GREENVAL INSURANCE
BNP PARIBAS GROUP

SOLVENCY AND FINANCIAL CONDITION REPORT

FOR THE YEAR ENDED 31st DECEMBER 2016

CONTENTS

SUMMARY

Business and Performance

Greenval Insurance Designated Activity Company ("Greenval" and "the Company") is a wholly owned subsidiary of the BNP Paribas Group.

Greenval is authorised by the Central Bank of Ireland ("CBI") to carry out the business of non-life insurance and has been designated as a medium-low impact undertaking by the CBI under its risk-based framework for the supervision of regulated firms, known as PRISM. Greenval is reporting as an individual undertaking for Solvency II.

The principal activity of Greenval is the provision of fleet motor insurance to the Arval Group and their clients in a number of European Union territories to complement Arval's leasing and fleet management activities. Both Greenval and Arval are companies within the BNP Paribas Group.

The following table summarises the financial performance of the Company for the reporting period ended 31st December 2016.

Financial Performance (EUR'000s)	Dec-16
Underwriting Performance	11,964
Investment Performance	1,222
Other Income and Expenses	(4,141)
Net Profit before Tax	**9,045**
Unrealised investment gains	98
Comprehensive Income	**9,143**
Corporation tax	(1,155)
Comprehensive Income after Tax	**7,988**

During 2016 the Company:

a) increased its authorised share capital from €20 million to €50 million through the creation of €30 million new ordinary share of €1 each which rank in line with the existing share capital of the Company. Subsequent to this, BNP Paribas Ireland Unlimited Company, the Company's sole shareholder, fully paid up €12 million ordinary shares bringing the total called up share capital to €22 million. This Shareholder investment is to support the growth strategy of the Company and to ensure a strong solvency position is maintained.

b) paid a dividend to its sole shareholder, BNP Paribas Ireland Unlimited Company, of €7million.

System of Governance

Greenval has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as presented in the organisation chart which can be found at appendix 1 of this report.

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

Risk Profile

Greenval has implemented effective processes for assessing and mitigating its material risk exposures.

Underwriting Risk

Greenval currently operates in France, Belgium, Netherlands, Poland, Denmark, Finland, Spain, Portugal, UK, Italy, Germany, Czech Republic and Sweden.

The majority of the insurance business underwritten by the Company is of a short tail nature, however, a proportion of claims take longer to settle completely. The Company's material underwriting risk exposures relate to pricing risk and reserving risk on the motor insurance products underwritten.

Market Risk

The Company is exposed to market risk on:

- its investment portfolio of fixed income bonds, collective investment undertakings and structured notes
- its assets and liabilities exposed to interest rate movements
- its assets and liabilities denominated in foreign currencies which are exposed to currency risk

Credit Risk

The Company's material credit risk exposures relate to:

i. Amounts due from reinsurers
ii. Amounts held on deposit and on demand with banks
iii. Amounts due from insurance policyholders and intermediaries

Liquidity Risk

The Company's exposure to liquidity risk is considered to be low as it maintains a high level of liquid assets to meet its liabilities.

Operational Risk

The Company's material operational risk exposures relate to outsourcing, IT security, execution, delivery and process management, people and data quality.

Valuation for Solvency Purposes

The following table presents a summary of the Solvency II valuation of each material class of asset and liability compared to the Statutory Accounts at 31st December 2016.

BALANCE SHEET AS AT 31 DECEMBER 2016 (EUR'000s)			
Assets	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
Deferred acquisition costs	-	819	**(819)**
Property, plant & equipment held for own use	-	687	**(687)**
Government Bonds	8,530	8,530	-
Corporate Bonds	23,573	23,573	-
Structured notes	7,995	7,995	-
Collective Investments Undertakings	24,637	24,637	-
Deposits other than cash equivalents	4,123	4,123	-
Reinsurance recoverables	4,359	6,308	**(1,949)**
Insurance and intermediaries receivables	10,271	18,535	**(8,264)**
Receivables (trade, not insurance)	137	137	-
Cash and cash equivalents	28,364	28,364	-
Any other assets, not elsewhere shown	1,801	1,801	-
Total Assets	**113,790**	**125,509**	**(11,719)**
Liabilities	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
Technical Provisions	59,377	73,331	**13,954**
Deferred tax liabilities	272	24	**(248)**
Insurance & intermediaries payables	5,669	5,669	-
Reinsurance payables	1,596	1,596	-
Payables (trade, not insurance)	4,658	4,649	**(9)**
Any other liabilities, not elsewhere shown	1	1	-
Total Liabilities	**71,573**	**85,270**	**13,697**
Excess of Assets Over Liabilities	**42,217**	**40,239**	**1,978**

The following summarises the main differences between the valuation bases, methods and main assumptions used by the Company for the valuation of assets and liabilities for solvency purposes and those used for their valuation in the Statutory Accounts:

i. Technical provisions reduce by c€13.95m on a Solvency II basis by applying adjustments to the Statutory Accounts technical provisions in accordance with the requirements of Solvency II. Refer to section D.2 of this report for a more detailed explanation.

ii. Insurance and intermediaries receivables reduce by c€8.3m on a Solvency II basis which is due to the valuation of premiums receivable relating to the unearned premium reserve ("UPR") in the Statutory Accounts being included within technical provisions on the liability side of the balance sheet on a Solvency II basis.

iii. Reinsurance recoverables reduce by c€1.9m on a Solvency II basis due to Solvency II premium provisions on a net basis exceeding those on a gross basis giving rise to a negative reinsurance recoverable, the impact of discounting and a defined allowance for expected reinsurance counterparty default on a Solvency II basis

iv. Deferred acquisition costs and property plant & equipment held for own use recognised for the Statutory Accounts are valued at zero on a Solvency II basis

Note also that the deferred tax liability on a Solvency II basis increases due to the difference in the valuation of assets and technical provisions as outlined above.

Capital Management

The following table summarises the solvency position of the Company at 31st December 2016 which is assessed using the Standard Formula.

Solvency Position (EUR'000s)	Dec-16
Total Tier 1 Unrestricted Own Funds	42,217
Solvency Capital Requirement ("SCR")	29,526
SCR Coverage	143%
Minimum Capital Requirement ("MCR")	10,616
MCR Coverage	398%

All the Company’s own funds are classified as Tier 1 unrestricted and are available to cover the SCR MCR.

There were no instances of non-compliance with the MCR and the SCR during the reporting period ended 31st December 2016.

There was no material change in the SCR during the reporting period ended 31st December 2016.

Report Approval

This report was reviewed by the Company’s Audit Committee on 3rd May 2017. It was subsequently reviewed and approved by the Board of Directors on 17th May 2017.

A. BUSINESS AND PERFORMANCE

A.1. Business

A.1.1. Name and Legal Form of the Company

Greenval Insurance Designated Activity Company ("Greenval" and "the Company") is a private company which is limited by shares.

A.1.2. Supervisory Authority

Greenval is authorised by the Central Bank of Ireland ("CBI"), New Wapping Street, North Wall Quay, Dublin 1, Ireland to carry out the business of non-life insurance in accordance with the provisions of the European Union (Insurance & Reinsurance) Regulations 2015.

Greenval has been designated as a medium-low impact undertaking by the CBI under its risk-based framework for the supervision of regulated firms, known as PRISM.

Greenval is reporting as an individual undertaking for Solvency II.

A.1.3. External Auditor

The Company's external auditors at 31st December 2016 are Mazars, Chartered Accountants and Registered Auditors, Harcourt Centre, Block 3, Harcourt Road, Dublin 2, Ireland.

Following the introduction of Statutory Instrument 312, EU Statutory Audit Regulations, which was signed into law in June of 2016, the Company is required to rotate audit firms after 10 years and therefore following the 2016 year-end audit Mazars will no longer be eligible as Company auditors. Accordingly, during December 2016, PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Ireland were appointed auditors for the 2017 year-end audit onwards.

A.1.4. Qualifying holdings

The Company is a wholly owned subsidiary of BNP Paribas Ireland Unlimited Company, 5 George's Dock, IFSC, Dublin 1, Ireland.

The ultimate parent company is BNP Paribas S.A., a company incorporated in France and listed on the Euronext Paris stock exchange. BNP Paribas S.A.'s consolidated financial statements are available from the company at 16 Boulevard des Italiens, 75009 Paris, France.

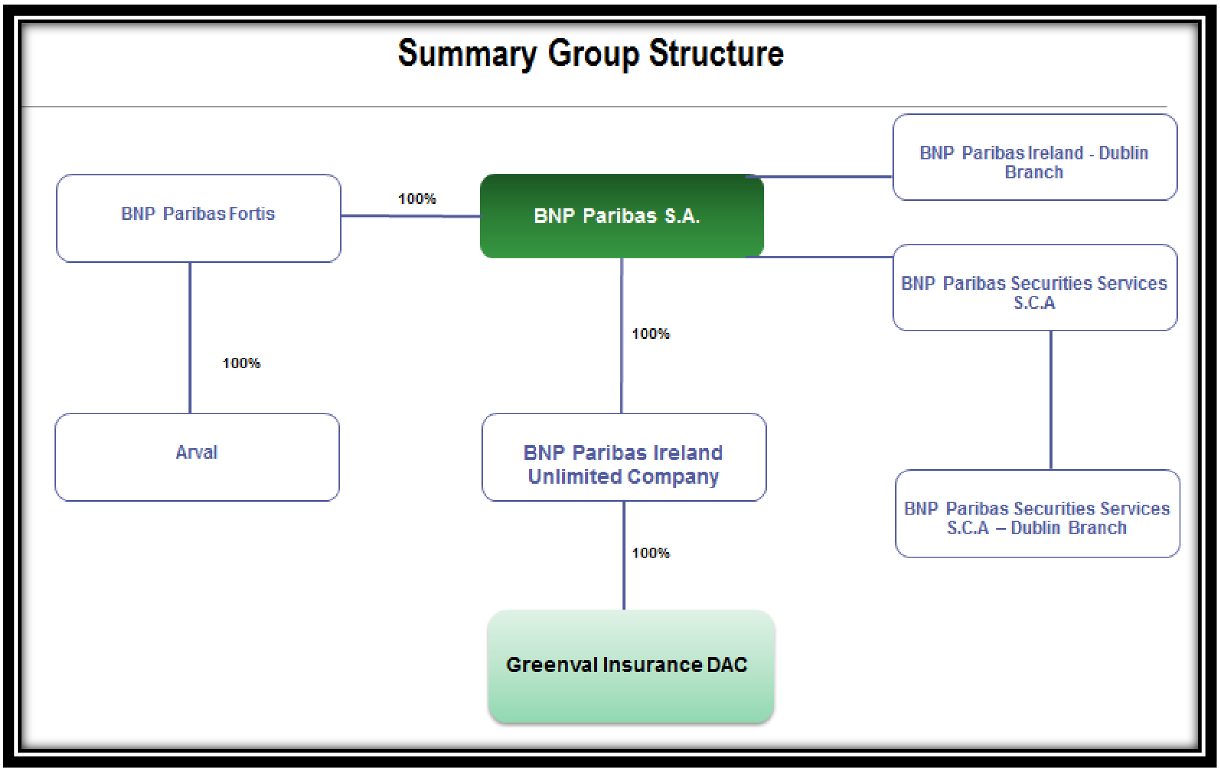
A.1.5. Group Structure

Greenval is reporting as an individual undertaking for Solvency II.

