trading Committee, Executive Committee and the Audit & Risk Committee on a timely basis as appropriate.

Technology & Change IT Oversight Committee ("T&CIOC")
The purpose of this Committee is to ensure that IT strategy is aligned fully to the Company strategy of providing better customer service. The Committee oversees the operations of all IT functions:

- Change, Solution Delivery, Service Management & Operations, Architecture & Design Management, and IT Security.

The T&CIOC establishes and oversees IT procedures (including governance) for all IT projects and is responsible for the successful delivery of Business Continuity, IT Disaster Recover Plans and the Physical Access Policy. In addition, the Committee oversees all key IT platforms and applications.

Business Planning Committee ("BPC")
The BPC is empowered by ExCo (and on its behalf) to shape the portfolio of change to align with the Company vision, strategy and 5 Year Growth Plan, as approved by the Board. The BPC facilitates the prioritisation of initiatives across the portfolios within their agreed budget envelopes. The BPC drives the annual planning process and creates the plan and budget submission for ExCo approval.

Remuneration

All bonus awards paid to employees are discretionary, even if paid consistently over a period of years; employees do not have an entitlement to receive an annual bonus award. The financial performance of the company is the key factor in determining the overall level of bonus awards in any given year. Alongside, the performance of each function, together with each individual employees' contribution and behaviours will influence the amount of each individual annual bonus. When determining and reviewing the amount of individual bonus awards, consideration is given to the relative value of variable remuneration as a proportion of total remuneration, ensuring that in each case the variable element does not represent too large a proportion as to inappropriately incentivise behaviours that may be detrimental. In no case may an individual receive a bonus that is greater than 100% of their base salary.

DGIEU awards all variable remuneration in the form of annual discretionary cash awards. The Company does not operate formulaic criteria for determining the value of individual bonus awards and management has complete discretion to determine the value of individual awards.

The Group (including DGIEU) does not operate individual supplementary pension schemes.

There were no material transactions in FY20 between shareholders, any persons exercising a significant influence on the undertaking and members of the administrative, management or supervisory body.

Additional information on remuneration can be found in the section on the "Remuneration Committee", above. This committee is responsible for remuneration within all Group companies including DGIEU.

The remuneration system of the DGIEU for employees, senior managers, members of the Management Board and Supervisory Board is appropriate, transparent and geared to the sustainable development of the Company. The general structure of the remuneration policy is in line with the business strategy and the risk strategy derived from it.

As this SFCR is the first SFCR of the Company, it is not possible to provide information on changes compared to the previous year.

Material transactions

No material transactions took place in the reporting period.

Adequacy of the system of governance

During the reporting period, DGIEU focused on establishing a robust and proportionate governance framework to ensure compliance with applicable law, regulations and the expectations of regulators. DGIEU continues to focus on ensuring that its system of governance remains adequate for the nature, scale and complexity of the business.

B.2 Fit and proper requirements

DGIEU is committed to ensure that all persons who effectively run the Company or have other key functions are at all times fit and proper within the meaning of Article 273 of Commission Delegated Regulation 2015/35 ("DVO") in accordance with the applicable Article 24 VAG. DGIEU is also committed to ensure that all persons who effectively run the Company or have other key functions are fit and proper within BaFin's Minimum Requirements on the System of Governance of Insurance Undertakings ("MaGo").

Fitness and Propriety is known as the assessment (prior to undertaking a role) to ensure the appropriate fitness and propriety of an individual to perform the particular function. The assessment considers aspects such as the individual's honesty, integrity and reputation, financial soundness, competence and experience in the insurance business sector. The assessment of the fitness and propriety of the persons, when being considered for the specific position, is carried out by the DGIEU Corporate Secretary to gain comfort with regards to these aspects.

Pre-employment checks are undertaken e.g. including:

- References from previous employers;
- Criminal Record Checks;
- Assessment of the person's professional and formal qualifications, knowledge and relevant experience;
- Professional qualifications and membership checks;
- Highest education verification;
- Medical questionnaire.

Furthermore, DGIEU carries out pre-employment checks to ensure that the members of the DGIEU Supervisory Board collectively possess appropriate qualifications, experience and knowledge about:

- insurance and financial markets
- business strategy and business model
- systems of governance, financial and actuarial analysis and
- regulatory framework and requirements.

The assessment of the fitness and propriety of the persons who effectively run the Company or have other key functions, on an on-going basis is also carried out. A periodic re-assessment of ongoing fitness and propriety may, where appropriate, be carried out through e.g. completion of an appropriately worded form and declaration documenting and, where appropriate, reporting and acting any changes to an individual's fitness and propriety from that previously reported.

In the case of outsourcing of key functions in accordance with Article 32 VAG, DGIEU complies with BaFin requirements to:

- apply similar fit and proper procedures in assessing persons employed by the Service Provider or sub Service Provider to perform an outsourced key function, and
- designate an Outsourcing Manager within DGIEU with overall responsibility for the outsourced key function who is fit and proper and possesses sufficient knowledge and experience regarding the outsourced key function to be able to challenge the performance and results of the Service Provider.

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

Risk is defined as "uncertain future events which could influence the achievement of DGIEU's objectives". These can be both upside risk (opportunities DGIEU can benefit from) or downside risk (threats to success).

The sum of potential risks that DGIEU could experience are its "risk universe". Those risks actually experienced by DGIEU form its "risk profile". DGIEU primarily focuses on the downside risks but may also support in the identification and ongoing management of opportunities. DGIEU's "risk universe" is categorised into a three-level taxonomy, with Conduct, Strategic, Operational, Financial and Insurance risk being its over-arching risk classes / categories (Level 1). These are then sub-categorised into sub-categories (Level 2) and then again into Library Risks (Level 3). The Library Risks are used to populate risk registers and are then aggregated for risk reporting.

At DGIEU, the principles of risk management are anchored in the Risk Strategy. DGIEU's Risk Strategy is derived from the Business Strategy. The Risk Strategy considers all risks arising from the business model.

The Company has established a risk management and control framework that seeks to protect the business from events that hinder achievement of its objectives and financial performance, including failure to exploit opportunities. The risk management framework identifies potential risks and uncertainties that could have a material impact on performance and puts in place internal processes and controls designed to mitigate each risk.

DGIEU's Risk Management principles seek to ensure that Risk Management activities are:

- Proportionate to both the organisational complexity of, and the level of risk faced by, DGIEU.
- Aligned with the delivery of DGIEU's strategic and operational objectives.
- Comprehensive, ensuring it covers the risk universe of which DGIEU is inherently exposed.
- Embedded within the organisation, at group, entity and branch levels.
- Dynamic and responsive to emerging and changing risks in internal and external environments.

The high-level risk management process is captured below, which is driven by the risk management principles.

- Risk culture:
    - The Board and Executive Team of DGIEU will set the 'Tone from the Top' in respect of the management of risk.
    - Through application of the risk management principles, the Risk Management Function seeks to support and guide the development of risk culture, risk behaviours, risk attitudes and risk awareness.
    - To promote the risk culture, DGIEU has implemented risk management trainings. These supporting measures lead to increased risk awareness and competencies.

- Risk Appetite:
  - As per DGIEU's Risk Policy, all decisions and risk taking will be undertaken within boundaries that are clearly defined and aligned to the risk profile and strategy of the Group,
  - DGIEU's risk appetite statements identify the risk exposures which DGIEU deems acceptable (in pursuit of its objectives) within clearly articulated tolerance limits across each (L2) risk category, taking into consideration capital availability,
  - Reporting of performance against risk appetite through KRIs is included within the regular reporting form the International Risk Manager to the Risk Management Function and to the DGIEU Management Board,
  - KRIs are metrics designed to measure either of the following: the amount of risk exposure; the effectiveness of controls implemented to manage the risk; and, how much risk has been absorbed. KRIs should contain a mix of leading and lagging indicators (forward- and backward-looking, respectively).
  - The risk appetite is reviewed in full at least annually by the Board through the ARC (at Group level). Any proposed changes are subject to approval by appropriate Boards and / or Committees depending on the nature of the change. The risk appetite statements at Group level are adopted and adapted for DGIEU.

- Risk & Control and Self-Assessment:
  - The Risk & Control Self-Assessment ("RCSA") is integral for identifying and analysing risks and evaluating the efficiency and effectiveness of internal controls in DGIEU. The RCSA is a biannual assessment facilitated by the Risk Management Function.

- Risk Identification:
  - Risk identification must be completed within the context of DGIEU's objectives, for it is the threat to these objectives that are risks.
  - Identified risks will be recorded centrally on the Risk System (Magique) and allocated to an appropriate manager or senior manager.

- Risk Evaluation:
  - Risk measurement and evaluation helps DGIEU make informed decisions with respect to which risk treatment to adopt and what method to use. Risk evaluation includes estimation of the impact (type and amount) and likelihood, on a "gross" (risk assessment before controls) and "net" (risk assessment after controls) basis.

- Risk Management and internal control:
  - Internal control is defined as any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved by internal and external parties.
  - The nature, frequency and scope of the internal controls are based on the risks of the relevant Company units and processes. Responsible control performers have all the necessary information available.
  - DGIEU seeks to manage its risks through one – or a blend of – the following risk management techniques: tolerate, treat, transfer, terminate.

- Risk Monitoring:
    - Monitoring is an ongoing process that assesses the effectiveness and efficiency of risk management and internal control, in its ability to enable the achievement of DGIEU's objectives and against risk appetite.
    - The process for monitoring DGIEU's risks will include: KRIs, Control Assurance, Horizon Scanning, Monitoring of Changes.

- Risk Reporting, Communication and Consultation:
    - DGIEU actively uses Management Information to determine the performance of the business and ensure an adequate return for risks taken (including considerations of management information, risk profile and risk appetite).

DGIEU operates a "three lines of defence" model:

<u>1st Line of Defence ("1LOD") (operations and business units)</u>
Operational management is responsible for:
- ensuring that effective and efficient controls are in place and defined,
- proactively identifying and disclosing control deficiencies (either through event reporting or effectiveness assessment) and taking appropriate action to ensure that controls achieve their objectives.

Further information on the 1LOD: Risk Strategy (within the operations and business units) is embedded within the first line of defence from a top-down perspective through the articulation and communication of the Board's risk appetite and from a bottom-up perspective through the operation of a risk register. Operational management is responsible for identifying and managing risks directly, whilst senior management is responsible for taking the steps necessary to monitor and manage all material risks consistent with the strategic objectives, risk appetite statements and policies.

