SOLVENCY AND FINANCIAL CONDITION REPORT

RCI INSURANCE LTD

RCI LIFE LTD

EXECUTIVE SUMMARY

RCI Insurance Ltd and **RCI Life Ltd** (hereinafter referred to as "the companies") are insurance undertakings authorised to carry on the business of insurance by the Malta Financial Services Authority ("the MFSA") as per the Insurance Business Act, 1998 (Chapter 403, Laws of Malta). Together with their parent company **RCI Services Ltd**, they form an insurance group ("the group") as per the Subsidiary Legislation 403.17 (Laws of Malta). All three companies are incorporated and registered in Malta.

The principal activity of **RCI Insurance Ltd** is to carry on general business of insurance from Malta. The company accepts risks on the following Solvency II lines of business:

- Health (similar-to-life); and

- Miscellaneous financial loss

The principal activity of **RCI Life Ltd** is to carry on long-term business of insurance from Malta. The company accepts risks only with regards to Life insurance under the Solvency II lines of business.

RCI Services Ltd is a holding company, which provides services to its to its two subsidiaries. RCI Services Ltd is a fully owned subsidiary
of RCI Banque S.A. whose ultimate parent is Renault S.A.

Both RCI Insurance Ltd as well as RCI Life Ltd have been granted rights to provide insurance services under the Freedom of Services Legislation in terms of European Passporting Rights in France, Germany, Italy and Spain.

Given the similarity in the operations of the business of both RCI Insurance Ltd and RCI Life Ltd, certain key elements, such as the system of governance is shared between both entities. The group has an established system of governance in place, including the Board of Directors ("Board") as well as a number of Board and Business Management Committees, which all contribute to the sound and prudent management of the group as a whole.

As at 31 December 2016, the Solvency Capital Requirement ("SCR") coverage ratio for RCI Insurance Ltd was 191%, with own funds of €113.5m and a SCR of €59.3m.

The SCR coverage ratio for RCI Life Ltd was 259%, with own funds of €128.8m and a SCR of €49.8m.

At that date, the group SCR coverage ratio was 229%, with own funds of €242.7m and a SCR of €106m.

The objective of the group's business capital management strategy is to maintain sufficient own funds to cover the SCR and Minimum Capital Requirement ("MCR") with an appropriate buffer. The group maintains a high solvency ratio to ensure policyholder obligations can be met under stressed conditions while allowing itself to pursue any new business opportunity it can benefit from.

The group carries out regular reviews of its solvency ratios as part of the companies' risk monitoring and capital management system. It also performs an Own Risk and Solvency Assessment ("ORSA") on a forward looking approach based on a planning horizon of three years. No material changes to the group's risk profile were reported during the financial year ended 31 December 2016.

The single group-wide Solvency and Financial Condition Report ("SFCR") has been prepared in line with the requirements of Directive 2009/138/EC (Solvency II Directive) and the Commission Delegated Regulation (EU) 2015/35.

This document aims to provide the information required in accordance with Article 36 of the Solvency II Directive. In line with this directive, the document contains information on the group's business, system of governance, risk profile, valuation principles and capital structure.

CONTENTS

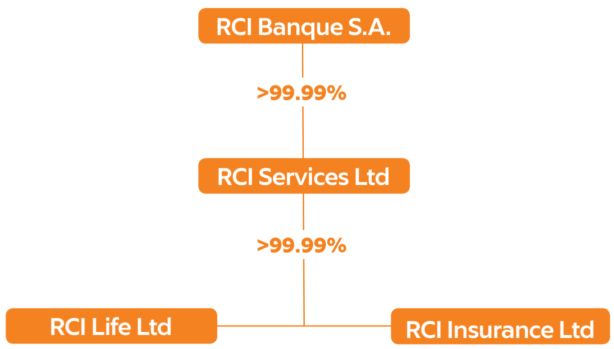
A. BUSINESS & PERFORMANCE

A.1. BUSINESS

RCI Insurance Limited and RCI Life Limited, both limited liability companies incorporated and domiciled in Malta are subsidiaries of RCI Services Limited ('the companies' and collectively referred to as 'the group'). RCI Services Ltd is in turn a subsidiary of RCI Banque S.A. a banking institution licensed and domiciled in France.

RCI Insurance Limited and RCI Life Limited underwrite Payment Protection Insurance business derived from RCI Banque's automobile financing business in France, Germany, Italy and Spain. The cover provides RCI Banque's finance customers with insurance against the inability to honour loan repayments in the event of unemployment, sickness, accident or death.

A simplified group structure is presented below, showing the individual undertakings' position within the group:



Collectively, the companies are deemed an insurance group under Solvency II rules and thus are subject to group supervision by the Malta Financial Services Authority ("MFSA").

RCI Services Limited ('RCIS')	A holding company incorporated and domiciled in Malta. It is the parent to both RCII and RCIL, offering administrative services to both subsidiaries.
RCI Insurance Limited ('RCII')	A company incorporated and domiciled in Malta licensed by the MFSA to conduct business of insurance and reinsurance in Malta.
RCI Life Limited ('RCIL')	A company incorporated and domiciled in Malta licensed by the MFSA to conduct business of insurance and reinsurance in Malta.

RCIL is authorised by the Malta Financial Services Authority to carry on the business of insurance and reinsurance under the Insurance Business Act, 1998 in the following classes of long term business:

- Class 1 – Life and annuity (insurance and reinsurance)
- Class 4 – Permanent health (reinsurance)

The Company accepts risks on the following Solvency II lines of business:

- Other life insurance
- Life reinsurance

RCII is authorised by the Malta Financial Services Authority to carry on the business of insurance and reinsurance under the Insurance Business Act, 1998 in the following classes of general business:

- Class 1 – Accident (insurance)
- Class 2 – Sickness (insurance)
- Class 16 – Miscellaneous financial loss (insurance and reinsurance)

The Company accepts risks on the following Solvency II lines of business:

- Miscellaneous financial loss
- Health insurance

All three companies of the group have their registered office at Level 3, Mercury Tower, The Exchange Financial & Business Centre, Triq Elia Zammit, St Julian's STJ 3155, Malta.

Contact details of the group's external auditors and supervisory authority can be found hereunder:

Contact Details

National Supervisor	**External Auditor**
Malta Financial Services Authority	EY (Ernst & Young)
Notabile Road	Regional Business Centre
BKR3000	Triq Achille Ferris
Attard	Msida
Malta	Malta

A.2. UNDERWRITING PERFORMANCE

The group in Malta enjoyed a record year in 2016, with gross written premiums from the gross direct business surpassing the figure of €213.4 million (2015: €180.4 million). Reinsurance premiums written remained stable compared to prior year at €59.9 million (2015: €60.2 million). The business growth recorded in 2016 is driven by strong sales of the Renault-Nissan Alliance brands combined with record penetration rates recorded by RCI Bank and Services on car financing solutions.

The underwriting performance of the group comprises solely of the results of RCI Insurance Ltd and RCI Life Ltd which are the two insurance undertakings licensed by the Malta Financial Services Authority.

Underwriting Performance For the year ended 31st December 2016 In thousand euros	RCI Insurance	RCI Life	Group
Premiums Written	**90,517**	**75,659**	**166,176**
Direct Business	66,346	147,031	213,378
Reinsurer's Share	33,361	73,747	107,108
Proportional Reinsurance	57,532	2,374	59,906
Premiums Earned	**77,030**	**75,659**	**152,689**
Direct Business	54,071	147,031	201,103
Reinsurer's Share	27,322	73,747	101,068
Proportional Reinsurance	50,280	2,374	52,654
Claims Incurred	**6,776**	**5,066**	**11,842**
Gross Claims Incurred	10,259	9,941	20,200
Reinsurer's Share	3,482	4,876	8,358
Change in Technical Provisions	**-**	**13,348**	**13,348**
Gross Claims Incurred	-	25,277	25,277
Reinsurer's Share	-	11,929	11,929
Expenses Incurred	**9,376**	**159**	**9,536**
Gross Expenses Incurred	32,360	47,824	80,185
Reinsurer's Share	22,984	47,665	70,649

Underwriting Performance For the year ended 31st December 2015 In thousand euros	RCI Insurance	RCI Life	Group
Premiums Written	**79,396**	**71,185**	**150,581**
Direct Business	57,001	123,425	180,425
Reinsurer's Share	28,437	61,638	90,075
Proportional Reinsurance	50,832	9,399	60,231
Premiums Earned	**68,480**	**71,185**	**139,665**
Direct Business	46,710	123,425	170,135
Reinsurer's Share	23,527	61,638	85,165
Proportional Reinsurance	45,296	9,399	54,695
Claims Incurred	**8,276**	**9,934**	**18,210**
Gross Claims Incurred	12,165	17,676	29,841
Reinsurer's Share	3,889	7,742	11,631
Change in Technical Provisions	**-**	**12,113**	**12,113**
Gross Claims Incurred	-	22,948	22,948
Reinsurer's Share	-	10,836	10,836
Expenses Incurred	**9,048**	**4,523**	**13,570**
Gross Expenses Incurred	27,936	40,670	68,607
Reinsurer's Share	18,889	36,148	55,036

In accordance with Article 53 (2) of the Solvency II Directive, the Group was granted permission by the MFSA not to disclose in this document the underwriting performance of the Group by material geographical area on the basis that this would be competitively disadvantageous.

RCI Insurance Ltd

RCI Insurance Ltd writes direct business in Germany, Italy, France and Spain. The company also writes business of reinsurance in France and Germany. Direct business relates to payment protection insurance (PPI), while reinsurance business relates to guaranteed asset protection (GAP).

During the year ended 31 December 2016, the Company wrote a total net premium income amounting to €90.5 (2015: €79.4) emanating from both direct business as well as proportional reinsurance business.

RCI Insurance Ltd For the year ended 31st December 2016 In thousand euros	Miscellaneous Financial Loss	Health Insurance	Total
Premiums Written	**57,532**	**32,985**	**90,517**
Direct Business	-	66,346	66,346
Reinsurer's Share	-	33,361	33,361
Proportional Reinsurance	57,532	-	57,532
Premiums Earned	**50,280**	**26,750**	**77,030**
Direct Business	-	54,071	54,071
Reinsurer's Share	-	27,322	27,322
Proportional Reinsurance	50,280	-	50,280
Claims Incurred	**3,195**	**3,581**	**6,776**
Direct Business	-	7,064	7,064
Reinsurer's Share	-	3,482	3,482
Proportional Reinsurance	3,195	-	3,195
Expenses Incurred	**6,693**	**2,683**	**9,376**

RCI Insurance Ltd For the year ended 31st December 2015 In thousand euros	Miscellaneous Financial Loss	Health Insurance	Total
Premiums Written	**50,832**	**28,564**	**79,397**
Direct Business	-	57,001	57,001
Reinsurer's Share	-	28,437	28,437
Proportional Reinsurance	50,832	-	50,832
Premiums Earned	**45,296**	**23,184**	**68,480**
Direct Business	-	46,710	46,710
Reinsurer's Share	-	23,527	23,527
Proportional Reinsurance	45,296	-	45,296
Claims Incurred	**3,162**	**7,136**	**10,298**
Direct Business	-	9,003	9,003
Reinsurer's Share	-	1,867	1,867
Proportional Reinsurance	3,162	-	3,162
Expenses Incurred	**6,396**	**2,651**	**9,047**

As noted above, the Health Insurance line of business is the main line of business underwritten by RCII on a direct business basis, with total gross premiums written amounting to €66.4 million. This is 16.4% or €9.4 million in excess of that reported in 2015 at €57.0 million.

In order to manage the insurance risk, the Company entered into a proportional reinsurance cover on a 50% quota share basis with an 'A' rated reinsurer.

The company also writes reinsurance business in class 16, Miscellaneous Financial Loss, relating to GAP business in France and Germany. On this line of business, an increase in premiums written of 13.2% or €6.7 million was also reported against prior year at €50.8 million.

Premiums written on both direct and reinsurance business comprise of single premium (i.e. one single premium to cover the coverage period of the policy) as well as regular monthly premium.

Underwriting performance has been positive with technical profits reported both on the direct business as well as the reinsurance accepted business.

The technical profit reported for the year ended 31 December 2016 amounted to €62.8 (2015: €53.0m) as shown in the financial statements approved by the Board of Directors on 4th May 2017. Profit before tax for the year under review amounted to €61.4m (2015: €52.2m).

More information on the technical results reported by the company for the year ended 31 December 2016 are available as part of the Annual Report and Financial Statements approved by the Board of Directors on 4th May 2017, which can be accessed from the company's website on www.rci-insurance.eu

RCI Life Ltd

RCI Life Ltd writes direct business in Germany, Italy, France and Spain. The company also wrote business of reinsurance in France, which ceased during the year under review.

During the year ended 31 December 2016, the company wrote a total net premium income of €75.7 (2015: €71.2) emanating from both direct business as well as proportional reinsurance business.

RCI Life Ltd For the year ended 31st December 2016 In thousand euros	Other Life Insurance	Total
Premiums Written	**75,659**	**75,659**
Direct Business	147,031	147,031
Reinsurer's Share	73,747	73,747
Proportional Reinsurance	2,374	2,374
Premiums Earned	**75,659**	**75,659**
Direct Business	147,031	147,031
Reinsurer's Share	73,747	73,747
Proportional Reinsurance	2,374	2,374
Claims Incurred	**5,066**	**5,066**
Direct Business	9,941	9,941
Reinsurer's Share	4,876	4,876
Proportional Reinsurance	-	-
Change in Technical Provisions	**13,348**	**13,348**
Direct Business	25,277	25,277
Reinsurer's Share	11,929	11,929
Expenses Incurred	**159**	**159**

RCI Life Ltd For the year ended 31st December 2015 In thousand euros	Other Life Insurance	Total
Premiums Written	**71,185**	**71,185**
Direct Business	123,425	123,425
Reinsurer's Share	61,638	61,638
Proportional Reinsurance	9,399	9,399
Premiums Earned	**71,185**	**71,185**
Direct Business	123,425	123,425
Reinsurer's Share	61,638	61,638
Proportional Reinsurance	9,399	9,399
Claims Incurred	**9,934**	**9,934**
Direct Business	15,630	15,630
Reinsurer's Share	7,742	7,742
Proportional Reinsurance	2,046	2,046
Change in Technical Provisions	**12,113**	**12,113**
Direct Business	22,948	22,948
Reinsurer's Share	10,836	10,836
Expenses Incurred	**4,523**	**4,523**

Premiums written comprise of single premium (i.e. one single premium to cover the coverage period of the policy) as well as regular monthly premium.

Underwriting performance has been positive with technical profits reported both on the direct business as well as the reinsurance accepted business.

The technical profit reported for the year ended 31 December 2016 amounted to €50.3m (2015: €35.1m). Profit before tax for the year under review amounted to €49.4m (2015: €34.1m).

More information on the technical results reported by the company are available as part of the Annual Report and Financial Statements approved by the Board of Directors on 4th May 2017, which can be accessed from the company's website on www.rci-insurance.eu

A.3. INVESTMENT PERFORMANCE

The primary objective of the group's investment strategy is to protect and preserve its assets, with all investment decisions being made in line with the "prudent person" principle, while seeking an adequate return in order to assure that investments are made in the best interest of policyholders and insured.

In this regard, the investment portfolio of the companies can be considered to be managed conservatively and solely composed of sovereign and supra-national bonds, term loans as well as overnight deposits.

As at December 31st, 2016, the companies and the group's investments were composed of:

Invetsments market value As at 31st December 2016 In thousand euros	RCI Insurance	RCI Life	RCI Group
Bonds	23,799	35,129	58,928
Term Loans	66,000	122,000	188,000
Overnight deposits	39,460	41,889	81,350
Total	**129,260**	**199,018**	**328,278**

Bonds and term loans are typically held to maturity, hence investment income consists primarily of interests earned on the investment portfolio during the holding period. Overnight deposits do not generate any interest.

Investment management costs are charged by the investment manager based on an annual rate based on the yearly average of the monthly value of the portfolio held. The investment management costs for 2016 amounted to €50,000 for each company for a total of €100,000 at group level.

For the year ending on December 31st 2016, the investment income was composed of:

Investment income As at 31st December 2016 In thousand euros	RCI Insurance	RCI Life	RCI Group
Bonds	82	140	222
Term Loans	400	661	1,061
Total	**482**	**801**	**1,283**

A.4. PERFORMANCE OF OTHER ACTIVITIES

The companies do not carry any other activity.