A.1.6. Related Undertakings

The Company does not have any related undertakings that it has control of or an obligation to report results on.

The simplified organisation chart below explains the ownership and legal links between the Company, its immediate parent undertaking, BNP Paribas Ireland Unlimited Company, its ultimate parent, BNP Paribas S.A. and the related undertakings relevant to the Company for the purpose of this report.



- **BNP Paribas S.A**. is the ultimate parent of the group which is incorporated in France. It provides a range of banking and financial services in France and internationally and operates in two businesses, Retail Banking & Services, and Corporate & Institutional Banking.
- **BNP Paribas Fortis** is the group's banking subsidiary which is based in Belgium and is the immediate parent undertaking to Arval. It falls within the Retail Banking & Services business of the group.
- **Arval** is fully owned by BNP Paribas Fortis and is the group fleet leasing company. Within BNP Paribas Group, Arval belongs to the Retail Banking core activity. Greenval is the preferred non-life insurance company chosen by the Arval Group.
- **BNP Paribas Dublin Branch** is a full branch of BNP Paribas S.A. which provides Corporate and Institutional Banking in Ireland. The Branch also provides full cash management services and hosts a number of Group subsidiaries servicing the BNP Paribas network.
- **BNP Paribas Securities Services S.C.A – Dublin Branch** provides custody and administration services and is the main custodian for Greenval.
- **BNP Paribas Ireland Unlimited Company** is a holding company and immediate parent undertaking to Greenval and Darnell DAC.

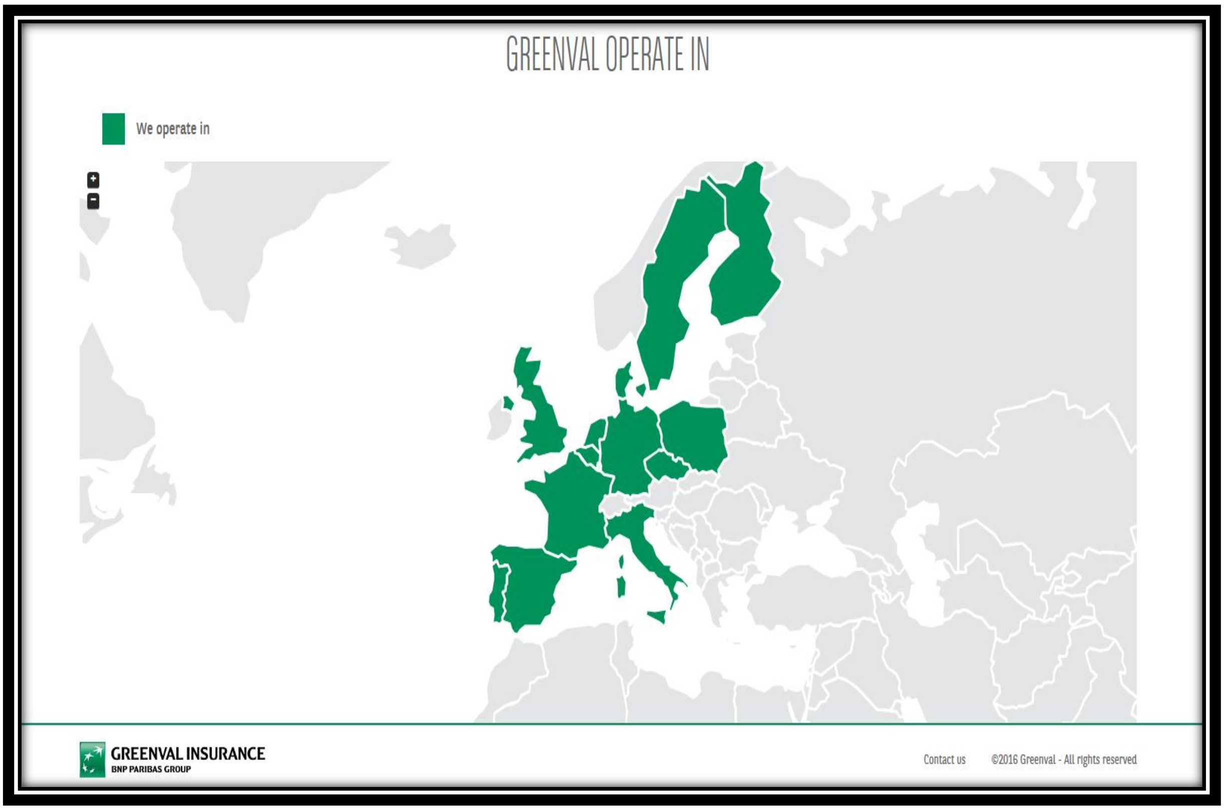
A.1.7. Lines of Business and Geographical Areas

Greenval provides non-life motor fleet insurance cover, on a Freedom of Services basis in various European Union territories, to Arval and Arval fleet customers, in conjunction with Arval's leasing and fleet management services. Arval is a fleet leasing company and is a BNP Paribas Group company. Greenval is the preferred non-life insurance company chosen by the Arval Group.

The following motor insurance products by lines of business are underwritten by the Company:

- Third Party Liability ("TPL") which covers the insured in case of legal responsibility for damage caused to a Third Party by an automobile. It is compulsory in all European Union countries.
- Motor Own Damage ("MOD") which covers the damages incurred on the insured vehicle. This insurance can include a number of different perils: Fire, Natural Disaster, Theft of the vehicle, Personal Belongings, Professional Belongings and Hail etc.
- Driver Cover ("DC") which covers the driver in case of an accident not involving a Third Party and/or an accident involving a Third Party where the driver is at fault (in the cases where TPL cover does not insure the driver).
- Guaranteed Auto Protection ("GAP") covers the difference between the market value and the book value of the vehicle. If the vehicle is deemed to be a write off, GAP insurance will cover the difference between the amount paid by the insurance company and outstanding finance owed on the insured vehicle.
- Legal expenses (LP) covers financial assistance when the insured person commences legal action for damages against third parties.
- Natural Catastrophe ("CATNAT") covers risk retention programmes and used car stocks of Arval entities against natural catastrophe events such as wind storms, hail, flood, earthquake etc.

Greenval currently operates in France, Belgium, Netherlands, Poland, Denmark, Finland, Spain, Portugal, UK, Italy, Germany, Czech Republic and Sweden.



The table below compares Greenval's lines of business to Solvency II lines of business and to the insurance authorisation the Company holds from the CBI.

Greenval	Solvency II Lines of Business	CBI Authorisation
Third Party Liability	4. Motor Vehicle Liability Insurance	10. Motor Vehicle Liability
Motor Own Damage	5.Other Motor Insurance	3. Land Vehicles 7. Goods in Transit (insured as an add on to MOD class 3)
CATNAT	5. Other Motor Insurance	3. Land Vehicles
Driver Cover	1. Medical Expense Insurance	1. Accident
Legal Expenses	10. Legal Expenses Insurance	17. Legal Expenses
GAP	12. Miscellaneous Financial Loss	16. Miscellaneous Financial Loss

A.1.8. Significant Business or Other Events

There are no significant business or other events that have occurred over the reporting period that have had a material impact on the Company. Please refer to section A.5 of this report for further information on other events during the year.

A.2. Underwriting Performance

The following table presents the underwriting performance by material lines of business for the year ended 31st December 2016.

	Driver Cover	Third Party Liability	Motor Own Damage & CATNAT	Other lines of business*	Total
	€'000	€'000	€'000	€'000	€'000
Gross Written Premium - Direct	4,872	41,899	30,106	1,160	78,037
Gross Written Premium - Reinsurance accepted	0	4,515	0	25	4,540
Reinsurers' share	0	(5,715)	(782)	0	(6,497)
Net Written Premium	4,872	40,699	29,324	1,185	76,080
Gross Earned Premium - Direct	4,848	41,305	29,912	1,159	77,224
Gross Earned Premium - Reinsurance accepted	0	3,272	0	311	3,583
Reinsurers' share	0	(5,715)	(782)	0	(6,497)
Net Earned Premium	4,848	38,862	29,130	1,470	74,310
Gross Claims Incurred - Direct	224	(25,455)	(23,178)	(62)	(48,471)
Gross Claims Incurred - Reinsurance accepted	0	(3,183)	0	(43)	(3,226)
Reinsurers' share	0	(255)	21	(26)	(260)
Net Claims Incurred	224	(28,893)	(23,157)	(131)	(51,957)
Expenses incurred**	(562)	(6,472)	(3,220)	(195)	(10,449)
Underwriting Result	**4,510**	**3,497**	**2,753**	**1,144**	**11,904**

* Other lines of business consist of Legal Cover, GAP and Accepted Non-Proportional reinsurance

** Expenses incurred include Brokerage fee's, Acquisition costs, Claims Managament Expenses and Gaurantee Fund costs.

The primary measures of underwriting performance used by the Company are as follows and these are monitored by country and line of business:

1) <u>Net written premiums</u>
   - Net written premiums increased in the reporting period by approximately 24% from €61.4m in 2015 to €76m in 2016
   - This increase is primarily due to increased fleet numbers stemming from additional product lines and coverages introduced in addition to new jurisdictions.
   - During 2016 the Company reached a 200,000 insured vehicle milestone which was an objective achieved ahead of the planned timeline. In addition Greenval commenced writing business in Germany on 1st January 2016. Both of these factors contributed to the results of the Company for the year.