<u>2nd Line of Defence ("2LOD") (risk and compliance)</u>
Responsible for reviewing the design and operating effectiveness of DGIEU's key controls as part of their monitoring activities. Risk Management and Compliance are particularly active in their role as business partners to support the decentralized organisation.

Further information on the 2LOD: Consulting and assurance functions responsible for ongoing monitoring advice, scanning of the regulatory horizon and facilitating risk management activities. These have some degree of objectivity and independence. This includes the Risk Management, Actuarial and Compliance functions.

<u>3rd Line of Defence ("3LOD") (internal audit)</u>
Responsible for providing independent assurance over governance, risk management and internal control, reporting directly to the Board.

Further Information on the 3LOD: Functions responsible for providing independent assurance over governance, risk management and internal control. This includes Internal Audit, which report directly to the DGIEU Management Board.

Proper and ethical business conduct is embedded into the day-to-day business. There is a strict business framework which senior management and the Board ensure pervades all activities. The Company has established appropriate controls and monitoring over product design, selling processes, customer service and complaints which underpins low complaints rates and high customer satisfaction.

Information on the implementation and tasks of the Risk Management Function is provided in section B.1, above.

Own Risk and Solvency Assessment ("ORSA")

The Own Risk and Solvency Assessment is part of the risk management system and a link between the three pillars of Solvency II.
The finance and the risk management team work closely together to ascertain the potential impact on capital of a variety of risk crystallisation through the ORSA process which is used to assess the level of capital that should be retained by the Company. This process considers all the material risks faced by DGIEU and includes stress tests applied to business plan financial projections by varying assumptions for future experience.

The ORSA is usually performed on an annual basis but in accordance with the ORSA policy, where a significant change or event is planned or occurs, an out-of-cycle ORSA will be performed to assess the level of risk and assist the Board in the decision-making process. No out-of-cycle ORSA was carried out at DGIEU during FY20.

ORSA Process

The ORSA Process of DGIEU includes the following.

- consideration of the business's risk profile, risk tolerance limits, business strategy, business plans and associated projections,
- demonstration that capital levels and liquidity are in line with the risk profile,
- demonstration that robust processes exist to identify, measure, monitor, manage and report risk exposures,
- consideration of the significance with which the risk profile deviates from the assumptions underlying the Solvency II SCR capital requirement.

The CRO (who is member of the DGIEU Management Board) is the designated individual responsible for performing the annual ORSA process. This ensures the direct involvement of management in the ORSA process. The Risk Management Function and the Actuarial Function play a further central role in the implementation of the ORSA and the evaluation of the underlying methods and assumptions.

ORSA Report

The ORSA Report is a collaborative project of various departments. The International Risk Manager is responsible for the master file and brings together the input for the various chapters.

The ORSA Report of DGIEU contains the following chapters:

1. Executive Summary
2. Business Strategy
3. Current Risk Profile and Assessments
4. Capital Management, Current Requirements and Solvency Assessment
5. Projected Risk Profile and Forward-Looking Capital Requirement
6. Stress Testing
7. ORSA Process

Process Review

The ORSA process for DGIEU will continue to be carefully refined, subject to the ongoing consideration of the DGIEU Management Board, the Group Solvency II Working Group and any relevant changes to DGIEU's risk profile.

All colleagues directly or indirectly engaged in the ORSA process must familiarise themselves with the requirements of the DGIEU ORSA policy and ensure their understanding and awareness of the necessary requirements is maintained.

Ongoing Monitoring

Work conducted by the second and third lines of defence provides continuous assurance that the key controls that underpin the ORSA are operating effectively. This includes the annual compliance monitoring plan, annual internal audit plan and control testing, all of which are risk-based, together with the quarterly risk reporting from around the business.

The risk universe and our suite of risk appetite statements, with supporting KRI's, are reviewed periodically to ensure that they accurately reflect the business's risk profile and appetite for each category of risk. The last review was completed in March 2020.

Risk reporting is facilitated through the risk management solution, Magique, which contains a record of all risk registers and supports the reporting of risk events, controls and exceptions to appetite.

B.4 Internal control system

The DGIEU Management Board has the overall accountability for maintaining DGIEU's systems of internal control and for monitoring their effectiveness, while the implementation of internal control systems is the responsibility of the executive management. Following a risk-based approach, DGIEU's systems of internal control are designed to meet applicable legal and regulatory business conduct requirements and to minimise the risk of failure to achieve business objectives.

The systems are designed to:

- Safeguard assets,
- Maintain proper accounting records,
- Provide reliable financial information,
- Identify and manage business risks,
- Monitor both DGIEU-internal and outsourced business operations,
- Ensure delivery of suitable and appropriate customer outcomes,
- Maintain compliance with appropriate legislation and regulations on both DGIEU group and branch level, and
- Identify and adopt best practice.

The Company has an established governance framework, the key features of which include:

- Terms of Reference for the Management Board's Committees and other governance committees,
- A clear organisational structure, with documented segregation of duties and delegation of authority from the Board to executive management,
- A policies and procedures framework, which sets out risk management and control standards for DGIEU's operations,

- Defined procedures for the approval of new products and major transactions, and
- Regular Management Information and reporting to DGIEU Management Board.

There is an ongoing process for assessing and managing design and operating effectiveness of the internal control systems as part of the Risk & Control Self-Assessment, conducted by the 1st Line of Defence and validated by both DGIEU Risk Management and Compliance functions.

Furthermore, as part of the 2nd Line of Defence, the DGIEU Compliance Function performs an annual monitoring program across internal and outsourced business operations. Results of these reviews and of the ongoing monitoring of the regulatory horizon / industry news are used for the identification and assessment of compliance risks. They lead to continuous enhancements of the internal control systems, and trainings updates for affected DGIEU employees with regards to Compliance matters.

Further information on the responsibilities of the Compliance Function can be found in Chapter B.1, above.

B.5 Internal Audit Function

The Internal Audit Function of DGIEU is outsourced to Grant Thornton, which directly reports to Idriss Ben Hadj Yahia, the CFO, who is the responsible member of the Management Board for the Internal Audit Function.

The Internal Audit Function is an independent, objective assurance and consulting function designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. The Internal Audit Function provides increased risk coverage and measurable value to the business by identifying and performing assurance and consulting engagements. Internal Audit produces an annual Risk-Based Internal Audit Plan based on an extensive risk assessment of all identified auditable units. The Internal Audit findings and recommended appropriate courses of action for the enhancement of risk management, internal control, and governance are communicated to DGIEU Management and, through the ensured transmission of information, also to Group Committees.

Organisational independence is effectively achieved as the function is outsourced, and reports to the CFO. Furthermore, the Internal Audit Function is free from executive management interference in determining the scope of internal auditing, performing work, and communicating results.

Based on the results of the risk assessment, the auditable units are ranked into priority areas. The risk assessment is enhanced with the feedback of the key stakeholders and the use of the risk register created by the business and compiled by the Risk Management Function. Also, the Internal Audit plan is approved by the DGIEU Management Board and revisited regularly to allow flexibility should the risk environment change.

Moreover, the Internal Audit Function promotes action on audit recommendations and reinforces staff commitment to results through application of sound monitoring and follow-up systems.

None of the Internal Audit Function staff are employed by the Company.

B.6 Actuarial function

The Actuarial Function of DGIEU is outsourced to Milliman. Milliman assists with the calculations of the SCR and technical provision and with DGIEU's Solvency II reporting requirements. The Actuarial Function is also responsible for reviewing the appropriateness of the underwriting and reinsurance strategies and is required to produce annual opinions on each.

Idriss Ben Hadj Yahia (CFO) is the responsible member of the Management Board for the Actuarial Function.

None of the Actuarial staff are employed by the Company.

Detailed information on the responsibilities of the Actuarial Function can be found in Chapter B.1, above.

B.7 Outsourcing

DGIEU is committed to ensuring the outsourcing of business activities or functions is only permitted where DGIEU has satisfied itself, through appropriate due diligence and risk assessment, as to the suitability of the Service Provider. DGIEU must continue to be satisfied as to the ongoing suitability of a Service Provider through ongoing monitoring and oversight and reporting to the DGIEU Management Board. The obligations for oversight of Service Providers cover the whole life cycle of the service provisions, from inception to the end of the contract.

The outsourcing principles and regulations are outlined in the company's Outsourcing Policy which has been written in accordance with Article 274 DVO and Section 13 MaGo.

DGIEU differentiates between the outsourcing of important insurance functions / activities and any other services, as well as outsourcing arrangements with intra-group or external third-party providers.

The current important outsourcing arrangements are as follows:

Service Provider	Service Provider - Domicile Country	Relationship	Service Description	Outsourcing Rationale	Oversight / Safeguard Measures
Grant Thornton	**UK**	**External 3rd Party**	Coverage of the Internal Audit Function for DGIEU across all European branches / locations.	DGIEU relies on the international experience and expertise of Grant Thornton that the established audit firm applies through an integrated audit approach, combining financial statement audits with attestations of the effectiveness of the internal control systems.	The outsourced key function service is directly assigned to the CFO of DGIEU. The service provider reports to the CFO about their audit plans, activities and audit results on a regular basis. Audit plans and activities performed by Grant Thornton are reconciled with the DGIEU's internal control framework on an annual basis to ensure a complete and flawless quality assurance of the insurance business.
Retail Active Ltd	**UK**	**External 3rd Party**	Performance of quality assurance checks through mystery shopping tests at DGIEU's retail partners.	DGIEU uses specialised mystery shopping agents that test our retail business partners in Europe with regards to compliance with the agreed sales practices, procedures and regulations for face to face sellings.	DGIEU has agreed on the quality assurance standards that Retail Active Ltd applies during their onsite visits in the retail stores. Results of the mystery shopping activities are reported to the responsible DGIEU retail managers and further shared as dedicated agenda topics during DGIEU's quarterly