A.5. ANY OTHER INFORMATION

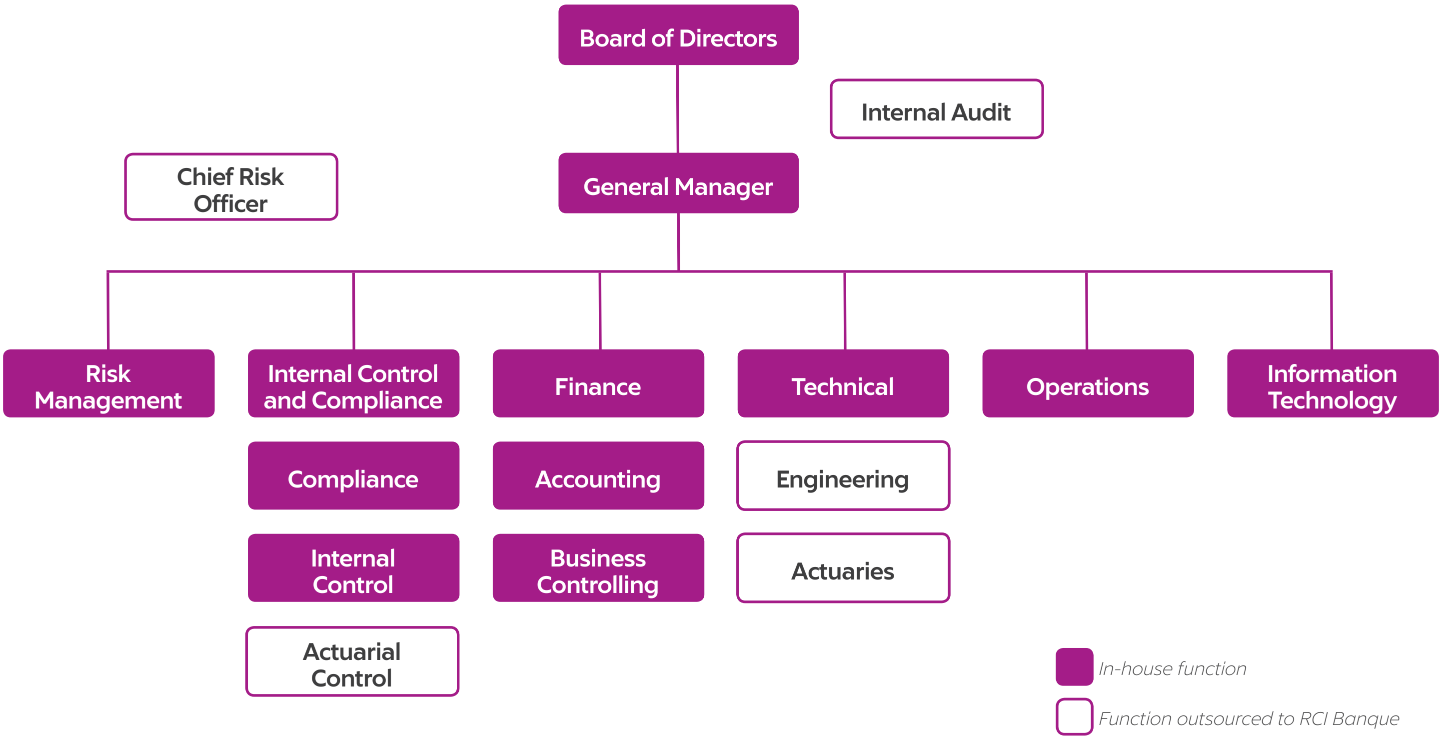
All information presented in section A provides a true and fair image of the companies' business and performance.

B. SYSTEM OF GOVERNANCE

B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

An effective system of governance is essential for the effective management and supervision of an insurance company. Its importance stems from the need to balance the interests of the various stakeholders whilst ensuring that it continues to meet its business objectives, securing adequate returns for its shareholders whilst safeguarding the interests of policyholders, shareholders and other stakeholders by promoting sustainable and long-term growth.

The group shares a common and centralised approach to the overall system of governance, which includes an adequate organisational structure that clearly defines roles, responsibilities and tasks across all components within the group.



The activities and strategic decisions of all entities identified within the group, as outlined in section A.1, are undertaken within a holistic risk and governance framework that promotes consistency and alignment of underlying processes across all entities within the group.

Due to the group's lean organisational structure and because the majority of the Directors, and all Management, are common across all entities within the group, there is full visibility by the group's Board and Management over the governance processes of RCII, RCIL and RCIS collectively at all times. This structure also promotes accountability, effective information flows and the consistent implementation of the risk management, internal control systems and reporting procedures.

Policies and procedures set out the roles and responsibilities of the various business functions and management within each key operational area. These are periodically reviewed to ensure the ongoing relevance and continued alignment of the underlying principles with the risk appetite and business strategy of RCII, RCIL and the group as a whole.

The established key functions of the group are the Compliance function, the Risk Management function, the Actuarial function and the Internal Audit function. Input from these key functions is considered in the decision-making process through the communication of written recommendations to the board of directors and participation at key board meetings, particularly in relation to material decisions.

B.1.1. ORGANISATION

The Board of Directors

The Board of Directors approves the overall business strategy of the Group and establishes and maintains an appropriate internal control system to ensure the sound and prudent management of its insurance activity.

In the context of the governance system, it holds the ultimate responsibility for the implementation and ongoing monitoring and improvement of the system of governance and thereby enacting an adequate risk management system to ensure the sound and prudent conduct of the Group's business within its wider business strategy.

The Board of Directors is composed of the General Manager in his capacity as CEO, two non-executive directors and one non-executive independent director.

Dedicated committees have been established to support the Board in steering critical business areas, and comprise an appropriate mix of directors, key function holders and shareholder representation.

Management

Management, along with all staff in the organisation, are responsible for implementing and maintaining all controls necessary to achieving the Group's strategic and business objectives, the ownership and management of its inherent risks as well as its compliance with legal and regulatory obligations and corporate standards.

B.1.2. KEY FUNCTIONS

The Risk Management, Compliance, Actuarial and Internal Audit functions comprise the key functions under the Solvency II regulatory regime and play an important role within the corporate governance framework of the group.

Risk Management function

The risk management function assists the board members and risk owners in identifying, assessing, monitoring, managing and reporting on the group's key risks in a timely manner. It is responsible for developing and implementing the necessary risk measurement tools and methodologies. The function coordinates and participates in the own risk self-assessment of the group and is responsible for promoting continuous development of the risk management organisation and associated activities.

Compliance function

The role of the compliance function is to assess compliance with the laws, regulations and administrative provisions adopted; to assess the resulting impact of any changes in the legal environment on the operations of the companies; to identify and assess compliance risk within the group; to control and monitor all measures taken to mitigate compliance risk and coordinate compliance-related controls; to report and advise management and the Board of Directors on key compliance matters prevailing within the group.

Actuarial function

The actuarial function is responsible for coordinating the calculation of technical provisions and applying appropriate recognised methodologies and procedures to assess their adequacy; assessing the uncertainty associated with the estimates and expressing an opinion on the overall underwriting policy and providing necessary input into the pricing framework. The function plays a vital role in the calculation of regulatory and internal capital requirements and driving risk modelling and stress testing under the group's risk management framework. Independent validation of critical actuarial outputs is obtained on an ad hoc basis from external actuarial partners.

Internal Audit function

The objective of the internal audit function is to ensure that the group carries out its operations to the highest standards. To achieve this objective the function provides independent, objective assurance and advice on best practice. The function utilises a systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes within the group.

Besides occupying a key operational function, key function holders contribute to strategic decision making by reporting to the Board of Directors on key developments within the respective fields both during and outside of board meetings.

Through this, the organisational structure and the clear definition of tasks and responsibilities ensure that the group preserves the segregation of duties.

B.1.3. KEY COMMITTEES

B.1.3.1. Committees of the Board

Investment Committee

The Investment Committee assists the Board in formulating and reviewing the investment policy of the group and is responsible for monitoring investment performance against the overall investment strategy of the group. The Committee receives periodic reports from the group's Investment Manager to support its shorter term tactical decisions which it executes within the longer term parameters.

B.1.3.2. Management Committees

Insurance Committee

The Insurance Committee is charged with securing the insurance strategy of RCII and RCIL, monitoring product development activities, overseeing relationships with insurance and reinsurance business partners, monitoring performance of the insurance operation and steering other key operational topics.

Risk Management Committee

The Risk Management Committee steers the risk management function and is responsible for defining the Global Risk Management Policy of the group, monitoring the risk profile and advising the Board of Directors on the management of material risks.

Internal Control & Compliance Committee

The remit of the Internal Control and Compliance Committee extends to the internal control system, compliance and operational risk. The Committee is responsible for implementing an effective internal control system and monitors action plans defined to address weaknesses in internal controls and to manage the resulting operational risks. In addition to the oversight of the internal control system of the group, the Committee monitors regulatory developments with a view to define action plans required to comply with these changes.

B.1.4. REMUNERATION POLICY

The group's remuneration policy applies to all employees of the companies within the group in Malta and is intended to support the long-term objectives of the companies and those of the wider group. Incentives are devised in such a way as to be commensurate to the size, internal organisation and nature and scope of companies' activities. This while ensuring that remuneration is competitive enough to attract, retain and motivate executives and professionals to safeguard the companies' assets, meet its business objectives and generate sustainable growth and return to the companies and ultimately the shareholders.

The group's remuneration policy is made up of three components: fixed remuneration, other benefits and an annual performance based incentive (variable remuneration).

B.2 FIT AND PROPER REQUIREMENTS

Article 42 of the Solvency II Directive sets out the requirement for Insurance entities to ensure that all persons who effectively run the undertaking or have other key functions at all times possess appropriate qualifications, knowledge and experience ('fit') and good personal reputation and integrity ('proper').

The Directors and Management of the group recognise the importance of instituting appropriate measures to ensure that persons running the business or other key function holders within the group possess the required levels of fitness and propriety in order to conduct the business of RCIL and RCII in a sound and prudent manner.

The company has adopted a fit and proper policy which details the general criteria that must be satisfied in terms of evaluating the fitness and propriety of persons who fall subject to this policy; the functions falling subject to the Fit and Proper obligations; the key responsibilities of those roles which are involved in the Fit and Proper assessment process and the assessment model deployed within the company; and the regulatory notification processes to be observed.

The principles and processes of assessment and notification in relation to Fit and Proper requirements are applicable to persons who assume or are responsible for the following functions and roles, notwithstanding whether such functions are assumed by RCI personnel or outsourced in terms of the group's outsourcing policy (see section B.7):

- Solvency II prescribed key functions:
  - Compliance Function
  - Risk Function
  - Actuarial Function
  - Internal Audit Function
- Other key functions:
  - Chief Financial Officer
  - Operations Manager
  - Investment committee lead
- Regulatory and company roles:
  - Board and committee members
  - General Manager (Chief Executive Officer)
  - Money Laundering Reporting Officer
  - Company Secretary

Individuals shall be assessed for "fitness" and "propriety" with regard to the respective duties allocated to ensure that they demonstrate the required levels of qualifications, knowledge and relevant experience to carry out their duties effectively with regard to the role in question.

The assessment of whether an individual is 'fit' follows the below criteria:

- Demonstration of individual skills and knowledge related to the position held, including academic background qualifications;
- Composite knowledge base in terms of market awareness, understanding of the group and its objectives and risk profile as well as a general understanding of the legal and regulatory environment;

- Ability to interpret the group's financial and actuarial information including underlying assumptions, reserving and underwriting policy; and
- Understanding of market factors influencing investment positions and key risks to which the investment portfolios of the group are exposed

The assessment of whether an individual is 'proper' follows the below criteria:

- Good repute
- Free from any criminal, financial and supervisory proceedings
- Free from conflicts of interest

The group has set out the following policy outlining the process for assessing fitness and propriety:

Fitness and Propriety at recruitment and selection stage

The recruitment and appointment process in relation to roles falling subject to Fitness and Propriety requirements shall satisfy the following standards:

- Consideration of the duties and responsibilities of the post to be filled;
- A selection/appointment process that is documented and which ensures the selected person meets all significant technical and professional requirements of the post;
- Where deemed necessary, verification of qualifications, experience, references and memberships in professional bodies; and
- Probity checks including, inter alia, obtaining an official certificate of good conduct.

In the case of roles or functions that are outsourced (refer to section 'B.7 Outsourcing'), the above requirements are applied through a due-diligence process at both the level of the outsourced personnel and at the level of the designated individual employed by the group to maintain oversight over the outsourced activity.

Ongoing fulfilment of Fitness and Propriety standards

Fitness and propriety of all roles falling subject to the group's fit and proper policy is a continuous requirement which extends beyond the point at which the respective appointment is concluded. The group monitors and retains evidence to demonstrate that fitness and propriety criteria are duly satisfied in respect of persons who hold positions in the key functions of the group. The following procedures apply:

- the Board of Directors, management and those individuals who assume or oversee key functions/ regulatory offices are expected to remain competent in relation to the positions they hold at all times. The group shall assess whether the individual has demonstrated the appropriate levels of competence in the execution of their role throughout their appointment with the group.
- On an ongoing basis, the group shall monitor employees' compliance with their respective contracts of employment as well as with the group code of ethics. Any sign of misconduct shall result in disciplinary measures and such cases shall be reported to the Authority.

B.3. RISK MANAGEMENT INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B.3.1. RISK MANAGEMENT FRAMEWORK

The risk management system is constructed to recognise risks that the group may be exposed to in a timely manner and to measure, monitor, manage and report effectively. As has been outlined in section B.1, the Board of Directors undertakes a holistic approach to the group's governance and risk management process, thereby promoting visibility and consistency of underlying processes across all entities within the group.

The global risk management framework of the group is specifically designed to:

- Identify, assess, monitor, mitigate, control and report on material risks;
- Define internal monitoring and regulatory reporting processes;
- Arriving at an optimal balance between achieving business objectives, operating within predefined risk limits and maintaining sufficient levels of capital at all times to cover the companies' risks; and
- Promote and develop the risk management culture within the group

The Board of Directors is responsible for articulating the principles that underpin the risk culture of the group and for ensuring the overall effectiveness of the risk management system. By promoting a common understanding and awareness of risks which is embraced by staff at all levels, the risk culture is effectively embedded in the decision-making and operations of RCII, RCIL and the group as a whole.

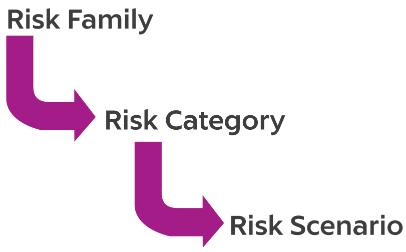
The risk management organisation is distributed throughout the overall structure of the group. It is overseen by the Chief Risk Officer of RCI Banque, who is in turn a member of the Board of Directors of the individual group companies in a non-executive capacity. The risk management function is composed of the key function holders (listed in section B.1), the committees set up to steer the risk management activities of the company (namely the 'Risk Management committee' and the 'Internal Control and Compliance committee'), and the Board of Directors who are charged with the general oversight of the risk management system as a whole. Whilst the risk management function is responsible for continuously monitoring the risk positions in the solo companies and the group as a whole and for driving risk mitigation strategies in line with the risk appetite of the group, the process owners, as risk owners, are primarily responsible for controlling the risks generated by the activities falling within their remit. Moreover, in executing their daily tasks, all staff within the group are responsible for ensuring compliance with policies and procedures issued by the Board of Directors and Management of the group in relation to their respective activities.

Dedicated committees have been established to ensure that risk management considerations are duly incorporated into the group's decision making process. Whilst the Risk Management Committee oversees and manages the global risk profile of the Solo companies and the group, specific committees are set up to focus on specific risk families. The Risk Management function is expected to report to the Risk Management Committee and the Board of Directors on risks that have been identified as potentially material and on other specific risks positions. The risk management function of the group is hierarchically attached to the General Manager of the companies and on a functional level reports to the Chief Risk Officer of RCI Banque.

The Global Risk Management framework for the group is built around four risk families:

- Insurance risks
- Financial risks
- Operational risks
- Strategic and Environmental risks (other risks)

Underpinning each risk family are a number of risk categories which in turn group one or more major risk scenarios, each of which is assigned to a risk owner. The risk scenario is considered to be the third and most granular level of risk categorisation under which a given risk is assessed and in turn managed.

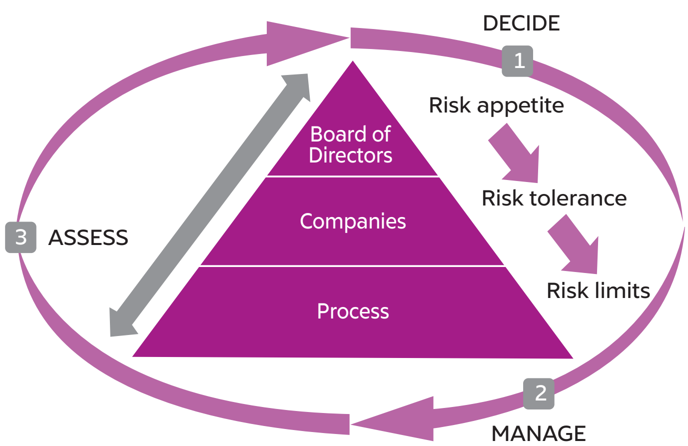


The group's risk strategy is defined, implemented and embedded within the group's risk steering process that sets:

- The Risk Appetite: this reflects the aggregate amount and type of risk that the Board is willing to take and manage over an extended period of time in order to meet its strategic objectives;
- The Risk Tolerance: this articulates the same risk appetite by risk family for RCII and RCIL and at the consolidated level of the group. It follows that risk tolerance is quantified using the same metrics as the risk appetite; and
- The Risk Limits: these are defined on the level of key risk scenarios which set thresholds on Key Risk Indicators and serve as an alert of a possible breach of the risk tolerances on the level of RCII and RCIL as well as the group as a whole.

A visual representation of the above process can be found below and comprises of three distinct stages:

Decide, Manage and Assess



Stage	Description
i) Decision stage	This is the fundamental phase within RCI group's risk-based governance framework. The Risk Management Committee defines the materiality of risk scenarios and the risk appetite and risk tolerances for RCI group according to its strategic objectives and overall risk profile. These measures are in turn validated by the Board of Directors.
ii) Management stage	The management stage transposes the high level risk measures expressed by way of risk appetite and risk tolerances into operational measures. The translation of risk tolerances into risk limits on key risk indicators for key risk scenarios comprises a second layer within the Global Risk Management Framework that is delegated to key functions and risk owners, who are responsible for the day to day management of risks on an operational level.
iii) Assessment stage	The assessment stage encompasses the measurement, analysis and ongoing monitoring of the group's risk profile in order to assess the adequacy of the tools and techniques put in place to manage the key risks of the companies as against the risk strategy validated by the Board of Directors.

