

SOLVENCY & FINANCIAL CONDITION REPORT 2016



ALD
Automotive

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
CHAPTER A. BUSINESS AND PERFORMANCE	3
A.1 BUSINESS	4
A.2 UNDERWRITING PERFORMANCE	5
A.3 INVESTMENT PERFORMANCE	7
A.4 PERFORMANCE OF OTHER ACTIVITIES	9
A.5 ANY OTHER INFORMATION	9
CHAPTER B. SYSTEM OF GOVERNANCE	11
B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE	12
B.2 FIT AND PROPER REQUIREMENTS	15
B.3 RISK MANAGEMENT INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT	16
B.4 INTERNAL CONTROL SYSTEM	21
B.5 INTERNAL AUDIT FUNCTION	22
B.6 ACTUARIAL FUNCTION	23
B.7 OUTSOURCING	23
B.8 ANY OTHER INFORMATION	24
CHAPTER C. RISK PROFILE	25
C.1 UNDERWRITING RISK	26
C.2 MARKET RISK	27
C.3 CREDIT RISK (DEFAULT)	28
C.4 LIQUIDITY RISK	28
C.5 OPERATIONAL RISK	29
C.5 OTHER MATERIAL RISKS	29
C.6 ANY OTHER INFORMATION	29
CHAPTER D. VALUATION FOR SOLVENCY PURPOSES	31
D.1 ASSETS	33
D.2 TECHNICAL PROVISIONS	35
D.3 OTHER LIABILITIES	37
D.4 ALTERNATIVE METHODS FOR VALUATION	38
D.5 ANY OTHER INFORMATION	38
CHAPTER E. CAPITAL MANAGEMENT	39
E.1 OWN FUNDS	40
E.2 SOLVENCY CAPITAL REQUIRED AND MINIMUM CAPITAL REQUIRED	43
E.3 USE OF THE DURATION BASED EQUITY RISK SUB MODULE IN THE CALCULATION OF SOLVENCY CAPITAL REQUIREMENT	45
E.4 DIFFERENCE BETWEEN STANDARD FORMULA AND ANY INTERNAL MODEL USED	45
E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NONCOMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT	46
E.6 ANY OTHER INFORMATION	46
APPENDIX 1; SFCR PUBLICLY DISCLOSED QRT's	47



EXECUTIVE SUMMARY

ALD Re Designated Activity Company (“ALD Re” or the “Company”) is a non-life reinsurer based in Ireland and regulated by the Central Bank of Ireland. The Company was established in 2005 by ALD Automotive (“ALD Group”). ALD Re’s principal activity is to provide reinsurance coverage for third party motor vehicle liability insurance, own damage risks and other related covers associated with the vehicle fleets of ALD Group. ALD Group is a leading global player in Full Service Leasing and Fleet management. It is ranked number 2 in the world with over 1.4 million vehicles under contract in 41 countries. ALD Re provides reinsurance coverage in 24 of these countries for over 300,000 vehicles. ALD Re engages in business activity primarily within member states of the European Economic Area as well as Russia and Switzerland. ALD Re is part of the group of companies known as ALD Group. ALD Group is 100% owned by Société Générale.

This report covers the business performance of the Company, system of governance, risk profile, valuation for solvency purposes and capital management. The ultimate administrative body that has responsibility for these matters is the Company’s Board of Directors, with the support of its sub-Committee’s, the Executive Management team and Company control functions.

This report has been prepared in accordance with the Board approved policy on Reporting and Public Disclosure. To ensure accuracy, completeness and consistency of the report, a number of controls have been deployed, including comparison to other Solvency II reports, a detailed review of the requirements as per the Solvency II Directive, a peer review by an external consultant and a detailed review process by management, the Audit Committee and the Board. The Board approved the report on 12 May 2017.

Based on its financial Statements prepared under generally accepted accounting principles (GAAP), the Company’s after tax profit for the financial year ended 31 December 2016 was €25.8m (2015:€31.1m). Shareholders’ funds as 31 December 2016 were €114.6m (2015: €110m). The Directors have declared a final dividend of €30m on 2016 distributable earnings.

The Company demonstrated a strong underwriting performance with an increase in net earned premium of 17% to €105m (2015: €90m) and a combined operating ratio of 76% (2015; 64%) The investment net return was 1.9% and was similar to the prior year. Further detail is provided in Chapter A.

In accordance with the Solvency II directive, the Company has calculated its Solvency Capital requirement (“SCR”) to be €53m. The Company has eligible own funds of €134m giving an SCR coverage of 252%. Further detail is provided in Chapter C.

There were no significant changes to the Company during the reporting period.

CHAPTER A

Business and Performance

Based on its financial Statements prepared under generally accepted accounting principles (GAAP), the Company's after tax profit for the financial year ended 31 December 2016 was €25.8m (2015:€31.1m). Shareholders' funds as 31 December 2016 were €114.6m (2015: €110m). The Directors have declared a final dividend of €30m on 2016 distributable earnings.

A.1

BUSINESS

Name and Legal Form

ALD Re Designated Activity Company (“ALD Re” or “the Company”) is a private company limited by shares. ALD Re is a regulated motor reinsurer.

ALD Re’s direct parent undertaking is ALD International SAS & Co KG which is in turn a 100% owned subsidiary of ALD (Formerly known as ALD International S.A.). ALD is the parent company to the ALD Group (“ALD Group”).

ALD is a 100% subsidiary of Société Générale. ALD International has its registered address at Tour Société Générale, Chassagne, 15-17 Cours Valmy, 92800 Puteaux, Paris. Société Générale has its registered office at 29, boulevard Haussmann, 75009 Paris (France) and is listed on the Paris Stock Exchange.

On February 9, 2017, Société Générale announced in the press release on “Quarterly financial information”: that it intends to float its ALD automotive subsidiary on the stock market in 2017, subject to market conditions, through the disposal of a limited stake. This strategic operation will enable ALD to accelerate its growth and become a leader in the mobility sector. Société Générale will maintain a controlling interest in ALD.

Supervision

ALD Re is authorised by the Central Bank of Ireland which is the supervisory authority responsible for financial supervision in Ireland. The Central Bank of Ireland is located at; New Wapping Street, North Wall Quay, Dublin 1, Ireland.

External Auditor

The Company’s independent external auditors are Deloitte whose registered address is 29 Earlsfort Terrace, Dublin 2, Ireland. The Audit Reform Directive requires that the audit firm be rotated after 10 years, hence the Company’s external auditors will change during 2017.

Significant events

There have been no significant events during the year ended 31 December 2016 that have had a material impact on the Company’s or its results for the year.

A.2

UNDERWRITING PERFORMANCE

The Company provides reinsurance cover on the following lines of business as defined by Directive 2009/138/EC (“ the Solvency II Directive”):

- **Motor vehicle liability insurance**
- **Other motor vehicle insurance**
- **Ancillary covers (Including income protection & legal expenses)**

The Company monitors all lines of business on a country by country basis and on an aggregate basis for financial statement purposes.

The following Key Performance Indicators (KPI's) are used to monitor the underwriting performance:

- **Net earned premium**
- **Combined operating ratio**
- **Loss ratio**
- **Expense ratio**

The table below provides a summary of the Company's KPIs based on the 2016 audited financial statements including prior year comparatives.

KPI's	2016	2015
Net Earned Premium - total	€ 105M	€ 90M
Combined Operating Ratio	76%	64%
Loss Ratio	64%	50%
Expense Ratio	12%	14%

The above table includes the results recognised in the financial year in relation to all underwriting years (i.e the current underwriting year and any reserve strengthening / release in relation to prior underwriting years)

The Company recorded a strong underwriting performance for the financial year end 2016. Net earned premium increased by 17% to €105m (2015: €90m) and approximately 95% of premium earned relates to business within the European Union. The increase in the Net Earned Premium is primarily driven by the increased penetration of the insurance product in one of the Company's existing key European territories. The technical result for the Company as per the audited financial statements was €27.5m (2015:€34.1m)

There has been an increase in the combined operating ratio of 12% compared to 2015 which is mainly driven by an increase in the loss ratio for all underwriting years. While the loss ratio for the current underwriting year remains consistent with the previous period, 71% for the 2016 underwriting year and 74% for the 2015 underwriting year, the increase in the overall loss ratio reported in the 2016 financial year is in comparison with an exceptionally low overall loss ratio reported in the financial year 2015. The overall loss ratio reported in 2015 included the effect of a release of reserves when the Company changed its calculation basis of the Best Estimate. This change was primarily around the large loss loading assumptions on certain key countries and resulted in a release of €10m in 2015.