					European Conduct Standard Committee.
TeleMail DirektMarketing & TeleMail GmbH	**Germany**	**External 3rd Party**	Direct advertising and mailing, printing and production, fulfilment, address management, etc.	DGIEU uses the service provider as a specialised telemarketing agency and lettershop, relying on the outsourcer's expertise in targeted direct advertising and efficient mailing processes from address management to dispatch.	DGIEU has agreed with the service provider on key performance indicators that TeleMail applies for their mailing services. The mailing service has been integrated into the insurer's complaint handling process. Process failures are raised by customers as regular complaints against DGIEU's customer service and are reported accordingly to the European Conduct Standard Committee.
Teleperformance (Teleperformance Portugal, In & Out S.r.l. // Albania Marketing Service sh.p.k.)	**Portugal, Albania**	**External 3rd Party**	Provision of contact centre services for telesales / telemarketing purposes in the DGIEU markets Italy and France. Besides operating activities (e.g. customer service enquires, sales of insurance plans through inbound and outbound telephony)) the service provision includes an integrated quality assurance process on compliant business conduct through evaluation of recorded phone calls.	Teleperformance as a specialised service provider for customer care services maintains a broad network of contact centers in 80 countries. DGIEU utilizes the provider's experience and expertise in customer acquisitions according to the cultural habits, as well as their economies of scale with more than 300'000 employees.	DGIEU has determined the quality assurance standards that Teleperformance applies for their Compliance checks. Furthermore, DGIEU performs independent check the checker controls on the Teleperformance checks. The reporting of the check the checker control results are integral component of DGIEU's quarterly European Conduct Standard Committee.
tricontes360 GmbH	**Germany**	**External 3rd Party**	Provision of contact centre services for telesales / telemarketing purposes in the DGIEU market Germany. Besides operating activities (e.g. customer service enquires, sales of insurance plans through inbound and outbound telephony)) the service provision includes an integrated quality assurance process on compliant business conduct through evaluation of recorded phone calls.	Tricontes is a well-established business partner for customer interaction solutions in Germany. The provider cooperates with multiple insurance companies out of contact centers located in Germany. DGIEU utilizes the provider's experience and expertise in customer acquisitions and customer care,	DGIEU has determined the quality assurance standards that Tricontes applies for their Compliance checks. Furthermore, DGIEU performs independent check the checker controls on the Tricontes checks. The reporting of the check the checker control results are integral

				offered in compliance with German conduct and data privacy standards.	component of DGIEU's quarterly European Conduct Standard Committee.
Quasar S.L.	**Spain**	**External 3rd Party**	Provision of customized websites, landing pages and IT marketing / sales solutions for DGIEU Spanish Branch. To register and sell plans though web registration (also to collect data and permissions for Direct Marketing).	Quasar Informatica provides DGIEU with specialised IT development resources in order to implement and maintain websites and marketing / sales solutions for online sales activities.	DGIEU maintains its own testing and incident management for the IT platform. Testing results and incidents are shared on a regular level with the service provider to monitor service quality and operating effectiveness of the IT software.
Servizi Domestic & General Italia S.r.l.	**Italy**	**Intra-group outsourcing**	The services provided by SDGI include 1. Call centre telephone services // 2. Claims processing and claims handling, including the managing of repairer suppliers // 3. Customer care services including dealing with written customer correspondence and written customer administration requests // 4. Banking and customer payment reconciliations. // 5. Finance management // 6. Local legal and compliance support services // 7. Local human resources services and payroll services // 8. Local support for reporting management information, including complaints, quality // assurance, service levels and operational processes as agreed required by DGIEU Italy from time to time // 9. Local quality assurance services (such as quality and verifications of inbound and outbound telephone sales, rejected claims and customer complaints) // 10. Local facility management and provision of services such as pone, print, post, stationary, office rental, office cleaning, power, and archiving // 11. Any other adhoc activities as determined and agreed by the Parties	Servizi Domestic & General Italia S.r.l. (SDGI), a group company, provides the DGIEU branches with services to support the promotion and administration of its insurance policies to consumers. DGIEU relies in particular on the repair network of suppliers which is managed through SDGI.	SDGI employees who provide services for DGIEU are subject to the same policy standards as in-house resources. Processes are harmonized and quality-assured in line with these standards and the applicable regulatory requirements. Services provided by SDGI are regular components of DGIEU's governance bodies (management board, European Conduct Standard Committee, European Management Operations Committee).
Domestic & General Insurance Plc	**UK**	**Intra-group outsourcing**	The services provided by DGI include 1. Executive management services // 2. Customer product / business development services // 3. Marketing support services // 4. Product governance and product support services // 5. Finance and accounting support services // 6. Project management and programme change management services // 7. Business operations delivery support services (including oversight of third party call centre telephony services) // 8. Underwriting support services // 9.	Domestic & General Insurance Plc (DGI), a group company, provides the DGIEU branches with corporate center services. DGIEU relies in particular on the experience and the economies of scale of the UK headquarter which also managed the Non-UK EEA	DGI employees who provide executive management services to DGIEU are usually seconded to the DGIEU UK branch for this purpose. They have solid or dotted reporting lines into the DGIEU Management Board and provide regular status updates in DGIEU's governance

			Investment management support services // 10. IT Services // 11. Business Continuity Services // 12. Group Legal Services // 13. Group Human Resources Support services // 14. Risk Management Support services // 15. Compliance Services // 16. Tax & Finance Consultancy services // 17. Procurement Support services // 18. Claims Administration Services // 19. Claims Management Services // 20. IT Security Services	business until end of October 2019.	bodies (European Conduct Standard Committee, European Management Operations Committee).
Milliman LLP	**UK**	**External 3rd Party**	Coverage of Actuarial Function for DGIEU across all Non-UK EEA branches / locations.	DGIEU relies on the international experience and specialised expertise of Milliman with regards to Solvency II standards for the Actuarial Function.	The outsourced key function service is directly assigned to the CFO of DGIEU. The service provider reports to the CFO on a regular basis about the calculated technical provisions and the underlying valuation models.
D.I.E. WEBexperten UG	**Germany**	**External 3rd Party**	Provision of customized websites, landing pages and IT marketing / sales solutions for DGIEU Italian Branch. To register and sell plans though web registration (also to collect data and permissions for Direct Marketing).	WEBEXPERTEN provides DGIEU with specialised IT development resources in order to implement and maintain websites and marketing / sales solutions for online sales activities.	DGIEU maintains its own testing and incident management for the IT platform. Testing results and incidents are shared on a regular level with the service provider to monitor service quality and operating effectiveness of the IT software.

In order to manage these outsourcing arrangements in a consistent and cohesive manner, DGIEU has introduced an eight steps quality assurance approach throughout the outsourcing lifecycle:

1. Outsourcing Due Diligence - seeking a clear view on the suitability of a Service Provider, supported through reliable evidence,
2. Outsourcing Risk Assessment - classifying and assessing all services and Service Providers, based on risk criteria such as corporate governance, risk management, financial capacity, etc.,
3. Outsourcing Contracting - applying a contractual framework with defined mandatory contents, i.e. to ensure audit and inspection rights,
4. Outsourcing Approval - seeking DGIEU Management Board sign-offs for all intended outsourcings of important insurance activities,
5. BaFin Notification (in the event of outsourcings of important insurance activities) - submitting standardised notifications for outsourcings of important insurance activities through DGIEU Risk & Compliance,
6. Outsourcing Monitoring - ongoing monitoring of important outsourcings with external third parties through contractually agreed KPIs,

7. Outsourcing Reporting - periodic reporting of the KPI results together with any identified service contract breaches and taken actions to the DGIEU Management Board,
8. Termination of an Outsourcing – rolling back of outsourcing arrangements along pre-approved termination and business continuity concepts.

B.8 Any other material information

A major change in the reporting period was the change within the DGIEU Supervisory Board. Joe Fitzgerald replaced Tom Hinton on the Supervisory Board from 1 January 2020.

During the reporting period, DGIEU focused on establishing a robust and proportionate governance framework to ensure compliance with applicable law, regulations and the expectations of regulators. DGIEU continues to focus on ensuring that its system of governance remains adequate for the nature, scale and complexity of the business.

There are no other material information, changes or material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body regarding DGIEU's system of governance to report.

C. RISK PROFILE

Current Risk Profile

DGIEU performs an ongoing process of risk assessment and reporting to the DGIEU Management Board, based on the risk reporting through the risk management support software Magique. The risk profile of DGIEU recorded in Magique is reviewed and updated as part of the biannual Risk and Control Self-Assessment ("RCSA").

The risk appetite is reviewed in full at least annually by the Board through the ARC (Audit and Risk Committee at group level). Any proposed changes are subject to approval by appropriate Boards and / or Committees depending on the nature of the change. The risk appetite statements at group level are adopted and adapted for DGIEU.

DGIEU sets its risk appetite at an appropriately prudent level to ensure that key risks to customers are identified, managed and mitigated wherever possible. The Company focuses its actions on customer satisfaction. Ensuring good customer outcomes is at the heart of DGIEU's business.

The first RCSA for DGIEU was carried out in March 2020. This identified DGIEU's risk profile and was presented and approved at the Meeting of the DGIEU Management Board (18 March 2020).

An overview of the risks according to the standard formula, their solvency capital requirements and the amount of diversification effects can be found in Chapter E.2, below.

A summary of the required risk categories, including risk mitigation techniques and uncertainties faced by the Company, is presented below:

C.1 Underwriting risk

The underwriting risk is the main component of the Company's risk profile, as shown in section E.2.1.

Underwriting risk is the potential adverse financial impact that combined claims and repair, acquisition and administration costs exceed the estimated costs built into the pricing models applied.

DGIEU calculates the underwriting risk according to the standard formula. No USPs were applied in the reporting year.

Underwriting risk is managed through underwriting controls, pricing policies, approval procedures for new products, regular review of performance and monitoring of emerging issues.

Risk concentrations of underwriting risks are counteracted by the geographical diversification of risks and the diversity of insurable products.

DGI has several material clients that if lost would impact DGIEU's ability to reach new customers in order to sell its products and thereby reducing its customer base for new business. DGIEU protects its position by entering into multi-year contracts with clients but there remain risks.

Regular sensitivity analyses are carried out to understand better the impact of risks and risk sensitivities. DGIEU has established processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually. The stress testing process involves several senior and operational managers and the results of the tests improve the Board's understanding of risk, influence business decisions and form a key part of the risk management framework. Stress tests concerning the underwriting risk include tests on loss ratios and lapse risks. The tests validated that DGIEU maintains sufficient capital to withstand these shocks.

DGIEU's management is currently applying for the use of USPs, as the solvency capital requirement for DGIEU's insurance business (one segment, moderate risk) can be determined much more appropriately using individually calibrated parameters than using the parameters of the standard formula. USPs should be used to determine the solvency capital requirement for both premium and reserve risk.

C.2 Market risk

Market risk is the potential adverse financial impact of changes to interest rates, equity markets, property markets, foreign exchange rates, fixed income spreads, and concentrations in assets.

The Company's greatest market risk relates to changes in the GBP:EUR conversion rate which is used to value the assets and liabilities that DGIEU has in UK. The Company also has some market risk in respect of its fixed assets, and a very small amount of interest rate risk related to its technical provisions.