B.3.2. OWN RISK AND SOLVENCY ASSESSMENT (ORSA) PROCESS

The output of the above risk management process is also captured in the group's ORSA process and reporting. The purpose of the ORSA is to create and maintain a governance system that ensures that the risks of RCII, RCIL and the group as a whole are simultaneously and effectively managed on a forward looking basis.

The ORSA process provides the Directors and Management of RCIL, RCII and RCIS (insofar as the group is concerned), with a complete and holistic understanding of the organisation's risk profile in order to optimise decision making and in turn drive business strategy and capital planning initiatives. It serves as a monitoring tool which ensures that the organisation's risk profile falls within the defined risk appetite at all times, incorporating a sufficient capital buffer which allows the entities to manoeuvre and develop within the wider business strategy.

The ORSA process is based on and applies the principles set out in the Global Risk Management Policy of the organisation, as outlined above, and is applied at both a strategic and operational level. It brings together the risk management practices assumed by the various players within the risk governance organisation across all entities within the group.

The risk management function is responsible for the coordination and production of the ORSA report in collaboration with the actuarial function however it is the Board of Directors who ultimately owns the process. The Board have taken an active role in the process by:

- Confirming ownership of the ORSA process and acknowledging the relevance of its objectives;
- Providing the inputs necessary to define the risk appetite;
- Validating the scenarios and key assumptions used within the models;
- Understanding the significance of and owning the ORSA results; and
- Incorporating the conclusion of the ORSA within their decision-making process and in validating the business strategy of RCIL, RCII and RCIS.

The ORSA is reviewed annually by Management and the Board of Directors in line with the evolving risk profile of RCII, RCIL and the group as a whole.

B.4. INTERNAL CONTROL SYSTEM

The group's internal control system ensures that legal, regulatory, administrative provisions and internal requirements are complied with at all times. In addition, the internal control system supports the effectiveness of the business operations in line with the business objectives of the group as a whole.

RCII, RCIL and RCIS have a coordinated approach to internal control whereby principles and systems focus on the: identification of material risks (risk assessment), which could impair the group's business objectives; effective internal control activities; and continual monitoring of such risks and activities.

The internal control system of the group is organised under a three level of controls model. The first and second control levels constitute ongoing internal control activities (permanent control) whilst the third level represents internal audit (periodic control) (refer to section B5 – Internal Audit function).

INTERNAL CONTROL			
Permanent control	1st level controls	Performed by RCI Insurance process owners and their staff	*Includes first level control checks performed by process owners, internal control inspections, operational risk mapping, compliance monitoring activities, procedure management, control action plan follow-up.*
	2nd level controls	Performed by RCI Insurance Risk and Compliance Manager	
Periodic control	3rd level controls	Performed by RCI Banque Audit Department	

Responsibility for internal control is distributed amongst the shared functions of RCII, RCIL and RCIS as a group and RCI Banque functions. Whilst the group is predominantly responsible for the implementation of ongoing permanent control activities, RCI Banque plays a central role in the exercising of periodic control (internal audit).

The group's composite internal control and compliance function is responsible for identifying, managing and mitigating the risks of non-compliance with regulatory requirements and internal policies and procedures of the group. Process owners and risk originating parties are responsible for compliance with operational procedures and the assessment of exposure to operational risks within their respective functions whilst the Internal Control and Compliance Manager is responsible for compliance control, exercised through second-level controls.

B.4.1. PERMANENT CONTROL

Permanent control forms an integral part of the internal control framework and comprises the internal control procedures that are exercised on an ongoing basis. As outlined previously, Permanent control of the group is deployed on two distinct levels:

- Firstly on an operational level: First-level controls are exercised by those process owners who are primarily responsible for the risks generated by the activities falling within their remit. The aim of this level of control is to obtain reasonable assurance that there is compliance with operational procedures and to assess exposure to operational risks in each function.
  - These controls must be:
    - i. Described in the group's procedures
    - ii. Performed at regular intervals, formally documented and archived
    - iii. Analysed in the form of an action plan aimed at correcting any control exceptions, the status of which is to be regularly monitored
    - iv. Evidenced and made available whenever requested by the Risk & Compliance Manager, internal or statutory auditors, or supervisory authorities
  - An operational risk mapping exercise is deployed annually to assess the effectiveness of control systems put in place to manage key operational risks. These control systems are assessed each year by the process owners and any identified control weaknesses are formalised by way of action points.
- Secondly on a centralised controlling level: Second-level controls are exercised by control functions which are independent from the primary operations of the companies within the group, notably the Internal Control and Compliance Manager (refer to section on 'Compliance Function' below). Such controls involve the implementation of selective checks performed at regular intervals (via inspections and spot checks over primary level control activities) of processes exposed to the identified principal risks in order to obtain assurance that operations and accompanying controls are compliant with the group's procedures.
  - These inspections must:
    - i. Draw on the first level controls carried out by the process owners (see above)
    - ii. Provide a critical assessment of these first level controls and their effectiveness
    - iii. Provide in-depth analysis of compliance of operations with set group procedures
    - iv. Re-measure operational risks with a view to confirming or otherwise the risk assessment performed at the first level
    - v. Verify the existence of internal control pre-requisites
    - vi. Monitor ongoing action plans
    - vii. Give rise to a formal report, including a summary sent out to the Internal Control Officer of RCI Banque
    - viii. Give rise to an action plan that, like the inspection report, must be validated by the owners of the processes examined

B.4.2. PERIODIC CONTROL

Periodic control is referred to as a third-level control and has been outsourced to RCI Banque by the group. It is performed exclusively by personnel with no operational responsibilities, acting under the direction of the Audit Officer of RCI Banque, who may delegate all or part of the audit assignments to the RCI Banque internal audit department or to specialist external audit firms. The main aim of such periodic control is to assess the degree of compliance of operations with procedures, the actual level of risk exposure and the effectiveness and appropriateness of permanent control systems. Audit assignments are formally documented and recorded in a report, which, along with the respective action plan must be approved and validated in accordance with the ultimate parent company's procedures on the validation of audit reports. Periodic checks are carried out based on audit modules which are consistent with the internal group risks list, operational risk mapping and with group and framework procedures issued by steering functions.

B.4.3. COMPLIANCE FUNCTION

The Compliance function identifies, assesses, monitors and reports on compliance risk exposure of RCII, RCIL and the group as a whole. The function is the direct responsibility of the Risk & Compliance Manager who in turn reports to the General Manager.

The Compliance function is responsible to identify and assess the compliance risks associated with the group companies' current and proposed future business activities. Furthermore, the function is also responsible to ensure that all staff are kept aware of regulations and standards that are pertinent to the group. The function also advises the Board of Directors on the applicable laws, regulation, rules and standards and informs them about new developments in these areas.

The Compliance function is also responsible for establishing a whistle blowing procedure setting out the process for receiving and dealing with information concerning improper practices committed within or by the group companies and identifying the person or persons within the companies who shall assume the role of whistleblowing reporting officer and therefore to whom a protected disclosure may be made.

It is important to note that whilst the Compliance Function is responsible for the control of compliance within the companies in the group, the operational managers and process owners shall be at all times responsible for the compliance on their activity.

B.5. INTERNAL AUDIT FUNCTION

The internal audit function is an important component of the group's internal control system. It is responsible for reviewing and assessing the functionality of the internal control systems as well as the elements of the overall System of Governance by adopting a systematic and risk-based approach. This ensures that the companies maintain sound levels of internal control over their operations and effectively mitigate material risks in line with principles of good corporate governance and RCI Banque group standards.

To achieve this objective, the Internal Audit function provides independent and objective assurance over the degree of compliance of operations with stipulated procedures, any associated risks and the appropriateness of permanent control systems. The Internal Audit function may also be engaged with the aim of improving control over operational and financial performance.

The Internal Audit function is responsible for planning, performing, reporting and following up on internal audit assignments and deciding on the scope and timing of internal audits for the group. In establishing an appropriate audit plan, the Internal Audit function adopts a risk-based approach in selecting those areas that will be considered for review. Moreover, in formulating the plan, the function shall also take into account the findings of preceding audits, internal control findings, the results of any operational risk assessment, as well as any other new requirements. The internal audit plan clearly establishes the objectives and scope of the planned reviews and is presented to the Board of Directors followed by a report on the activities conducted, highlighting the extent of implementation of any prior recommendations and associated actions resulting from the reviews performed.

The group places a lot of importance on the independence of the internal audit function. The Internal Audit Function of the group is outsourced to RCI Banque. By virtue of the fact that the function is outsourced to RCI Banque, the relationship between the group and the Internal Audit function is governed by the Outsourcing Policy of the respective group companies (refer to section 'B.7 – Outsourcing').

In undertaking its duties, the Internal Audit function does not, in any way, act upon the instructions of management or of the Board of Directors of the group. It acts with complete impartiality and objectivity. Furthermore, the function is not involved in any way in the day-to-day control procedures of the group and internal audit personnel may not take over responsibility for any other function or department, thereby allowing the independence of the Internal Audit Function to be safeguarded at all times.

In order to ensure the independence of the internal audit function, the latter reports its findings and recommendations directly to the Board of Directors who is in turn ultimately responsible for its effectiveness.

The internal audit function has complete access to any information, processes and employees to which such access is required in the course of effectively carrying out its work.

B.6. ACTUARIAL FUNCTION

The Actuarial function is one of the group's key functions as outlined in section 'B.1 General Information on the System of Governance'. Given that RCII and RCIL are the two companies conducting insurance business within the group, they are the ones for which having an actuarial function is mostly relevant. However, the companies' actuarial function does support other group-wide activities where necessary, including the group solvency calculation and the compilation of the ORSA report. The Actuarial function is outsourced to RCI Banque.

The actuary is responsible for coordinating the calculation of technical provisions and applying appropriate recognised methodologies and procedures to assess their adequacy; assessing the uncertainty associated with the estimates; expressing an opinion on the overall underwriting policy and providing necessary input into the pricing framework. The Actuarial function plays a vital role in the calculation of regulatory and internal capital requirements and driving risk modelling and stress testing under the risk management framework of RCI Insurance, RCI Life and the group as a whole.

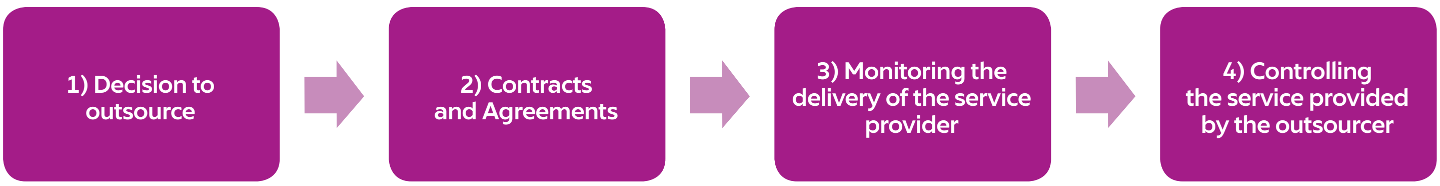
Employees in the actuarial function need to adhere to special requirements over and above the fit and proper requirements described in section 'B.2 – Fit and Proper requirements'. These include possessing appropriate actuarial knowledge and skills in financial mathematics that are appropriate to the nature, scale and complexity of the group's risk profile. Experience with relevant actuarial technical standards is also required.

The Actuarial function provides an annual report to the Board of Directors, which lists all activities performed and results attained over the reporting period. Any identified issues and recommended improvements are highlighted within this report.

B.7. OUTSOURCING

Outsourcing can be defined as an arrangement of any form by which a process, service or activity that would ordinarily be carried out internally by RCII, RCIL and/or the group as a whole is performed by a service provider (third party or intra-group) on a recurrent and continuing basis (either directly or through a subcontracting arrangement).

The group as a whole outsources and enters into outsourcing agreements when there is a sound commercial basis for doing so, following an assessment of the impact of any such arrangement on the performance of the group's business activities and its ability to control the associated risks. The group also has in place the necessary mechanisms to continue to meet its legal and regulatory obligations, ensuring that the outsourcing arrangements do not impair its ability to service its fiduciary and contractual obligations towards the policyholders of RCII and RCIL. It is therefore important that (potential) service providers meet the high quality standards of the group. To ensure this, the group has set up an Outsourcing policy which essentially covers four key aspects:



These individual aspects are described in the section below in line with the outsourcing policy:

Process	Details
1) Decision to outsource	• The service provider is selected on the basis of predefined criteria and subject to the performance of a proportional due-diligence exercise. • Any potential conflicts of interest which could undermine the objectives of the group as well as potential breaches of any law must be duly identified and avoided. • In line with section 'B.2 – Fit and Proper requirements', in the case of outsourced key functions, the due diligence exercise shall incorporate a fit and proper assessment of the designated individual employed by the group to maintain oversight over the outsourced activity as well as the individual(s) employed by the service provider to perform the activity. • The decision made must be reasoned and documented.
2) Contracts and Agreements	• Every outsourcing activity must be subject to a formal contract or service level agreement between the subject companies within the group and the service provider, which clearly defines the rights and obligations of each party to the contract. • Contracts shall include all clauses mandated by the MFSA or issued under the Solvency II regime, as well as by the ultimate parent.
3) Monitoring delivery of the service provider	• Relationships with service providers must be managed and the delivery of services shall be continuously monitored by the process owners responsible for overseeing the outsourced function.
4) Controlling the service provided by the outsourcer	• The delivery of service providers must be controlled on an on-going basis to ensure that the agreed contractual terms are adhered to and to safeguard the sound operation of the group's overall system of governance. • In controlling the service provided, the group shall consider whether there are sufficient grounds for the termination of the outsourcing arrangement and possible exit strategies. Once a decision to terminate an arrangement is taken, the service provider and the MFSA must be notified in writing and a reversibility plan shall be formalised.

The group currently utilises certain service providers to undertake critical or important functions on its behalf. Details of such arrangements as well as the jurisdiction in which the service provider is located can be found within the section below:

Key Outsourced Function	Group company involved	Service provider (and jurisdiction)
1) Actuarial Function	RCII and RCIL	RCI Banque (France)
2) Internal Audit	RCII, RCIL and RCIS	RCI Banque (France)
3) Investment management	RCII and RCIL	RCI Banque (France)

During the year, RCII, RCIL and RCIS were not subject to any material (internal) intra-group outsourcing arrangements other than the ones stipulated within the table above involving the group's ultimate parent company.

Notwithstanding the outsourcing of the functions mentioned above, the Board of Directors retains responsibility over the oversight of such functions.

B.8. ANY OTHER INFORMATION

All information presented in section B provides a true and fair image of the group's system of governance.

C. RISK PROFILE

The following chapter describes the risk profile of the group as a whole. The risk profile includes the risk categories listed below:

i. Underwriting Risk

ii. Market Risk

iii. Credit Risk

iv. Liquidity Risk

v. Operational Risk

The sections below present risk exposure, risk sensitivity, risk mitigation techniques used as well as risk concentrations for each risk category.

C.1. UNDERWRITING RISK

Exposure to Underwriting Risk is only borne by RCII and RCIL which represent the insurance entities of the group. The activities of RCIS, as a holding company, do not impact the Underwriting Risk of the group.

C.1.1. RISK EXPOSURE

The Underwriting (UW) risk by company and at group level relates to the following insurance line of business:

i. Health (similar to life) regarding all insurance obligations arising from RCII's PPI business,

ii. Non-life, regarding all reinsurance obligations arising from RCII's GAP business.

iii. Life, regarding all insurance obligations arising from RCIL's PPI business.

Main Underwriting risks

• Claims deviation risk: risk of an unfavourable evolution of claim disbursements in one or more classes of insurance brought about by an increase in the frequency of claims or in the amount of benefits claimed.

The following insurance coverages are subject to claim deviation risk:

In RCI Insurance Limited

i. Disability and Unemployment on PPI programs,

ii. Risk of total loss and/or theft of the car on GAP programs

In RCI Life Limited

i. Mortality risk on PPI programs is subject to claim deviation risk.

Given the nature of these risks and benefiting from the important size of the insurance portfolios providing a good mutualisation effect, risk volatility is low, thereby inherently limiting the risk of adverse deviation in claim reserves.

RCII and RCIL assess this risk by monitoring claims deviation on a regular basis against risk limits set out by management and the board (as outline in section B.3 – Risk Management system including ORSA).

• Cancellation & lapse risk: risk of an increase in cancellations and lapses of insurance contracts leading to an overall shortened duration of the insurance contract and a reduction of profit over the portfolio lifetime.

All insurance programs (PPI and GAP products) are linked to the financing of a car. Therefore a cancellation or lapse can happen in case of:

- Cancellation of the insurance policy only, the financing remaining active, as the insurance product is optional;
- Early reimbursement or cancellation of the financing, which consequently results in the lapse of the attached insurance policy.

In practice, experience shows that most of the cancellations and lapses are due to the early reimbursement of the financing. RCII and RCIL aim to minimise the stand-alone cancellation or lapse of the insurance policy by offering relevant products to the market.

Both companies frequently monitor such lapse rates against risk limits set out by management and the board (as outline in section B.3 – Risk Management system including ORSA).