The Company's expense ratio of 12% for 2016 is a decrease of 2% compared with the prior year. This is the combined result of the receipt of profit share commission which can vary substantially from year to year and the continued focus of the Company on controlling its cost base.

A.3

INVESTMENT PERFORMANCE

The net investment return for the year is approximately 1.9% compared with 1.8% in the prior financial year. An analysis of the net investment return by investment classes is provided in the table below.

Investment class	2016
	€M
Fixed income securities	2.1
Equities	1.3
Loans & Receivables	1.1
Cash & other equivalents	0
Investment management expenses	(0.4)
Total investment return	4.1

Gains and losses recognised directly through equity

The Company has recognised an unrealised loss on its fixed income securities of €1.4m through the Statement of Other Comprehensive Income (2015: unrealised loss of €2.3m). The intention is to hold fixed income securities until maturity, however trading may occur in specific circumstances defined in the Investment strategy.

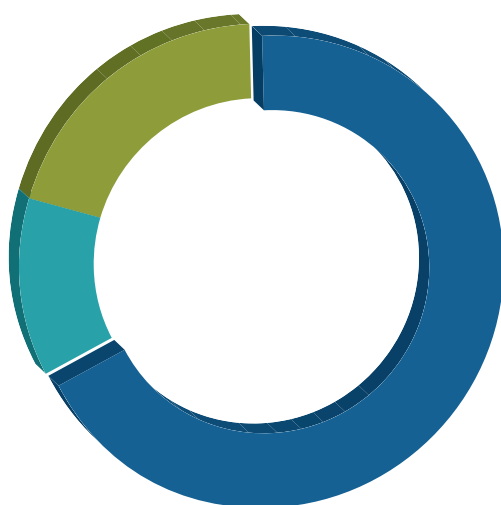
Securitisation

The Company's Investment Risk policy significantly restricts the ability to invest in securitisation products.

Asset composition

The asset compositions of the Company's investment portfolio at year end has been analysed as per below chart: the total value of the financial assets and cash is €213m.

ASSET ALLOCATION AT 31 DECEMBER 2016



19%

CASH & CASH EQUIVALENTS

12%

EQUITIES

69%

BONDS*

* Included in "bonds" is an investment in an ALD Automotive Group entity ("Group security"), comprising of fixed income securities of €40m which in accordance with local GAAP has been classified as a "loan and receivable" given that the investment is not traded on a recognised financial market.

A.4

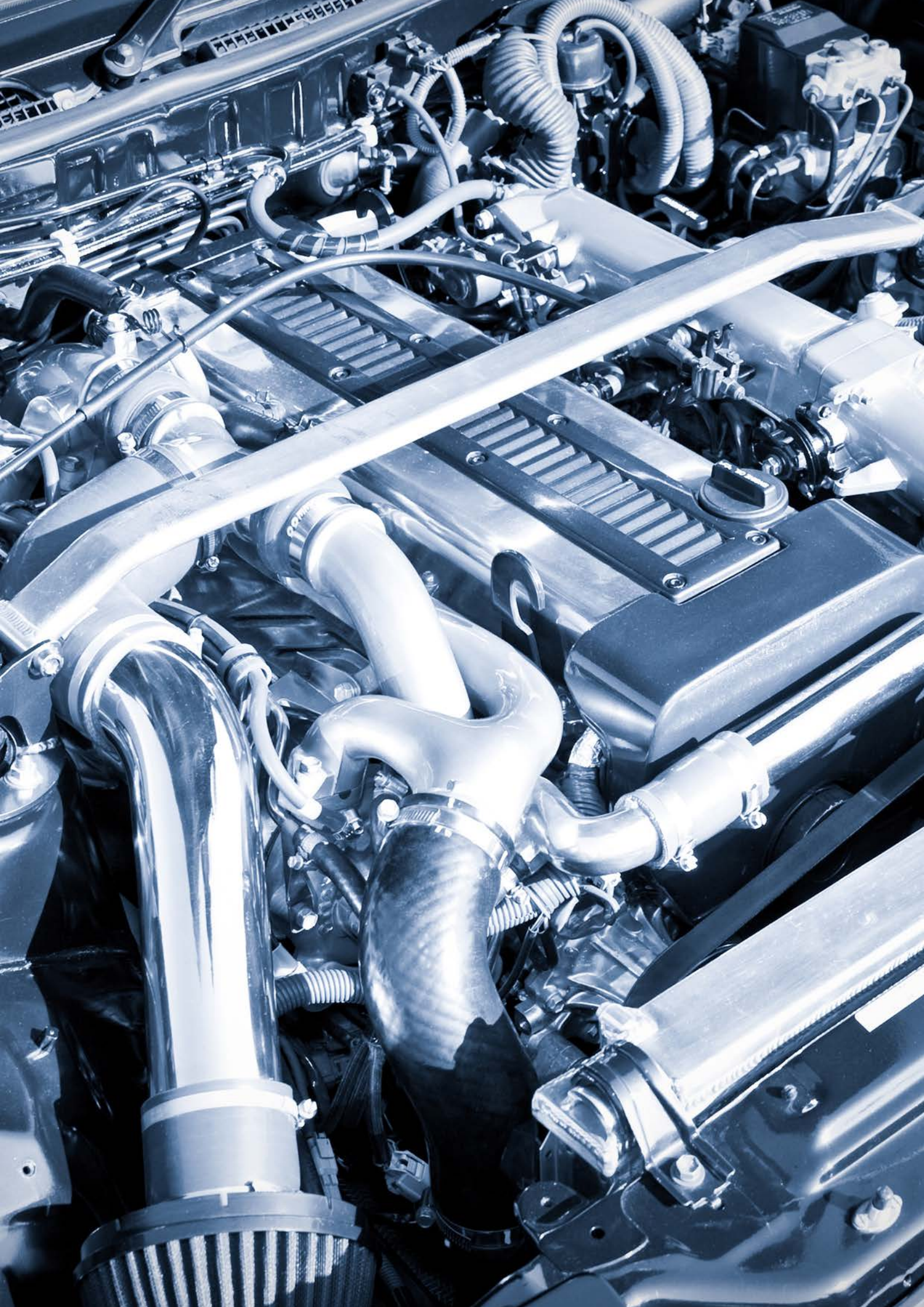
PERFORMANCE OF OTHER ACTIVITIES

The Company has no other income outside of that recognised through its technical and non-technical profit and loss account.

A.5

ANY OTHER INFORMATION

No other information to report.



CHAPTER B

System of Governance

The Board of Directors (“The Board”) have overall responsibility for the governance of the Company. There are two sub-Committees of the Board and an Executive Management team to oversee the activities of the Company. The sub committees of the Board are an Audit Committee and a Risk Committee. The Executive Management team consists of a Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Risk Officer and Company Actuary.

The Company has four independent control functions, Compliance, Risk, Actuarial and Internal Audit. These functions are part of the second line of defence and the third line of defence per the Company’s risk management framework.

The Company considers that it has appropriate risk management strategies, policies, and internal control systems in place. In addition the Company performs an Own Risk and Solvency Assessment (ORSA) annually.

There has been no material change to the System of Governance during the period.

B.1

GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Overview;

The Board's responsibilities are set out in detail in the Company Board Charter, these can be summarised below as;

- **To organise and direct the affairs of the Company in a manner designed to further its best interests, while complying with its fiduciary duties and all relevant legal and regulatory requirements, and relevant corporate governance standards.**

The Board meets at least four times per year, and is made up of one Executive director, Non-Executive Directors and two Independent Non-Executive Directors.

The Audit Committee operates under delegated authority from the Board. Its main responsibilities are to support the Board in considering activities that expose, or may expose the Company to material financial or other risks and to assist the Board in fulfilling its oversight responsibilities.

The Audit Committee meets at least three times per year, and is chaired by an Independent Non-Executive Director.
- **To be the focal point of the Corporate Governance regime and be ultimately accountable and responsible for the performance and conduct of the Company and its compliance with legal and regulatory requirements.**

The Risk Committee operates under delegated authority from the Board. Its main responsibility is to advise the Board on risk appetite and on risk tolerance for future strategy, taking account of the Board's overall risk appetite, the current financial position of the Company and, drawing on the work of the Audit Committee and the external auditor and the capacity of the Company, to manage and control risks within the agreed strategy.