DGIEU calculates the market risk according to the standard formula.

Interest rate risk within the investment portfolio is managed actively by the Company's Treasury Function.

DGIEU does not have other types of investment in its investment portfolio that could involve market risks. Stress tests and sensitivity analyses to quantify the market risks were therefore not carried out in the reporting period.

Prudent Person Principle

DGIEU only invests in assets and instruments where the risk can properly be identified, measured, monitored, managed, controlled and reported. Investments must be in line with credit and duration limits set by the Board or the Group Investment & Capital Committee.

In FY20 DGIEU did not invest in any money market funds, available for sale financial instruments or other investments.

Other Financial Investments	2020 € '000
Deposits with Credit Institutions	41.467
Cash and Cash Equivalents	1
Money Market Funds	0
Available for Sale Financial Instruments	0
Other Investments	0
	41.467

C.3 Credit risk

Credit risk is the potential adverse financial impact of loss in value of financial assets due to counterparties failing to meet all or part of their obligations.

DGIEU calculates the credit risk according to the standard formula.

The largest credit risks to the Company are in relation to deposits with credit institutions and trading debtors. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties.

Deposits can only be placed with banks or building societies having credit limits approved by the Board. Counterparty exposure is subject to constant review.

DGIEU has a number of contracts with major long standing clients, with exposure on the monies owed to DGIEU at any one time. However, DGIEU closely monitors outstanding debt and is in constant dialogue with the clients and is therefore in a position to act swiftly to mitigate any loss in the event of a major client running into financial difficulties.

The Company has credit risk exposure to its reinsurer, DGI. This exposure arises from outstanding receivables, ceded technical provisions, and the risk-mitigating effect of reinsurance. The risk-mitigating effect of reinsurance reflects the reduction in the SCR for underwriting risk that is achieved via the reinsurance, and the potential for this to increase significantly in the event of a reinsurer default. Due to the terms of the reinsurance agreement, the Company has a large reinsurance payable that is used to offset the credit risk in respect of the ceded technical provisions.

There is a planned change to the reinsurance agreement expected during FY21 wherein the level of reinsurance payables will be reduced, and the Company's exposure to reinsurer credit risk is expected to increase. When this occurs, DGI will provide funding to DGIEU through a reinsurance account (or claims fund) equal to the projected next three months of reinsurance claims. There are also protection mechanisms for DGIEU to retain funds if DGI solvency deteriorates.

Trading and insurance debtors are amounts receivable from policyholders and are by their nature high volume but low value. Credit risk exposure is minimal; if the instalment debtor lapses DGIEU cancels the cover provided.

Regular sensitivity analyses are carried out to understand better the impact of risks and risk sensitivities. DGIEU has established processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually. The stress testing process involves several senior and operational managers and the results of the tests improve the Board's understanding of risk, influence business decisions and form a key part of the risk management framework.

Credit ratings of significant classes of financial assets:

	A rated (or above) Institutions 2020 € '000	Other Institutions 2020 € '000	Unrated 2020 € '000	Total 2020 € '000
Deposits with Credit Institutions	37.349	4.118	0	41.467
Cash and Cash Equivalents	1	0	0	1
Client Payments	0	0	6.355	6.355
Debtors	0	0	10.316	10.316
	37.350	**4.118**	**16.671**	**58.139**

Client payments and debtors are largely excluded from the Solvency II balance sheet on account that they either have no market valuation, or are captured within technical provision.

The Company has implemented policies that require appropriate credit checks on potential trade partners before sales commence.

The amount disclosed in the balance sheet for financial assets represents the Company's maximum exposure to credit risk.

Past due or impaired financial assets

The table below sets out an analysis of the Company's assets (*see below*), showing those which are past due, or impaired. Categories of financial assets for which there are neither past due nor impaired balances have not been included below.

		Debtors 2020 € '000
Not past due		2.288
Past due (days)	0 - 30	2.786
	31 - 60	5.189
	61 - 90	30
	Greater than 90	23
Provision		0
Carrying Amount		**10.316**

The Company's assets (as shown on the face of the balance sheet) include:

	2020 € '000
Debtors arising out of Direct Insurance Operations	10.296
Other Debtors	20
Other Payments and Accrued Income	6.355
	16.671

The Company considers notified disputes and collection experience in determining which assets should be impaired.

C.4 Liquidity risk

Liquidity risk is the possibility that DGIEU does not have sufficient available liquid assets to meet its obligations as they fall due.

An important aspect of the Company's management of assets and liabilities is ensuring that cash is available to settle liabilities as they fall due. The most significant payments are claims, repair costs and commissions. The profile of claims and repair cost payments are highly predictable. The Company maintains cash and liquid deposits to meet demands on a daily basis.

Contractual maturity analysis:

The table below summarises the maturity profile of the Company's financial liabilities based on remaining undiscounted contractual obligations where the maturity profile is an analysis by estimated timing of the amounts recognised in the balance sheet.

	Claims & Repair Costs 2020 € '000	Creditors 2020 € '000	Total 2020 € '000
0 - 90 Days	333	3.608	3.941
91 Days - 1 Year	0	950	950
1 - 3 Years	0	0	0
3 - 5 Years	0	0	0
Greater than 5 Years	0	0	0
Total	**333**	**4.558**	**4.891**

DGIEU has included expected profit in the (future) premiums ("EPIFP") amounting to € 8.627k.

C.5 Operational risk

Operational risk arises as a result of inadequately controlled internal processes or systems, human error or from external events.

Operational risks are usually more difficult to quantify, so their materiality is assessed using a likelihood/impact scoring approach. This allows risks to be ranked in order of their potential impact and so to focus risk management activities on those risks warranting the greatest attention. Detailed risk registers show that adequate risk controls exist for the most important operational risks and established business areas within DGIEU. These risk registers and controls are regularly monitored and updated within the biannual RCSA.

DGIEU's current risk profile includes the following risk sub-categories of operational risk: Business Continuity, Change Management, Data Protection, Financial Crime, People, Procurement / Outsourcing, Regulatory & Compliance and Trading Performance.

DGIEU has an internal policy for dealing with operational risks.

C.6 Other material risks

Strategic risk reflects the continuing changes in market dynamics and its consequent impact on demand for the Company's services. This is mitigated by a resilient business model, expertise in chosen markets and product development and innovation.

Technology risk is the risk of failure of IT hardware and software, networks and communications, including failure to implement new systems effectively. This risk is mitigated by investment in appropriate technology and staff, and by business continuity planning. DGIEU's IT is outsourced within the group to DGI.

Conduct risk is the risk of non-compliance with relevant laws, regulations and standards resulting in poor outcomes for customers. This risk is mitigated by appropriate 1LOD controls, a dedicated compliance and legal team and active monitoring (for example within the ECSC) of product development and treatment of customers to ensure DGIEU meets all applicable regulations. Further risk mitigation techniques are: Involvement of appropriate legal resource and expertise in contract negotiations and dispute resolution; training and competence programmes for staff; strong product design, sales and customer marketing standards; and specialised expertise in local markets.

The main strategic and conduct risks of DGIEU can be summarised as follows:

Strategic risks:

- Key Client Relationships: Loss of key clients due to concentration risks in key Non-UK EEA markets.

  The concentration risk generated by key clients in the Non-UK EEA business is being actively addressed, with work ongoing to renegotiate existing contract durations. Negotiations with key clients undertaken to extend existing contracts.

Conduct Risks:

- Complaints: The risk of weaknesses in complaint identification and handling procedures in France.

  DGIEU is actively recruiting the complaint handler and the Company is currently increasing the maturity for its telephony processes.

DGIEU faces further risks in the context of **Brexit**:

- DGIEU has been set up as a preparation for Brexit. A significant impact on the Business Strategy of DGIEU is expected from the Part VII Transfer. DGIEU is expected to acquire the existing book of insurance business in respect of policies held by customers in EEA Member States (other than the UK) from DGI pursuant to a Part VII Transfer.
- Financial Risk: Financial exposures resulting from Brexit, including tax exposure linked to the Part VII transfer and increased solvency capital requirements. On 1st November 2019, Domestic & General Insurance PLC transferred its client relationships, local branch employees and assets, to its 100% owned German incorporated subsidiary Domestic & General Insurance Europe AG. DGIEU started to write new EU based insurance business from this date. There is a potential liability to VAT following this transfer, although the likelihood of this materialising is not considered to be probable and therefore no liability has been recognised in the balance sheet.
- Underwriting risk is heavily reduced through the quota share reinsurance agreement in place with DGI wherein 90% of claims are ceded to DGI. In the event that, from 1 January 2021, the UK's solvency regime is not deemed to be equivalent to Solvency II, DGI is going to place a letter of credit.

C.7 Any other information

DGIEU carried out stress tests within its ORSA. The Company's first ORSA was conducted in June / July 2020, therefore the following findings refer to the ORSA carried out outside the actual reporting period:

DGIEU has stressed 7 scenarios within this ORSA, which includes a reverse stress test. The stress tests (1-6) show that in all circumstances, the regulatory solvency capital requirement (100%) is not breached. Within the reverse stress test (7) the extreme conditions – which were the intent of this test – show at what point the standard capital charge in the Solvency II model is exceeded. The probability '1 in 1.000 years' is supposed for the reverse stress test.

In summary, all calculated scenarios represent very influential events that can have a significant impact on the solvency ratio. Each scenario (1-6) illustrates that DGIEU would remain well capitalised, with the solvency ratio staying above the current risk appetite of 130%.

There is no other material information, regarding DGIEU's risk profile to report on.

D. VALUATION FOR SOLVENCY PURPOSES

Section D focuses on the Solvency II balance sheet and the valuation of assets and liabilities and shows where these valuations differ to the value in the statutory accounts. For each material class of assets, technical provisions and other liabilities where there are differences, the following information is provided:

- A description of the bases, methods and main assumptions used in arriving at the valuation for solvency purposes
- Quantitative and qualitative explanations of material differences between the bases, methods and main assumptions used for the valuation for solvency and financial statement purposes.

The Solvency II balance sheet is derived from the Company's German GAAP Financial statement, adjusted for valuation differences and reclassifications where required. The German GAAP financial statements ("financial statements") are prepared in accordance with the "code of commercial law" (Handelsgesetzbuch, HGB), "stock corporation law" (Aktiengesetz), VAG and the "external accounting regulations for insurance companies" (Verordnung über die Rechnungslegung von Versicherungsunternehmen).

As an insurance company DGIEU prepares the financial statement and management report equal to a large-sized company in accordance to § 341a Abs. 1 HGB.