Other Underwriting risks

• Product design: risk of loss resulting from an inability to enforce rights under insurance or reinsurance contracts due to deficiencies in product design leading to unprofitable business.

A periodical compliance review of the insurance products is performed to ensure that product design, underwriting conditions are fully compliant and do not include any unfair terms.

• Product pricing: risk of loss arising from inadequate or uncompetitive product pricing structures, which may result in insufficient coverage of claim benefits and administrative costs required to service the portfolio.

As insurance products are corresponding to group policies, insurance premiums are defined according to a group pricing which corresponds to a single tariff applied to all policies without regard to the characteristics of the insured. Therefore the pricing of the insurance contract is exposed to any significant shifts in the structure of the insured group.

- For PPI programs, risk concerns gender and age distribution of the insured persons.
- For GAP business, risk concerns vehicle category breakdown between new and old cars.

Based on regular monitoring of the underlying data, this risk is deemed to be contained and thus very low. At the reporting period no portfolio has been identified as being subject to under-pricing risk in RCII and RCIL.

- Reserving risk: risk of miscalculation of technical provisions to face future expected liabilities.

All insurance obligations are calculated according to the reserving policy standards of RCII and RCIL companies.

Assumptions used are assessed when calculating Best Estimate of liabilities and are periodically monitored. Technical provisions have been subject to an external review in 2016 with no significant miscalculation noticed.

C.1.2. RISK CONCENTRATION

The group, through RCII and RCIL is exposed to the following significant risk concentration:

Concentration	Description of risk concentration
1) Lack of product diversification, which impacts on all UW risks	RCII and RCIL's core business is purely connected with providing insurance covers linked to automobile financing activity. In this regard, neither the individual companies, nor the group as a whole, benefit from product diversification.

C.1.3. RISK MITIGATION TECHNIQUES

RCII and RCIL rely on certain mechanisms in order to mitigate the risks arising from their insurance portfolios. To manage the potential amount of capital at risk, the costs and benefits of risk mitigation techniques are considered and taken into account. The mechanisms adopted by both companies to mitigate underwriting risks are outlined below:

UW Risk	Risk mitigation technique applied?	Description
1) Claims Deviation risk	Yes	RCII and RCIL both reinsure their PPI risk through 50% quota share agreements with AXA. This cover protects both entities in case of technical loss which arises in the case where claims incurred exceed premium income.
2) Lapse Risk	No	By its very nature, lapse risk as described above is largely dependent on the financing product which it covers. In this regard, other than the entities' focus on product design, there is little opportunity for RCII and RCIL to mitigate the risk arising from the lapsing of policies.

C.1.4. RISK SENSITIVITY

To determine the sensitivity of material risks, RCII and RCIL, as part of the group ORSA process, use scenario analysis and reverse stress testing to assess the potential downside impact on the entities' insurance business. The assessment and selection of material risks (see section 'B.3. Risk Management system including ORSA') are followed by a definition and computation of such adverse scenarios and reverse stress scenarios from the Central Scenario (Best Estimate), which are necessary for the valuation of potential impact on the Solvency capital position for business planning purposes. The following table illustrates the methods used and the results of analysis for the UW Risk sub-modules:

UW Risk	Method	Result
1) Claims Deviation risk	Upward shock (range: 20% to 38%) of claim ratios across all business lines and countries.	Adverse impact on Profit Margin after 1 year RCII: -6.2% RCIL: -8% Group: -7%
2) Cancellation and policy lapse risk	Upward shock (25%) to policy lapse rates	Adverse impact on Profit Margin after 1 year RCII: -1.4% RCIL: -0.3% Group: -0.9%

C.2. MARKET RISK

The group defines market risk as the risk of financial loss through unfavourable movements in market factors affecting fair value and future cash flows. Such risks can arise from fluctuations in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The group as a whole has a process in place to ensure that assets are invested in accordance with the prudent person principle which is enshrined in Article 132 of the EU Directive 2009/138/EC. This means that the companies within the group only invest in assets and instruments that can be adequately recognised, measured, monitored, managed, controlled and reported. Investments are therefore also taken into account in assessing their risk on the solvency position of the individual companies and the group as a whole.

C.2.1. RISK EXPOSURE

All companies within the group share the same investment strategy, which is to invest in safe fixed income securities and term deposits.

Main Market risk

- Concentration Risk: risk of a significant accumulation of exposures with the same counterparty that can lead to default in case of the counterparty failure.

RCII and RCIL's portfolios are largely invested in Term Deposits held with RCI Banque. This position, decided by the investment committee of RCII and RCIL, was mainly been a consequence of the highly unfavourable sovereign bond market environment for durations matching those of the companies' liabilities.
This lack of portfolio diversification on issuer type lead to a high concentration risk on RCI Banque term deposits.

Other Market risks

- Interest Rate Risk: risk that the value of fixed income securities and resulting future cash flows will fluctuate due to changes in market interest rates.

This risk is largely contained given that the bulk of the portfolios are invested in short-duration fixed-rate term deposits, whose characteristics inherently limit the exposure to significant interest rate risk.

- Spread Risk: risk of loss in value of fixed income securities arising as a result of changes in the underlying credit ratings of the respective issuers of the said securities.

As previously outlined, RCII and RCIL's portfolios are largely concentrated in Term Deposits held with RCI Banque, which inherently exposes the group to spread risk albeit to a much lesser extent than the concentration risk exposure described above.

- RCII, RCIL and RCIS are not subject to currency, property and equity risks.

C.2.2. RISK CONCENTRATION

The group as a whole is exposed to the following risk concentration;

Concentration	Description of risk concentration
1) Concentration risk	As indicated above, RCII, RCIL and RCIS are highly exposed to concentration risk arising from the companies' focussed portfolio positions in Term Deposits held with RCI Banque. As at 31/12/2016, investments in RCI Banque Term Deposits represent: for RCIL: € 123,7 m and 77% of total invested assets for RCII: € 67,2 m and 73% of total invested assets The risk concentration therefore arises from the fact that both companies are highly exposed to an individual investment-type i.e term deposits and the fact that all term deposits are held with a single counterparty.

C.2.3. AND 4. RISK MITIGATION TECHNIQUES AND RISK SENSITIVITY

RCII, RCIL and RCIS do not use any mitigation techniques such as swaps, derivatives, etc.

Further to this, given that the exposure to interest rate risk is considered to be immaterial, as outlined above, a sensitivity analysis on this risk is not considered to provide material insight and has therefore been excluded for the purposes of this document.

C.3. CREDIT RISK

Credit risk is the risk of default of a counterparty to a transaction in relation to its payment obligations or loss due to non-conformity to the original terms of the counterparty's payment obligations.

C.3.1. RISK EXPOSURE

RCI Services Limited

At the end of the reporting period, RCIS was not exposed to material credit risk.

RCI Insurance Limited and RCI Life Limited

Both companies share similar exposure to counterparty credit risk on the following areas:

- Loans & Receivables and other Insurance Receivables: correspond to less than 3 months receivables with RCI Banque subsidiaries in PPI programs and receivables with insurers in GAP programs.
- Reinsurance share of Technical Provisions corresponding to the reinsurance program of the PPI business.
- Cash.

The group monitors its credit risk exposure on a regular basis by evaluating the effect of changes in such exposure on the capital requirements of RCII, RCIL and the group.

Exposure limits for each counterparty are based on an assessment of their financial situation, which is based on fundamental analysis (balance sheet analysis) as well as ratings review and are set within the Board of Directors' defined risk appetite.

C.3.2. RISK CONCENTRATION

As previously indicated, RCIS is not materially exposed to credit risk whereas RCII and RCIL are exposed to the following credit risk concentration:

Concentration	Description of risk concentration
1) Reinsurance	Both RCII and RCIL separately enter into reinsurance agreements exclusively with the same reinsurer and therefore all reinsurance recoverable amounts of the individual companies are subject to the same single-counterparty risk exposure (investment grade). As at 31/12/2016 the exposures were: For RCIL: € 108,3 m For RCII: € 40 m
2) Receivables	As outlined in section 'A.1 Business', RCII and RCIL mainly cover PPI risks for the Renault group , particularly RCI Banque, and therefore bear no counterparty credit risk on parties outside the Renault group (other than as otherwise stated below). Although this reduces multi-party credit exposure, it does increase credit risk concentration. As at 31/12/2016 the exposures were: For RCIL: € 13,4 m For RCII: € 23,2 m
3) Cash at Bank	RCII, RCIL and RCIS entertain banking relationships with only two counterparties, RCI Banque and a reputable Maltese Bank. As at 31/12/2016 the exposures were: For RCIL: € 41,9 m For RCII: € 39,5 m

C.3.3. RISK MITIGATION TECHNIQUES

Credit Risk	Risk mitigation technique applied?	Description
1) Reinsurance recoverable	Yes	Although RCII and RCIL do not diversify their reinsurance counterparty default risk by using a panel of reinsurers, both companies select the sole reinsurer via a rigorous due-diligence process at inception of the agreement, whereby it is assessed that the latter is highly rated by credit agencies – the companies' reinsurer is A rated as at reporting date. The Reinsurer's credit rating is monitored on a regular basis as necessary.
2) Receivables	No	N/A
3) Cash at Bank	No	N/A

C.3.4. RISK SENSITIVITY

The group does not sensitise the above exposures in light of the fact that they are each due from a single counterparty in their own regard and consequently default would result in a loss equal to the respective maximum exposure pertaining to that counterparty.

C.4. LIQUIDITY RISK

Liquidity risk arises from the companies' inability to meet their long and short term financial obligations (including to Policyholders) as and when they fall due without incurring unacceptably large costs. This may particularly arise should the companies be unable to realise assets or obtain expected returns from the realisation of assets in order to avoid a liquidity shortfall due to an unanticipated evolution in the liability position.

The group's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for RCII, RCIL and RCIS. Compliance with the policy is monitored and any exposures or breaches are reported to the Board of Directors in a timely manner. This policy is regularly reviewed for pertinence and for changes in the risk environment.

C.4.1. RISK EXPOSURE

RCIS is not materially exposed to liquidity risk due to the fact that the company's main financial liabilities arise out of short-term payables.

RCII and RCIL's exposure to liquidity risk mainly arises out of the need for both companies to settle their future obligations relating to insurance technical provisions and other payables such as income tax and amounts due to the group. In order to meet these obligations, RCII and RCIL invest their funds in highly liquid assets which provides assurance that future liquidity needs are met. This is done particularly by reference to the limits specified in the investment criteria set by group management, which also satisfies the prudent person principle.

C.4.2. RISK CONCENTRATION

RCII, RCIL and RCIS are not significantly exposed to concentration of liquidity risk other than with respect to asset concentrations described above (reinsurance receivables, cash, investments and other receivables).

C.4.3. RISK MITIGATION TECHNIQUES

The risk mitigation techniques for liquidity risk aim to reduce the likelihood and extent of losses sustained by the group. The main technique used by the companies and the group as a whole is 'liquidity planning' to determine known and future payment obligations, as well as continuous monitoring and adjustment of such analysis.

RCII and RCIL monitor their liquidity risk exposure through the use of cash-flow runoff analysis, considering the projected timing of cash flows resulting from the companies' obligations on the current live insurance portfolio, against the known maturity profile of the companies' investment portfolios, which as described in section C.2 Market Risk, largely consist of fixed term deposits and smaller exposure to government bonds. The above run-off analysis shows that both RCII and RCIL have a healthy buffer where projected cash inflows largely exceed cash outflows over the life of the current insurance portfolio. Both companies are thus comfortable that investments can be easily converted into cash in the event of any excess liquidity needs.

C.4.4. RISK SENSITIVITY

The nature of liquidity risk exposed to by the group and the healthy buffer resulting from management's cash flow run-off analysis mentioned above, a sensitivity analysis on this risk is not considered to provide material insight and has therefore been excluded for the purposes of this document.

C.4.5. EXPECTED PROFIT IN FUTURE PREMIUMS INCLUDED WITHIN TECHNICAL PROVISIONS (EPIFP)

RCI and RCIL calculate EPIFP by computation of the expected profits directly, arising from future premiums in accordance with Article 260(2) of the Solvency II Directive. The total amounts of expected profit included in future premiums (calculated as the decrease in Technical Provisions excluding Risk Margin that would occur if it was assumed that no future premiums are received on existing contracts) can be found within QRT's S.12.01 and S.17.01 within the Appendix section of this document.

C.5. OPERATIONAL RISK

Operational risk includes internal as well as external factors. These include losses which may result, inter alia, from failed internal processes, external or internal fraud, shortfalls in professional obligations, other external events such as natural disasters and changes in the regulatory environment.

C.5.1. RISK EXPOSURE

The group was collectively exposed to the following elements of operational risk during the reporting period:

Legislative, regulatory and judicial developments

Risks associated with the introduction of new laws or regulations or developments in the existing legal and fiscal environment which may negatively impact the ability of the group's existing business model and framework to achieve strategic goals. This includes the risk of changes to transfer pricing legislation and other limitations on passporting.
The group, particularly RCII and RCIL, operate within a highly regulated and dynamic business environment and are consequently sensitive to long term changes in the regulatory, legal and fiscal landscapes surrounding their business. Within this context, RCII and RCIL seek to anticipate any impact of major regulatory developments on their business with a view to limit any sustained long-term impact through appropriate strategic solutions.

Clients, Products & Business Practice

Risks arising from shortfalls in professional obligations including those relating to suitability, disclosure & fiduciary processes, improper business or market practices, product flaws or selection and eligibility processes.

Industry stagnation

Risk of loss due to flat or declining business volumes, market saturation or an unprecedented shift in customer preferences in terms of appetite for insurance products. In order to protect the longer term financial viability of operations, there is a low appetite for industry stagnation risks and accordingly relevant trends are closely monitored and if necessary, actioned in a timely manner.

Process failures (Execution, Delivery & Process Management)

Risk of losses arising from process failures including those relating to transaction capture, execution & maintenance, monitoring & reporting, customer intake & documentation, trade counterparties and vendors and suppliers.
The group relies on a highly committed and qualified workforce and expect staff to conduct themselves with a high degree of integrity, to strive for excellence in the work they perform and the outcomes they achieve, and to promote the public interest. The companies expect the workforce to perform its duties with utmost integrity and diligence at all times and have no appetite for the deliberate circumvention of policies and procedures. This principle extends to external partners.

Business Disruption and System Failures

Risk of loss arising from disruption experienced in business operations or from system failures. Although the implementation of new technologies creates new opportunities, it also introduces new risks for which the group has relatively low appetite. In this regard, dedicated personnel assess and monitor potential risks arising from system failure on an ongoing basis.

The nature of the above risks suggests that an exact calculation is not possible, as opposed to other types of risk. For this reason, the calculation of operational risks is performed based on estimation using the standard formula.

C.5.2. RISK CONCENTRATION

Risk concentration is determined by the factors which were used to calculate the capital requirements for operational risk. Since RCII, RCIL and the group as a whole use the standard formula, the main sources of risk concentration are the volume of technical provisions and the premiums in the aforementioned sub-modules.

C.5.3. RISK MITIGATION TECHNIQUES

Risk mitigation techniques for managing operational risks aim to reduce the likelihood and the resultant extent of losses to the group. All risk-mitigation techniques are performed according to a cost-benefit analysis. The following countermeasures were adopted during the reporting period:

Operational Risk	Risk mitigation technique applied?	Description
1) Legislative, regulatory and judicial developments	Yes	Dedicated staff monitor developments and assess impact of changes in the regulatory environment on an ongoing basis.
2) Clients, Products & Business Practice	Yes	The group promotes commitment to a high degree of compliance with relevant legislation, regulation, industry codes, ethical and professional standards as well as internal policies and corporate governance principles. Any identified compliance breaches are immediately actioned and remedied through appropriate action.
3) Industry stagnation	No	N/A
4) Process failures	Yes	Regular monitoring and updating of processes through all the departments.
5) Business interruption and System failures	Yes	Potential risks due to failure within the group 's systems are monitored on an on-going basis through specialised personnel. Emergency plans are also put in place.

C.5.4. RISK SENSITIVITY

Out of the five risks described above, only Industry stagnation has been subject to risk sensitivity measure during the reporting period.

Operational Risk	Method	Result
1) Legislative, regulatory and judicial developments	N/A	Not stressed
2) Clients, Products & Business Practice	N/A	Not stressed
3) Industry stagnation	Shock -12.5% on car sales volume in Germany, France, Spain and Italy. Calibration based on recent historical car sales in the same region.	Adverse impact on Margin of Profit RCII: -2.4% RCIL: -2% Group: -2.3%
4) Process failures	N/A	Not stressed
5) Business interruption and System failures	N/A	Not stressed

C.6. OTHER MATERIAL RISKS

All information presented in section C provides a comprehensive image of the group's material risks.

C.7. ANY OTHER INFORMATION

All information presented in section C provides a true and fair image of the group's risk profile.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. ASSETS

The recognition and valuation of assets under Solvency II for RCII, RCIL and RCIS follows the Solvency II assumption that the undertakings will pursue their business as a going concern and that individual assets are valued separately. Unless otherwise stated in the requirements of the Directive, the recognition and valuation principles for assets shall be in line with IFRS as adopted by the EU.

In determining the fair value of assets, the Group follows the Solvency II valuation Hierarchy:

I. Mark-to-Market approach (default method): The Group uses quoted market prices in active markets for the valuation of assets and liabilities. With respect to this criteria, Solvency II follows the principles of IFRS in evaluating whether an 'active market' exists in the circumstances.