The Risk Committee meets at least four times per year, and is chaired by an Independent Non-Executive Director.
- **To have regular and robust interaction with its sub-committees and Executive Management and receives regular information from them to enable the Board to fulfil its role as the focal point of the governance system.**

Independent Control Functions

The Company has established four key independent control functions;

- **A Risk Function headed by the Chief Risk Officer who is responsible for the implementation of the Company's risk management framework. The Chief Risk Officer has a direct reporting line to the Board and Risk Committee.**
- **A Compliance Function headed by the Compliance Officer who is responsible for the implementation of the Company compliance framework. The Compliance Officer has a direct reporting line to the Board and Audit Committee (The Chief Risk officer is also the appointed Compliance officer).**
- **An Actuarial Function headed by the Head of Actuarial Function (HoAF). The HoAF is outsourced to a suitably qualified individual within KPMG (Ireland); this adds an independent oversight to the Actuarial Function. The HoAF also reports to the Board and Audit Committee. The responsibilities of the HoAF are established in line with the Central Bank of Ireland guidance, and include;**
 - Providing an actuarial opinion on technical provisions.
 - Providing an opinion on the undertaking's underwriting policy
 - Providing an opinion on the adequacy of the undertakings reinsurance arrangements; and
 - Contributing to the effective implementation of the risk management system
- **An Internal Audit Function. The Head of Internal audit is outsourced to the Regional Chief Audit Executive from the Société Générale Group Internal audit function. The Function provides independent objective assurance services via an outsourcing arrangement in respect of the adequacy of the Companys governance, risk management and internal control framework. The Head of Internal Audit reports to the Board and Audit Committee.**

All control functions report to Board sub Committees and form part of the second and third line of defence. All have the necessary authority and resources and are operationally independent in performing their duties.

Remuneration, Employee Benefits and Practise

In order to maintain pace with the expansion and development of the business and the regulatory environment in which it operates, the Company strives to attract and retain high quality staff in key roles by offering competitive pay packages, an attractive and challenging work environment.

The Company has a remuneration policy which set's out practices that support the business and risk strategy, risk profile, objectives, values, risk management practices, and long-term interests of the Company. In particular, the Company's remuneration policy aims to promote sound and effective risk management, and remuneration practices that do not promote excessive risk taking.

The Company's remuneration packages include both a fixed and variable component. The Company considers that the components are appropriately balanced to ensure that the fixed component represents a larger proportion of the total remuneration.

The variable component is based on a performance assessment of each individual, combined with the performance of the Company overall and the performance of the group to which the Company belongs. The variable proportion may contain a deferred component that considers an appropriate time horizon.

Material Transactions

The Company transacts with Société Générale group companies at arm's length in its day to day business of providing reinsurance coverage to the vehicle fleet of ALD Group. This includes transactions with group Insurance companies.

In addition, the Company contracts at arm's length with Société Générale group companies for services, including investment management services.

B.2

FIT AND PROPER REQUIREMENTS

The Company has a Board approved policy on Fitness and Probity. The policy specifies the skills, knowledge and expertise required for persons who effectively run the organisation. The required skills, knowledge and expertise are in line with the specific regulatory requirements issued by the Central Bank of Ireland.

The Company places a high level of importance on appointing persons who are fit and proper. The Company policy and approach is in line with the Central Bank reform Act 2010 (Section 50) and the Central Bank of Ireland's fitness and probity standards.

The Company's fitness and probity policy sets out the standard for each pre-approved control function and control function(s) to be;

- **Competent and capable;**
- **Honest, ethical and to act with integrity; and**
- **Financially sound.**

All pre-approval control functions require Central Bank of Ireland approval and Board approval prior to appointment.

B.3

RISK MANAGEMENT INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

The Company has developed a Risk Management Strategy from its business strategy, which constitutes the basis of ALD Re's risk appetite, risk management framework and risk policies.

Risk Appetite

The Risk Appetite Statement adopted by the Board provides details on the level of risk the Company is prepared to accept in its business strategy. Risks are managed within the risk limits and tolerances established in the Risk Appetite Statement of the Company.

Risk Management Framework

Risks are managed on a day-to-day basis through the Company's risk management framework. Risks are reported at all levels of the Company to ensure effective risk management throughout the organization. The Company adopts a multistage risk management cycle which is designed to effectively identify and manage risks.

The Risk Committee receives regular reporting from the Chief Risk Officer in relation to the outcome of quarterly risk assessment's undertaken by management in line with the risk management framework. The risk assessment process encompasses the risk cycle of risk identification, monitoring, managing, mitigating and reporting.

The risk framework is intended to reduce, but cannot entirely eliminate the range of possible risk issues that may impact on

the Company. Similarly the risk framework cannot provide protection with certainty against the failure of the Company to meet its business objectives or guard against material errors, losses, frauds or breaches of laws. Taking these in to account the risk management framework is intended to provide reasonable assurance that the Company will, on an ongoing basis, conduct its business in an orderly manner.

Risk Policies

The Board has approved risk policies for each of the following areas;

- **Retrocession Risk;**
- **Underwriting Risk;**
- **Reserving Risk;**
- **Investment Risk;**
- **Asset-Liability Management and Liquidity Risk;**
- **Operational Risk;**
- **Capital Management Risk and**
- **Own Risk and Solvency Assessment**

Three Lines of Defence

The Company operates a three line of defence model in managing its risks.



Own Risk Management Strategy

Each year the Company prepares an Own Risk Solvency Assessment (“ORSA”). The objectives of the ORSA process are to

- Form an integral part of the business strategy setting process by assessing the capital adequacy on the current business plan, and the impact of the crystallisation of specific risks from within the business or from the external environment.
- Assist in setting the amount of risk the Company is willing to accept ; and
- Contribute to the strategic decision making process through identifying the capital implications of specific forward looking strategic initiatives

There is an interrelationship between business objectives, decision making, risk appetite, and the ORSA process.



The ORSA process considers the capital requirements over the business planning period (currently a three year period) and uses the results as a key input in decision making and planning. The ORSA process is an iterative one that contributes to the development of the Company's strategy and assists in the decision making process, such as capital management, product development, retrocession purchase or determination of investment strategies. The Board takes an active role in the ORSA process including steering how the assessment is to be performed and in reviewing and challenging the results.

The Company has a Board approved policy to guide the ORSA process. A summary of process and key activities can be summarized as follows;

STRATEGY & PLANNING



The diagram below illustrates the central component, the ORSA process, in a finer level of detail. It shows that stress and scenario testing are used in tandem with the analysis of risk and of the capital position to facilitate decisions about the adequacy of the Company's own funds.

STRATEGY & PLANNING



BOARD OVERSIGHT & CHALLENGE

RECORD OF EACH ORSA PROCESS

The ORSA is conducted, reviewed and approved annually by the Board. A non-regular ORSA is required to be performed upon the occurrence of any event which materially affects the risk profile of the company.

B.4

INTERNAL CONTROL SYSTEM

The internal control system of the Company consists of six interrelated components:

- **Control environment:** this sets the tone for all components, factors include integrity, organisation structure, leadership, Board oversight and effective remuneration practices.
- **Internal control framework:** the Company operates a Three line of defence model referred to above.
- **Risk assessment:** the Company operates a risk management cycle of regular assessments of control activities; these activities include complying with procedural manuals and policies.
- **Control activities:** Risk and control activities are embedded using various methods, procedure manuals & policies, evidence & monitoring controls, training & development and remuneration practices.
- **Information and communication:** clear reporting lines and responsibilities are established
- **Monitoring:** active monitoring occurs to ensure controls continue to operate effectively.

The company also has specific independent control functions referred to in B.1.

Compliance Function

The Compliance function implements the Compliance framework approved by the Board. The Compliance function reports to the Board and Audit Committee, as an independent control function. The main activities are to identify, assess, monitor and report on compliance exposures to the Board and Audit Committee. The Compliance function also advises on new developments/emerging obligations from a compliance perspective and provides regular reports to the Board and Audit Committee on compliance issues in an advisory capacity.