2) <u>Combined operating ratio</u>
   - Combined ratio comprises claims, acquisition and expense ratios and for 2016 the ratio is as follows:

Claims Ratio	73.7%
Acquisition Ratio	10.0%
Expense Ratio	5.4%
Combined Ratio	**89.1%**

   - The combined ratio has deteriorated on prior years as a result of increases in the claims and acquisition ratio
   - The claims ratio has increased marginally on the preceding year. Positive claims run-offs and continued good performance in key markets, albeit with emerging challenges, has been partially offset by growth in more competitive countries and reinforcement of technical reserves
   - The acquisition ratio has increased and is driven by changes in country mix with more of the premium being generated in countries with higher commission rates
   - The expense ratio has decreased and is largely attributable to costs being restrained below the rate of growth in premiums. However, the costs associated with the staff headcount, foreign exchange charges and information technology have increased in monetary terms

The material geographical areas which Greenval operates in are France, The Netherlands, Belgium, Poland and Italy.

A.3. Investment Performance

At 31st December 2016 the Company's investment portfolio comprised of the following. There were no investments in securitisations.

31st December 2016		
Asset Category	**€'000**	**% of Portfolio**
Corporate bonds	23,573	24%
Government bonds	8,530	9%
Collective investment undertakings	24,637	26%
Structured notes	7,995	8%
Cash and cash equivalents	28,364	29%
Deposits other than cash and cash equivalents	4,123	4%
Total	**97,222**	**100%**

The table below summarises the investment performance for the reporting period.

31st December 2016				
Asset Category	**Income & Expenses**	**Realised Gains & Losses**	**Total through Profit & Loss**	**Unrealised Gains & Losses***
	€'000	**€'000**	**€'000**	**€'000**
Corporate & Government bonds	142	864	1,006	(241)
Collective investment undertakings	25	40	65	352
Other asset classes	90	-	90	(13)
Total	257	904	1,161	98

**The table title reads "31st December 2016".*

**These amounts are recognised in equity*

A.4. Performance of other activities

Other operating expenses decreased by 4% for the year ended 31st December 2016 from the preceding year end with the Expense ratio declining from 7.0% to 5.4%. The improvement in the expense ratio is largely attributable to costs being restrained below the rate of growth in premiums. However, the costs associated with staff headcount, foreign exchange charges and information technology have increased in monetary terms.

Transactions with other members of the BNP Paribas Group (outside of the general underwriting business) are noted below:

31st December 2016	
Other	**€'000**
Transactions with parent company	(242)
Transactions with other group companies	(235)
Amounts recoverable from other group companies	101
	(376)

Transactions with the parent company essentially comprise of recharges relating to the provision of services such as information technology, human resource and facility costs.

Transactions with other group companies comprise the Asset Manager and Custodian fees paid to companies who are part of the BNP Paribas Group.

Amounts recoverable from other group companies primarily comprise recharges in relation to services provided by Greenval to group companies.

Other material expenses incurred by the Company during the year comprise of staff costs which amounted to €1.4m at 31st December 2016.

Refer to section D.3 of this report for details on operating leases recognised by the Company.

A.5. Any other information

In June 2016, the Company's name was changed from Greenval Insurance Company Limited to Greenval Insurance Company Designated Activity Company and subsequently to Greenval Insurance Designated Activity Company in accordance with requirements as set out in the Irish Companies Acts 2014.

The Company increased its authorised share capital from €20 million to €50 million through the creation of €30 million new ordinary shares of €1 each which rank in line with the existing share capital of the Company. Subsequent to this, BNP Paribas Ireland Unlimited Company, the Company's sole shareholder, fully paid up €12 million ordinary shares bringing the total called up share capital to €22 million. This Shareholder investment is to support the growth strategy of the Company and to ensure a strong solvency position is maintained.

In June 2016 the Company paid a dividend to its sole shareholder, BNP Paribas Ireland Unlimited Company, of €7 million.

The Company's financial statements for 2015 were restated following a review of contract boundaries under Solvency II. As certain policies were underwritten with varying renewal dates, there arose a requirement to recognise the corresponding Provision for Unearned Premium. This restatement had no impact on the Company's profit, before and after tax, and equity. The Company's Income Statement and Balance Sheet for 2014 and 2015 were restated to facilitate comparison with the 2016 financial performance.

B. SYSTEM OF GOVERNANCE

B.1. General Information on the System of Governance

B.1.1. Overview of the System of Governance

Greenval has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as presented in the organisation chart at appendix 1 of this report.

The system of governance is regularly reviewed to ensure its continued appropriateness reflecting changing commercial and regulatory requirements and organisational developments.

B.1.1.1. Board of Directors

The table below presents the composition of the current Board of Directors ("the Board") of Greenval along with each Directors designation and a summary of the segregation of responsibilities within Board Committees.

Director Name	Director Designation	Board Committee Membership & Responsibilities
Derek Kehoe	Non-Executive Director & Chair	Investment Committee Member
Robert Woods	Independent Non-Executive Director	Audit Committee Member & Chair of Audit Committee, Risk Committee Member
Paul Duffy	Independent Non-Executive Director	Audit Committee Member, Risk Committee Member & Chair of Risk Committee, Investment Committee Member
David Guest *	Independent Non-Executive Director	Audit Committee Member, Risk Committee Member
Clelia Rossi	Non-Executive Director	Audit Committee Member
Francois Salzedo	Executive Director	Risk Committee Member, Investment Committee Member & Chair of Investment Committee
Olivier Mantoulan	Executive Director & Managing Director	Investment Committee Member

* *Appointed during 2017*

The Board is responsible for the effective, prudent and ethical oversight of the Company and meets on a quarterly basis or more frequently as required.

The Board is responsible for setting and overseeing:

- the business strategy for the Company
- a robust and transparent organisational structure with effective communication and reporting channels
- the amounts, types and distribution of capital adequate to cover the risks of the Company
- the strategy for the on-going management of material risks

- an adequate and effective internal control framework, that includes well-functioning actuarial, risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework

The role and responsibilities of the Board are clearly documented in its Terms of Reference and Schedule of Reserved Matters which are reviewed on an annual basis by the Board of Directors.

B.1.1.2. Board Committees

Greenval's Board has established three Board Committees that meet on a quarterly basis, or more frequently as required, and report to the Board, namely the Audit Committee, Risk Committee and Investment Committee.

The authority, functions, membership and reporting lines of the committees established by the Board as well as meeting frequency, voting rights and quorums are clearly outlined in the written Terms of Reference established by the Board for each committee.

The Terms of Reference are reviewed at least annually by the committees to ensure continuing appropriateness. Recommendations on revisions are provided to the Board for review and approval where necessary.

Audit Committee

The main roles and responsibilities of the Audit Committee are:

- Review financial statements and other published documents and make recommendations to the Board
- Monitor the effectiveness, independence and objectivity of the external auditors
- Monitor the effectiveness of the Company's Internal Audit Function in the context of the Company's overall risk management system
- Review any significant matters raised by the internal and external auditors
- Review the effectiveness and appropriateness of the Company's internal controls
- Review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters

Risk Committee

The main roles and responsibilities of the Risk Committee are:

- Monitor the effectiveness of the Company's risk management system and Risk Management Function
- Monitor the implementation of the Company's risk strategy and maintenance thereof
- Review and make recommendation to the Board on risk appetite and risk management policies across the Company
- Review capital and solvency position of the Company
- Oversee the own risk and solvency assessment process

Investment Committee

The main roles and responsibilities of the Investment Committee are:

- Ensure compliance with the Board approved investment policy for the Company
- Review the performance of the investment advisor to the Company
- Monitor external developments in relation to investments
- Ensure that the Company is in compliance with the prudent person principle
- Maximise the investment return while ensuring that the liability profile of the Company is hedged with suitable investments and minimising the risk of loss due to counterparty default

B.1.1.3. Management Committees

Senior Management Committee

The Senior Management Committee ("SMT") is mandated and responsible for implementing the strategies approved by the Board and managing the affairs of the Company. The SMT is chaired by the Managing Director ("MD") and meets weekly. The MD is a member of the Board and reports to each Board meeting on business performance and operations.

The SMT members are as follows:

- Managing Director
- Chief Financial Officer
- Chief Operating Officer
- Head of Underwriting & Legal
- Chief Risk Officer

The main responsibilities of the SMT are to:

- Review, implement and monitor the business plans and recommend changes for approval by the Board
- Structure the operations to maximise efficiency
- Ensure that effective systems of controls are established and maintained which facilitate identification and effective management of all significant risks facing the business
- Decide upon priorities for allocating operating resources within the current business plan
- Ensure the functional areas provide accurate and timely management information to enable the business to be effectively managed
- Review financial and operational performance of the business and authorise appropriate actions
- Review compliance, risk and internal audit reports to ensure that ownership is allocated and appropriate corrective action is taken
- Pass relevant and specific information to the Board Committees and the Board, including any recommendations by the SMT that require approval by the Board

B.1.1.4. Key Functions

Risk Management Function

Greenval has appointed a Chief Risk Officer who is responsible for the Risk Management Function.

During the reporting period the Chief Risk Officer role was outsourced to BNP Paribas Dublin Branch. During 2017, post reporting period, the Chief Risk Officer became an employee of Greenval. There was no change to the nominated Chief Risk Officer and PCF approval has been received from the CBI for this appointment.

Refer to section B.3.2 of this report for further information on the implementation of the Risk Management Function.

Compliance Function

Greenval has outsourced its Head of Compliance Function to the BNP Paribas Group in Ireland where the Company has appointed the Territory Head of Ethics & Compliance for the BNP Paribas Group in Ireland as the Company's Head of Compliance Function. The appointment has received PCF approval from the CBI.

Refer to section B.4.2 of this report for further information on the Compliance Function.

Actuarial Function

In line with the requirements of Solvency II, and the CBI's 'Domestic Actuarial Regime and Related Governance Requirements under Solvency II', Greenval has appointed a Head of the Actuarial Function. Noel Garvey of KPMG has been engaged on an outsourced basis to provide the Head of the Actuarial Function and the appointment has received PCF approval from the CBI.

Refer to section B.6 of this report for further information on the Actuarial Function.

Internal Audit Function

Greenval has outsourced its Internal Audit Function to an independent BNP Paribas Group Function, Inspection Generale. Greenval has appointed the Head of Inspection Generale for the BNP Paribas Group in Ireland as the Company's Head of Internal Audit Function and the appointment has received PCF approval from the CBI.

Refer to section B.5 of this report for further information on the implementation and independence of the Internal Audit Function.