II. Marking-to-Market approach : If quoted prices for assets and liabilities are not available, quoted market prices in active markets for similar assets and liabilities shall be used, with adjustments made to reflect factors specific to the asset or liability (such as its condition or location and the relevance of the pricing inputs and the level of activity in the markets in which they are observed).

III. Mark-to-Model approach (alternative technique) : Where the above criteria are not satisfied, alternative valuation methods shall be used (such as discounted cashflow approach), which should make the maximum use of relevant market inputs and rely as little as possible on undertaking-specific inputs.

In the following section, all relevant assets by group entity are disclosed at their Solvency II and IFRS valuation (as presented in the Financial Statements) in tabular format.

The respective company's balance sheet as at 31st December 2016 under Solvency II valuation principles is compared with the amounts within the financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Amounts are stated in thousands of Euro.

D.1.1. RCI LIFE LTD

	Asset type	Solvency II Value	Accounting Value (IFRS)
Financial Assets	**Government Bonds**	**36,078**	**35,129**
	of which EU members	23,772	23,177
	of which EU organisation	6,750	6,606
	of which ECB	5,556	5,346
	Term Deposits	**123,746**	**122,000**
	Cash	**41,890**	**41,890**
Other Assets	**Reinsurance recoverable**	**108,296**	**69,128**
	Deferred tax asset	**-14,347**	**-**
	Property, plant and equipment	**3**	**3**
	Deferred acquisition cost	**-**	**-**
	Insurance recoverable (excluding Intermediaries)	**13,412**	**13,412**
	Any other assets	**-**	**871**

Financial Assets

The financial assets comprising of term deposits, bonds and cash equivalents are carried at their market value both under the IFRS and Solvency II balance sheets. Under IFRS, the accrued interest is classified under "Any other Assets not elsewhere shown" whilst the Solvency II value of the bonds and term deposits is equal to their market value and accrued interest.

Reinsurance Recoverable

In order to establish the Solvency II value for the reinsurance recoverables, an assessment of the best estimates of ceded reserves to the reinsurer has been performed in line with the company's evaluation of the technical provisions forming part of the liabilities.

- In arriving at the Solvency II value, the IFRS Life Reserve has been replaced by the net present value of all future reinsurance cash flows estimated at their best estimate. In arriving at the net present value the EIOPA Risk Free interest rate curve as at 31 December 2016 was used to discount the future cash flows.
- Claim reserves ceded correspond to the actuarial estimation of claim reserves based on a chain-ladder method used in arriving at the IFRS value.

Deferred Tax Asset

The negative deferred tax asset shown as part of the assets, depicts the deferred tax amount materialising between the IFRS and Solvency II values.

Property, Plant and Equipment for Own Use

Under Solvency II, property, plant and equipment for own use must be measured at fair value. Since no fair valuation has been performed of the assets held, which are solely made up of furniture, fixtures and fittings and given the nature of the assets, the net book value under IFRS was deemed to be fair under Solvency II.

Deferred Acquisition Costs

Under IFRS, acquisition costs incurred can be deferred over the coverage period of the underlying policies. On the other hand as per Solvency II, acquisition costs are not deferred but are taken into account as part of the technical provisions.

Insurance Recoverable

Insurance recoverables are made up balances with third party agents for premiums written not yet received by the company. These are short term receivables which are normally settled within a few days. Under IFRS, these balances are valued on the basis of transactions between two duly informed interested parties carrying out transactions in mutually independent conditions which conforms to the valuation under Solvency II.

D.1.2. RCI INSURANCE LTD

	Asset type	Solvency II Value	Accounting Value (IFRS)
Financial Assets	**Government Bonds**	**24,253**	**23,799**
	of which EU members	13,015	12,885
	of which EU organisation	7,283	7,107
	of which ECB	3,955	3,807
	Term Deposits	**67,246**	**66,000**
	Cash	**39,460**	**39,460**
Other Assets	**Reinsurance recoverable**	**40,030**	**46,484**
	Deferred tax asset	**15,294**	**-**
	Property, plant and equipment	**56**	**56**
	Deferred Acquisition Cost	**-**	**23,701**
	Deposits to Cedants	**2,743**	**2,743**
	Insurance recoverable (excluding Intermediaries)	**23,203**	**23,203**
	Any other assets	**-**	**576**

Financial Assets

The financial assets comprising of term deposits, bonds and cash equivalents are carried at their market value both under the IFRS and Solvency II balance sheets. Under IFRS, the accrued interest is classified under "Any other Assets not elsewhere shown" whilst the Solvency II value of the bonds and term deposits is equal to their market value.

Reinsurance Recoverable

In order to establish the Solvency II value for the reinsurance recoverables, an assessment of the best estimates of ceded reserves to the reinsurer has been performed in line with the company's evaluation of the technical provisions forming part of the liabilities.

- In arriving at the Solvency II value, the IFRS Life Reserve has been replaced by the net present value of all future reinsurance cash flows estimated at their best estimate. In arriving at the net present value the EIOPA Risk Free interest rate curve as at 31 December 2016 was used to discount the future cash flows.
- Claim reserves ceded correspond to the actuarial estimation of claim reserves based on a chain-ladder method used in arriving at the IFRS value.

Deferred Tax Asset

The deferred tax asset shown depicts the deferred tax amount materialising between the IFRS and Solvency II values.

Property, Plant and Equipment for Own Use

Under Solvency II, property, plant and equipment for own use must be measured at fair value. Since no fair valuation has been performed of the assets held, solely made up of furniture, fixtures and fittings given the nature of the assets, the net book value under IFRS was deemed to be fair under Solvency II.

Deferred Acquisition Costs

Under IFRS, acquisition costs incurred can be deferred over the coverage period of the underlying policies. On the other hand as per Solvency II, acquisition costs are not deferred but are taken into account as part of the technical provisions.

Insurance Recoverable

Insurance recoverables are made up balances with third party agents for premiums written not yet received by the company. These are short term receivables which are normally settled within a few days. Under IFRS, these balances are valued on the basis of transactions between two duly informed interested parties carrying out transactions in mutually independent conditions which conforms with the valuation under Solvency II.

D.1.3. RCI GROUP

	Asset type	Solvency II Value	Accounting Value (IFRS)
Financial Assets	**Government Bonds**	**60,331**	**58,928**
	of which EU members	36,787	36,062
	of which EU organisation	14,033	13,713
	of which ECB	9,511	9,153
	Term Deposits	**190,992**	**188,000**
	Cash	**81,593**	**81,593**
Other Assets	**Reinsurance recoverable**	**148,326**	**115,612**
	Deferred tax asset	**947**	**-**
	Property, plant and equipment	**96**	**96**
	Deferred Acquisition Cost	**-**	**23,701**
	Deposits to cedants	**2,743**	**2,743**
	Insurance recoverable (excluding Intermediaries)	**36,657**	**36,657**
	Receivables (trade not insurance)	**39**	**39**
	Any other assets	**-**	**1,447**

Financial Assets

The financial assets comprising of term deposits, bonds and cash equivalents are carried at their market value both under the IFRS and Solvency II balance sheets. Under IFRS, the accrued interest is classified under "Any other Assets not elsewhere shown" whilst the Solvency II value of the bonds and term deposits is equal to their market value.

Reinsurance Recoverable

In order to establish the Solvency II value for the reinsurance recoverables, an assessment of the best estimates of ceded reserves to the reinsurer has been performed in line with the company's evaluation of the technical provisions forming part of the liabilities.

- In arriving at the Solvency II value, the IFRS Life Reserve has been replaced by the net present value of all future reinsurance cash flows estimated at their best estimate. In arriving at the net present value the EIOPA Risk Free interest rate curve as at 31 December 2016 was used to discount the future cash flows.
- Claim reserves ceded correspond to the actuarial estimation of claim reserves based on a chain-ladder method used in arriving at the IFRS value.

Deferred Tax Asset

The deferred tax asset shown depicts the deferred tax amount materialising between the IFRS and Solvency II values.

Property, Plant and Equipment for Own Use

Under Solvency II, property, plant and equipment for own use must be measured at fair value. Since no fair valuation has been performed of the assets held, solely made up of furniture, fixtures and fittings given the nature of the assets, the net book value under IFRS was deemed to be fair under Solvency II.

Deferred Acquisition Costs

Under IFRS, acquisition costs incurred can be deferred over the coverage period of the underlying policies. On the other hand as per Solvency II, acquisition costs are not deferred but are taken into account as part of the technical provisions.

Receivables

Receivables are made up of a refundable tax balance receivable from the Maltese tax authorities with regards to tax overpaid in previous years.

D.2. TECHNICAL PROVISIONS

Technical Provisions under Solvency II represents the current amount an insurer would have to pay for an immediate transfer of its obligations to another insurer.

Following are the main differences between the valuation of technical provisions under Solvency II and IFRS as adopted by the European Union for both companies RCI Life and RCI Insurance.

Technical provisions in thousand euros	Solvency II Value	Accounting Value
Technical provisions - Non-Life	**-70,352**	**19,069**
Technical provisions - Non-Life (excluding Health)	-70,352	19,069
Technical provisions - calculated as a whole	-	
Best Estimate	-78,514	
Risk margin	8,162	
Technical provisions - Health (similar to Non-Life)	-	-
Technical provisions - calculated as a whole	-	
Best Estimate	-	
Risk margin	-	
Technical provisions - Life (excluding index-linked and unit-linked)	**25,960**	**239,549**
Technical provisions - Health (similar to Life)	10,405	93,171
Technical provisions - calculated as a whole	-	
Best Estimate	7,887	
Risk margin	2,518	
"Technical provisions -Life (excluding Health and index-linked and unit-linked)"	15,554	146,379
Technical provisions - calculated as a whole	-	
Best Estimate	8,162	
Risk margin	7,393	
Technical provisions -index-linked and unit-linked	**-**	**-**
Technical provisions - calculated as a whole	-	
Best Estimate	-	
Risk margin	-	
Other technical provisions		
TOTAL TECHNICAL PROVISIONS	**-44,393**	**258,618**

In general terms, the main difference between the two valuation methods of calculation of technical provisions is using market economic criteria for Solvency II, while accounting standards for IFRS statements.

The Technical Provisions ("TP") comprise the sum of Best Estimate of the Liabilities ("BEL") and the Risk Margin ("RM"), in line with to the Solvency II Directive 2009/138/CE.

D.2.1. BEST ESTIMATE OF LIABILITIES ("BEL")

The Best Estimate corresponds to the probability-weighted average of future cash flows, taking into account the time value of money using the relevant risk-free rate of return structure. The cash flow projection used in the calculation of the best estimate takes into account both cash in-flows and cash out-flows, as required to settle the insurance obligations over their lifetime.

D.2.1.1. VALUATION BASIS, METHODS AND MAIN ASSUMPTIONS

Basis

BEL are computed for all polices underwritten until 31 December 2016 and in-force at that date.

- They are made of Life and Non-life Best Estimate of Premium reserve and Best Estimate of Claim reserves:
- The BE of Premium reserve corresponds to Life and Non-life future obligations less the projected future premiums from the policies.
- The BE of Claim reserve corresponds to the estimation of expected future claim payments based on claim development on historical data.

Computations have been performed on a best estimate basis in accordance with Articles 75 to 86 of the Solvency II Directive.

Boundary of insurance contract

Insurance contracts are bound by the existence of the financing product. Therefore, contract boundary corresponds to the term of the underlying financing product. There is no renewal at termination date. Therefore, for products with periodic premiums, future periodic premiums are projected until theoretical term as the payment of these premiums is a liability of the insured taken at underwriting date.

Assumptions

- The underlying policyholder behaviour assumptions are based on Policyholder behaviour experience (e.g. lapse rates, claim ratios, mortality rates, etc.).
- Economic assumptions have been set consistent with economic conditions prevailing at 31 December 2016. (e.g. Risk free rate, Inflation, etc.).
- The calculations do not make any allowance for transitional measures or assumed management actions.
- The main assumption in calculating the BE Cash-flows are the level of claim frequency, level of lapse rates and Risk-free interest rate.

Segmentation

The classification is based on the nature of the risk and distinguishes between Life, Health similar to Life and Non-life obligations. Within each class, Technical Provisions are calculated by insurance program and by coverage.

Significant differences between Solvency II and IFRS valuation

The main differences between the valuation methods applied for Solvency II purposes and those used for the purpose of the financial statements in line with IFRS are outlined below:

- The premium provision under Solvency II relates to future claim events falling within the contract boundary and includes all benefits, expenses and premiums relating to those events. This has no equivalent figure for IFRS purposes.
- The unearned premiums recognised under IFRS correspond to the time-apportioned earning pattern of gross premiums written, which in turn do not scope in future premium payments. Therefore, future expected technical profits embedded in IFRS technical provisions and in future premiums are excluded from SII calculation of TP.
- SII Technical Provisions are discounted. IFRS technical provisions are not.
- Any deferral accounting item is not considered under SII calculation of TP.
- No risk margin is explicitly considered within IFRS Technical provisions.

D.2.1.2. VALUATION OF BEST ESTIMATES OF LIABILITIES

TP - BE Central Scenario per product In thousand of euros							
Central Scenario	BE of Premium reserves	BE of Claim reserves	BE Gross TP	BE Re share of Premium reserves	BE Re share of Claim reserves	BE Re share TP	BE Net TP
Life - (Death)	1,268	6,894	8,162	104,817	3,533	108,296	-100,134
Total RCI Life	**1,268**	**6,894**	**8,162**	**104,817**	**3,533**	**108,296**	**-100,134**
Health STL - (TTD,UN)	-3,425	11,312	7,887	34,257	5,792	40,030	-32,143
Non-Life - (GAP)	-79,922	1,408	-78,514	-	-	-	-78,514
Total RCI Insurance	**-83,347**	**12,720**	**-70,627**	**34,257**	**5,792**	**40,030**	**-110,657**

- Unemployment ("UN") coverage is considered as a non-life risk. By exception, according to the proportionality principle referred to under Article 56 of Directive 2009/138/EC, Unemployment benefit has been modelled together with disability (TTD) benefit as this benefit is not proposed in Italy, not underwritten in Spain and only underwritten in 20% of the PPI package only in France.
- Projection of future cash flows from policy data, contract parameters, asset data, Economic (e.g. interest rate) and non-economic assumptions (e.g. demographic assumptions).
- Cash - Flows are discounted using the risk-free yield curve: EIOPA_RFR_20161231_EUR_Zero Coupons Bond Curve_ Without Volatility Adjustment.

A. Technical Provisions – Life and Health similar to Life Business

Technical provisions in thousand of euros	Solvency II Value	Accounting Value
Technical provisions – Life and Health similar to Life	25,960	239,549

The best estimate liabilities („BEL") of the life business is the sum of best estimate of premium provisions and best estimate of claim provisions.

a) Best estimate of the provision for premium reserve

The best estimate for the premium provision is computed based on the following principles:

- Computation of the present value of expected cash-flows associated to the in-force portfolio, in accordance with contract boundaries.
- Projected Cash-flows are split into Cash In-flows and Cash Out-flows and include:
  - Future premiums - Gross written premium net of cancellations and lapses
  - Claim payments and related expenses: acquisition costs (including commissions), claim handling costs, administrative expenses and investment management fees.
- Reinsurance part is 50% quota share of cash-flows.
- There are also liabilities transferred to a counterparty. The recoverable amounts are adjusted to consider the expected losses due to default of the counterparty:
  - The calculation of the best estimate ceded resulting from the reinsurance contracts must take into account losses in the event of default by the counterparty: the estimate of these losses requires the estimation of a probability of default of the counterparty and a loss in the event of default.
- The best estimate considers the time value of money based on the consideration of the timing of inflows and outflows.

b) Best estimate of the provision for claim reserve

The best estimate for the claim provision is based on the following principles:

- The Best estimate of claim reserves follows the Best estimate of claims provisions in the financial statements (IFRS) with the additional adjustment of the counterparty default adjustment to recoverable reinsurance amounts.
- The provision for outstanding claims (RBNS) consists of the individual case-by-case valuation of claims.
- The Best estimate of claim provisions is derived from the claim development triangles per country and coverages by using a combination of standard Chain-Ladder and Bornhuetter-Ferguson actuarial methods. The method, which is giving the most prudent result is applied.
- The whole history of data is considered for the analysis.

B. Technical Provisions – Non-life Business

Technical provisions in thousand of euros	Solvency II Value	Accounting Value
Technical provisions - Non-Life	-70,352	19,069

The best estimate liabilities („BEL") of the non-life business is the sum of best estimate of premium provisions and best estimate of claim provisions.

Best estimate of technical provisions are calculated similarly to the Life and Health similar to Life technical provisions.

The only specific item in the computation of RCII's technical provisions relates to the company's reinsurance business where the best estimates of claim provisions correspond to outstanding claim reserves provided by the insurers.

D.2.2. RISK MARGIN

The risk margin is such that the value of technical provisions is equivalent to the amount insurers would be expected to require in order to meet the group's insurance obligations. Specifically, the risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance obligations over their lifetime.

Basis

The Risk Margin is an addition to the Best Estimate Liabilities to ensure that the technical provisions as a whole are equivalent to the amount that insurance undertakings would be expected to require in order to take over and meet the insurance obligations.

The interest rate used in determining cost of supplying the amount of eligible own funds is known as the cost-of-capital rate. RCIL and RCII used the 6% rate set by the Commission Delegated Regulation (EU) 2015/35.

Deriving of RM (Methods)

The method for calculating risk margin may be expressed as follows:

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

Where:

CoC = denotes the Cost-of-Capital rate which is taken as 6%.