The GAAP financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, available for sale financial assets and financial instruments held at fair value through profit or loss. Under Solvency II, assets and liabilities should be valued on a market consistent basis, which is deemed equivalent to fair value under IFRS. For assets and liabilities that are not stated at fair value under GAAP, adjustments are made to bring these in line with Solvency II where necessary. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked participants at the measurement date. It is measured using assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

The material classes in the solo entity Solvency II balance sheet are shown in the table below.

Summary Solvency II Balance Sheet

	Solvency II € '000	Statutory € '000	Difference € '000
Assets			
Goodwill	0	12.075	-12.075
Deferred Acquisition Costs	0	0	0
Intangible Assets	0	774	-774
Property, Plant and Equipment held for Own Use	273	494	-221
Investments	0	0	0
Insurance and Intermediare Receivables	86	10.296	-10.210
Trade Receivables	1.792	1.792	0
Cash and Cash Equivalents	41.467	41.467	0
Deferred Tax Assets	4.359	0	4.359
Reinsurance Recoverables from:	11.822	0	11.822
Non-Life and Health similar to Non-Life	11.822	0	11.822
Any other assets, not elsewhere shown	0	6.355	-6.355
Total Assets	59.799	73.253	-13.454
Liabilities			
Technical Provisions - Non-Life	-2.400	5.059	-7.459
Best Estimate	-2.822	0	-2.822
Risk Margin	422	0	422
Provisions other than Technical Provisions	3.820	3.762	58
Insurance and Intermediare Payables	4.355	4.891	-536
Payables (Trade, not Insurance)	2.361	1.988	373
Reinsurance Payables	13.691	10.676	3.015
Subordinated Liabilities	22.000	22.000	0
Any other Liabilities, not elsewhere shown	0	57	-57
Total Liabilities	43.828	48.433	-4.605
Excess of Assets over Liabilities	**15.971**	**24.820**	**-8.849**

D.1 Assets

Material Class	
• Deferred Acquisition Costs (DAC)	Deferred acquisition costs are valued at nil for Solvency II purposes. Any future cashflows relating to acquisitions costs are either included in the best estimate technical provisions or under insurance and intermediaries payable in the balance sheet. Under German GAAP capitalisation of deferred acquisition costs is not permitted. 85% from commissions and other compensation of insurance sales personnel, relating to deferred premiums can be deducted from UPR.
• Property, Plant & Equipment held for Own Use	Property, plant & equipment are held at Fair Value. Plant & equipment which are valued at depreciable value under German GAAP are valued at nil for Solvency II purposes.
• Investments and Cash	Investments are held at Fair Value where level 1 inputs can be obtained. Level 1 refers to the first level of the Fair Value hierarchy which categorises valuation inputs into three levels. The hierarchy gives the highest priority (Level 1) to quoted prices in an active market, and the lowest priority to observable inputs in inactive markets (Level 3). **Level 1 inputs** Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities **Level 2 inputs** Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The Company's investment portfolio is categorised as Level 1 and 2. The Company has no investments which are Level 3. Deposits other than cash equivalents comprise cash balances, call deposits and term deposits with an original term date of less than three months. Cash and cash equivalents comprise any cash which can be accessed in no more than one day. Under German GAAP investments are valued with acquisition costs or a lower attributed fair value. Cash is accounted with the nominal value.
• Insurance and Intermediaries Receivable	Insurance and intermediary receivables are recognised at fair value. Because these receivables are not yet due they form part of the cashflows considered in the best estimate technical provision calculation (see D.2). Under German GAAP insurance and intermediaries receivables are valued with acquisition costs. A lower attributed fair value is considered with a general or specific bad-debt provision.
• Any other assets, not elsewhere shown	Trade and other debtors are recognised at fair value. Other assets include prepayments: prepayments are valued at nil if it cannot be demonstrated that they have a market value. Under German GAAP other assets are valued with acquisition costs or a lower attributed fair value.
• Deferred Tax Assets	The deferred tax asset in the Company Solvency II balance sheet reflects the net deferred tax asset on a Solvency II basis which uses the valuation rules within the statutory accounts. The difference reflects the deferred tax impact of the revaluations made between German GAAP and Solvency II in the other balance sheet line items, primarily the changes to the Technical Provisions (see D.2). As the Company projected future taxable profits starting with FY25, the net deferred tax asset is assessed as recoverable.

Material Class	
	Under German GAAP deferred tax assets or liabilities calculate the future tax impact of the revaluations made between German GAAP and tax GAAP. For DGIEU no deferred taxes are applicable (§ 274 Abs. 1 Satz 2 HGB).

There are no further assets at DGIEU. Therefore, there are no other items to report on.

D.2 Technical provisions

Technical Provisions – Best Estimate

Best estimate technical provisions by class are as follows:

Best Estimate € '000	Premiums Provisions	Claims Provision	Risk Margin	Total
Gross of Reinsurance	-4.680	1.858		-2.822
Ceded to Reinsurance	10.222	1.600		11.822
Net of Reinsurance	-14.902	258	422	-14.222

Bases, Methods and Main Assumptions

The reserves under German GAAP are primarily unearned premium reserve based on earning patterns applied to the premiums written and earned out over the policy length. Solvency II technical provisions are based on a future cash flow basis and the German GAAP provision is removed.

Technical provisions - best estimate

Technical Provisions represent a valuation of the Company's obligations towards policyholders. Under Solvency II these are required to be equal to the probability-weighted average of all future cashflows, taking account of the time value of money.

Best estimate technical provisions are comprised of a claims provision and premium provision, and a risk margin. The claims and premium provision combined give the expected cost of settling all future claims arising from business that DGIEU is contractually obliged to cover. This includes an allowance for the expenses of both running the Company and of servicing claims such as claims handling staff costs. The risk margin relates to the cost of capital that would be incurred by another entity running off the liabilities while maintaining adequate capitalisation under Solvency II.

The claims provision and premium provision are calculated (and held on the balance sheet) separately for gross of reinsurance and ceded to reinsurance. The risk margin is calculated only based on the net technical provisions. The gross provisions are held as liabilities, while the ceded provisions are held as assets.

The estimation of future income and costs is based on business already written, as well as business that has not yet incepted, but where the Company is obliged to offer cover i.e. renewals already offered or quoted (Bound But Not Incepted – BBNI).

The gross claims provision is the discounted best estimate of all future cash-flows relating to claim events which occurred prior to the valuation date. These cash-flows are made up of expected claim payments related to claims which have been incurred and associated claim handling expenses. The level of claim payments includes a loading for Events not in data ("ENID").

The ceded claims provision is calculated as the discounted sum of cash-flows due from the reinsurer relating to claim events which occurred prior to the valuation date. This includes the reinsurer's share of future claim payments, including those related to ENIDs. It is assumed that the reinsurer does not make payments to DGIEU to cover claims handling expenses related to claims already incurred. This is in contrast to the premium provision, which includes future earned reinsurance commissions. The ceded claims provision is reduced slightly to take account of expected future reinsurer defaults.

The gross premium provision is the discounted best estimate of all future cash-flows relating to future exposure arising from policies that the Company is obligated to cover at the valuation date. The calculation makes assumptions about the levels of future lapses and cancellations. The cash-flows are made up of:

Cash out-flows:

- Claim payments, including those related to BBNI policies. The level of claim payments includes a loading for Events not in data ("ENID").
- Expenses related to claims handling, administration, overheads and investment management.
- Acquisition expenses for BBNI policies
- Insurance premium tax (IPT) on future premium income

Cash in-flows:

- Future premium income (warranty debtors and tacit renewals)
- Commission clawback and IPT refunds on expected lapses or cancellations.

The ceded premium provision is calculated as the discounted sum of cash-flows due from the reinsurer relating to future exposure arising from policies that the Company is obligated to cover at the valuation date. The estimates of future cashflows for claims paid by the reinsurer, including those related to ENIDs, are calculated as 90% of the estimates of future cashflows, gross of reinsurance, including those related to ENIDs. It is assumed that all overhead and administration expenses are borne by DGI EU, not the reinsurer, so no cashflows relating to expenses, which are captured within the gross premium provision, are included within the ceded premium provision. In line with the reinsurance agreement in place as at 31 March 2020, DGI EU does not cede any technical provision cashflows relating to the reinsurer's share of any future premium to the reinsurer. It also does not receive any TP cashflows relating to the reinsurance commission, as these are captured within the retained premium. Instead of these TP cashflows, DGI EU has set up a reinsurance payable liability item on its Solvency II balance sheet, reflecting the amounts owed to the reinsurer.

Technical Provisions – Risk Margin

A further risk margin amount is included within technical provisions. The risk margin relates to the cost of capital that would be incurred by another entity running off the liabilities while maintaining adequate capitalisation under Solvency II.

The risk margin is defined within Article 77 of the Directive as:
"The risk margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations"

The Solvency II rules stipulate that the risk margin for the whole portfolio of insurance obligations should be calculated using the following formula:

$$RM = CoC \times \sum_{t \geq 0} \frac{SCR(t)}{(1 + r_{t+1})^{t+1}}$$

where CoC is the cost of capital (prescribed at 6%), SCR(t) is the solvency capital required at time t, and r_t is the risk-free rate for maturity at time t.

The Company uses the second simplification as referred to in guideline 62 of the document Guidelines on the valuation of technical provisions for the calculation of the risk margin, which is applied as follows:

- To approximate the whole SCR for each future year, undertakings can multiply the SCR at the valuation date by the ratio of the best estimate TPs (i.e. those prior to application of the risk margin) at that future year to the best estimate TPs at the valuation date, providing that it is reasonable to assume that the risk profile will be unchanged over time.
- The SCR considered at the valuation date should include the following risks:
    - Non-life underwriting risk;
    - Reinsurance counterparty default risk; and
    - Operational risk.

The SCRs are then discounted to the valuation date using the prescribed EIOPA yield curve, summed, and multiplied by the cost-of-capital factor (presently 6%) to determine the Risk Margin.

Material Changes in Assumptions

There have been no material changes in assumptions applied to the technical provisions during the period, as there are no prior-year figures for comparison.

Key Uncertainties

There are many areas of uncertainty within the technical provisions. Estimation techniques are therefore used in the calculation of the ultimate cost of settling both claims that have occurred prior to the balance sheet date and remain unsettled at the balance sheet date, and claims costs that will arise in relation to events that have not happened at the balance sheet date.