B.1.2. Material Changes to the System of Governance

The following changes to membership of the Board took place during the reporting period:

- Virginie Salaun resigned as a Non-Executive Director on 1st January 2016
- John Perham resigned as an Independent Non-Executive Director on 31st January 2016
- Paul Duffy appointed as an Independent Non-Executive Director on 31st January 2016
- Olivier Mantoulan appointed as Managing Director on 17th February 2016 having held the position of General Manager effective from 15th October 2015
- Clelia Rossi resigned as an Executive Director on 22nd March 2016 and was appointed as a Non-Executive Director on the same date

Subsequent to the 2016 year end David Guest was appointed as an Independent Non-Executive Director on 7th April 2017.

Sandra Sinnott was appointed as Company Secretary on 28th September 2016 with John Sheridan resigning as Company Secretary on the same date.

The following key function appointments were made during the reporting period:

- Noel Garvey was appointed as Head of Actuarial Function on 29th July 2016 on receipt of PCF approval from the CBI
- Christina Browne was appointed as Head of Internal Audit Function on 8th January 2016 on receipt of PCF approval from the CBI

Apart from the above there were no other material changes to the system of governance during the reporting period.

B.1.3. Remuneration Practices

Principles of remuneration practices

Greenval recognises that the existence of appropriate compensation to attract and retain competent, experienced and skilled employees is an essential part of the Company's business strategy but that any compensation provided should align employees' decision-making and risk-taking behaviour with the Company's business objectives and risk management strategy.

The Company provides a range of benefits to employees, including contractual salary, life cover, permanent health insurance, paid holiday arrangements and pension contributions.

The Company offers all employees the choice of making contributions into a defined contribution pension scheme, which the Company will match up to a limit. Once the contributions have been paid the Company has no further payment obligations. The assets of the plan are held separately from the Company in independently administered funds. Employees can contribute additional voluntary contributions to suit their circumstances.

The variable remuneration potential for Company employees, which is paid in cash or as an option to participate in a profit sharing scheme of the BNP Paribas Group, is limited within the range 0% to 35% of basic salary. This measure is in place to promote sound and effective risk management and not to promote excessive risk taking.

Members of the Board, who are not employees of the Company or employees of the BNP Paribas Group, receive compensation in the form of a fixed Director's fee with no variable component.

Share options, shares or variable components of remuneration

The Company's remuneration practices do not include the offer of share options or shares of Greenval to members of the Board, key function holders or other Company employees.

Remuneration practices do allow for a variable component of compensation for Greenval employees, as stated above, which remunerates quantitative and qualitative achievements that are measured on the basis of observed performance and individual assessments relative to fixed objectives.

Variable compensation does not constitute a right and is set in a discretionary manner each year in accordance with the compensation policy for the relevant year and corporate governance guidelines. The variable component of compensation takes the form of a bonus for employees, paid in cash or as an option to participate in a profit sharing scheme of the BNP Paribas Group, and is determined so as to avoid incentives that could lead to conflicts of interest or non-compliance with conduct of business rules.

Members of the Board, who are not employees of the Company, do not receive variable compensation from Greenval.

Supplementary pension or early retirement schemes for the members of the Board of Directors and other key function holders

The Company's remuneration practices do not include any supplementary pension or early retirement schemes for members of the Board of Directors, key function holders or other Company employees.

B.1.4. Material Transactions

During the reporting period the following material transactions took place with the Company's shareholder, with persons who exercise a significant influence on the Company, and with members of the Board:

1. During the year BNP Paribas Ireland Unlimited Company, the Company's sole shareholder, fully paid up €12m ordinary shares issued by the Company
2. In June 2016 the Company paid a dividend to its sole shareholder of €7m

Other than the above and contracted employee salaries and benefits, there were no material transactions with the Shareholder, with persons who exercise a significant influence on the Company and with members of the Board.

B.2. Fit and Proper Requirements

B.2.1. Requirements for Skills, Knowledge and Expertise

Greenval ensures that the persons who effectively run the Company or have other key functions, including members of the Board, are 'fit' and take account of the respective duties allocated to them to ensure the provision of sound and prudent management through their professional qualifications, knowledge and experience and are proper by being of good repute and integrity.

Greenval ensures that that the persons, who effectively run the Company or have other key functions, including members of the Board, collectively possess at least qualification, experience and knowledge about:

a) insurance and financial markets
b) business strategy and business model
c) system of governance
d) financial and actuarial analysis
e) regulatory framework and requirements.

B.2.1. Process for Assessing the Fitness and Probity of Persons

Greenval has established and implemented a Fitness and Probity Policy, which sets out the process for assessing the fitness & propriety of persons, and aligns with the CBI's Fitness and Probity Standards.

Greenval's assessment of the 'Fitness' of persons include:

1. Identification (copy of passport)
2. Compliance with the minimum competency code, where relevant
3. Evidence of professional qualifications
4. Obtain self-certification from the person that they are compliant with any required continuing professional development
5. Record of interview and application where relevant
6. Make all reasonable efforts to obtain references
7. Record of previous experience
8. Record of experience gained outside of Ireland
9. Concurrent responsibilities
    a) Other directorships
    b) Other employments
    c) Other potential conflicts of interest
10. CBI Individual Questionnaire as applicable

Greenval's assessment of the 'Probity' of persons includes considering whether the individual is of good repute and integrity, including an assessment of their honesty and financial soundness which is based on their reputation, reflecting past conduct, criminal record, financial record and supervisory experience. Probity due diligence will include requesting completion of questions on reputation and character and on financial interest.

In compliance with the requirements of the CBI's Fitness and Probity Standards, prior approval for the appointment of certain function holders is obtained by Greenval from the CBI.

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

B.3.1. Risk Management System

For its risk management system:

- Greenval has established and maintains an effective ***system of governance*** with clear delegated authorities, responsibilities and reporting lines as presented in section B.1.1 of this report.
- Greenval adopts “3 lines of defence” for ***risk governance*** responsible for monitoring the risk appetite and the risk profile of the Company. Board Committees and Business Functions have been established, respecting the needed lines of defence. Risk owners and clear allocation of risk responsibilities have been set.
- The Board of Directors has defined its ***risk appetite*** through a top-down approach where the Board has set the overall risk appetite and different tolerances in line with the business strategy. Greenval operates within the risk tolerance limits set by the Board considering the Company’s exposure to particular categories of risk, which comprise the risk profile of the Company, which can be controlled, measured and reported. A trigger monitoring and reporting framework based on risk threshold limits (acceptable, warning, immediate action and material deviation) is used to signal activities and reporting requirements. The risk appetite statement and tolerance limits are subject to regular review and amendment to ensure that evolving business strategy, financial capacity, regulatory constraints, other internal/external factors and the needs and input of its stakeholders are appropriately reflected.
- Documented ***risk and internal control policies*** have been established to ensure implementation of the risk management strategy and to obtain the benefits of the risk management framework.
- An ***Own Risk and Solvency Assessment*** is carried out at least on an annual basis as set out in section B.3.3 of this report.

B.3.2. Implementation of the Risk Management System including the Risk Management Function

Risk Management Function

Greenval has appointed a Chief Risk Officer who is responsible for the Risk Management Function as set out in section B.1.1.4 of this report.

Risk Management Function Responsibilities

The responsibilities of the Risk Management Function include:

- maintaining and monitoring the effectiveness of the Company’s risk management system
- ensuring the Company has effective processes in place to identify and manage the risks to which the Company is or might be exposed
- maintaining effective processes to monitor and report the risks to which the Company is or might be exposed
- facilitation of the setting of the risk appetite by the Board
- providing comprehensive and timely information on the Company’s material risks which enables the Board to understand the overall risk profile of the Company

The Chief Risk Officer is responsible for the risk management activities and reports to the Risk Committee and the Board.

B.3.3. Own Risk and Solvency Assessment (“ORSA”)

ORSA Process

Greenval carries out a regular assessment, at least annually, of its solvency and risks, the ORSA process, which includes:

- The level of own funds that Greenval needs to hold to cover the ORSA own solvency needs and the regulatory solvency capital requirement
- The prospective solvency ratios that Greenval will achieve when realising the business plan over the business planning time horizon
- The resilience of these ratios under stress test scenarios

Greenval will also carry out a non-scheduled ORSA, outside of the regular annual assessment, if there is a significant change in the risk profile of the Company.

Greenval has established and implemented an ORSA policy which describes how the ORSA is performed, internally documented and reviewed.

ORSA Governance

The Board has ultimate responsibility for the ORSA and the role of the Board in the ORSA process is:

- Directing – how the assessment is to be performed and approving the policy
- Challenging – assumptions, methodologies and results
- Decision making - taking into account the output from the ORSA
- Approval – results and report

The Board has delegated operational responsibility for the ORSA process as follows:

1. The Chief Risk Officer is responsible for the ORSA process
2. The Managing Director provides day to day oversight
3. The Risk Committee is responsible for oversight of the ORSA process which is a standing agenda item for all quarterly Risk Committee meetings

Final approval of the ORSA process is with the Board.

Determination of Own Solvency Needs

Greenval’s Board has determined that the Standard Formula should be used to calculate the SCR and to assess the overall solvency needs of the ORSA. A business planning time horizon of three years is used to project the Solvency II Balance Sheet and SCR at each year end of the business planning time horizon. The base case projections are then subjected to a range of stress tests and scenario analysis to assess the resilience of the solvency position of the Company. The results of the assessment are reviewed by the Board and, where appropriate, potential management actions are agreed.

B.3.4. Risk Management System for Internal Model Users

Greenval is not an internal model user and uses the Standard Formula for its SCR and MCR calculation.

B.4. Internal Control System

B.4.1. Internal Control System

Greenval has established an internal control system that is the overall framework which aims to ensure:

- The effectiveness and efficiency of the internal operations
- The reliability of internal and external information
- The security of transactions
- The compliance with laws, regulations and internal policies

The scope of the internal control system covers all activities for which the Company is responsible which includes activities carried out by all departments of Greenval and activities outsourced by the Company to a third party.

The internal control processes of Greenval are aligned with the key policies and procedures established and implemented by the Company. These key policies and procedures and internal control processes are regularly reviewed to ensure a continuous improvement.

Greenval's internal controls are composed of permanent controls and the periodic controls as presented in the table below. These two forms of controls are complementary but separated and independent from each other.