$SCR_{(t)}$ = denotes the Solvency Capital Requirement after t years as calculated for the reference undertaking.

r(t+1) = denotes the relevant basic risk-free interest rate for the maturity of t+1 years (in accordance with the currency used for the financial statements of the (re)insurance undertaking).

Simplified calculation of the risk margin

According to the Article 58 of Directive 2009/138/EC simplified methods for the deriving of Risk margin can be used.

Due to the nature of the group's business and effectiveness in calculation process, RCIL and RCII apply the following simplified method for the projection of future SCR - method IV:

- Estimate all future SCRs "at once", e.g. by using an approximation based on the duration approach

Additional information

- The company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.
- The company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.
- The company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.
- The company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3. OTHER LIABILITIES

The table below discloses each material class of liability (other than technical provisions) within the companies' balance sheet as at 31 December 2016 under the Solvency II valuation principles and compares this to the valuation as per the companies' financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Amounts are all stated in thousands of Euro.

A. RCI Life Ltd

Other Liability (in thousand euros)	Solvency II Value	Accounting Value
Reinsurance Payable	70,934	70,934
Financial liabilities payable to group	5,607	5,607
Deferred tax liabilities	45,923	135
Payables (trade, not insurance)	18,243	18,243

Reinsurance Payable

This category of liabilities is made of the balance payable to the reinsurer on transactions related to the reinsurance ceded. No differences between the valuation under Solvency II and IFRS were noted.

Financial Liabilities Payable to the group

This category of liabilities is made of the balances payable to group counterparties for services provided. No differences between the valuation under Solvency II and IFRS were noted.

Deferred Tax Liabilities

The main difference on the valuation of other Liabilities under the Solvency II principles relate to the mechanical adjustment of the deferred tax, due to the adjustments on assets and technical provisions as described in the previous sections.

The differences between the Solvency II and accounting value arose due to the different valuation criteria on the following items:

- Deferred acquisition costs;
- Investments;
- Reinsurance recoverables; and
- Technical provisions.

Payables

This category of liabilities is made up of the balances payable to various counterparties predominantly to the tax authorities. Other payables relate to accruals as at year end for services provided, for which an invoice was not yet received. No differences between the valuation under Solvency II and IFRS were noted.

B. RCI Insurance Ltd

Other Liability (in thousand euros)	Solvency II Value	Accounting Value
Reinsurance Payable	31,268	31,268
Financial liabilities payable to group	10,623	10,623
Deferred tax liabilities	65,505	107
Payables (trade, not insurance)	21,475	21,475

Reinsurance Payable

This category of liabilities is made of the balance payable to the reinsurer on transactions related to the reinsurance ceded. No differences between the valuation under Solvency II and IFRS were noted.

Financial Liabilities Payable to the group

This category of liabilities is made of the balances payable to group counterparties for services provided. No differences between the valuation under Solvency II and IFRS were noted.

Deferred Tax Liabilities

The main difference on the valuation of other Liabilities under the Solvency II principles relate to the mechanical adjustment of the deferred tax, due to the adjustments on assets and technical provisions as described in the previous sections.

The differences between the Solvency II and accounting value arose due to the different valuation criteria on the following items:

- Deferred acquisition costs;
- Investments;
- Reinsurance recoverables; and
- Technical provisions.

Payables

This category of liabilities is made up of the balances payable to various counterparties predominantly to the tax authorities. Other payables relate to accruals as at year end for services provided, for which an invoice was not yet received. No differences between the valuation under Solvency II and IFRS were noted.

C. Group

Other Liability (in thousand euros)	Solvency II Value	Accounting Value
Reinsurance Payable	102,202	102,202
Financial liabilities payable to group	16,080	16,080
Deferred tax liabilities	111,428	242
Payables (trade, not insurance)	39,718	39,718

Reinsurance Payable

This category of liabilities is made of the balance payable to the reinsurer on transactions related to the reinsurance ceded. No differences between the valuation under Solvency II and IFRS were noted.

Financial Liabilities Payable to the group

This category of liabilities is made of the balances payable to group counterparties for services provided. No differences between the valuation under Solvency II and IFRS were noted.

Deferred Tax Liabilities

The main difference on the valuation of other Liabilities under the Solvency II principles relate to the mechanical adjustment of the deferred tax, due to the adjustments on assets and technical provisions as described in the previous sections.

The differences between the Solvency II and accounting value arose due to the different valuation criteria on the following items:

- Deferred acquisition costs;
- Investments;
- Reinsurance recoverables; and
- Technical provisions.

Payables

This category of liabilities is made up of the balances payable to various counterparties predominantly to the tax authorities. Other payables relate to accruals as at year end for services provided, for which an invoice was not yet received. No differences between the valuation under Solvency II and IFRS were noted.

D.4. ALTERNATIVE METHODS FOR VALUATION

The solo companies (RCI Life and RCI Insurance) as well as RCI group do not use any alternative methods for valuation.

D.5. ANY OTHER INFORMATION

All information presented in section D provides a true and fair image of the group's valuations for Solvency Purposes.

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

Capital management lies at the heart of the group's business and consequently any decision impacting the capital position of the companies is taken within a prescribed framework.

The companies must at all times secure sufficient levels of capital to:

- be able to service existing and forseeable risks; and
- continue to meet its business strategy thereby driving shareholder value and safeguarding policyholders.

It is the policy of the group to hold sufficient capital not only to fulfil on an ongoing basis its regulatory capital requirements (calculated on both a group and solo basis) and the requirements governing the technical provisions under the Solvency II regime framework, but also to satisfy its own assessment of capital required to meet its business strategy considering any potential evolutions in the companies' risk profile over the planning horizon.

It therefore follows that the group should only distribute prior year distributable profits (as governed by the companies Act) which are in excess of its Solvency Capital Requirement and the capital required to service existing and foreseeable risks anticipated in the companies' business plan as future business. Consequently any dividend declaration must take into account any relevant output from the risk management system of the group, and in particular any relevant information resulting from the companies' own risk self-assessment process (ORSA).

Where there are insufficient funds to propose a dividend, the distribution shall be deferred to a period where the aforementioned conditions can be duly satisfied.

All distributions are subject to obtaining prior approval from the Malta Financial Services Authority (MFSA).

The own funds of both RCII and RCIL are solely made of the excess of assets over liabilities, all of which are tier 1 basic own funds. Own funds are therefore made up of:

- Ordinary share capital;
- Retained earnings including an un-distributable reserve for fair value movements on available-for-sale financial assets; and
- The reconciliation reserve (any remaining excess of assets over liabilities within the Solvency II balance sheet net of forecasted dividends expected to be distributed based on current year results).

The own funds of the group are calculated through the aggregation of own funds for RCI Life, RCI Insurance and RCI Services. Forecasted dividends are deducted from the Solvency II eligible Own funds for each year.

The amount of own funds at 31 December 2016 (in thousands of euros) is described below:

In thousand euros	RCI Life	RCI Insurance	RCI Services	RCI group
Ordinary Share Capital	**5,900**	**4,000**	**100**	**10,000**
Retained Earnings	**34,983**	**46,113**	**412**	**81,508**
Retain Earnings from previous years	2,870	6,229	-74,126	-65,027
Profit of current year after tax	32,113	39,884	74,538	146,535
Other reserves	**252**	**198**	**-**	**450**
Total Equity in the financial statements	**41,135**	**50,311**	**512**	**91,958**
Reconciliation reserve: Remaining excess of assets over liabilities	87,595	63,138	-	150,733
Solvency II - Basic Own Funds	**128,730**	**113,448**	**512**	**242,690**

As outlined in the table above, the eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement for the group is € 242.7m. The group's SCR Ratio is equal to 229%. This ratio measures the relationship between the eligible own funds and the solvency capital requirements, and was calculated using the Standard Formula.

The main differences noted between the companies' equity under IFRS as shown in the audited financial statements and the excess of assets over liabilities as calculated for solvency purposes are the following:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements, as technical provisions are recalculated on a discounted best estimate basis;
- the difference in Reinsurers share of technical provisions calculated in accordance with the Solvency II requirements, as Reinsurance share of technical provisions are recalculated on a discounted best estimate basis;
- the removal of all accounting deferral items (such as deferred acquisition costs);
- the deferred tax adjustment in relation to the above differences;

A numerical reconciliation between the financial reporting basis and Solvency II is presented below.

Evolution of own funds during the year

RCII and RCIL have a similar shareholding structure with one shareholder holding 99.99% of the authorised and issued share capital. All issued shares are fully paid up. No own funds were issued during the year. Both companies have neither debt financing nor do they have any plans to raise debt or issue new shares in the short or medium term.

Additional information

- As described above (in section D.1 – Assets), the own funds are primarily invested in Term deposits, sovereign and supra-national bonds as well as overnight deposits.
- None of the companies' own funds are recognised by virtue of Solvency II's transitional provisions and the companies have no ancillary own funds.
- No deductions were applied to own funds and there are no material restrictions affecting their availability and transferability.
- RCI companies do not have basic own fund items which possess loss absorbency mechanism complying with the Article 71 (1) (e) of the Commission Delegated Regulation (EU) 2015/35.

The tables in the following section reconcile the differences between equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes.

Own Funds are made up of Tier 1 capital, thus the own funds disclosed in the tables equate to the basic own funds and are eligible to cover both the SCR and MCR.

A. RCI Life (Reconciliation of Basic Own Funds to Equity)

Reconciliation of Basic Own Funds to Equity in the financial statements as at 31 December 2016	
RCI Life	**In thousand euros**
Total Equity in financial statements	**41,135**
Share capital	5,900
Other reserves	252
Retained earnings	34,983
Asset part	**26,645**
Difference in Reinsurers share of technical provisions	39,167
Deferred tax Asset	-14,347
Difference in Other Assets (Receivables, AFS bonds, term deposits)	1,826
Liability part	**85,036**
Difference between BEL and Technical Provisions (Life)	138,217
Risk Margin (Life)	-7,393
Deferred tax liability	-45,788
Foreseeable dividends	**-24,086**
Solvency II – Eligible Own Funds	**128,730**

B. RCI Non-Life (Reconciliation of Basic Own Funds to Equity)

Reconciliation of Basic Own Funds to Equity in the financial statements as at 31 December 2016	
RCI Insurance	In thousand euros
Total Equity in financial statements	**50,311**
Share capital	4,000
Other reserves	198
Profit and loss account	46,113
Asset part	**-28,403**
Difference in Reinsurers share of technical provisions	-6,455
Deferred tax Asset	15,294
Difference in Other Assets (Receivables, AFS bonds, term deposits)	1,124
Difference in Deferred acquisition costs	-38,366
Liability part	**121,454**
Difference between BEL and Technical Provisions (Health STL)	85,283
Risk Margin (Health STL)	-2,518
Difference between BEL and RI Inwards Technical Provisions (Non-life)	97,583
Risk Margin (Non-life)	-8,162
Deferred revenue (Reins. Share of DAC, Deferral Claim mgt fee)	14,665
Deferred tax liability	-65,398
Foreseeable dividends	**-29,913**
Solvency II - Eligible Own Funds	**113,448**

C. RCI Group (Reconciliation of Basic Own Funds to Equity)

The group own funds correspond to the aggregate of the own funds reported by the individual companies. No intra-group transactions were reported during the period.

Reconciliation of Basic Own Funds to Equity in the financial statements as at 31 December 2016	
Group: RCI Life + RCI Insurance + RCI Services	In thousand euros
Total Equity in financial statements	**91,958**
Share capital	10,000
Other reserves	450
Profit and loss account	81,508
Asset part	**-1,758**
Difference in Reinsurers share of technical provisions	32,712
Deferred tax Asset	947
Difference in Other Assets (Receivables, AFS bonds, term deposits)	2,950
Difference in Deferred acquisition costs	-38,366
Liability part	**206,489**
Difference between BEL and Technical Provisions (Life)	138,217
Risk Margin (Life)	-7,393
Difference between BEL and Technical Provisions (Health STL)	85,283
Risk Margin (Health STL)	-2,518
Difference between BEL and RI Inwards Technical Provisions (Non-life)	97,583
Risk Margin (Non-life)	-8,162
Deferred revenue (Reins. Share of DAC, Deferral Claim mgt fee)	14,665
Deferred tax liability	-111,187
Foreseeable dividends	**-53,999**
Solvency II - Eligible Own Funds	**242,690**

E.2. SCR AND MCR

RCII, RCIL as well as the group make use of EIOPA's Solvency II Standard Formula for the calculation of SCR and MCR. The risks pertaining to the business do not require the use of an internal model or partial internal model to calculate the Solvency Capital Requirement.

The MCR was derived based on the Formula referred to in Article 248 of Directive 2009/138/EC.

The Minimum Capital requirement of the group is calculated as a sum of Minimum capital requirements of all solo companies (RCI Life, RCI Insurance and RCI Services).

The MCR, which is the level of capital that guarantees a minimum level of security below which the amount of financial resources should not fall, has a total group value of €43.6m as shown in the table below:

In thousand euros	RCI Life	RCI Insurance	RCI Services	RCI group
SCR	49,788	59,268	65,165	105,997
MCR	12,447	14,817	16,291	43,555

The companies do not use any specific parameters and simplified calculations in the computations of SCR and MCR.

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

The following section presents the amount of SCR by risk module for each entity within the group:

A. RCI Life (Solvency overview)

RCI Life	In thousand euros
Market Risk analysed by:	**33,261**
Equity Risk	-
Currency Risk	-
Property Risk	-
Interest Rate Risk	3,268
Concentration Risk	32,763
Spread Risk	4,712
Market Diversification Benefit	-7,482
Life Underwriting Risk analysed by:	**53,326**
Catastrophe Risk	7,727
Disability / Morbidity Risk	-
Expenses Risk	451
Longevity Risk	-
Mortality Risk	5,137
Revision Risk	-
Lapse Risk	50,180
Life Diversification Benefit	-10,170
Default Risk	**7,553**
Basic Solvency Requirements ('BSCR') pre Diversification	**94,140**
Overall Diversification Benefit	-21,885
BSCR	**72,255**
Operational Risk	4,342
Deferred Tax Liability	-26,809
SCR	**49,788**
MCR	**12,447**

B. RCI Insurance (Solvency overview)

RCI Non-Life	In thousand euros
Market Risk analysed by:	**18,250**
Equity Risk	-
Currency Risk	-
Property Risk	-
Interest Rate Risk	2,828
Concentration Risk	17,781
Spread Risk	2,986
Market Diversification Benefit	-5,345
Non-Life Underwriting Risk analysed by:	**72,000**
Premium and Reserve Risk	52,843
Lapse Risk	33,224
Catastrophe Risk	25,029
Non-Life Diversification Benefit	-39,096
Health Risk analysed by:	**22,211**
Similar to Life	22,010
Disability / Morbidity Risk	10,843
Expenses Risk	309
Lapse Risk	18,909
Longevity Risk	-
Mortality Risk	-
Revision Risk	-
Similar to Life Diversification Benefit	-8,052
Catastrophe	756
Similar to Non-Life	-
Lapse Risk	-
Premium and Reserve Risk	-
Similar to Non-Life Diversification Benefit	-
Health Diversification Benefit	-555
Default Risk	**7,841**
Basic Solvency Requirements ('BSCR') pre Diversification	**120,301**
Overall Diversification Benefit	-32,811
BSCR	**87,491**
Operational Risk	3,690
Deferred Tax Liability	-31,913
SCR	**59,268**
MCR	**14,817**

C. Group (Solvency overview)

Group	In thousand euros
Market Risk analysed by:	**51,489**
Equity Risk	-
Currency Risk	-
Property Risk	-
Interest Rate Risk	6,096
Concentration Risk	50,544
Spread Risk	7,698
Market Diversification Benefit	-12,849
Life Underwriting Risk analysed by:	**53,326**
Catastrophe Risk	7,727
Disability / Morbidity Risk	-
Expenses Risk	451
Longevity Risk	-
Mortality Risk	5,137
Revision Risk	-
Lapse Risk	50,180
Life Diversification Benefit	-10,170
Non-Life Underwriting Risk analysed by:	**72,000**
Premium and Reserve Risk	52,843
Lapse Risk	33,224
Catastrophe Risk	25,029
Non-Life Diversification Benefit	-39,096
Health Underwriting Risk analysed by:	**22,211**
Similar to Life	22,010
Disability / Morbidity Risk	10,843
Expenses Risk	309
Lapse Risk	18,909
Longevity Risk	-
Mortality Risk	-
Revision Risk	-
Similar to Life Diversification Benefit	-8,052
Catastrophe	756
Similar to Non-Life	-
Lapse Risk	-
Premium and Reserve Risk	-
Similar to Non-Life Diversification Benefit	-
Health Diversification Benefit	-555
Default Risk	**15,321**
Basic Solvency Requirements (‘BSCR’) pre Diversification	**214,346**
Overall Diversification Benefit	-80,655
BSCR	**133,691**
Operational Risk	8,032
Deferred Tax Liability	-35,727
SCR	**105,997**
MCR (sum of all Solo's MCR)	**43,555**

E.3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The companies did not use the duration-based equity risk sub-module set out in Article 304 of the Directive 2009/138/EC for the calculation of its Solvency Capital Requirement.

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The companies do not make use of internal models in its Solvency calculations, but follows the Standard Solvency II Formula.

E.5. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

At 31st December 2016, all companies had a very good solvency position and therefore, it was considered unnecessary to adopt any other action or corrective measure.

E.6. ANY OTHER INFORMATION

All information presented in section E provides a true and fair image of the group's capital management.