DGIEU use a bespoke method for calculating fair value IBNR (=incurred but not reported) for extended warranty insurance business. The DGIEU IBNR method accounts for both changes in exposure and differences in the size of projected payment, based on the age of a claim. For DGIEU portfolios, the methodology is based on monthly incremental paid data (i.e. cash flows) related to accident month cohorts, separately for segments defined for the Solvency II Best Estimate calculation.

Reconciliation to statutory values

€ '000	2020
German GAAP Technical Provision	5.059
Adjustment to Gross Solvency II Best Estimate	-7.881
Gross Best Estimate Liability	**-2.822**
Remove Ceded Best Estimate	-11.822
Net Best Estimate Liability	**-14.644**
Add Risk Margin	422
Solvency II Technical Provision	**-14.222**

The Solvency II technical provisions for the Company are estimated on a best estimate cash flow basis. The primary adjustments to move from a German GAAP to a Solvency II basis are as follows:

Removal of German GAAP reserves

- Removal of the unearned premium from the starting position of the German GAAP reserves as this is not on a cash flow basis.
- Removal of the margins within the German GAAP reserves as Solvency II is on a best estimate basis.

Solvency II specific adjustments

- Inclusion of claims provision which is the cost of claims for events which have occurred prior to the valuation date, estimated on a future cash flow basis,
- Inclusion of an allowance for expenses which is required to service the run off of the technical provisions,
- Inclusion of premiums provision which is the future cost arising from policies obligated to at the valuation date,
- Recognition of cash flows relating to business bound before, but incepting after the valuation date,
- Recognition of future cash inflows for existing business less an allowance for policies lapsing,
- The inclusion of an additional cost for Events not in Data,
- The impact of discounting the cash flows above using the risk-free yield curve, and
- The inclusion of the risk margin as shown separately in the table above.

Adjustments and Simplifications

The Matching Adjustment and Volatility Adjustment have not been applied in the calculation of Technical Provisions.

The transitional risk-free interest rate term structure as per Article 308c of the Directive has not been applied in the calculation of Technical Provisions.

The transitional deduction as per Article 308d of the Directive has not been applied in the calculation of Technical Provisions at 31 March 2020.

D.3 Other liabilities

Other liabilities represent provisions for estimated costs incurred but not yet billed or paid. Estimates are periodically reviewed and changes reflected in the income statement as they occur.

Material Class	
• Insurance and Intermediaries Payable	Insurance and intermediaries payable are recognised at fair value. As they have been authorised for settlement they do not form part of the cashflows considered in the best estimate technical provision calculation. Under German GAAP insurance and intermediaries payable are valued with the settlement amount.
• Payables (Trade, not Insurance)	Trade payables include IPT costs which, as they relate in insurance and intermediary debtors receivable, form part of the cashflows considered in the best estimate technical provision calculation (see D.2) Under German GAAP Trade payables are valued with the settlement / repayment amount.
• Other Liabilities	Other liabilities are measured at fair value and represent provisions for estimated costs incurred but not yet billed or paid. Estimates are periodically reviewed and changes reflected in the income statement as they occur.

Material Class	
	Under German GAAP other liabilities are valued with the expected settlement amount.

There are no further other liabilities at DGIEU. Therefore, there are no other items to report on.

D.4 Alternative methods for valuation

Property has been valued based on a market rent benchmark incorporating characteristics of similar assets.

At the year-end, the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2020 € '000
Operating Leases which expire:	
within one year	235
within one to five years	2.107
over five years	441
	2.783

D.5 Any other information

There is no other material information to report.

E. CAPITAL MANAGEMENT

Solvency is calculated as the ratio of Eligible Own Funds to the Solvency Capital Requirement (SCR).

There are limits for the calculation of the solvency ratio.

The following quantitative limits are set for the Solvency Capital Requirement:

- the allowable amount of Tier 1 own funds must be at least 50% of the Solvency Capital Requirement,
- the allowable amount of Tier 3 own funds may not exceed 15% of the Solvency Capital Requirement,
- the sum of allowable Tier 2 and Tier 3 own funds shall not exceed 50% of the Solvency Capital Requirement.

The following quantitative limits shall apply to the Minimum Capital Requirement:

- the allowable amount of Tier 1 own funds must be at least 80% of the Minimum Capital Requirement,
- the allowable amount of Tier 2 own funds must not exceed 20% of the Solvency Capital Requirement.

This section contains reconciliation from the IFRS net assets to the Solvency II excess of assets over liabilities that forms part of Tier 1 Own Funds. The individual material classes of assets, technical provisions and liabilities are considered in sections D.1, D.2 and D.3 respectively.

The Company's capital position as of 31 March 2020 is as follows:

	2020 € '000
Eligible Own Funds	15.329
Solvency Capital Requirement (SCR)	7.432
Ratio of Eligible Own Funds to the SCR	206%

E.1 Own funds

Capital Management Objectives

The Directors' primary objective in respect of capital management is to ensure the Company maintains sufficient financial resources to meet all obligations as they fall due, including meeting the MCR and SCR requirements plus a buffer.

The Company is regulated by BaFin.

DGIEU has embedded its capital management processes into its normal planning, reporting and decision making activities. Capital projections are undertaken each year as part of the budgeting and ORSA processes and also as part of the three-year planning process. The Directors review the capital position of DGIEU each quarter.

The Company is well capitalised under the Solvency II standard model (no USPs in FY20) and on the basis of its ORSA.

Classification of Own Funds by Tier

As of 31 March 2020 DGIEU's own funds in its Solvency II balance sheet were made up as follows:

	Tier	Total available own funds to meet the SCR €'000	Total available own funds to meet the MCR €'000	Total eligible own funds to meet the SCR € '000	Total eligible own funds to meet the MCR €'000
Ordinary Share Capital	Tier 1	2.550	2.550	2.550	2.550
Share Premium	Tier 1	250	250	250	250
Reconciliation Reserve	Tier 1	8.813	8.813	8.813	8.813
Subordinated Liabilities	Tier 2	22.000	22.000	3.716	500
Deferred Tax Assets	Tier 3	4.359			
Own Funds		**37.971**	**33.613**	**15.329**	**12.113**

Eligible own funds to cover the SCR relate to Tier 1 (€11.613k) and Tier 2 (€3.716k). There are no conditions attached to elements of those own funds. The Tier 2 funds relate to a subordinated loan agreement with Domestic & General Services PTY Ltd., Australia.

There are certain differences between the value of Own Funds under Solvency II and the value of Equity shown in the Company's Financial Statements. These arise due to the difference in valuation of assets and liabilities described in Section D of this report. A reconciliation is shown in the table below.

Reconciliation between German GAAP and Solvency II Reserves	2020 € '000
German GAAP Capital and Reserves	24.820
German GAAP Goodwill	-12.075
Difference in Valuation of Technical Provision related Items	7.459
Deferred Tax Assets on Solvency II revaluation losses	4.359
Other Valuation Differences	-8.592
Difference of Excess of Assets over Liabilities	15.971
Subordinated liabilities	22.000
Solvency II Own Funds	**37.971**

None of the Company's Own Funds are subject to transitional arrangements and the Company has no Ancillary Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

DGIEU just writes cover in the miscellaneous financial loss line of business. It uses the standard model amended without the use of undertaking specific parameters.

Capital Requirement	2020 € '000
SCR	7.432
MCR	2.500

E.2.1 Solvency Capital Requirement (SCR)

The Company's SCR split by risk modules as of 31 March 2020 is shown in the table below.

SCR	2020 € '000
Non-life Underwriting Risk	3.878
Market Risk	552
Counterparty Default Risk	3.308
Diversification Credit	-1.327
Basic SCR	6.411
Operational Risk	1.022
Loss absorbing capacity of deferred taxes	0
SCR	**7.432**

E.2.2 Minimum Capital Requirement (MCR)

The Company calculates its linear MCR using the prescribed formula. This is then compared with the absolute floor of the MCR, the MCR cap and the MCR floor. Both the cap and floor are determined using the Standard Formula SCR.

Overall MCR Calculation	2020 € '000
Linear MCR	914
SCR	7.432
MCR Cap	3.345
MCR Floor	1.858
Combined MCR	1.858
Absolute Floor of the MCR	2.500
Minimum Capital Requirement	**2.500**

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

The duration based equity sub-module has not been used in the calculation of the Solvency Capital Requirement.

E.4 Differences between the Standard Formula and any Internal Model used

Not applicable – no internal model has been used during the reporting period.

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

There have been no instances of non-compliance with the Minimum Capital Requirement or the Solvency Capital Requirement during the period.

E.6 Any other information

No other material information on capital management is available at DGIEU.

ANNEX – QUANTITATIVE REPORTING TEMPLATES

The following templates form part of the published SFCR report:

S.02.01.02	Balance Sheet
S.05.01.02	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-life Technical Provisions
S.19.01.21	Non-life insurance claims information
S.23.01.01	Own funds (solo undertaking)
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement

All are in €000's

S.02.01.02 – Solvency II Balance Sheet – 1/2

		Solvency II value	Statutory accounts value	Reclassification adjustments
		C0010	C0020	EC0021
Rows				
Assets				
Goodwill	R0010		12.075	
Deferred acquisition costs	R0020		0	
Intangible assets	R0030		774	
Deferred tax assets	R0040	4.359	0	
Pension benefit surplus	R0050			
Property, plant & equipment held for own use	R0060	273	494	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070			
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			
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	11.822		
Non-life and health similar to non-life	R0280	11.822		
Non-life excluding health	R0290	11.822		
Health similar to non-life	R0300			
Life and health similar to life, excluding health and index-linked and unit-linked	R0310			
Health similar to life	R0320			
Life excluding health and index-linked and unit-linked	R0330			
Life index-linked and unit-linked	R0340			
Deposits to cedants	R0350			
Insurance and intermediaries receivables	R0360	86	10.296	
Reinsurance receivables	R0370			
Receivables (trade, not insurance)	R0380	1.792	1.792	
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	41.467	41.467	
Any other assets, not elsewhere shown	R0420		6.355	
Total assets	R0500	59.799	73.253	