<table>
<tr><td rowspan="2">Permanent Control</td><td>A.1. Controls carried out by operational staff on their operations
A.2. Controls carried out by other operational staff (cross checks etc.)
A.3. Controls carried out by line managers</td></tr>
<tr><td>B.1. Controls carried out by permanent control functions within the Company
B.2. Controls carried out by permanent control functions independent of the Company</td></tr>
<tr><td>Periodic Controls</td><td>C. Controls carried out by Internal Audit</td></tr>
</table>

B.4.2. Implementation of the Compliance Function

<u>Compliance Function</u>

Greenval has established a Compliance Function which comprises the Head of Compliance and the Legal and Compliance Executive.

Greenval has outsourced its Head of Compliance Function to the BNP Paribas Group in Ireland where the Company has appointed the Territory Head of Ethics and Compliance for the BNP Paribas Group in Ireland as the Company's Head of Compliance Function.

The Head of Compliance is assisted in his role by Greenval's Legal and Compliance Executive who is a full time employee of the Company.

<u>Compliance Function Responsibilities</u>

The responsibilities of the Compliance Function include:

- identifying and assessing the compliance risks impacting the Company
- assisting the Board with ensuring ongoing compliance with legislation and applicable requirements
- enhancing the Company's awareness of compliance matters
- monitoring the Company's compliance with insurance legislation and applicable requirements

and guidelines

- documenting any breaches identified, how they were addressed and whether any third party reporting of the breach is required
- ensuring that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company
- through its opinions, recommendations, supervision and independent controls providing reasonable assurance of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation
- Providing adequate input to the overall risk management system in respect of compliance risk
- Ensuring that the Company omplies with internal strategies, policies, processes and reporting procedures

The compliance activities are set out in an annual compliance plan prepared by the Compliance Function which is reviewed quarterly by the Board of Directors. The Head of Compliance is responsible for the compliance plan and monitoring program and reports to the Board of Directors.

B.5. Internal Audit Function

B.5.1. Implementation of the Internal Audit Function

Internal Audit Function

The Internal Audit Function is an independent function within Greenval, and constitutes an integral element of the Company's control framework, with a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

The Internal Audit function does not hold any executive responsibilities, other key function responsibilities or any accountability for risk management or systems of internal control, other than to appraise their effectiveness.

Greenval has outsourced its Internal Audit Function to an independent BNP Paribas Group Function, Inspection Generale, as set out in section B.1.1.4 of this report.

Internal Audit Function Responsibilities

The responsibilities of the Internal Audit Function include:

a) Establishing, implementing and maintaining an audit plan setting out the audit work to be undertaken, taking into account all activities and the complete system of governance of the Company
b) Taking a risk-based approach in deciding its priorities
c) Reporting the audit plan to the Audit Committee and if requested by the Audit Committee including assignments which are not included in the audit plan
d) Carrying out reviews and submiting a written report on its findings and recommendations to the Audit Committee

Oversight of Internal Audit Function

The Board of Greenval has delegated responsibility for overseeing the Internal Audit Function of Greenval to the Company's Audit Committee.

The Audit Committee considers as part of their activities the following matters:

a) the independence, skill, experience and competency of its Internal Audit Function and internal audit service providers

b) the terms of reference for the Internal Audit Function
c) the budget to be allocated for internal audit services
d) the effectiveness and adequacy of the internal audit plan as proposed by the Internal Audit Function
e) the arrangements, quality and periodicity of the assurance processes
f) the report of audit assignments received from the Internal Audit Function
g) the adequacy of management's response to audit findings and recommendations

The Audit Committee regularly reviews the organisation, audit plan, audit programme and adequacy of resources to ensure the proper performance of the activities of the Internal Audit Function. The Board and the Audit Committee regularly requests internal audit services from a third party service provider to assist the Company's Internal Audit Function to carry out the reviews required. These engagements are one-off in nature and a separate engagement is agreed with the third party service provider for each individual engagement as applicable.

The Audit Committee through its Chair reports to the Board on the activities of the Internal Audit Function.

B.5.2. Independence of the Internal Audit Function

The effectiveness of the Internal Audit Function depends upon its independence from the day-to-day operations of the business, which allows the objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter.

Greenval's Audit Committee, which is composed of a majority of Independent Non-Executive Directors, and Chaired by an Independent Non-Executive Director, ensures that the Internal Audit Function should not be subject to influence from the Board of Directors, Management and Business Functions of the Company that could impair its independence and impartiality.

The Internal Audit Function, along with its BNP Paribas Group reporting responsibilities, has direct access to the Chair of the Audit Committee, who is an Independent Non-Executive Director. This reporting structure ensures independence of the Internal Audit Function.

Periodically Greenval will engage a third party service provider to assist the Company's Internal Audit Function with carrying out an internal audit assignment. An advantage of using this model to carry out internal audit activity is that it gives the Company a wider array of skills at its disposal to carry out audits of different parts of the business and the people that carry out the reviews and report the findings are clearly independent from the people that work in the areas under review.

B.6. Actuarial Function

Actuarial Function

In line with the requirements of Solvency II, and the CBI's'Domestic Actuarial Regime and Related Governance Requirements under Solvency II', Greenval has appointed a Head of the Actuarial Function ("HoAF"). Noel Garvey of KPMG has been engaged on an outsourced basis to provide the HoAF and the appointment has received PCF approval from the CBI.

The HoAF is supported in his role by the Actuarial Department of Greenval.

The activities of the Actuarial Function are split between Greenval's Actuarial Department, under the responsibility of Greenval's Actuarial Manager, who are responsible for the day to day activities, and the activities of the HoAF who provides independent oversight and validation.

Actuarial Function Responsibilities

The responsibilities of the Actuarial Function include:

a) Coordination of the calculation of technical provisions;
b) Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c) Assessing the sufficiency and quality of the data used in the calculation of technical provisions;
d) Comparing best estimates against experience;
e) Informing the Board of the reliability and adequacy of the calculation of technical provisions;
f) Expressing an opinion on the overall underwriting policy;
g) Expressing an opinion on the adequacy of reinsurance arrangements; and
h) Contributing to the effective implementation of the risk-management system.

B.7. Outsourcing

Greenval enters into outsourcing arrangements only where there is a sound commercial basis for doing so, and where the risk can be effectively managed.

The Company has established and implemented an outsourcing policy with the objective of:

- establishing effective oversight of outsourced arrangements to ensure that the use of outsourcing within Greenval does not lead to a decline in the quality of internal controls and operational risk management
- ensuring that Greenval considers the additional risks associated with its outsourcing arrangements and enabling Greenval to mitigate the risk inherent with such outsourcing arrangements and control the outsourced functions

Greenval's outsourcing policy sets out the requirements for the following:

- Roles and Responsibilities
- Assessment of Outsourcing Options / Due Diligence
- Outsourced Contract and Service Level Agreement
- Monitoring Outsourced Arrangements
- Business Contingency Plans, including Exit Strategies
- Intra Group Outsourcing
- Regulatory Notifications

The table below presents the critical or important operational functions or activities that Greenval has outsourced together with the jurisdiction in which the service providers of such functions or activities are located.

Description of Functions or Activities	Jurisdiction
Head of Actuarial Function	Ireland
Head of Compliance Function	Ireland
Head of Internal Audit Function	Ireland
Claims Handling	France, Belgium, Netherlands, Italy, Spain, Portugal, UK, Germany Poland, Denmark, Finland, Czech Republic, Sweden
Policy Administration	France, Belgium, Netherlands, Italy, Spain, Portugal, UK, Germany Poland, Denmark, Finland, Czech Republic, Sweden
Investment Management	UK
Custodian	Ireland
Human Resource Support and Payroll (incl Payroll Agent)	Ireland
IT Systems and Support (including data storage)	Ireland and France
Legal Advice and Services	Ireland
Fiscal Representation	UK and Netherlands
Facilities, Security & Business Continuity Management	Ireland

B.8. Any other information

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

C. RISK PROFILE

C.1. Underwriting Risk

C.1.1. Material Underwriting Risks

Material Underwriting Risks

Greenval defines underwriting risk as the risk of loss, or of adverse change in the value of insurance liabilities, due to inadequate pricing and reserving assumptions which is the risk that premiums and current reserves are not sufficient to cover future incurred losses.

Greenval provides non-life motor fleet insurance cover, as set out in section A.1.7 of this report, on a Freedom of Services basis in various European Union territories, to Arval and Arval fleet customers, in conjunction with Arval's leasing and fleet management services.

Greenval currently operates in France, Belgium, Netherlands, Poland, Denmark, Finland, Spain, Portugal, UK, Italy, Germany, Czech Republic and Sweden.

The majority of the insurance business underwritten by the Company is of a short tail nature, however, a proportion of claims take longer to settle completely. The Company's material underwriting risk exposures relate to pricing risk and reserving risk on the motor insurance products underwritten.

During 2016 the underwriting risk exposure increased with net written premiums increasing by approximately 24% in 2016 which was primarily due to increased fleet numbers stemming from additional product lines and coverages introduced in addition to new jurisdictions. During 2016 the Company reached a 200,000 insured vehicle milestone.

Underwriting Risk Concentrations

Greenval writes fleet motor insurance to the Arval Group and their clients in a number of countries across the European Union. The most significant concentration of underwriting risk in reference to the Company's liabilities by geographical location exists in France, Belgium and the Netherlands.

C.1.2. Assessment and Risk Mitigation Techniques used for Underwriting Risks

The Company monitors and develops the management of the underwriting risks in accordance with best practice principles and good underwriting discipline.

Greenval has implemented an effective process for assessing and mitigating underwriting risk which includes the following key elements:

- By establishing and implementing the following policies to direct the underwriting activities:
    1) Underwriting policy
        - Underwriting policy sets out the Company's underwriting principles and underwriting process, risks allowed to cover in accordance with the risk appetite, approach to managing exposure including key controls for the underwriting process and monitoring of the underwriting performance
    2) Reinsurance policy
        - Reinsurance is used to mitigate the underwriting risk on retained lines, according to the Company's underwriting risk appetite
        - Reinsurance strategy is reviewed annually by the Board to verify that the levels of risk transfer being ceded are commensurate with the Company's risk appetite

    - Reinsurance is obtained from reinsurance counterparties who meet the Company's counterparty security requirements i.e. rated A- or better by Standard & Poors (or equivalent). While all reinsurance counterparties external to the BNP Paribas Group must be rated A- or better, reinsurance can be obtained from another company of the BNP Paribas Group which can be unrated. If a Group company is unrated Greenval considers the credit rating of BNP Paribas S.A., the ultimate parent, and also the requirements of Article 199 of the Solvency II Delegated Acts (that deals with counterparty default) which provides a treatment for 'counterparties who are subject to Solvency II but don't have a rating'.
  3) Reserving policy
    - Reserving is conducted in accordance with the Company's reserving policy
    - Periodic reviews of the Company's claims provisions and the adequacy thereof are conducted during the year by the HoAF
    - HoAF, which has been outsourced to Noel Garvey of KPMG, provides an annual Actuarial Opinion and Report on Technical Provisions. This opinion confirms the adequacy of the technical provisions.
- By establishing an Underwriting Department, Actuarial Department and Claims Management Department
  - The Departments are organised to ensure that they are functionally efficient in fulfilling their roles while exercising appropriate, centralised control of all of its responsibilities.
  - The Departments adhere to the Company's underwriting policy, reinsurance policy and reserving policy as applicable.
- By establishing a Risk Committee, with an appropriate representation of executive and non-executive directors, which meets quarterly to review underwriting activities

There were no material changes to the strategies, policies and processes for mitigating underwriting risk during this reporting period.