S.02.01.02 - Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	-14,347,495
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	3,429
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	159,825,694
Property (other than for own use)	R0080	-
Holding in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	36,078,984
Government Bonds	R0140	36,078,984
Corporate Bonds	R0150	-
Structured Notes	R0160	-
Collateralised Securities	R0170	-
Collective Investment Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	123,746,709
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	108,295,688
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	108,295,688
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	108,295,688
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	13,412,231
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	-
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	41,889,541
Any other assets, not elsewhere shown	R0420	-
Total assets	**R0500**	**309,079,088**

S02.01.02 - Balance Sheet (Continued)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-
Technical provisions – non-life (excluding health)	R0520	-
TP calculated as a whole	R0530	-
Best Estimate	R0540	-
Risk margin	R0550	-
Technical provisions - health (similar to non-life)	R0560	-
TP calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	15,554,454
Technical provisions - health (similar to life)	R0610	-
TP calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	15,554,454
TP calculated as a whole	R0660	-
Best Estimate	R0670	8,161,867
Risk margin	R0680	7,392,587
Technical provisions – index-linked and unit-linked	R0690	-
TP calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	45,923,974
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	5,607,047
Reinsurance payables	R0830	70,934,801
Payables (trade, not insurance)	R0840	18,242,860
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	**R0900**	**156,263,137**
Excess of assets over liabilities	R1000	152,815,951

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

		Line of Business for: life insurance obligations	Life reinsurance obligations	Total
		Other life insurance	Life reinsurance	
		C0240	C0280	C0300
Premiums written				
Gross	R1410	147,031,350	2,374,315	149,405,665
Reinsurers' share	R1420	73,746,893	-	73,746,893
Net	R1500	73,284,457	2,374,315	75,658,772
Premiums earned				
Gross	R1510	147,031,350	2,374,315	149,405,665
Reinsurers' share	R1520	73,746,893	-	73,746,893
Net	R1600	73,284,457	2,374,315	75,658,772
Claims incurred				
Gross	R1610	9,669,635	271,564	9,941,199
Reinsurers' share	R1620	4,875,693	-	4,875,693
Net	R1700	4,793,942	271,564	5,065,506
Changes in other technical provisions				
Gross	R1710	25,276,741	-	25,276,741
Reinsurers' share	R1720	11,929,132	-	11,929,132
Net	R1800	13,347,609	-	13,347,609
Expenses incurred	R1900	-1,307,398	1,466,874	159,476
Total expenses	**R2600**			**159,476**

S.05.02.01 - Premiums, claims and expenses by country

Life obligations		Home Country	Total Top 5 and home country
		C0150	C0210
Name of the country	R1400		
		C0220	C0280
Premiums written		**-**	**149,405,665**
Gross	R1410	-	73,746,893
Reinsurers' share	R1420	-	75,658,772
Net	R1500		
Premiums earned		**-**	**149,405,665**
Gross	R1510	-	73,746,893
Reinsurers' share	R1520	-	75,658,772
Net	R1600		
Claims incurred		**-**	**9,941,198**
Gross	R1610	-	4,875,692
Reinsurers' share	R1620	-	5,065,506
Net	R1700		
Changes in other technical provisions		**-**	**25,276,740**
Gross	R1710	-	11,929,133
Reinsurers' share	R1720	-	13,347,607
Net	R1800	-	-159,476
Expenses incurred	**R1900**		**-**
Total expenses	**R2600**		**-159,476**

S.05.02.01 - Premiums, claims and expenses by country (continued)

Life obligations		Home Country	Total Top 5 and home country
		C0150	C0210
Name of the country	R1400		
		C0220	C0280
Premiums written		**-**	**149,405,665**
Gross	R1410	-	73,746,893
Reinsurers' share	R1420	-	75,658,772
Net	R1500		
Premiums earned		**-**	**149,405,665**
Gross	R1510	-	73,746,893
Reinsurers' share	R1520	-	75,658,772
Net	R1600		
Claims incurred		**-**	**9,941,198**
Gross	R1610	-	4,875,692
Reinsurers' share	R1620	-	5,065,506
Net	R1700		
Changes in other technical provisions		**-**	**25,276,740**
Gross	R1710	-	11,929,133
Reinsurers' share	R1720	-	13,347,607
Net	R1800	-	-159,476
Expenses incurred	**R1900**		**-**
Total expenses	**R2600**		**-159,476**

S.12.01.02 - Life and Health SLT Technical Provisions

		Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)
		C0060	C0070	C0080	C0090	C0150
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-
Total recoverable from reinsurance/SPV after the adjustment for expected losses due to counterparty default	R0020	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM		-	-	-	-	-
Best Estimate		**-**	**-**	**-**	**-**	**-**
Gross Best Estimate	**R0030**	**8,161,867**	**8,161,867**	**-**	**-**	**8,161,867**
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	108,295,688	108,295,688	-	-	108,295,688
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	108,295,688	108,295,688	-	-	108,295,688
Recoverables from SPV before adjustment for expected losses	R0060	-	-	-	-	-
Recoverables from Finite Re before adjustment for expected losses	R0070	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	108,295,688	108,295,688	-	-	108,295,688
Best estimate minus recoverables from reinsurance/ SPV and Finite Re	**R0090**	**-100,133,821**	**-100,133,821**	**-**	**-**	**-100,133,821**
Risk Margin	**R0100**	**7,392,587**	**7,392,587**	**-**	**-**	**7,392,587**
Amount of the transitional on Technical Provisions		**-**	**-**	**-**	**-**	**-**
Technical provisions calculated as a whole	R0110	-	-	-	-	-
Best Estimate	R0120	-	-	-	-	-
Risk Margin	R0130	-	-	-	-	-
Technical provisions - total	**R0200**	**15,554,454**	**15,554,454**	**-**	**-**	**15,554,454**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	**-92,741,234**	**-92,741,234**	**-**	**-**	**-92,741,234**
Best Estimate of products with a surrender option	**R0220**	**-**	**-**	**-**	**-**	**-**
Gross BE for Cash flow						
Cash out-flows						
Future guaranteed and discretionary benefits	R0230	-	-	-	-	-
Future guaranteed benefits	R0240	-	-	-	-	-
Future discretionary benefits	R0250	-	-	-	-	-
Future expenses and other cash out-flows	R0260	-	-	-	-	-
Cash in-flows						**15,554,454**
Future premiums	R0270	-	-	-	-	-
Other cash in-flows	R0280	-	-	-	-	-
Percentage of gross Best Estimate calculated using approximations	**R0290**	**-**	**-**	**-**	**-**	**-**
Surrender value	**R0300**	**-**	**-**	**-**	**-**	**-**
Best estimate subject to transitional of the interest rate	**R0310**	**-**	**-**	**-**	**-**	**-**
Technical provisions without transitional on interest rate	R0320	-	-	-	-	-
Best estimate subject to volatility adjustment	**R0330**	**-**	**-**	**-**	**-**	**-**
Technical provisions without volatility adjustment and without others transitional measures	R0340	-	-	-	-	-
Best estimate subject to matching adjustment	**R0350**	**-**	**-**	**-**	**-**	**-**
Technical provisions without matching adjustment and without all the others	R0360	-	-	-	-	-

S.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		**128,729,858**	**128,729,858**	**-**	**-**	**-**
Ordinary share capital (gross of own shares)	R0010	5,900,000	5,900,000	-	-	-
Share premium account related to ordinary share capital	R0030	-	-	-	-	-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-	-	-	-
Subordinated mutual member accounts	R0050	-	-	-	-	-
Surplus funds	R0070	-	-	-	-	-
Preference shares	R0090	-	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-	-
Reconciliation reserve	R0130	122,829,858	122,829,858	-	-	-
Subordinated liabilities	R0140	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-	-	-	-
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		**-**	**-**	**-**	**-**	**-**
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions		-	-	-	-	-
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**128,729,858**	**128,729,858**	**-**	**-**	**-**
Ancillary own funds		**-**	**-**	**-**	**-**	**-**
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	R0320	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	-	-	-	-
Other ancillary own funds	R0390	-	-	-	-	-
Total ancillary own funds	R0400	-	-	-	-	-

S.23.01.01 - Own funds (Continued)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	128,729,858	128,729,858	-	-	-
Total available own funds to meet the MCR	R0510	128,729,858	128,729,858	-	-	-
Total eligible own funds to meet the SCR	R0540	128,729,858	128,729,858	-	-	-
Total eligible own funds to meet the MCR	R0550	128,729,858	128,729,858	-	-	-
SCR	**R0580**	**49,788,216**	**-**	**-**	**-**	**-**
MCR	**R0600**	**12,447,054**	**-**	**-**	**-**	**-**
Ratio of Eligible own funds to SCR	**R0620**	**259%**	**259%**	**259%**	**259%**	**259%**
Ratio of Eligible own funds to MCR	**R0640**	**1034%**	**1034%**	**1034%**	**1034%**	**1034%**

		Total
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	152,815,951
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	24,086,093
Other basic own fund items	R0730	5,900,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	**R0760**	**122,829,858**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	27,461,814
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	**R0790**	**27,461,814**

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

Article 112 Z0010 2 - Regular reporting

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	33,261,101		
Counterparty default risk	R0020	7,553,006		
Life underwriting risk	R0030	53,325,751		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	-		
Diversification	R0060	-21,884,640		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	**R0100**	**72,255,218**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	4,342,037
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-26,809,039
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	100
Solvency Capital Requirement excluding capital add-on	**R0200**	**49,788,316**
Capital add-on already set	R0210	100
Solvency capital requirement for undertakings under consolidated method	**R0220**	**49,788,416**
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	-

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

Linear formula component for non-life insurance and reinsurance obligations		C0010
MCRNL Result	R0010	-

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

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	6,291,744

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	-
Obligations with profit participation - future discretionary benefits	R0220	-	-
Index-linked and unit-linked insurance obligations	R0230	-	-
Other life (re)insurance and health (re)insurance obligations	R0240	-	-
Total capital at risk for all life (re)insurance obligations	R0250	8,988,205,564	8,988,205,564

Overall MCR calculation		C0070
Linear MCR	R0300	6,291,744
SCR	R0310	49,788,216
MCR cap	R0320	22,404,697
MCR floor	R0330	12,447,054
Combined MCR	R0340	12,447,054
Absolute floor of the MCR	R0350	3,700,000

		C0070
Minimum Capital Requirement	R0400	12,447,054

S.02.01.02 - Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	15,294,030
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	56,209
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	91,498,984
Property (other than for own use)	R0080	-
Holding in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	24,252,728
Government Bonds	R0140	24,252,728
Corporate Bonds	R0150	-
Structured Notes	R0160	-
Collateralised Securities	R0170	-
Collective Investment Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	67,246,256
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	40,029,896
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	40,029,896
Health similar to life	R0320	40,029,896
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	2,743,021
Insurance and intermediaries receivables	R0360	23,202,636
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	-
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	39,460,416
Any other assets, not elsewhere shown	R0420	-
Total assets	**R0500**	**212,285,192**

S.02.01.02 - Balance Sheet (Continued)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-70,352,096
Technical provisions – non-life (excluding health)	R0520	-70,352,096
TP calculated as a whole	R0530	-
Best Estimate	R0540	-78,514,295
Risk margin	R0550	8,162,199
Technical provisions - health (similar to non-life)	R0560	-
TP calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	10,405,131
Technical provisions - health (similar to life)	R0610	10,405,131
TP calculated as a whole	R0620	-
Best Estimate	R0630	7,887,231
Risk margin	R0640	2,517,900
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
TP calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
TP calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	65,504,885
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	10,623,351
Reinsurance payables	R0830	31,268,144
Payables (trade, not insurance)	R0840	21,474,567
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	**R0900**	**68,923,981**
Excess of assets over liabilities	R1000	143,361,211

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	Total
		Miscellaneous financial loss (12)	
		C0120	C0200
Premiums written			
Gross Direct business	R0110	-	-
Gross Proportional reinsurance accepted	R0120	57,531,950	57,531,950
Gross Non-proportional reinsurance accepted	R0130	-	-
Reinsurers' share	R0140	-	-
Net	R0200	57,531,950	57,531,950
Premiums earned			
Gross Direct business	R0210	-	-
Gross Proportional reinsurance accepted	R0220	50,279,965	50,279,965
Gross Non-proportional reinsurance accepted	R0230	-	-
Reinsurers' share	R0240	-	-
Net	R0300	50,279,965	50,279,965
Claims incurred			
Gross Direct business	R0310	-	-
Gross Proportional reinsurance accepted	R0320	3,194,837	3,194,837
Gross Non-proportional reinsurance accepted	R0330	-	-
Reinsurers' share	R0340	-	-
Net	R0400	3,194,837	3,194,837
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**	**6,692,966**	**6,692,966**
Total expenses	**R1300**	**6,692,966**	**6,692,966**

S.05.01.02 - Premiums, claims and expenses by line of business (Continued)

		Line of Business for: life insurance obligations	Total
		Health insurance	
		C0210	C0300
Premiums written			
Gross	R1410	66,346,169	66,346,169
Reinsurers' share	R1420	33,360,794	33,360,794
Net	R1500	32,985,376	32,985,376
Premiums earned			
Gross	R1510	54,071,291	54,071,291
Reinsurers' share	R1520	27,321,507	27,321,507
Net	R1600	26,749,784	26,749,784
Claims incurred			
Gross	R1610	7,063,883	7,063,883
Reinsurers' share	R1620	3,482,390	3,482,390
Net	R1700	3,581,493	3,581,493
Changes in other technical provisions			
Gross	R1710	-	-
Reinsurers' share	R1720	-	-
Net	R1800	-	-
Expenses incurred	**R1900**	**2,683,238**	**2,683,238**
Total expenses	**R2600**		**2,683,238**

S.05.02.01 - Premiums, claims and expenses by country

Non-Life Obligations		Home Country	Total Top 5 and home country
		C0010	C0070
Name of the country	R0010		
		C0080	C0140
Premiums written			
Gross Direct business	R0110	-	-
Gross Proportional reinsurance accepted	R0120	-	57,531,950
Gross Non-proportional reinsurance accepted	R0130	-	-
Reinsurers' share	R0140	-	-
Net	R0200	-	57,531,950
Premiums earned			
Gross Direct business	R0210	-	-
Gross Proportional reinsurance accepted	R0220	-	50,279,965
Gross Non-proportional reinsurance accepted	R0230	-	-
Reinsurers' share	R0240	-	-
Net	R0300	-	50,279,965
Claims incurred			
Gross Direct business	R0310	-	-
Gross Proportional reinsurance accepted	R0320	-	3,194,837
Gross Non-proportional reinsurance accepted	R0330	-	-
Reinsurers' share	R0340	-	-
Net	R0400	-	3,194,837
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**	**-**	**6,692,966**
Other expenses	**R1200**	**-**	**-**
Total expenses	**R1300**	**-**	**6,692,966**

S.05.02.01 - Premiums, claims and expenses by country (Continued)

Life Obligations		Home Country	Total Top 5 and home country
		C0150	C0210
Name of the country	R1400		
		C0220	C0280
Premiums written			
Gross	R1410	-	66,346,169
Reinsurers' share	R1420	-	33,360,793
Net	R1500	-	32,985,376
Premiums earned			
Gross	R1510	-	54,071,291
Reinsurers' share	R1520	-	27,321,506
Net	R1600	-	26,749,785
Claims incurred			
Gross	R1610	-	7,063,885
Reinsurers' share	R1620	-	3,482,390
Net	R1700	-	3,581,495
Changes in other technical provisions			
Gross	R1710	-	-
Reinsurers' share	R1720	-	-
Net	R1800	-	-
Expenses incurred	**R1900**	**-**	**2,683,238**
Other expenses	**R2500**		**-**
Total expenses	**R2600**		**2,683,238**

S.12.01.02 - Life and Health SLT Technical Provisions

		Health insurance (direct business)	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0210**	**-**	**-**	**-**	**-**	**-**	-
Total recoverable from reinsurance/SPV after the adjustment for expected losses due to counterparty default	R0020	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM		**-**	**-**	**-**	**-**	**-**	**-**
Best Estimate		**-**	**-**	**-**	**-**	**-**	-
Gross Best Estimate	**R0030**	**7,887,231**	**7,887,231**	**-**	**-**	**-**	7,887,231
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	40,029,896	40,029,896	-	-	-	40,029,896
Best estimate minus recoverables from reinsurance/ SPV and Finite Re	**R0090**	**-32,142,664**	**-32,142,664**	**-**	**-**	**-**	**-32,142,664**
Risk Margin	**R0100**	**2,517,900**	**2,517,900**	**-**	**-**	**-**	**2,517,900**
Amount of the transitional on Technical Provisions		**-**	**-**	**-**	**-**	**-**	-
Technical provisions calculated as a whole	R0110	-	-	-	-	-	-
Best Estimate	R0120	-	-	-	-	-	-
Risk Margin	R0130	-	-	-	-	-	-
Technical provisions - total	**R0200**	**10,405,131**	**10,405,131**	**-**	**-**	**-**	**10,405,131**