B.5

INTERNAL AUDIT FUNCTION

The Internal Audit Function is an independent control function and an element of the Third Line of Defence. Its main responsibilities include

- **Independently and critically evaluate and report on the effectiveness and efficiency of internal controls;**
- **Evaluate compliance with policies, procedures, best practice, legislation and regulations; and,**
- **Put in place follow-up procedures and timeframes to ensure remedial actions are appropriately implemented.**

The responsibilities are discharged through:

- **Preparing and executing a risk based internal audit plan**
- **Completing individual audits on areas identified in the risk based plan**
- **Reporting on adequacy of risk management system and internal control to management and the Audit Committee; and**
- **Monitoring and reporting on the implementation of recommendations accepted by Executive Management**

The Internal Audit Function does not have any direct responsibility, authority or involvement in the activities they review. The Internal Audit Function is objective and impartial in performing its assignments. The internal audit function is not subject to instructions of the Board when evaluating and reporting the audit results.

B.6

ACTUARIAL FUNCTION

The activities of the Actuarial Function are split between those involving the preparation work and/or analysis, which are the responsibility of the Company Actuary and the internal actuarial team, and those activities of the Actuarial function, which are the responsibility of the Head of Actuarial Function (“HoAF”), who provides independent oversight. The HoAF is outsourced to a suitably qualified individual from KPMG

The key activities of the Actuarial Function are in line with the Central Bank of Ireland Guidelines on the Domestic Actuarial Regime.

The HoAF responsibilities include;

- **To provide an actuarial opinion on technical provisions.**
- **To provide an opinion on the undertakings underwriting policy**
- **To provide an opinion on the adequacy of the undertakings reinsurance arrangements**
- **To contribute to the effective implementation of the risk management system**

B.7

OUTSOURCING

The Company outsources activities and enters into outsourcing arrangements only where there is a sound commercial/strategic basis for doing so, and where the risk can be effectively managed. The Company retains full responsibility for all outsourced activities which are included in the internal control system. To ensure the effective control of outsourced activities and effectively manage the risks associated with it, the Company retains internal competence and expertise to properly manage and monitor the outsourcing arrangement. The following requirements are part of the outsourcing lifecycle and policy;

- **Due diligence**
- **Outsource Agreement**
- **Management, Monitoring and Risk Management**
- **Contingency Planning and Exit Strategy**
- **Annual assessment of outsourcing activities**

The table provides details of the Critical and Important outsourced providers.

Critical and Important Outsourced Activities

Activity	Description	Service Provider
Head of Actuarial Function	Provision of actuarial opinions	KPMG
Investment Services	Provision of Investment Management support including identification of appropriate assets for investment	Société Générale Bank and Trust S.A
Internal Audit	Provision of Internal Audit services	Société Générale Regional Audit Function
IT Services	Provision of IT services	Société Générale Ireland Branch (IT team)

All outsourced providers are located within the EU.

B.8

ANY OTHER INFORMATION

The Board annually reviews the governance structure of the Company and the Board and subcommittee responsibilities. The Board are satisfied that the governance structures in place are appropriate for the nature scale and complexity of the Company's business.

CHAPTER C

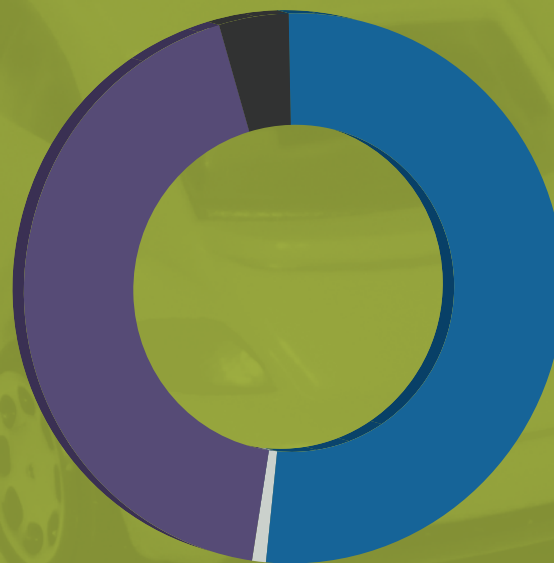
Risk Profile

C. SUMMARY

The Company reinsurer's long tail motor liability business and short tail motor own damage business. The composition of the standard formula Solvency Capital Requirement ("SCR") as at 31 December 2016 is shown below.

BASIC SCR BEFORE DIVERSIFICATION

SUB-MODULES	2016 (€M)
Non-life underwriting risk	38
Health underwriting risk	1
Market risk	32
Default risk	3
Basic SCR before diversification	74
Diversification	(17)
Basic SCR	57
Operational Risk	3
LACDT	(7)
TOTAL SCR	53



52%
NON-LIFE UNDERWRITING RISK

43%
MARKET RISK

4%
DEFAULT RISK

1%
HEALTH UNDERWRITING RISK

The standard formula SCR risk profile composition is mainly underwriting risk and market risk. The underwriting risk is the larger of the two, and is driven by the volume of business written and level of technical provisions held. Market risk is the second largest driver and this is impacted by the type and level of investments held.

C.1

UNDERWRITING RISK

The Company currently covers risk in 24 countries (23 where underwriting continues and 1 in run-off) which provides a broad geographical spread and offsets, to some extent, heavy exposure in the larger territories. The Company aims to maximise insurance coverage in each territory, whilst utilising experience, research and judgement to ensure a robust and progressive underwriting process.

The main lines of business underwritten by the Company are:

- **Third party Motor Vehicle Liability insurance (“TPL”)**
- **Other Motor Insurance (“OD”)**
- **Ancillary covers including income protection and legal expenses.**

The Company is exposed to typical pan European motor reinsurer underwriting risks and uncertainties surrounding timing, frequency and severity of claims as result of legal, or environmental changes. Quantitative analysis is performed by the Company annually in respect of these risks and included in the ORSA. The Company is also exposed to large losses, however the exposure is generally capped at a specified amount per event, (TPL events and certain own damage catastrophic events).

The Company monitor's its management of underwriting risk through quarterly programme performance reviews, during which Executive Management, amongst other things, assess the frequency and severity of claims and considers legal, or environmental changes.

C.2

MARKET RISK

Investments are subject to Market Risk which includes concentration, equity, interest rate, spread, and currency risks.

The Company manages its market risk exposures by implementing the Board approved Investment Strategy and monitoring defined risk appetites. The following are some of the market risk management practices that the Company adopts;

Concentration Risk: The Company seeks to manage concentration risk through established key risk indicators which limit exposure to certain securities, countries and issuers.

Equity Risk: The Company seeks to manage equity risk through established predefined limits for investments and only invests in equities quoted on regulated exchanges.

Interest rate risk: The Company has a limited exposure to interest rate risks in respect of its fixed income securities, as asset duration is generally short term and is generally held to maturity. The Company maintains an interest rate gap in line with the Investment Risk Policy ensuring minimal interest rate risk.

Spread Risk: The Company seeks to limit its exposure to spread risk through investing in investment grade securities for those assets that cover its technical provisions and required capital.

Currency risk: The Company seeks to limit its exposure to foreign exchange risk by ensuring the Company's financial assets are largely matched to the same currencies as insurance contract liabilities.

Details of the asset classification of the assets in the Company's investment portfolio at year end 2016 is provided in section A.3

C.3

CREDIT RISK (DEFAULT)

Credit risk is the risk of default of a counterparty on its contractual obligations resulting in financial loss to the Company. To effectively manage credit risk the Company has adopted a policy of only dealing with credit-worthy counterparties with the exception of assets not used to cover technical provisions or required capital. The counterparties credit ratings are monitored on a regular basis.

C.4

LIQUIDITY RISK

Liquidity risk is the risk that the Company cannot meet its financial obligations as they fall due. The liquidity management process is defined within the Company's Asset Liability Management and Liquidity risk Policy. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. Liquidity management ensures that the Company has sufficient access to funds necessary to cover reinsurance claims.

In practice most of the Company's assets are marketable securities which could be converted into cash when required. The Company believes that it will generate sufficient cash from premium receipts to pay claims, acquisition costs and operating expenses in most years. To the extent that underwriting cash flows are not sufficient to cover operating cash outflow in any year, the Company may utilise cash flows generated from investments and ultimately liquidate assets from its investment portfolio. The Company ensures that its liquidity requirements are supported by maintaining a high-quality, well-balanced and liquid portfolio, and by matching the duration of its investments with that of its reinsurance liabilities.