C.1.3. Risk Sensitivity of Underwriting Risks

The Company carries out stress and scenario testing as part of the ORSA process which includes stress testing for the deterioration of claims experience, a reduction in average premium, increase in average claims costs and an increase in the fleet insured.

Underwriting risk is a key element of the Company's SCR and the results of stress testing clearly demonstrates the key drivers of underwriting risk to the SCR. The stress testing results highlight that there could be a material adverse movement in the solvency position of the Company should the scenarios assessed occur. Nevertheless in the context of the solvency position of the Company at 31st December 2016 the results of the stresses would not be severe enough to impact on the Company's ability to continue to meet its SCR. However, it is anticipated that as projected business volumes grow further shareholder support may be required to support this growth.

C.2. Market Risk

C.2.1. Material Market Risks

<u>Material Market Risks</u>

Greenval defines market risk as the risk of a financial loss (market value and revenue), arising from adverse movements in market parameters which comprise, but are not limited to, foreign exchange rates, interest rates, bond prices and equity prices.

The Company is exposed to market risk on:

- its investment portfolio of fixed income bonds, collective investment undertakings and structured notes
- its assets and liabilities exposed to interest rate movements
- its assets and liabilities denominated in foreign currencies which are exposed to currency risk

The Company's material market risk exposures relate to:

i. Spread risk
   - ➢ The Company's fixed income bond portfolio and collective investment undertaking portfolio as applicable, is exposed to spread risk where the values of the investments are sensitive to changes in the level or in the volatility of credit spreads

ii. Concentration risk
   - ➢ The Company's fixed income bond portfolio and collective investment undertaking portfolio as applicable, are exposed to concentration risk which is the sensitivity to an accumulation of exposures on single name counterparties

iii. Equity risk
   - ➢ The Company is exposed to equity risk through its investments in collective investment undertakings which primarily consist of equity investments in the European Union

iv. Interest rate risk
   - ➢ The Company's fixed income bond portfolio and collective investment undertaking portfolio as applicable, drives the exposure to interest rate risk which arises from asset values being impacted by changes in interest rates
   - ➢ Future cashflows relating to technical provisions are also exposed to interest rate risk as the discount rates applied to these cashflow projections are impacted by changes in interest rates

v. Currency risk
   - ➢ The majority of the Company's business is conducted in Euro and hence the exposure to currency risk is low in the context of the business
   - ➢ However, the Company does undertake certain transactions denominated in foreign currencies and the Company is exposed to foreign currency risk primarily through its assets and liabilities denominated in Polish Zloty ("PLN"). The Company is also exposed, but to a more limited extent, to currency risk on British Pound ("GBP"), Danish Krone ("DKK"), Czech Koruna ("CZK") and Swedish Krona ("SEK").

At 31st December 2016 the Company's investment portfolio comprised of the following.

31st December 2016		
Asset Category	**€'000**	**% of Portfolio**
Corporate bonds	23,573	24%
Government bonds	8,530	9%
Collective investment undertakings	24,637	26%
Structured notes	7,995	8%
Cash and cash equivalents	28,364	29%
Deposits other than cash and cash equivalents	4,123	4%
Total	**97,222**	**100%**

The following highlights the material changes in the Company's market risk exposure in the reporting period:

- During the year, the Company increased its indirect holdings of fixed interest instruments particularly in the high yield, corporate bond and Asian bond segments while reducing its equity exposure.
- Increased exposure to A rated and unrated securities. Refer to the explanation in the market risk concentration section following.

Market Risk Concentrations

The following table provides information regarding the concentration of investments, based on credit quality steps, relating to the Company's investment portfolio exposures at 31st December 2016.

31st December 2016 EUR'000s	Total	Credit Quality Step						
		1	2	3	4	5	6	9
Available-for-sale* financial assets	64,735	10,288	21,339	8,472	-	-	-	24,636

* Available-for-sale financial assets comprise Corporate bonds, Government bonds, Collective Investment Undertakings and Structured Notes.

Cash and cash equivalents and deposits other than cash and cash equivalents are discussed further at section C.3.1 of this report.

The following table details the mapping of Standard and Poor's ("S&P"), Moody's and Fitch issuer ratings scale to the equivalent Credit Quality Step ("CQS").

Credit Quality Step	S&P Rating	Moody's Rating	Fitch Rating
1	AAA	Aaa	AAA
1	AA	Aa	AA
2	A	A	A
3	BBB	Baa	BBB
4	BB	Ba	BB
5	B	B	B
6	CCC	Caa	CCC
6	CC	Ca	CC
6	N/A	C	C
9	Not rated	Not rated	Not rated

Greenval's exposure to unrated securities grew during the reporting period following increased investment in fixed interest funds which are not rated. However, the underlying assets within these funds are reviewed in line with look through requirements and in excess of 70% of these assets have a CQS of 1, 2 and 3.

The table below presents the Company's material foreign exchange risk concentrations at 31st December 2016 in Polish Zloty ("PLN").

31st December 2016		
Category	**Assets**	**Liabilities**
	€'000	**€'000**
PLN	**6,303**	**2,121**

The Company has no significant concentration of price risk or interest rate risk.

C.2.2. Investments and Prudent Person Principle as applied to Market Risks

Greenval applies the prudent person principle when managing the Company's market risk exposure by adhering to the requirements of the Board approved investment policy and asset liability matching policy which stipulates:

- minimum credit rating limits required for the investment portfolio
- maximum exposure allowed to any single counterparty and sector
- maximum exposure allowed in equity investments and structured notes
- modified duration requirement for the investment portfolio
- requirements for asset and liability matching

C.2.3. Assessment and Risk Mitigation Techniques used for Market Risks

Greenval has implemented an effective process for assessing and mitigating market risk which includes the following key elements:

- By establishing an investment policy which includes the aim of maximising the performance of the Company's investment portfolio while hedging the liability profile of the Company with suitable investments and minimising the risk of loss due to counterparty default. Key requirements of the investment policy include:
  - minimum credit rating limits required for the investment portfolio thus minimising spread risk and concentration risk
  - maximum exposure allowed to any single counterparty and sector to minimise concentration risk
  - maximum exposure allowed in equity investments, which must be in the form of investment in equities through collective investment undertakings and not direct equity investments, thus minimising the exposure to equity risk
  - modified duration requirement for the investment portfolio with the aim of:
    a) adopting asset liability matching criteria to minimise the impact of mismatches between the value of assets and liabilities from interest rate movements
    b) realising an appropriate duration on the fixed income portfolio thus managing spread risk
  - matching of foreign currency assets to the same currencies as the insurance liabilities thus minimising currency risk
- By establishing an Investment Committee with an appropriate representation of executive and non-executive directors which meets quarterly to review the investment performance and the investment strategy (including the asset allocation strategy)
- By engaging an Investment Manager to assist with implementing the investment strategy while respecting the constraints of the investment policy

The risk mitigation strategies and policies outlined above are reviewed quarterly by the Investment Committee and/or Board as required to ensure that they are still effective and appropriate for the risk profile of the Company.

There were no material changes to the Company's strategies, policies and processes for mitigating risk aside from this.

C.2.4. Risk Sensitivity for Market Risks

The Company carries out stress and scenario testing as part of the ORSA process which includes stress testing for deterioration in credit standing of fixed income bonds held, adverse valuations of fixed income bonds held, equity market distress and increases in interest rates. While a deterioration in the solvency position of the Company was observed from the results of these stresses the impact of the stresses would not be severe enough to impact on the Company's ability to continue to meet its SCR in context of the level of solvency coverage of the Company at 31st December 2016.

C.3. Credit Risk

C.3.1. Material Credit Risks

Material Credit Risks

Greenval defines credit risk as the risk of loss, or of adverse change in the financial situation resulting from fluctuations in the credit standing of counterparties and any debtors to which Greenval is exposed.

Greenval has limited appetite for accepting credit risk which it recognises is a risk inherent in its business activities and cannot be fully eliminated. Greenval accepts exposure to credit risk to the extent that the acceptance of the risk optimises the business performance against objectives.

The Company's material credit risk exposures relate to:

i. Amounts due from reinsurers
ii. Amounts due from insurance policyholders and intermediaries
iii. Amounts held on deposit and on demand with banks

The following tables provides information regarding the aggregated credit risk exposure, based on credit quality steps, relating to the Company's material credit risk exposures at 31st December 2016.

31st December 2016 EUR'000s	Total	Credit Quality Step						
		1	2	3	4	5	6	9
Deposits other than Cash Equivalents	4,123	-	4,043	80	-	-	-	-
Cash and cash equivalents	28,367	-	27,829	538	-	-	-	-
Insurance and Intermediaries Receivables	10,271	-	10,271	-	-	-	-	-
Reinsurance Recoverables	4,359	-	4,359	-	-	-	-	-

Refer to section C.2.1 of this report which provides information on the CQS of the Company's available for sale financial assets.

No amounts due at 31st December 2016 were classed as past due, impaired or aged greater than three months.

There was no material changes in the Company's credit risk exposure in the reporting period.

Credit Risk Concentration

The Company is likely to be exposed to concentration of risk with individual reinsurers, due to the nature of the reinsurance market and the restricted range of reinsurers that the Company deals with who have acceptable credit ratings. The Company operates a policy to manage its reinsurance counterparty exposures.