S.17.01.02 - Non-Life technical provisions

		Direct business and accepted proportional reinsurance Miscellaneous financial loss	Total Non-Life obligation
		C0130	
Technical provisions calculated as a whole	**R0010**	**-**	**-**
Total recoverable from reinsurance/SPV after the adjustment for expected losses due to counterparty default	**R0050**	**-**	**-**
Technical provisions calculated as a sum of BE and RM			
Best estimate			
Premium Provisions			
Gross - Total	R0060	-79,922,134	-79,922,134
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**	**-79,922,134**	**-79,922,134**
Claims provisions			
Gross - Total	R0160	1,407,839	1,407,839
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**	**1,407,839**	**1,407,839**
Total Best estimate - Gross	**R0260**	**-78,514,295**	**-78,514,295**
Total Best estimate - Net	**R0270**	**-78,514,295**	**-78,514,295**
Risk margin	**R0280**	**8,162,199**	**8,162,199**
Amount of the transitional on Technical Provisions			
TP as a whole	R0290	-	-
Best Estimate	R0300	-	-
Risk Margin	R0310	-	-
Technical provisions			
Technical provisions - total	R0320	-70,352,096	-70,352,096
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	-70,352,096	-70,352,096

S.19.01.21 - Non-life Insurance Claims Information

Total Non-Life Business
Accident year / underwriting year Z0010 Underwriting Year

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

Development year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
Year		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100																0,0
N-14	R0110	612,085	1,402,870	742,846	339,557	136,664	45,505	820	-	-	-	-	-	-	-	-	
N-13	R0120	647,193	1,609,870	876,666	485,119	112,494	21,874	4,355	-	-	-	-	-	-	-		
N-12	R0130	600,213	1,395,230	958,703	496,498	160,373	47,563	5,359	-	-	-	-	-	-			
N-11	R0140	437,488	1,394,417	937,529	447,167	238,065	31,605	1,353	1,441	-	-	-	-				
N-10	R0150	446,350	1,131,346	840,829	519,079	208,429	29,086	-	-	-	-	-					
N-9	R0160	349,686	1,058,554	1,116,025	692,935	220,958	45,964	7,555	-	-	-						
N-8	R0170	455,862	1,131,759	1,254,643	582,992	220,210	54,948	1,649	-	-							
N-7	R0180	308,086	950,724	684,848	532,165	169,582	77,878	22,100	22,100								
N-6	R0190	339,160	916,282	883,588	535,511	317,086	165,059	107,297									
N-5	R0200	490,022	1,316,858	1,073,891	707,083	464,051	332,360										
N-4	R0210	693,079	1,572,595	1,415,640	1,084,866	766,259											
N-3	R0220	649,235	1,607,731	1,546,921	1,030,403												
N-2	R0230	870,772	1,804,703	1,358,839													
N-1	R0240	1,235,695	1,777,152														
N	R0250	690,923															

	In Current year	Sum of years (cumulative)
	C0170	C0180
R0100	-	-
R0110	-	3,280,347
R0120	-	3,757,571
R0130	-	3,663,939
R0140	-	3,489,065
R0150	-	3,175,119
R0160	-	3,491,677
R0170	-	3,702,063
R0180	22,100	2,767,483
R0190	107,297	3,263,983
R0200	332,360	4,384,265
R0210	766,259	5,532,439
R0220	1,030,403	4,834,290
R0230	1,358,839	4,034,314
R0240	1,777,152	3,012,847
R0250	690,923	690,923
Total R0260	6,085,333	53,080,325

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

Development year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
Year		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																0,0
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	1,407,839															

	Year end (discounted data)
	C0360
R0100	-
R0110	-
R0120	-
R0130	-
R0140	-
R0150	-
R0160	-
R0170	-
R0180	-
R0190	-
R0200	-
R0210	-
R0220	-
R0230	-
R0240	-
R0250	-
Total R0260	-
Total R0460	-

S.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		**113,448,450**	**113,448,450**	**-**	**-**	-
Ordinary share capital (gross of own shares)	R0010	4,000,000	4,000,000	-	-	-
Share premium account related to ordinary share capital	R0030	-	-	-	-	-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-	-	-	-
Subordinated mutual member accounts	R0050	-	-	-	-	-
Surplus funds	R0070	-	-	-	-	-
Preference shares	R0090	-	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-	-
Reconciliation reserve	R0130	109,448,450	109,448,450	-	-	-
Subordinated liabilities	R0140	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-	-	-	-
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		**-**	**-**	**-**	**-**	**-**
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions		-	-	-	-	-
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**113,448,450**	**113,448,450**	**-**	-	-
Ancillary own funds		**-**	**-**	**-**	**-**	**-**
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	R0320	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	-	-	-	-
Other ancillary own funds	R0390	-	-	-	-	-
Total ancillary own funds	**R0400**	**-**	**-**	**-**	**-**	**-**

S.23.01.01 - Own funds (Continued)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	113,448,450	113,448,450	-	-	-
Total available own funds to meet the MCR	R0510	113,448,450	113,448,450	-	-	-
Total eligible own funds to meet the SCR	R0540	113,448,450	113,448,450	-	-	-
Total eligible own funds to meet the MCR	R0550	113,448,450	113,448,450	-	-	-
SCR	**R0580**	**59,267,742**	**-**	**-**	**-**	**-**
MCR	**R0600**	**14,816,936**	**-**	**-**	**-**	**-**
Ratio of Eligible own funds to SCR	**R0620**	**191%**	**191%**	**191%**	**191%**	**191%**
Ratio of Eligible own funds to MCR	**R0640**	**766%**	**766%**	**766%**	**766%**	**766%**

		Total
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	143,361,211
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	29,912,761
Other basic own fund items	R0730	4,000,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	**R0760**	
Expected profits		**97,663,469**
Expected profits included in future premiums (EPIFP) - Life business	R0770	16,686,344
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	80,977,125
Total Expected profits included in future premiums (EPIFP)	**R0790**	**97,663,469**

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

Article 112	Z0010	-

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	18,250,465		
Counterparty default risk	R0020	7,840,653		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	22,210,671		
Non-life underwriting risk	R0050	71,999,661		
Diversification	R0060	-32,810,555		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	**R0100**	**87,490,897**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	3,690,245
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-31,913,400
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	**R0200**	**59,267,742**
Capital add-on already set	R0210	-
Solvency capital requirement for undertakings under consolidated method	**R0220**	**59,267,742**
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	

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

Linear formula component for non-life insurance and reinsurance obligations		C0010	
MCRNL Result	R0010	7,018,898	

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
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	-	57,531,950
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations		C0040	
MCRL Result	R0200	1,557,065	

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	-
Obligations with profit participation - future discretionary benefits	R0220	-	-
Index-linked and unit-linked insurance obligations	R0230	-	-
Other life (re)insurance and health (re)insurance obligations	R0240	-	-
Total capital at risk for all life (re)insurance obligations	**R0250**	**2,224,377,941**	**2,224,377,941**

Overall MCR calculation		C0070
Linear MCR	R0300	8,575,962
SCR	R0310	59,267,742
MCR cap	R0320	26,670,484
MCR floor	R0330	14,816,936
Combined MCR	R0340	14,816,936
Absolute floor of the MCR	R0350	2,500,000

		C0070
Minimum Capital Requirement	R0400	14,816,936

S.02.01.02 - Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	-4,186,307
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	96,019
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	251,324,678
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	60,331,712
Government Bonds	R0140	60,331,712
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	190,992,965
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	148,325,584
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	148,325,584
Health similar to life	R0320	40,029,896
Life excluding health and index-linked and unit-linked	R0330	108,295,688
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	2,743,021
Insurance and intermediaries receivables	R0360	36,657,351
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	39,328
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	81,593,310
Any other assets, not elsewhere shown	R0420	-
Total assets	**R0500**	**516,592,983**

S02.01.02 - Balance Sheet (Continued)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-70,352,096
Technical provisions – non-life (excluding health)	R0520	-70,352,096
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	-78,514,295
Risk margin	R0550	8,162,199
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	25,959,585
Technical provisions - health (similar to life)	R0610	10,405,131
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	7,887,231
Risk margin	R0640	2,517,900
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	15,554,454
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	8,161,867
Risk margin	R0680	7,392,587
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	106,296,016
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	16,080,189
Reinsurance payables	R0830	102,202,945
Payables (trade, not insurance)	R0840	39,717,196
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	**R0900**	**219,903,835**
Excess of assets over liabilities	R1000	296,689,148

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

			Miscellaneous financial loss (12)	Total
			C0120	C0200
Premiums written				
Gross	Direct business	R0110	-	-
Gross	Proportional reinsurance accepted	R0120	57,531,950	57,531,950
Gross	Non-proportional reinsurance accepted	R0130		-
Reinsurers' share		R0140	-	-
Net		R0200	57,531,950	57,531,950
Premiums earned				
Gross	Direct business	R0210	-	-
Gross	Proportional reinsurance accepted	R0220	50,279,965	50,279,965
Gross	Non-proportional reinsurance accepted	R0230		-
Reinsurers' share		R0240	-	-
Net		R0300	50,279,965	50,279,965
Claims incurred				
Gross	Direct business	R0310	-	-
Gross	Proportional reinsurance accepted	R0320	3,194,837	3,194,837
Gross	Non-proportional reinsurance accepted	R0330		-
Reinsurers' share		R0340	-	-
Net		R0400	3,194,837	3,194,837
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	6,692,966	6,692,966
Other expenses		R1200		-
Total expenses		**R1300**		**6,692,966**

S.05.01.02 - Premiums, claims and expenses by line of business (Continued)

Life insurance obligations		Health insurance	Other life insurance	Life reinsurance	Total
		C0210	C0240	C0280	C0300
Premiums written					
Gross	R1410	66,346,169	147,031,350	2,374,315	215,751,835
Reinsurers' share	R1420	33,360,794	73,746,893	-	107,107,687
Net	R1500	32,985,376	73,284,457	2,374,315	108,644,148
Premiums earned					
Gross	R1510	54,071,291	147,031,350	2,374,315	203,476,957
Reinsurers' share	R1520	27,321,507	73,746,893	-	101,068,400
Net	R1600	26,749,784	73,284,457	2,374,315	102,408,556
Claims incurred					
Gross	R1610	7,063,883	9,669,635	271,564	17,005,082
Reinsurers' share	R1620	3,482,390	4,875,693	-	8,358,083
Net	R1700	3,581,493	4,793,942	271,564	8,646,998
Changes in other technical provisions					
Gross	R1710	-	25,276,741	-	25,276,741
Reinsurers' share	R1720	-	11,929,132	-	11,929,132
Net	R1800	-	13,347,609	-	13,347,609
Expenses incurred	**R1900**	**2,683,238**	**-1,307,398**	**1,466,874**	**2,842,715**
Other expenses	R2500				-
Total expenses	**R2600**				**2,842,715**
Total amount of surrenders	**R2700**	**-**	**-**	**-**	**-**

S.05.02.01 - Premiums, claims and expenses by country

			Home Country	Total Top 5 and home country
			C0010	C0070
		R0010		
			C0080	C0140
Premiums written			-	
Gross	Direct business	R0110	-	-
Gross	Proportional reinsurance accepted	R0120	-	57,531,950
Gross	Non-proportional reinsurance accepted	R0130	-	-
Reinsurers' share		R0140	-	-
Net		R0200	-	57,531,950
Premiums earned				
Gross	Direct business	R0210	-	-
Gross	Proportional reinsurance accepted	R0220	-	50,279,965
Gross	Non-proportional reinsurance accepted	R0230	-	-
Reinsurers' share		R0240	-	-
Net		R0300	-	50,279,965
Claims incurred				
Gross	Direct business	R0310	-	-
Gross	Proportional reinsurance accepted	R0320	-	3,194,837
Gross	Non-proportional reinsurance accepted	R0330	-	-
Reinsurers' share		R0340	-	-
Net		R0400	-	3,194,837
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**	**-**	**6,692,966**
Other expenses		**R1200**		**-**
Total expenses		**R1300**		**6,692,966**

S.05.02.01 - Premiums, claims and expenses by country (Continued)

		Home Country	Total Top 5 and home country
		C0150	C0210
	R1400		
		C0220	C0280
Premiums written		-	
Gross	R1410	-	215,751,834
Reinsurers' share	R1420	-	107,107,686
Net	R1500	-	108,644,148
Premiums earned			
Gross	R1510	-	203,476,956
Reinsurers' share	R1520	-	101,068,399
Net	R1600	-	102,408,557
Claims incurred			
Gross	R1610	-	17,005,083
Reinsurers' share	R1620	-	8,358,082
Net	R1700	-	8,647,001
Changes in other technical provisions			
Gross	R1710	-	25,276,740
Reinsurers' share	R1720	-	11,929,133
Net	R1800	-	13,347,607
Expenses incurred	**R1900**	**-**	**2,523,762**
Other expenses	**R2500**		**-**
Total expenses	**R2600**		**2,523,762**

S.23.01.22 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	10,000,200	10,000,200		-	
Non-available called but not paid in ordinary share capital at group level	R0020	-	-		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings "	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-	-	-	-	-
Non-available subordinated mutual member accounts at group level	R0060	-	-	-	-	-
Surplus funds	R0070	-				
Non-available surplus funds at group level	R0080	-				
Preference shares	R0090	-	-	-	-	-
Non-available preference shares at group level	R0100	-	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-	-
Non-available share premium account related to preference shares at group level	R0120	-	-	-	-	-
Reconciliation reserve	R0130	232,690,094	232,690,094	-	-	-
Subordinated liabilities	R0140	-	-	-	-	-
Non-available subordinated liabilities at group level	R0150	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
The amount equal to the value of net deferred tax assets not available at the group level	R0170	-				-
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Non available own funds related to other own funds items approved by supervisory authority	R0190	-	-	-	-	-
Minority interests (if not reported as part of a specific own fund item)	R0200	-	-	-	-	-
Non-available minority interests at group level	R0210	-	-	-	-	-
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 other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	-	-	-	-	
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	-	-	-	-	
Deductions for participations where there is non-availability of information (Article 229)	R0250	-	-	-	-	-
Deduction for participations included by using D&A when a combination of methods is used	R0260	-	-	-	-	-
Total of non-available own fund items	R0270	-	-	-	-	-
Total deductions	**R0280**	**-**	**-**	**-**	**-**	**-**

S.23.01.22 - Own funds (Continued)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	**R0290**	**242,690,294**	**242,690,294**	**-**	**-**	**-**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Non available ancillary own funds at group level	R0380	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	**R0400**	**-**			**-**	**-**
Own funds of other financial sectors		-	-	-	-	
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410	-	-	-	-	
Institutions for occupational retirement provision	R0420	-	-	-	-	-
Non regulated entities carrying out financial activities	R0430	-	-	-	-	
Total own funds of other financial sectors	R0440	-	-	-	-	
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	-	-	-	-	-
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460	-	-	-	-	-
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	242,690,294	242,690,294	-	-	-
Total available own funds to meet the minimum consolidated group SCR	R0530	242,690,294	242,690,294	-	-	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	242,690,294	242,690,294	-	-	-
Total eligible own funds to meet the minimum consolidated group SCR	R0570	242,690,294	242,690,294	-	-	
Consolidated Group SCR	**R0590**	**106,120,475**				
Minimum consolidated Group SCR	**R0610**	**43,555,183**				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	**557.20%**				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	**242,690,294**	**242,690,294**	**-**	**-**	**-**
SCR for entities included with D&A method	**R0670**	**-**				
Group SCR	**R0680**	**106,120,475**				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	**228,69%**				

S.23.01.22 - Own funds (Continued)

		Total
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	296,689,148
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	53,998,854
Other basic own fund items	R0730	10,000,200
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve	**R0760**	**232,690,094**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	44,148,159
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	80,977,125
Total Expected profits included in future premiums (EPIFP)	**R0790**	**125,125,283**

S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula

		Health insurance	USP	Simplifications
		C0210	C0040	C0050
Market risk	R0010	51,489,103		-
Counterparty default risk	R0020	15,320,896		
Life underwriting risk	R0030	54,765,777	-	-
Health underwriting risk	R0040	22,788,209	-	-
Non-life underwriting risk	R0050	71,999,661	-	-
Diversification	R0060	-81,626,022		-
Intangible asset risk	R0070	-		-
Basic Solvency Capital Requirement	**R0100**	**134,737,624**		-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	8,032,282
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-35,990,740
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	**R0200**	106,779,166
Capital add-on already set	R0210	-
Solvency capital requirement for undertakings under consolidated method	**R0220**	**106,779,166**
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	-
Minimum consolidated group solvency capital requirement	R0470	43,555,183
Information on other entities		-
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	R0530	-
Capital requirement for non-controlled participation requirements	R0540	-
Capital requirement for residual undertakings	R0550	-
Overall SCR		-
SCR for undertakings included via D and A	R0560	-
Solvency capital requirement	R0570	**106,779,166**

S.32.01.22 - Undertakings in the scope of the group

								tCriteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
Country	Identification code of the undertaking	Type of code of the ID of the under-taking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Super-visory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
MT	213800LA7O6B8TE5FS89	1 - LEI	RCI Insurance Ltd	1 - Life insurance undertaking	SA	2 - Non-mutual	MFSA	100%	100%	100%	-	1 - Dominant	100%	1 – Included in the scope	2016-01-01	1 - Method 1: Full consolidation
MT	213800SS9S6T3KG32E27	1 - LEI	RCI Life Ltd	2 - Non life insurance undertaking	SA	2 - Non-mutual	MFSA	100%	100%	100%	-	1 - Dominant	100%	1 – Included in the scope	2016-01-01	1 - Method 1: Full consolidation
MT	213800H83Z1WR71UYQ67	1 - LEI	RCI Services Ltd	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	SA	2 - Non-mutual	MFSA	100%	100%	100%	-	1 - Dominant	100%	1 – Included in the scope	2016-01-01	1 - Method 1: Full consolidation