C.5

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has implemented a risk management policy to assist in managing operational risk, and has also put in place a process to manage operational risk events. Operational risk including emerging risks follow the risk management processes set out in Chapter B. In addition the Company assess if additional capital is required for operational risk in the ORSA process, over and above the required amount specified in the SCR. No additional capital for operational risk was identified as necessary for 2016

C.6

OTHER MATERIAL RISKS

There are no other material risks

C.7

ANY OTHER INFORMATION

The company is considering the impact of two emerging risks , which are not considered material at this point in time.

Cyber risk

With the increasing dependency on electronic communications and in the volume of electronic data being stored, there is increasing cyber security risk in respect of data theft and malicious service disruption within the financial services industry. The risk management function is working with the IT function to mitigate this risk.

Brexit

There is considerable uncertainty on the implications of the UK exiting the EU, not only the outcome but the time line to achieve the exit. The Company could be exposed to macro-economic impacts of the UK exiting the EU. No UK risks are insured and financial assets and cash are not denominated in sterling.

The Company does have reinsurance contracts with fronting insurers who use the UK as a base from which to passport into the EU but these have been identified and risk mitigation plans are in place.

Material Risk Concentrations and Mitigation

All key risks on the corporate risk register are assessed quarterly with results provided to the Risk Committee for review and challenge.

Stress and Scenario Results

The risks contained in the corporate risk register are considered in performing stress and scenario testing in the ORSA process as discussed in Chapter B.

The ORSA process has not identified a situation where there is non-compliance with the SCR requirement or where a recovery plan would be required for submission to the Central Bank of Ireland.

Expected Profit in Future Premiums

The expected profit included in future premiums for the Company is estimated to be €15.8m

Prudent person Principal

In respect to the whole portfolio of assets, the Company considers that it invests its assets based on the prudent person principle by adopting the following criteria;

- The Company will only invest in assets and instruments where the related risks can be properly identified, measured, monitored, managed, controlled and reported.
- It is part of the Company's investment policy to invest all its assets, in particular those covering Minimum Capital Requirements and Solvency Capital Requirements, in such a way as to ensure security, quality, liquidity and availability of the portfolio.
- The Company has an investment policy to invest assets held to cover the technical provisions in a manner appropriate to the nature and duration of its insurance and reinsurance liabilities.
- The Company's assets are diversified in such a way to avoid excessive reliance on any particular asset, issuer or group of undertakings or geographical area and excessive accumulation of risks as a whole in respect of Minimum Capital Requirements and Solvency Capital Requirements and Technical Provisions.

CHAPTER D

Valuation for solvency purposes

The main differences in the valuation of assets and liabilities between GAAP financial statements and Solvency II is the underlying calculation and treatment of technical provisions, insurance receivables and unearned premiums.



D.1

ASSETS

The following are the Company's assets as at 31 December 2016 as reported in the GAAP financial statements and as valued in accordance with the Solvency II Directive with the main differences identified.

Asset class	Value per GAAP basis	Valuation & Reclassification for Solvency II purposes	Valuation adjustment	Value per Solvency II	Notes
	€M	€M	€M	€M	€M
Financial assets					
Corporate Bonds	91.1	40.0	1.3	132.4	1.1
Loans and receivables	40.0	(40.0)	-	-	1.2
Government Bonds	16.2		0.3	16.5	1.1
Equities	26.3	-	-	26.3	1.3
Cash and cash equivalents	39.5	(4.5)	0.2	35.2	1.4
Collective Investment Undertakings	-	4.5	-	4.5	1.5
Total financial assets	213.1	-	1.8	214.9	
Other assets					
Deferred Acquisition costs	6.3	-	(6.3)	-	1.6
Reinsurance recoverables	4.0	-	0.3	4.3	1.7
Deposits to cedants	0.5	-	-	0.5	1.8
Premium receivables	46.2	(34.0)	-	12.2	1.9/2.2
Other assets	2.5	-	(2.4)	0.1	1.10
Total Other assets	59.5	(34.0)	(8.4)	17.1	
Total assets	272.6	(34.0)	(6.6)	232	

Notes;

- 1.1 *Fixed income securities (corporate bonds & government bonds) are valued at fair value under GAAP. Solvency II valuation basis prescribes fair value plus accrued interest.*
- 1.2 *Loans and receivables are valued at amortised cost under GAAP. For the purposes of Solvency II valuation amortised cost is deemed fair value for this investment. Accrued interest is negligible so the value reported in the valuation adjustment column is nil. Impairment reviews are conducted on a regular basis for detection of a potential change in the value of group securities, as not traded on a regulated market.*
- 1.3 *Equities are valued at fair value under GAAP and Solvency II. There is no accrued interest on equities.*
- 1.4 *Cash & Cash equivalents (including Cash at Bank) are valued at fair value under GAAP. Solvency II valuation basis prescribes fair value plus accrued interest.*
- 1.5 *The Company invests in liquidity funds (money market funds) which are classified as cash under GAAP. Given that there a number of underlying assets in these funds the look through approach has been adopted under Solvency II. The valuation of the funds under GAAP and Solvency II is fair value. Accrued interest is negligible, so the value reported in the valuation adjustment column is nil.*
- 1.6 *Deferred acquisition costs are valued under GAAP based on the estimated un-utilised benefit at year end. They are not allowable under Solvency II.*
- 1.7 *Solvency II valuation allows for the reinsurance recoveries on insurance contracts*
- 1.8 *Deposits to Cedants are valued at fair value under GAAP and Solvency II.*
- 1.9 *Under Solvency II premium receivables relate to past due amounts only; future cash flows are included with the premium provisions within technical provisions.*
- 1.10 *Accrued interest included in “other assets” under GAAP is reallocated among the financial assets under Solvency II.*

D.2

TECHNICAL PROVISIONS

The following are the Company's gross technical provisions as at 31 December 2016 as reported in the GAAP financial statements and as valued in accordance with the Solvency II Directive with the main differences identified.

	Value per GAAP basis	Valuation & Reclassification for Solvency II purposes	Valuation adjustment	Value per Solvency II	Note
	€M	€M	€M	€M	€M
Claims provisions	100.8		(12.2)	88.6	2.1
<i>Motor vehicle liability insurance</i>	90.0		(10.1)	79.9	
<i>Other motor insurance</i>	8.8		(1.6)	7.2	
<i>All other lines</i>	2.0		(0.5)	1.5	
Premium provisions	40.7	(40.7)	(16.0)	(16.0)	2.2
<i>Motor vehicle liability insurance</i>	27.9	(27.9)	(11.2)	(11.2)	
<i>Other motor insurance</i>	12.4	(12.4)	(4.7)	(4.7)	
<i>All other lines</i>	0.4	(0.4)	(0.1)	(0.1)	
Risk Margin	0		6.5	6.5	2.3
TOTAL	141.5	(40.7)	(21.7)	79.1	

Notes;

- 2.1 *Claims provisions under GAAP include a Margin for Uncertainty which has been calculated in accordance with former regulatory guidance. There is explicit prudence in the booked reserves and so is not compatible with Solvency II valuation principles. The Solvency II valuation is calculated in accordance with Articles 77 to 82 of the Solvency II Directive and includes additional liabilities not included for GAAP, including Events not in Data and the expenses of running off the Company's claims.*
- 2.2 *Premium provisions under GAAP accounting basis (or the Unearned Premium Reserve) are calculated on an accruals basis. Premium provisions under Solvency II consider the future cashflows of the contracted business, including cashflows relating to claims, runoff expenses, and future premium receipts. The Company's premium provision is negative, as its premiums are not received in full at inception of the policy but are normally settled on a monthly basis.*
- 2.3 *The risk margin is the additional amount, in excess of the best estimate, that another undertaking would require to take over the Company's insurance obligations. The risk margin is calculated based on the Cost of Capital approach using the prescribed 6% cost of capital.*