In addition at 31st December 2016:

- in excess of 70% of the Company's cash and cash equivalents and deposits other than cash and cash equivalents were held in the BNP Paribas Group
- in excess of 80% of insurance and intermediaries amounts receivable are due from BNP Paribas Group companies

C.3.2. Prudent Person Principle applied to Credit Risks

Greenval applies the prudent person principle when managing the Company's credit risk exposure to counterparties by:

- only selecting counterparties with strong credit ratings
- using multiple counterparties to avoid concentration risk

C.3.3. Assessment and Risk Mitigation Techniques used for Credit Risks

Greenval has implemented an effective process for assessing and mitigating credit risk which includes the following key elements:

- Credit risk exposure to reinsurance counterparties is managed by:
    - adherence to the Board approved reinsurance policy which includes that a panel of reinsurers, with a minimum Standard & Poors credit rating of A- (or equivalent), should form part of the annual reinsurance program. While all reinsurance counterparties external to the BNP Paribas Group must be rated A- or better, reinsurance can be obtained from another company of the BNP Paribas Group which can be unrated. If a Group company is unrated Greenval considers the credit rating of BNP Paribas S.A., the ultimate parent, and also the requirements of Article 199 of the Solvency II Delegated Acts (that deals with counterparty default) which provides a treatment for 'counterparties who are subject to Solvency II but don't have a rating'.
    - Reinsurance is shared between a number of reinsurance counterparties to reduce single name exposure
    - Credit ratings of reinsurance counterparties are monitored on an on-going basis.
- The majority of amounts due from insurance policyholders and intermediaries are due from other BNP Paribas Group companies where Greenval seeks to adhere to four week payment terms.
- Credit risk exposure to financial institutions is managed by adherence to the Board approved investment policy which includes that cash deposits should only be placed with financial institutions that have a minimum Standard & Poors credit rating of A-.

The risk mitigation strategies and policies outlined above are reviewed at least annually by the Risk Committee, Investment Committee and/or Board as required to ensure that they are still effective and appropriate for the risk profile of the Company.

There were no material changes to the strategies, policies and processes for managing this risk during the reporting period.

C.3.4. Risk Sensitivity for Credit Risks

The Company is exposed to concentration of risk with individual reinsurers, due to the nature of the reinsurance market and the restricted range of reinsurers that the Company deal with who have acceptable credit ratings.

The sensitivity of the solvency ratio to a deterioration of the credit standing of its reinsurance counterparties is assessed in the ORSA process. The results of the ORSA suggest that the Company's solvency position can withstand a bankruptcy of its largest reinsurance counterparty by exposure and deterioration in the credit quality step of all other reinsurance counterparties by one step all at the same time.

C.4. Liquidity Risk

C.4.1. Material Liquidity Risks

<u>Material Liquidity Risks</u>

Greenval defines liquidity risk as the risk of not being able to fund its cash flow requirements as they fall due arising from the Company holding insufficient liquid or other financial resources.

The Company can become illiquid even if it is solvent. Liquidity risk may stem from:

i. timing mismatches between asset maturities/realisation and liability cash flows
ii. problems arising from holding difficult-to sell assets to meet current liabilities
iii. new business, investments or acquisitions that require new funding

The Company's exposure to liquidity risk is considered to be low as it maintains a high level of liquid assets to meet its liabilities. The strong liquidity position is maintained by applying an asset liability management policy which seeks to maintain sufficient financial resources to meet its obligations when they fall due. This is achieved through hedging its liability profile with suitable investments to ensure it can meet its liabilities as they fall due.

The following tables provide information on the expected maturity of material financial assets and liabilities at 31st December 2016.

31st December 2016 (EUR'000s)	Total	On demand or within 1 Year	1-5 Years	5-10 Years	10-15 Years
Available-for-sale financial assets*	64,735	27,009	26,038	11,688	-
Deposits other than Cash Equivalents	4,123	4,123	-	-	-
Cash and Cash Equivalents	28,364	28,364	-	-	-
Reinsurance recoverables	4,359	4,359	-	-	-
Insurance and intermediaries receivables	10,271	10,271	-	-	-
Receivables (trade, not insurance)	137	137	-	-	-
Any other assets, not elsewhere shown	1,801	1,801	-	-	-
Total	**113,790**	**76,064**	**26,038**	**11,688**	**-**

* Available-for-sale financial assets comprise Corporate bonds, Government bonds, Collective Investment Undertakings and Structured Notes

31st December 2016 (EUR'000s)	Total	On demand or within 1 Year	1-5 Years	5-10 Years	10-15 Years
Technical Provisions	59,377	11,982	27,433	16,901	3,061
Insurance and intermediaries payables	5,669	5,669	-	-	-
Payables (trade, not insurance)	4,658	4,658	-	-	-
Reinsurance payables	1,596	1,596	-	-	-
Deferred tax liabilities	272	272	-	-	-
Any other liabilities, not elsewhere shown	1	1	-	-	-
Total	**71,573**	**24,178**	**27,433**	**16,901**	**3,061**

There were no material changes in the Company's liquidity risk exposure in the reporting period.

Liquidity Risk Concentrations

Due to the short term nature of the Company's business the majority of the insurance related liabilities are due for payment within 5 years with the largest concentration due in the second year.

Greenval as a non-life insurer has designated all investments in fixed income bonds, collective investment undertakings and structured notes as available for sale and therefore can be sold when needed.

While Greenval transacts with various financial institutions, in excess of 70% of the Company's cash and cash equivalents and deposits other than cash and cash equivalents were held within the BNP Paribas Group at 31st December 2016.

C.4.2. Prudent Person Principle as applied to Liquidity Risks

Greenval applies the prudent person principle when managing the Company's liquidity risk by:

- ensuring that the investment portfolio is composed predominately of marketable securities at all times
- ensuring a sizeable level of funding is maintained as cash in bank accounts at all times taking account of the weekly cashflow forecasts prepared to predict required liquidity levels over both the short and medium term

C.4.3. Assessment and Risk Mitigation Techniques used for Liquidity Risks

Greenval has no appetite for liquidity risk and being unable to meet liabilities as they fall due and has implemented an effective process for managing liquidity risk which includes the following key elements:

- By hedging the liability profile of the Company with suitable investments which ensures that it has sufficient access to liquidity to meet its obligations as they fall due.
- By ensuring that the investment portfolio is composed entirely of marketable securities at all times
- A sizeable level of funding is maintained as cash in bank accounts at all times
- Cashflow forecasting is carried out on a weekly basis by the Company's Finance Department to predict required liquidity levels over both the short and medium term including details on large losses and reinsurance receivables

The risk mitigation strategies and policies outlined above are reviewed on a quarterly basis by the Investment Committee and/or Board as required to ensure that they are still effective and appropriate for the risk profile of the Company.

There were no material changes to the strategies, policies and processes for managing this risk during the reporting period.

C.4.4. Expected Profit included in Future Premiums

At 31st December 2016 the expected loss included in future premiums is EUR176k.

C.4.5. Risk Sensitivity for Liquidity Risks

Given the Company's approach and strategy on liquidity it is not a material risk for the Company, and no specific risk sensitivity is provided.

C.5. Operational Risk

C.5.1. Material Operational Risks

Material Operational Risks

Greenval defines operational risk as the risk of loss resulting from inadequate or failed processes, people and systems or from external events (whether deliberate, accidental or triggered by natural occurrence).

Greenval has limited appetite for accepting operational risk which it recognises is a risk inherent in its business activities and cannot be fully eliminated. The Company's material operational risk exposures relate to:

i. Outsourcing - risk of failure, non-performance, ineffective management and/or oversight of an outsourced service provider
ii. IT Security (including Cyber Security) - risk of the loss or damage arising out of unauthorised access to, use of, disclosure of, disruption of, modification or destruction to information or information systems
iii. Systems - risk arising from lack of effectiveness, integrity, reliability, capacity and/or availability of systems
iv. Execution, Delivery and Process Management - risk to a service provision arising from a failure to carry out operational processes in an accurate, timely and complete manner
v. People - risk of inadequate recruitment practices, development, management or retention of employees
vi. Data Quality – risk that the Company does not have appropriate processes and procedures to ensure accuracy, completeness and appropriateness of data

There were no material changes in the Company's operational risk exposure in the reporting period.

Operational Risk Concentrations

The Company does not have any material concentration of operational risk exposures.

C.5.2. Assessment and Risk Mitigation Techniques used for Operational Risks

Greenval has implemented an effective process for managing operational risk:

- by establishing an internal control system that covers all activities for which the Company is responsible which includes activities carried out by all departments of Greenval and activities outsourced by the Company to a third party
- by ensuring that the internal control processes of Greenval are aligned with the key policies and procedures established and implemented by the Company. These key policies and procedures and internal control processes are regularly reviewed to ensure a continuous improvement.

There were no material changes to the strategies, policies and processes for managing this risk during the reporting period.

C.5.3. Risk Sensitivity for Operational Risks

During the ORSA process a qualitative assessment of material operational risks is carried out by assessing the impact of a number of scenarios that could impact on the Company. The assessment allows the Company to review and validate its risk mitigation plans and develop contingency plans as applicable.

C.6. Other Material Risks

Compliance Risk

Greenval defines compliance risk as the risk of legal, administrative or disciplinary sanctions, together with the financial loss that the Company may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to insurance and financial activities (including instructions given by the Board, particularly in application of guidelines issued by a supervisory body).

Greenval has no appetite for failure to comply with legal or regulatory requirements and has implemented an effective process for managing compliance risk which includes the following key elements:

- By establishing a Compliance Function with an appointed Head of Compliance
- By ensuring that intended compliance activities are set out in an annual compliance plan prepared by the Head of Compliance which is reported on at each quarterly Board meeting
- By engaging external tax advisory firms to assist and advise Greenval with ongoing tax compliance matters. In addition specific tax reviews and studies are carried out, with the assistance of expert advisors, on specific tax topics as required.

Strategic Risk

The Company defines strategic risk as the risk arising from changes in its business environment including macro-economic factors and industry specific considerations and from adverse or improper implementation of business decisions leading to a failure to manage business performance against objectives. Strategic risk is managed through the Board's and Management's on-going oversight of Company strategy and its development.

Brexit

The Brexit referendum on the 23rd June 2016 and its result announced the exit of the UK from the EU. Greenval currently provides insurance products on a 'Freedom of Services' basis into the UK and during the reporting period approximately 1% of gross written premium relates to UK business. While this business is not material overall, Greenval continues to monitor developments on Brexit and how it may impact on its business model into the future and what steps it may need to take to continue its UK business.