S.02.01.02 – Solvency II Balance Sheet – 2/2

		Columns		
		Solvency II value	Statutory accounts value	Reclassification adjustments
		C0010	C0020	EC0021
Rows				
Liabilities				
Technical provisions – non-life	R0510	-2.400	5.059	
Technical provisions – non-life (excluding health)	R0520	-2.400	5.059	
Technical provisions calculated as a whole	R0530			
Best Estimate	R0540	-2.822		
Risk margin	R0550	422		
Technical provisions - health (similar to non-life)	R0560			
Technical provisions calculated as a whole	R0570			
Best Estimate	R0580			
Risk margin	R0590			
Technical provisions - life (excluding index-linked and unit-linked)	R0600			
Technical provisions - health (similar to life)	R0610			
Technical provisions calculated as a whole	R0620			
Best Estimate	R0630			
Risk margin	R0640			
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650			
Technical provisions calculated as a whole	R0660			
Best Estimate	R0670			
Risk margin	R0680			
Technical provisions – index-linked and unit-linked	R0690			
Technical provisions calculated as a whole	R0700			
Best Estimate	R0710			
Risk margin	R0720			
Other technical provisions	R0730			
Contingent liabilities	R0740			
Provisions other than technical provisions	R0750	3.820	3.762	
Pension benefit obligations	R0760			
Deposits from reinsurers	R0770			
Deferred tax liabilities	R0780	0	0	
Derivatives	R0790			
Debts owed to credit institutions	R0800	0	0	
Financial liabilities other than debts owed to credit institutions	R0810			
Insurance & intermediaries payables	R0820	4.355	4.891	
Reinsurance payables	R0830	13.691	10.676	
Payables (trade, not insurance)	R0840	2.361	1.988	
Subordinated liabilities	R0850	22.000	22.000	
Subordinated liabilities not in Basic Own Funds	R0860			
Subordinated liabilities in Basic Own Funds	R0870	22.000	22.000	
Any other liabilities, not elsewhere shown	R0880	0	57	
Total liabilities	R0900	43.828	48.433	
Excess of assets over liabilities	R1000	15.971	24.820	

S.05.01.02 – Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) – 1/2

		Columns							
		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)							
		Medical expense insurance	Income protection	Workers' compensation	Motor vehicle liability	Other motor insurance	Marine, aviation and transport	Fire and other damage to	General liability insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Rows									
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								
Net	R0400								
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
Expenses incurred	R0550								
Administrative expenses									
Gross - Direct Business	R0610								
Gross - Proportional reinsurance accepted	R0620								
Gross - Non-proportional reinsurance accepted	R0630								
Reinsurers' share	R0640								
Net	R0700								
Investment management expenses									
Gross - Direct Business	R0710								
Gross - Proportional reinsurance accepted	R0720								
Gross - Non-proportional reinsurance accepted	R0730								
Reinsurers' share	R0740								
Net	R0800								
Claims management expenses									
Gross - Direct Business	R0810								
Gross - Proportional reinsurance accepted	R0820								
Gross - Non-proportional reinsurance accepted	R0830								
Reinsurers' share	R0840								
Net	R0900								
Acquisition expenses									
Gross - Direct Business	R0910								
Gross - Proportional reinsurance accepted	R0920								
Gross - Non-proportional reinsurance accepted	R0930								
Reinsurers' share	R0940								
Net	R1000								
Overhead expenses									
Gross - Direct Business	R1010								
Gross - Proportional reinsurance accepted	R1020								
Gross - Non-proportional reinsurance accepted	R1030								
Reinsurers' share	R1040								
Net	R1100								
Other expenses	R1200								
Total expenses	R1300								

S.05.01.02 – Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) – 2/2

		Columns								
		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)				Line of Business for: accepted non-proportional reinsurance				Total
		Credit and suretyship	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Rows										
Premiums written										
Gross - Direct Business	R0110				33.052					33.052
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140				29.746					29.746
Net	R0200				3.305					3.305
Premiums earned										
Gross - Direct Business	R0210				17.025					17.025
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240				18.549					18.549
Net	R0300				-1.524					-1.524
Claims incurred										
Gross - Direct Business	R0310				4.066					4.066
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340				2.606					2.606
Net	R0400				1.461					1.461
Changes in other technical provisions										
Gross - Direct Business	R0410				0					0
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440				0					0
Net	R0500				0					0
Expenses incurred	R0550				11.573					11.573
Administrative expenses										
Gross - Direct Business	R0610				4.511					4.511
Gross - Proportional reinsurance accepted	R0620									
Gross - Non-proportional reinsurance accepted	R0630									
Reinsurers' share	R0640				0					0
Net	R0700				4.511					4.511
Investment management expenses										
Gross - Direct Business	R0710				0					0
Gross - Proportional reinsurance accepted	R0720									
Gross - Non-proportional reinsurance accepted	R0730									
Reinsurers' share	R0740				0					0
Net	R0800				0					0
Claims management expenses										
Gross - Direct Business	R0810				0					0
Gross - Proportional reinsurance accepted	R0820									
Gross - Non-proportional reinsurance accepted	R0830									
Reinsurers' share	R0840									
Net	R0900				0					0
Acquisition expenses										
Gross - Direct Business	R0910				21.631					21.631
Gross - Proportional reinsurance accepted	R0920									
Gross - Non-proportional reinsurance accepted	R0930									
Reinsurers' share	R0940				17.997					17.997
Net	R1000				3.635					3.635
Overhead expenses										
Gross - Direct Business	R1010				3.428					3.428
Gross - Proportional reinsurance accepted	R1020									
Gross - Non-proportional reinsurance accepted	R1030									
Reinsurers' share	R1040									
Net	R1100				3.428					3.428
Other expenses	R1200									
Total expenses	R1300									11.573

S.05.02.01 – Premiums, claims and expenses by country

		Columns	Columns	Columns	Columns	Columns	Columns	Columns
		Home country	Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums	Country (by amount of gross premiums	Total Top 5 and home country
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
			SPAIN	PORTUGAL	GERMANY	IRELAND	ITALY	
Rows								
Premiums written								
Gross - Direct Business	R0110	1.222	20.921	9.949	1.222	148	14	32.254
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	1.100	18.829	8.954	1.100	133	13	29.029
Net	R0200	122	2.092	995	122	15	1	3.225
Premiums earned								
Gross - Direct Business	R0210	899	10.903	4.730	899	54	17	16.603
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	875	11.325	5.704	875	96	14	18.014
Net	R0300	24	-423	-974	24	-42	3	-1.411
Claims incurred								
Gross - Direct Business	R0310	593	2.184	793	593	14	1	3.584
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	380	1.399	508	380	9	1	2.296
Net	R0400	213	785	285	213	5	0	1.287
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0	0	0	0	
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	0	0	0	0	0	0	
Net	R0500	0	0	0	0	0	0	
Expenses incurred	R0550	4.784	3.173	1.382	4.784	0	603	9.942
Other expenses	R1200							
Total expenses	R1300							9.942

S.17.01.02 – Non-life Technical Provisions – 1/2

		Columns						
		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080
Rows								
Technical provisions calculated as a whole	R0010							
Direct business	R0020							
Accepted proportional reinsurance business	R0030							
Accepted non-proportional reinsurance	R0040							
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 - Total	R0060							
Gross - direct business	R0070							
Gross - accepted proportional reinsurance business	R0080							
Gross - accepted non-proportional reinsurance business	R0090							
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100							
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110							
Recoverables from SPV before adjustment for expected losses	R0120							
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140							
Net Best Estimate of Premium Provisions	R0150							
Claims provisions								
Gross - Total	R0160							
Gross - direct business	R0170							
Gross - accepted proportional reinsurance business	R0180							
Gross - accepted non-proportional reinsurance business	R0190							
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200							
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210							
Recoverables from SPV before adjustment for expected losses	R0220							
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230							
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240							
Net Best Estimate of Claims Provisions	R0250							
Total Best estimate - gross	R0260							
Total Best estimate - net	R0270							
Risk margin	R0280							
Amount of the transitional on Technical Provisions								
TP as a whole	R0290							
Best estimate	R0300							
Risk margin	R0310							
Technical provisions - total								
Technical provisions - total	R0320							
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330							
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340							
Line of Business: further segmentation (Homogeneous Risk Groups)								
Premium provisions - Total number of homogeneous risk groups	R0350							
Claims provisions - Total number of homogeneous risk groups	R0360							
Cash-flows of the Best estimate of Premium Provisions (Gross)								
Cash out-flows								
Future benefits and claims	R0370							
Future expenses and other cash-out flows	R0380							
Cash in-flows								
Future premiums	R0390							
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400							
Cash-flows of the Best estimate of Claims Provisions (Gross)								
Cash out-flows								
Future benefits and claims	R0410							
Future expenses and other cash-out flows	R0420							
Cash in-flows								
Future premiums	R0430							
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440							
Percentage of gross Best Estimate calculated using approximations	R0450							
Best estimate subject to transitional of the interest rate	R0460							
Technical provisions without transitional on interest rate	R0470							
Best estimate subject to volatility adjustment	R0480							
Technical provisions without volatility adjustment and without others transitional measures	R0490							

S.17.01.02 – Non-life Technical Provisions – 2/2

		Columns					
		Direct business and accepted proportional reinsurance					
		General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total Non-Life obligation
		C0090	C0100	C0110	C0120	C0130	C0180
Rows							
Technical provisions calculated as a whole	R0010						
Direct business	R0020						
Accepted proportional reinsurance business	R0030						
Accepted non-proportional reinsurance	R0040						
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 - Total	R0060					-4.680	-4.680
Gross - direct business	R0070					-4.680	-4.680
Gross - accepted proportional reinsurance business	R0080						
Gross - accepted non-proportional reinsurance business	R0090						
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100					10.285	10.285
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110					10.285	10.285
Recoverables from SPV before adjustment for expected losses	R0120						
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130						
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					10.222	10.222
Net Best Estimate of Premium Provisions	R0150					-14.903	-14.903
Claims provisions							
Gross - Total	R0160					1.858	1.858
Gross - direct business	R0170					1.858	1.858
Gross - accepted proportional reinsurance business	R0180						
Gross - accepted non-proportional reinsurance business	R0190						
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200					1.606	1.606
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210					1.606	1.606
Recoverables from SPV before adjustment for expected losses	R0220						
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230						
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					1.600	1.600
Net Best Estimate of Claims Provisions	R0250					259	259
Total Best estimate - gross	R0260					-2.822	-2.822
Total Best estimate - net	R0270					-14.644	-14.644
Risk margin	R0280					422	422
Amount of the transitional on Technical Provisions							
TP as a whole	R0290						
Best estimate	R0300						
Risk margin	R0310						
Technical provisions - total							
Technical provisions - total	R0320					-2.400	-2.400
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330					11.822	11.822
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340					-14.222	-14.222
Line of Business: further segmentation (Homogeneous Risk Groups)							
Premium provisions - Total number of homogeneous risk groups	R0350					0	
Claims provisions - Total number of homogeneous risk groups	R0360					0	
Cash-flows of the Best estimate of Premium Provisions (Gross)							
Cash out-flows							
Future benefits and claims	R0370					1.635	1.635
Future expenses and other cash-out flows	R0380					792	792
Cash in-flows							
Future premiums	R0390					-17.392	-17.392
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400					0	0
Cash-flows of the Best estimate of Claims Provisions (Gross)							
Cash out-flows							
Future benefits and claims	R0410					251	251
Future expenses and other cash-out flows	R0420					1	1
Cash in-flows							
Future premiums	R0430						
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440						
Percentage of gross Best Estimate calculated using approximations	R0450						
Best estimate subject to transitional of the interest rate	R0460						
Technical provisions without transitional on interest rate	R0470						
Best estimate subject to volatility adjustment	R0480						
Technical provisions without volatility adjustment and without others transitional measures	R0490						