Uncertainty

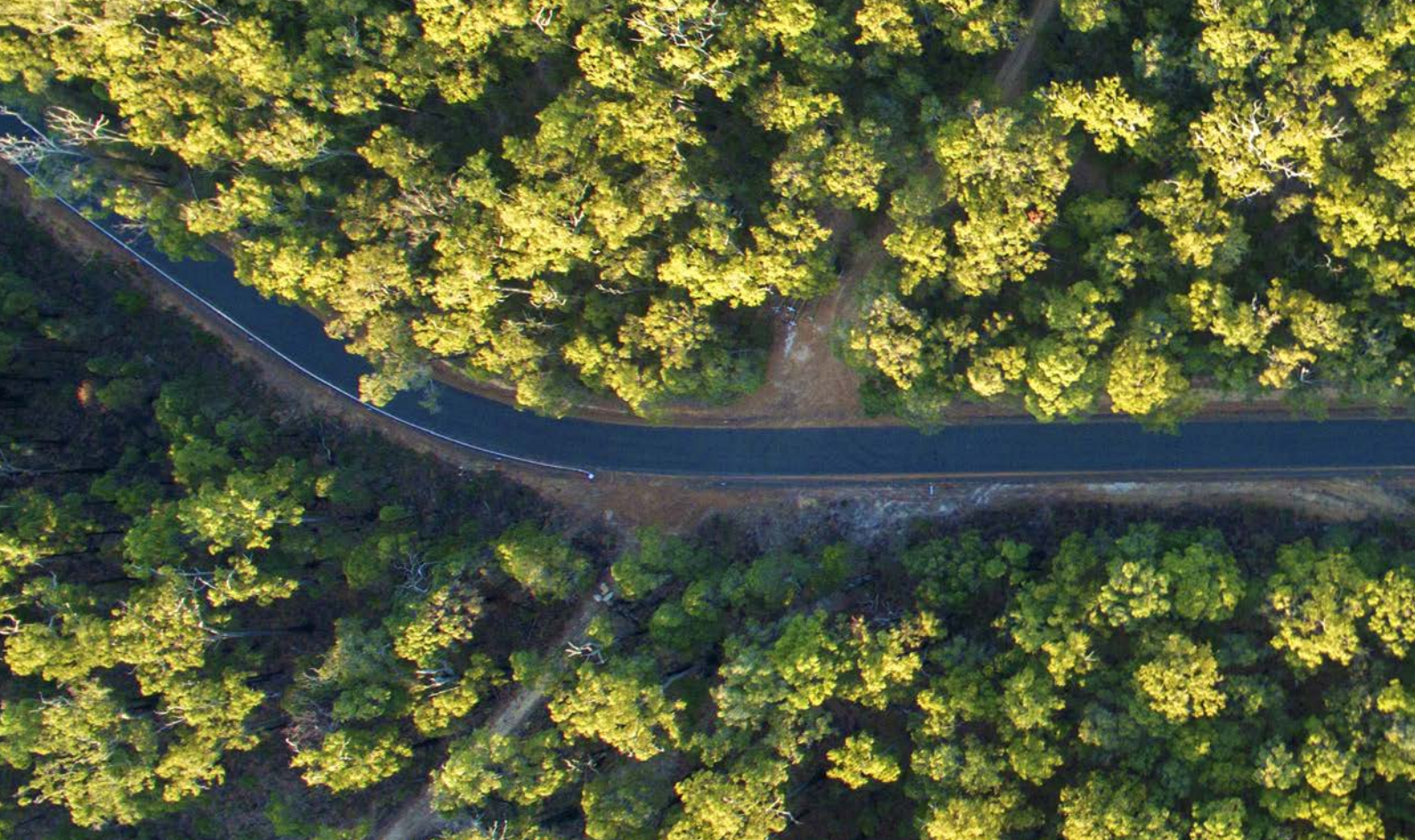
Sources of uncertainty in the valuation of the technical provisions include:

- **Changes in the frequency and severity of claims driven by demographic, legal, medical, technological, social and environmental changes, policyholder choices, or economic developments such as claims inflation; and**
- **The potential for future natural catastrophic events**

Other

The Company does not apply the matching adjustment (Article 77b of the Solvency II Directive), volatility adjustment (Article 77d), transitional risk-free interest rate-term structure (Article 308c) or the transitional deduction (Article 308d).

As this is the first reporting period no comment is made on change in assumptions in the calculation of technical provisions.



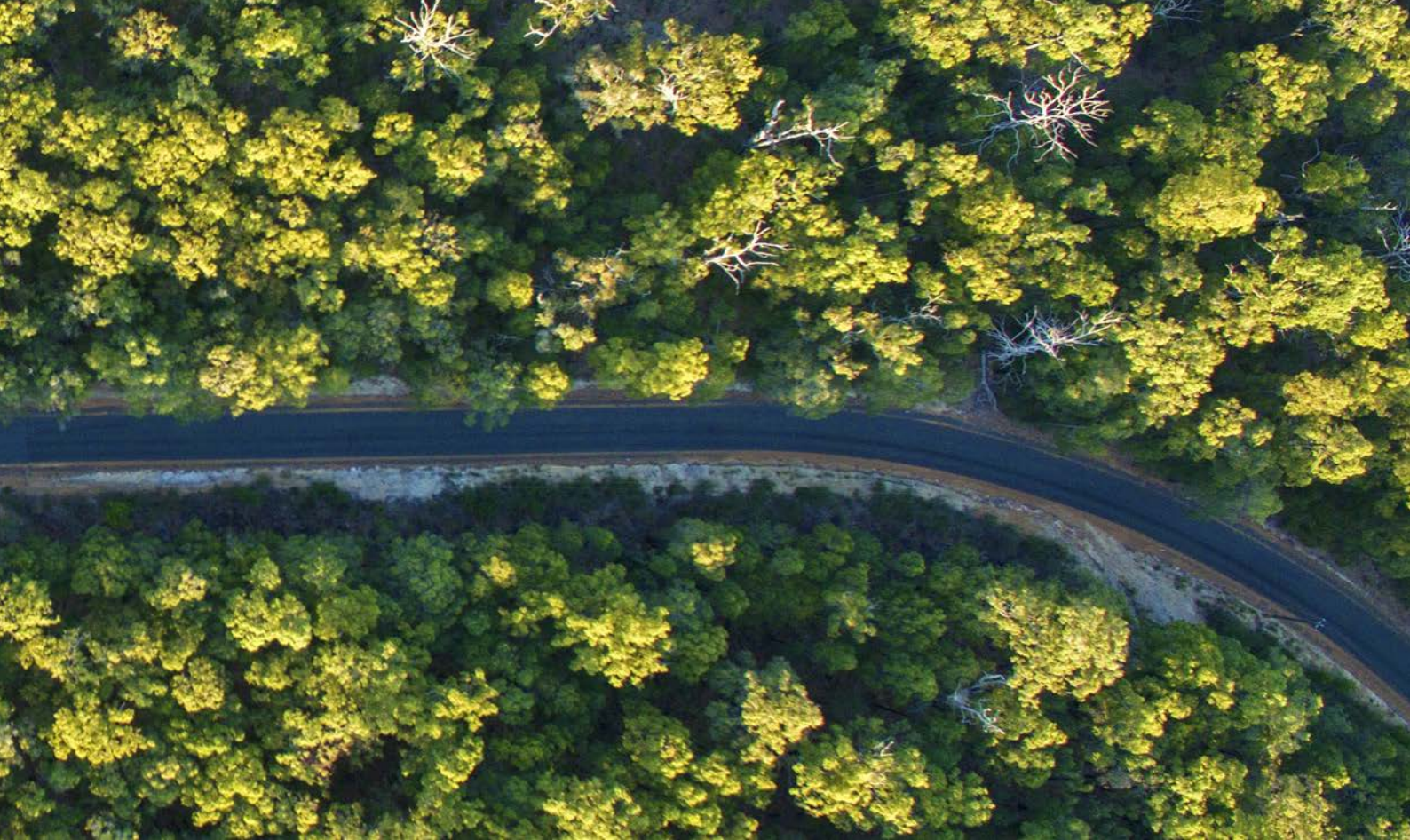
D.3

OTHER LIABILITIES

The following are the Company's other liabilities as at 31 December 2016 as reported in the GAAP financial statements and as valued in accordance with the Solvency II Directive with the main differences identified;

Other liability	Value per GAAP basis	Reclassification for Solvency II purposes	Valuation adjustment	Value per Solvency II	Note
	€M	€M	€M	€M	
Deferred Tax Liability	0.1	-	2.2	2.3	3.1
Other	16.5	-	0	16.5	
TOTAL	16.6	-	2.2	18.8	

3.1 *The deferred tax asset changes due to differences in the tax value of assets and liabilities between the GAAP and Solvency II bases.*



D.4

ALTERNATIVE METHODS FOR VALUATION

The company does not use any alternative methods for valuation other than those specified in Solvency II.