S.19.01.21 – Non-life insurance claims information – 1/3

Gross Claims Paid (non-cumulative)

Rows		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150																
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230																
N-1	R0240																
N	R0250	993															

Rows		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-14	R0110		
N-13	R0120		
N-12	R0130		
N-11	R0140		
N-10	R0150		
N-9	R0160		
N-8	R0170		
N-7	R0180		
N-6	R0190		
N-5	R0200		
N-4	R0210		
N-3	R0220		
N-2	R0230		
N-1	R0240		
N	R0250		
Total	R0260		

Gross undiscounted Best Estimate Claims Provisions

Rows		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150																
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230																
N-1	R0240																
N	R0250	1.855															

Rows		Year end
		C0360
Prior	R0100	
N-14	R0110	
N-13	R0120	
N-12	R0130	
N-11	R0140	
N-10	R0150	
N-9	R0160	
N-8	R0170	
N-7	R0180	
N-6	R0190	
N-5	R0200	
N-4	R0210	
N-3	R0220	
N-2	R0230	
N-1	R0240	
N	R0250	
Total	R0260	

S.19.01.21 – Non-life insurance claims information – 2/3

Reinsurance Recoveries received (non-cumulative)

		Columns															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0600	C0610	C0620	C0630	C0640	C0650	C0660	C0670	C0680	C0690	C0700	C0710	C0720	C0730	C0740	C0750
Rows																	
Prior	R0300																
N-14	R0310																
N-13	R0320																
N-12	R0330																
N-11	R0340																
N-10	R0350																
N-9	R0360																
N-8	R0370																
N-7	R0380																
N-6	R0390																
N-5	R0400																
N-4	R0410																
N-3	R0420																
N-2	R0430																
N-1	R0440																
N	R0450	894															

		Columns	
		In Current year	Sum of years (cumulative)
		C0760	C0770
Rows			
Prior	R0300		
N-14	R0310		
N-13	R0320		
N-12	R0330		
N-11	R0340		
N-10	R0350		
N-9	R0360		
N-8	R0370		
N-7	R0380		
N-6	R0390		
N-5	R0400		
N-4	R0410		
N-3	R0420		
N-2	R0430		
N-1	R0440		
N	R0450		
Total	R0460		

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		Columns															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0800	C0810	C0820	C0830	C0840	C0850	C0860	C0870	C0880	C0890	C0900	C0910	C0920	C0930	C0940	C0950
Rows																	
Prior	R0300																
N-14	R0310																
N-13	R0320																
N-12	R0330																
N-11	R0340																
N-10	R0350																
N-9	R0360																
N-8	R0370																
N-7	R0380																
N-6	R0390																
N-5	R0400																
N-4	R0410																
N-3	R0420																
N-2	R0430																
N-1	R0440																
N	R0450	1.603															

		Columns
		Year end
		C0960
Rows		
Prior	R0300	
N-14	R0310	
N-13	R0320	
N-12	R0330	
N-11	R0340	
N-10	R0350	
N-9	R0360	
N-8	R0370	
N-7	R0380	
N-6	R0390	
N-5	R0400	
N-4	R0410	
N-3	R0420	
N-2	R0430	
N-1	R0440	
N	R0450	
Total	R0460	

S.19.01.21 – Non-life insurance claims information – 2/3

Net Claims Paid (non-cumulative)

		Columns															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C1200	C1210	C1220	C1230	C1240	C1250	C1260	C1270	C1280	C1290	C1300	C1310	C1320	C1330	C1340	C1350
Rows																	
Prior	R0500																
N-14	R0510																
N-13	R0520																
N-12	R0530																
N-11	R0540																
N-10	R0550																
N-9	R0560																
N-8	R0570																
N-7	R0580																
N-6	R0590																
N-5	R0600																
N-4	R0610																
N-3	R0620																
N-2	R0630																
N-1	R0640																
N	R0650	99															

		Columns	
		In Current year	Sum of years (cumulative)
		C1360	C1370
Rows			
Prior	R0500		
N-14	R0510		
N-13	R0520		
N-12	R0530		
N-11	R0540		
N-10	R0550		
N-9	R0560		
N-8	R0570		
N-7	R0580		
N-6	R0590		
N-5	R0600		
N-4	R0610		
N-3	R0620		
N-2	R0630		
N-1	R0640		
N	R0650		
Total	R0660		

Net Undiscounted Best Estimate Claims Provisions

		Columns															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C1400	C1410	C1420	C1430	C1440	C1450	C1460	C1470	C1480	C1490	C1500	C1510	C1520	C1530	C1540	C1550
Rows																	
Prior	R0500																
N-14	R0510																
N-13	R0520																
N-12	R0530																
N-11	R0540																
N-10	R0550																
N-9	R0560																
N-8	R0570																
N-7	R0580																
N-6	R0590																
N-5	R0600																
N-4	R0610																
N-3	R0620																
N-2	R0630																
N-1	R0640																
N	R0650	252															

		Columns
		Year end
		C1560
Rows		
Prior	R0500	
N-14	R0510	
N-13	R0520	
N-12	R0530	
N-11	R0540	
N-10	R0550	
N-9	R0560	
N-8	R0570	
N-7	R0580	
N-6	R0590	
N-5	R0600	
N-4	R0610	
N-3	R0620	
N-2	R0630	
N-1	R0640	
N	R0650	
Total	R0660	

S.23.01.01 – Own Funds (solo undertaking)

Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Rows						
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	2.550	2.550			
Share premium account related to ordinary share capital	R0030	250	250			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	8.813	8.813			
Subordinated liabilities	R0140	22.000			22.000	
An amount equal to the value of net deferred tax assets	R0160	4.359				4.359
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	37.971	11.613	0	22.000	4.359
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0,00	0,00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	37.971	11.613	0	22.000	4.359
Total available own funds to meet the MCR	R0510	33.613	11.613	0	22.000	
Total eligible own funds to meet the SCR	R0540	15.329	11.613	0	3.716	0
Total eligible own funds to meet the MCR	R0550	12.113	11.613	0	500	
SCR	R0580	7.432				
MCR	R0600	2.500				
Ratio of Eligible own funds to SCR	R0620	206%				
Ratio of Eligible own funds to MCR	R0640	485%				

Reconciliation reserve

		Columns
		C0060
Rows		
Reconciliation reserve		
Excess of assets over liabilities	R0700	15.971
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	7.159
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	8.813
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	8.627
Total Expected profits included in future premiums (EPIFP)	R0790	8.627

S.25.01.21 – Solvency Capital Requirement – for undertakings on Standard Formula

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Rows				
Market risk	R0010	552	552	
Counterparty default risk	R0020	3.308	3.308	
Life underwriting risk	R0030	0	0	
Health underwriting risk	R0040	0	0	
Non-life underwriting risk	R0050	3.878	3.878	
Diversification	R0060	-1.327	-1.327	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	6.411	6.411	

		Value
		C0100
Rows		
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	1.022
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	7.432
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	7.432
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	

S.28.01.01 – Minimum Capital Requirement

Linear formula component for non-life insurance and reinsurance obligations

Rows		MCR components
		C0010
MCRNL Result	R0010	914

Rows		Background information: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Background information: Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	7.492
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Overall MCR calculation

Rows		C0070
Linear MCR	R0300	914
SCR	R0310	7.432
MCR cap	R0320	3.345
MCR floor	R0330	1.858
Combined MCR	R0340	1.858
Absolute floor of the MCR	R0350	2.500
Minimum Capital Requirement	R0400	2.500

ANNEX – Glossary

ACPR	French Prudential Supervision and Resolution Authority
ADIA	Abu Dhabi Investment Authority
APRA	Australian Prudential Regulation Authority
ARC	Audit and Risk Committee (internal committee)
BaFin	Federal Financial Supervisory Authority in Germany
BPC	Business Planning Committee (internal committee)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoSec	Corporate Secretary
CRO	Chief Risk Officer
DGI	Domestic & General Insurance PLC
DGIEU	Domestic & General Insurance Europe AG
DGSFP	Directorate-General of Insurance and Pension Funds, Spain
DGX	Domestic & General Experience (internal project)
DVO	COMMISSION DELEGATED REGULATION (EU) 2015/35
ECSC	European Conduct Standards Committee (internal committee)
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EMOC	European Management Operations Committee (internal committee)
EPPGC	European Pricing and Product Governance Committee
ExCo	Executive Committee (internal committee)
FATC	Finance & Trading Committee (internal committee)
FCA	Financial Conduct Authority, UK
FY	Financial Year
GRC	Group Risk Committee (internal committee)
Group	Domestic & General Group
GPW	Gross Premiums Written
HGB	Code of Commercial Law
ICC	Group Investment & Capital Committee (internal committee)
IVASS	Institute for the Supervision of Insurance, Italy
KPI	Key Performance Indicator
KRI	Key Risk Indicator
MaGo	BaFin's Minimum Requirements on the System of Governance of Insurance Undertakings
MCR	Minimum Capital Requirement
OEM	Original Equipment Manufacturer
ORSA	Own Risk And Solvency Assessment
PRA	Prudential Regulation Authority, UK
QRT	Quantitative Reporting Template
Q&V	Quality Verfication
RCSA	Risk and Control Self Assessment
REMCO	Remuneration Committee (internal committee)
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement

SFCR	Solvency and Financial Condition Report
T&CIOC	Technology & Change IT Oversight Committee (internal committee)
UK	United Kingdom
UPR	Unearned Premium
USP	Undertaking-specific parameters
VAG	German Insurance Supervision Act
VAT	Value Added Tax
VCP	Value Creation Plan
WHO	World Health Organization
1LOD	First Line of Defence
2LOD	Second Line of Defence
3LOD	Third Line of Defence