D.5

ANY OTHER INFORMATION

The Head of Actuarial Function has provided an opinion to the Board that the technical provisions of ALD Re comply in all material respects with the Solvency II directive.

CHAPTER E

Capital Management

All the Company's Own Funds are Tier 1 (€134m), eligible to cover the Solvency Capital Requirement (SCR) (€53m) and Minimum Capital Requirement (MCR) (€16m). The SCR coverage ratio is 252% and the MCR coverage ratio is 852%.

The Company Own Funds are all Tier 1, unrestricted

E.1

OWN FUNDS

Overview;

The Company has a Board approved Capital Management Policy setting out how capital is managed. Available capital is managed in a way that seeks to optimise the relationship between risk and return and ensures adequate capital resources are maintained. The Capital Management policy specifies objectives, responsibilities, processes and procedures in relation to the management of the Company's capital.

An annual assessment of the Company's own funds is completed and this includes;

- **an assessment of the own funds to ensure they meet the capital eligibility criteria over the business planning period (currently a three year period); and**
- **an assessment of the proposed own funds items per the Company's medium term capital management plan**

An interim dividend of €10m has been declared and paid, and a further €20m has been declared based on retained earnings as at 31 December 2016. (A final dividend of €20m was declared in April 2016 based on the 2015 year end results).



Eligible Own Funds

Type	Total own funds	Tier 1	Tier 2	Tier 3
	€M	€M	€M	€M
Ordinary Share capital	12	12	-	-
Reconciliation reserve	122	122	-	-
Total	134	134	-	-

The Company Own Funds are all Tier 1, unrestricted.

The Company has no plans to raise debt by issuing new shares in the short or medium term. All shares issued are fully paid up.

The reconciliation reserve is made up of retained earnings and valuation differences arising from differing treatment under local GAAP accounts and Solvency II. These are described further detail in chapter D.



The table below shows the differences between Capital and Reserves per the GAAP Financial Statements and the Own Funds as under Solvency II as at 31 December 2016.

Type	Value per GAAP basis	Value per Solvency II basis	Difference
	€M	€M	€M
Total own funds	115	134	19

The main differences in the valuation are the underlying calculation and treatment of technical provisions, insurance receivables and unearned premiums. The main differences between the two bases have been outlined in Chapter D.

The Solvency II Own Funds are invested in cash deposits, equities, fixed income securities and Group securities and all investment in Own Funds is governed by the Company investment strategy.

Transitional arrangements;

None of the Company's Own Funds are subject to transitional arrangements referred to in article 308(b) (9) and 308(b) (10) of the solvency II directive.

Ancillary Own Funds

The Company has no ancillary own funds.

Deductions and Restrictions

No deductions are applied to Own Funds and there are no material restrictions affecting their availability and transferability.

E.2

SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Overview;

The amounts of the Company Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) as at 31 December 2016 are specified below being an MCR of €16m and an SCR of €53m.

The table below shows the risk modules that make up the company's SCR at 31 December 2016

SCR split by risk module;

Sub-modules	2016
	€M
Non-life Underwriting risk	38
Health Underwriting Risk	1
Market Risk	32
Default Risk	3
Diversification	(17)
Basic SCR	57
Operational Risk	3
LACDT	(7)
Total SCR	53

Other;

The Company does not use simplifications or undertaking specific parameters in applying the Standard Formula to calculate the SCR.

Please see Appendix 1, form S28.01.21 for information on the inputs used to calculate the Minimum Capital Requirement.



Q1	Q2	Q3	Q4	YTD
100	120	150	180	550
110	130	160	190	590
120	140	170	200	630
130	150	180	210	670
140	160	190	220	710
150	170	200	230	750
160	180	210	240	790
170	190	220	250	830
180	200	230	260	870
190	210	240	270	910
200	220	250	280	950



E.3

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

The Company does not apply the duration based equity risk sub module in the calculation of the SCR.

E.4

DIFFERENCE BETWEEN STANDARD FORMULA AND ANY INTERNAL MODEL USED

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

E.5

NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NONCOMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

The Company has maintained sufficient capital to meet its MCR and SCR throughout the period covered by this report.

E.6

ANY OTHER INFORMATION

There is no other material information to report regarding the Company's capital management.

APPENDIX 1:

SFCR PUBLICLY DISCLOSED QRT'S

1. QRT S.02.01.01; BALANCE SHEET
2. QRT S.05.01.02; PREMIUM CLAIMS AND EXPENSES BY LINE OF BUSINESS
3. QRT S.05.02.01; PREMIUM CLAIMS AND EXPENSES BY TOP FIVE COUNTRIES
4. QRT S.17.01.02; TECHNICAL PROVISIONS FOR EACH LINE OF BUSINESS
5. QRT S.19.01.21; CLAIMS DEVELOPMENT TRIANGLES
6. QRT S.23.01.01; OWN FUNDS
7. QRT S.25.01.21; SOLVENCY CAPITAL REQUIRED
8. QRT S.28.01.21; MINIMUM CAPITAL REQUIREMENT

S.02.01.01 Balance Sheet

All figures are in €000's

ASSETS		Solvency II Value - C0010			
Goodwill	R0010	0	Loans and mortgages	R0230	0
Deferred acquisition costs	R0020	0	Loans on policies	R0240	0
Intangible assets	R0030	0	Loans and mortgages to individuals	R0250	0
Deferred tax assets	R0040	0	Other loans and mortgages	R0260	0
Pension benefit surplus	R0050	0	Reinsurance recoverables from:	R0270	4,334
Property, plant & equipment held for own use	R0060	0	Non-life and health similar to non-life	R0280	4,334
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	179,690	Non-life excluding health	R0290	4,334
Property (other than for own use)	R0080	0	Health similar to non-life	R0300	0
Holdings in related undertakings, including participations	R0090	0	Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Equities	R0100	26,257	Health similar to life	R0320	0
Equities - listed	R0110	26,257	Life excluding health and index-linked and unit-linked	R0330	0
Equities - unlisted	R0120	0	Life index-linked and unit-linked	R0340	0
Bonds	R0130	148,986	Deposits to cedants	R0350	500
Government Bonds	R0140	16,510	Insurance and intermediaries receivables	R0360	12,191
Corporate Bonds	R0150	132,476	Reinsurance receivables	R0370	0
Structured notes	R0160	0	Receivables (trade, not insurance)	R0380	0
Collateralised securities	R0170	0	Own shares (held directly)	R0390	0
Collective Investments Undertakings	R0180	4,447	Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Derivatives	R0190	0	Cash and cash equivalents	R0410	35,151
Deposits other than cash equivalents	R0200	0	Any other assets, not elsewhere shown	R0420	103
Other investments	R0210	0	Total assets	R0500	231,969
Assets held for index-linked and unit-linked contracts	R0220	0			

LIABILITIES		Solvency II Value - C0010
Technical provisions – non-life	R0510	79,129
Technical provisions – non-life (excluding health)	R0520	79,129
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	72,630
Risk margin	R0550	6,499
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	2,302
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	15,924
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	676
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	98,031
Excess of assets over liabilities	R1000	133,938

S.05.01.02 Premiums, Claims and Expenses by Line of Business

All figures are in €000's

	Income protection insurance C0020	Motor vehicle liability insurance C0040	Other motor insurance C0050	Legal expenses insurance C0100	Total C0200
Premiums written					
Gross - Direct Business					
Gross - Proportional reinsurance accepted	2,486	73,308	39,807	1,226	116,827
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	0	791	0	0	791
Net	2,486	72,517	39,807	1,226	116,036
Premiums earned					
Gross - Direct Business					
Gross - Proportional reinsurance accepted	2,400	67,635	34,766	1,227	106,028
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	0	791	0	0	791
Net	2,400	66,844	34,766	1,227	105,237
Claims incurred					
Gross - Direct Business					
Gross - Proportional reinsurance accepted	1,024	42,257	23,013	343	66,637
Gross - Non-proportional reinsurance accepted					
Reinsurers' share	0	-470	0	0	-470
Net	1,024	42,727	23,013	343	67,107
Changes in other technical provisions					
Gross - Direct Business					
Gross - Proportional reinsurance accepted					
Gross - Non-proportional reinsurance accepted					
Reinsurers' share					
Net	0	0	0	0	0
Expenses incurred	515	8,941	3,435	174	13,065
Other expenses					
Total expenses					13,065

S.05.02.01 Premiums, claims and Expenses by top Five countries

All figures are in €000's

	HOME COUNTRY	TOTAL TOP 5 & HOME COUNTRY	TOP 5 COUNTRIES (BY AMOUNT OF GROSS PREMIUMS WRITTEN) - NON-LIFE OBLIGATIONS				
	R0010		(IT) Italy	(FR) France	(BE) Belgium	(PL) Poland	(ES) Spain
	C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written							
Gross - Direct Business	R0110						
Gross - Proportional reinsurance accepted	R0120	73,666	30,747	15,788	10,378	8,916	7,837
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140	725	0	725	0	0	0
Net	R0200	72,941	30,747	15,063	10,378	8,916	7,837
Premiums earned							
Gross - Direct Business	R0210						
Gross - Proportional reinsurance accepted	R0220	68,256	25,598	15,788	10,378	8,916	7,576
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240	725	0	725	0	0	0
Net	R0300	67,531	25,598	15,063	10,378	8,916	7,576
Claims incurred							
Gross - Direct Business	R0310						
Gross - Proportional reinsurance accepted	R0320	41,242	12,088	11,252	7,960	5,042	4,900
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	-470	0	-470	0	0	0
Net	R0400	41,712	12,088	11,722	7,960	5,042	4,900
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	8,264	4,008	1,144	1,364	975	773
Other expenses	R1200						
Total expenses	R1300	8,264					

S.17.01.02 Technical Provisions for Each Line of Business - Non-life Technical Provisions

All figures are in €000's

		INCOME PROTECTION INSURANCE	MOTOR VEHICLE LIABILITY INSURANCE	OTHER MOTOR INSURANCE	LEGAL EXPENSES INSURANCE	TOTAL NON-LIFE OBLIGATION
Technical provisions calculated as a whole	R0010	C0030	C0050	C0060	C0110	C0180
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					
Technical provisions calculated as a sum of BE and RM Best Estimate						
Premium provisions						
Gross	R0060	-170	-11,213	-4,704	96	-15,991
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	-145	0	0	-145
Net Best Estimate of Premium Provisions	R0150	-170	-11,068	-4,704	96	-15,846
Claims provisions						
Gross	R0160	611	79,879	7,222	909	88,621
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	4,479	0	0	4,479
Net Best Estimate of Claims Provisions	R0250	611	75,400	7,222	909	84,142
Total Best estimate - gross	R0260	441	68,666	2,518	1,005	72,630
Total Best estimate - net	R0270	441	64,332	2,518	1,005	68,296
Risk margin	R0280	112	5,053	1,254	81	6,500
Amount of the transitional on Technical Provisions						
Technical provisions calculated as a whole	R0290					
Best Estimate	R0300					
Risk margin	R0310					
Technical provisions - total						
Technical provisions - total	R0320	553	73,719	3,772	1,086	79,130
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	4,334	0	0	4,334
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	553	69,385	3,772	1,086	74,796

S.19.01.21 Claims development Triangles - Non-life insurance claims information

All figures are in €000's

Gross Claims Paid (non-cumulative)

DEVELOPMENT YEAR		0	1	2	3	4	5	6	7	8	9	10 &+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											431
N-9	R0160	15,021	10,679	2,597	1,649	1,225	1,188	665	793	144	647	
N-8	R0170	17,940	12,251	1,968	1,343	1,191	493	831	352	268		
N-7	R0180	21,263	11,290	2,220	1,080	636	814	570	182			
N-6	R0190	22,191	12,258	2,418	1,047	1,103	443	700				
N-5	R0200	21,770	13,060	2,462	850	863	1,100					
N-4	R0210	23,175	12,193	2,529	860	841						
N-3	R0220	23,694	17,425	4,613	1,658							
N-2	R0230	22,753	12,829	3,868								
N-1	R0240	31,261	16,750									
N	R0250	34,701										

Gross undiscounted Best Estimate Claims Provisions

DEVELOPMENT YEAR		0	1	2	3	4	5	6	7	8	9	10 &+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											773
N-9	R0160										1,869	
N-8	R0170									606		
N-7	R0180								821			
N-6	R0190							827				
N-5	R0200						4,248					
N-4	R0210					3,782						
N-3	R0220				5,730							
N-2	R0230			10,854								
N-1	R0240		14,942									
N	R0250	36,972										

S.19.01.21 Claims development Triangles - Non-life insurance claims information Continued

All figures are in €000's

		IN CURRENT YEAR	SUM OF YEARS (CUMULATIVE)
		C0170	C0180
	R0100	431	431
	R0160	647	34,608
	R0170	268	36,637
	R0180	182	38,055
	R0190	700	40,160
	R0200	1,100	40,105
	R0210	841	39,598
	R0220	1,658	47,390
	R0230	3,868	39,450
	R0240	16,750	48,011
	R0250	34,701	34,701
Total	R0260	61,146	399,146

		YEAR END (DISCOUNTED DATA)
		C0360
	R0100	775
	R0160	1,876
	R0170	608
	R0180	824
	R0190	830
	R0200	4,263
	R0210	3,795
	R0220	5,748
	R0230	10,883
	R0240	14,980
	R0250	36,505
Total	R0260	81,087

S.23.01.01 Own Funds

All figures are in €000's

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

		Total	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	12,000	12,000		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0	0			
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	121,939	121,939			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
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Deductions

Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	133,939	133,939	0	0	0

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 Own Funds - Continued

All figures are in €000's

Available and eligible own funds

Total available own funds to meet the SCR	R0500	133,939	133,939	0	0	0
Total available own funds to meet the MCR	R0510	133,939	133,939	0	0	
Total eligible own funds to meet the SCR	R0540	133,939	133,939	0	0	0
Total eligible own funds to meet the MCR	R0550	133,939	133,939	0	0	
SCR	R0580	53,049				
MCR	R0600	15,703				
Ratio of Eligible own funds to SCR	R0620	2.5248				
Ratio of Eligible own funds to MCR	R0640	8.5295				

S.23.01.01 Own Funds

All figures are in €000's

Reconciliation reserve

		C0060
Excess of assets over liabilities	R0700	133,939
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	12,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	12,139
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	15,848
Total Expected profits included in future premiums (EPIFP)	R0790	15,848

S.25.01.21 Solvency Capital requirement

All figures are in €000's

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	32,307		
Counterparty default risk	R0020	2,885		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	1,243		
Non-life underwriting risk	R0050	38,137		
Diversification	R0060	-17,104		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	57,468		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	3,159
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-7,578
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement, excluding capital add-on	R0200	53,049
Capital add-ons already set	R0210	0
Solvency Capital Requirement	R0220	53,049
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

S.28.01.21 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

All figures are in €000's

Linear formula component for non-life insurance and reinsurance obligations

MCRNL Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	15,703		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		0	0
Income protection insurance and proportional reinsurance	R0030		441	1,184
Workers' compensation insurance and proportional reinsurance	R0040		0	0
Motor vehicle liability insurance and proportional reinsurance	R0050		64,332	73,510
Other motor insurance and proportional reinsurance	R0060		2,518	37,763
Marine, aviation and transport insurance and proportional reinsurance	R0070		0	0
Fire and other damage to property insurance and proportional reinsurance	R0080		0	0
General liability insurance and proportional reinsurance	R0090		0	0
Credit and suretyship insurance and proportional reinsurance	R0100		0	0
Legal expenses insurance and proportional reinsurance	R0110		1,005	475
Assistance and proportional reinsurance	R0120		0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130		0	0
Non-proportional health reinsurance	R0140		0	0
Non-proportional casualty reinsurance	R0150		0	0
Non-proportional marine, aviation and transport reinsurance	R0160		0	0
Non-proportional property reinsurance	R0170		0	0

S.28.01.21 Minimum Capital Requirement - Overall MCR calculation

All figures are in €000's

		C0070
Linear MCR	R0300	15,703
SCR	R0310	53,049
MCR cap	R0320	23,872
MCR floor	R0330	13,262
Combined MCR	R0340	15,703
Absolute floor of the MCR	R0350	3,700
MINIMUM CAPITAL REQUIREMENT	R0400	15,703



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