C.7. Any Other Information

The Company's financial statements for 2015 were restated following a review of contract boundaries under Solvency II. The Company's Profit and Loss Account and Balance Sheet for 2014 and 2015 were restated to facilitate comparison with the 2016 financial performance with this restatement having no impact on the Company's profit, before and after tax, and equity.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. Assets

The following table presents a summary of the Solvency II valuation of assets compared to the IFRS financial statements at 31st December 2016 and information on material classes of assets is provided thereunder.

BALANCE SHEET AS AT 31 DECEMBER 2016 (EUR'000s)			
Assets	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
Deferred acquisition costs	-	819	**(819)**
Property, plant & equipment held for own use	-	687	**(687)**
Government Bonds	8,530	8,530	-
Corporate Bonds	23,573	23,573	-
Structured notes	7,995	7,995	-
Collective Investments Undertakings	24,637	24,637	-
Deposits other than cash equivalents	4,123	4,123	-
Reinsurance recoverables	4,359	6,308	**(1,949)**
Insurance and intermediaries receivables	10,271	18,535	**(8,264)**
Receivables (trade, not insurance)	137	137	-
Cash and cash equivalents	28,364	28,364	-
Any other assets, not elsewhere shown	1,801	1,801	-
Total Assets	**113,790**	**125,509**	**(11,719)**

The following describes the bases, methods and main assumptions used by the Company for the valuation of assets for solvency purposes:

- <u>Government and Corporate Bonds</u>
  - Government and corporate bonds held are quoted investments, valued in an active market with daily prices and liquidity available on the stock exchange where the bonds are listed.
  - No significant estimates or judgements are used in the valuation of these investments.
  - These investments are carried at fair value under Solvency II and IFRS and hence there is no difference to the valuation basis and method.

- <u>Structured Notes</u>
  - Structured notes held are actively priced regularly. However, these prices are not directly observable due to varying sources used in pricing these instruments.
  - No significant estimates or judgements are used in the valuation of these investments.
  - These investments are carried at fair value under Solvency II and IFRS and hence there is no difference to the valuation basis and method.

- <u>Collective Investment Undertakings</u>
  - Collective investment undertakings are quoted investments in an active market with daily net asset values available.
  - No significant estimates or judgements are used in the valuation of these investments.
  - These investments are carried at fair value under Solvency II and IFRS and hence there is no difference to the valuation basis and method.

- <u>Cash and Cash Equivalents and Deposits other than Cash Equivalents</u>
  - Cash and cash equivalents and deposits other than cash equivalents are valued at fair value by the relevant financial institution, and the Company receives regular statements to confirm the balances held. Amounts not denominated in EUR are translated into EUR at the period end for reporting purposes.
  - There are no significant estimates or judgements used in valuing cash holdings due to the nature of the asset.
  - Cash and cash equivalents and deposits other than cash equivalents are carried at fair value under Solvency II and IFRS and hence there is no difference to the valuation basis and method.

- <u>Reinsurance recoverables</u>
  - Reinsurance recoverables are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.
  - The Company has a reinsurance recoverable of €4.4m on a Solvency II basis compared to the IFRS value of €6.3m. This difference of €1.9m reflects:
    - Solvency II premium provisions on a net basis exceeding those on a gross basis giving rise to a negative reinsurance recoverable;
    - The impact of discounting; and
    - A defined allowance required under Solvency II for expected reinsurance counterparty default.

- <u>Insurance and intermediaries receivables</u>
  - Insurance receivables, which generally have 30-day terms, are recognised and valued at original invoice amount less an allowance for any uncollectible items. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.
  - This balance mainly represents outstanding premium owed by policyholders and due to the short term nature of these receivables no significant estimates or adjustment to the valuation is required.
  - The variance of €8.3m between IFRS and Solvency II relates to the valuation of premiums receivable relating to the IFRS UPR. Within Solvency II this amount is carried in technical provisions.

- <u>Receivables (trade, not insurance)</u>
  - These balances principally comprise amounts due from BNP Paribas Group companies.
  - No significant estimates or judgements are used in the valuation of these receivables.
  - There are no differences between Solvency II valuation and IFRS valuation of these receivables.

- <u>Any other assets, not elsewhere shown</u>
  - These balances comprise a number of asset balances with the only material balance being:
    - Cash held in Claims Handlers' bank accounts for claim payments. These accounts are in the name of the relevant claims handler and Greenval transfers funds to these accounts upon receipt of the monthly claims bordereau and notification of claims settlements. At 31st December 2016, Greenval had assets in Euro ("EUR") and Danish Krone ("DKK") in these accounts with DKK amounts being translated into EUR at the period end for reporting purposes.
    - These accounts are valued at fair value by the relevant financial institution and Greenval receives regular bank statements to confirm the balances held. This balance amounted to €1.1m at 31 December 2016.
    - No significant estimates or judgements are used in the valuation of other assets
    - There is no difference to the valuation basis and method from IFRS to Solvency II

The following assets are recognised on an IFRS basis but not for solvency purposes:

a) Deferred acquisition costs
   - The variance of €819k between IFRS and Solvency II is due to the deferred acquisition costs which are not recognised for solvency purposes whilst they are for IFRS.

b) Property, plant & equipment held for own use
   - Property, plant and equipment comprise mainly of information technology (“IT”) which is valued using the cost model i.e. cost less accumulated depreciation in line with IAS 37 under IFRS. However, the Solvency II framework stipulates that “intangible assets, other than goodwill, are recognised in the Solvency II balance sheet at a value other than zero only if they can be sold separately and the insurance and reinsurance undertaking can demonstrate that there is a value for the same or similar assets that has been derived from quoted market prices in active markets. Bespoke computer software tailored to the needs of the undertaking and “off the shelf” software licences that cannot be sold to another user shall be valued at zero”. Taking this into consideration it was determined that the IT assets that the Company held could not be sold separately and hence no value has been accounted for this in the Solvency II Balance Sheet.

There were no changes to the recognition and valuation bases used by the Company for the valuation of assets for solvency purposes during the reporting period.

D.2. Technical provisions

The table below presents the valuation of technical provisions for each material line of business as defined by Solvency II, at 31st December 2016. The technical provisions comprise the best estimate of claims provisions, the best estimate of premiums provisions and the risk margin.

Technical Provisions (EUR'000s)	**Direct business and accepted proportional reinsurance**				**Accepted non-proportional reinsurance**	**Total Life Non-Life Obligations**
	Medical expense insurance	**Motor vehicle liability insurance**	**Other motor insurance**	**Miscellaneous financial loss**	**Non-proportional casualty reinsurance**	
Total Best Estimate Gross	(1,445)	50,993	4,302	187	1,179	55,216
Risk Margin	75	3,600	414	48	24	4,161
Total Net Technical Provisions	**(1,370)**	**54,593**	**4,716**	**235**	**1,203**	**59,377**

The following table presents a summary of the Solvency II valuation of technical provisions compared to the IFRS financial statements at 31st December 2016.

Technical Provisions (EUR'000s)	**Solvency II Valuation**	**Statutory Accounts Valuation**	**Difference**
Technical provisions – non-life	**60,747**	**73,331**	**(12,584)**
Best Estimate	56,661		
Risk margin	4,086		
Technical provisions - health (similar to non-life)	**(1,370)**	**0**	**(1,370)**
Best Estimate	(1,445)		
Risk margin	75		
Total Technical Provisions	**59,377**	**73,331**	**(13,954)**

For the valuation of technical provisions for solvency purposes adjustments are applied to the Statutory Accounts technical provisions as presented in the table below.

Technical Provisions (EUR'000s)	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
Best Estimate of Claims Provisions	56,861	54,098	2,763
Margin for Uncertainty	-	9,029	(9,029)
UPR	-	10,204	(10,204)
Best Estimate of Premiums Provisions	(1,645)	-	(1,645)
Risk Margin	4,161	-	4,161
Total	**59,377**	**73,331**	**(13,954)**

The IFRS claims reserves are calculated using a range of standard actuarial deterministic models, including chain-ladder and Bornhuetter-Ferguson methods. Expert judgement is applied to select the most appropriate methods, assumptions and parameters for each reserving segment.

In addition to the assumptions used to determine the IFRS best estimate reserves, further assumptions are required to calculate the Solvency II technical provisions, including:

- The inclusion of events not in the data (“ENIDs”);
- The valuation of unexpired risks;
- The valuation of written but not yet incepted (“WBNYI”) business;
- The impact of discounting; and
- The inclusion of the risk margin.

A risk margin of €4.2m is calculated, by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof. The rate used in the determination of the cost of providing that amount of eligible own funds is called the cost of capital rate, currently set at 6%.

The significant difference in the unearned premium reserve (“UPR”) on a Statutory Accounts basis and the premium provisions on a Solvency II basis relates to the difference in the valuation of unexpired risks between the Statutory Accounts and Solvency II:

- On a Statutory Accounts basis the unexpired risks gives rise to UPR of €10.2m, with €1.9m of the associated premium already received at the balance sheet date and the balance of €8.3m included as premiums receivable.

- On a Solvency II basis future cash flows, inwards and outwards, are included within the premium provisions; therefore, the €8.3m premiums receivable on a Statutory Accounts basis are included as cash in-flows within the Solvency II best estimate technical provisions.

In addition to the unexpired business, the premium provisions also include future cash flows relating to business that was written but not yet incepted ("WBNYI") at 31st December 2016.

The premium provisions for this business comprise:

- Expected future premium income;
- Expected future claim payments;
- Expected future acquisition costs; and
- Expected future overhead expenses.

A substantial proportion of Greenval's business is renewed annually on 1st January; as a result the volume of premiums considered to be WBNYI is considerably higher than would be the case were the business to renew uniformly throughout the year.

The Company has a reinsurance recoverable of €4.4m on a Solvency II basis compared to the Statutory Accounts value of €6.3m. This difference of €1.9m reflects:

- Solvency II premium provisions on a net basis exceeding those on a gross basis giving rise to a negative reinsurance recoverable;
- The impact of discounting; and
- A defined allowance required for Solvency II for expected reinsurance counterparty default.

The key areas of uncertainty associated with the value of technical provisions include:

- The fact that the best estimate selected is only one of a range of possible best estimates and alternative values could have reasonably been selected;
- The appropriateness, completeness and accuracy of the data used to calculate the best estimate; and
- Possible future legislative changes affecting the settlement of technical provisions.

The Company does not apply the:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC
- transitional deduction referred to in Article 308d of Directive 2009/138/EC
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

D.3. Other liabilities

The following table presents a summary of the Solvency II valuation of other liabilities compared to the IFRS financial statements at 31st December 2016 and information on material classes of liabilities is provided thereunder.

BALANCE SHEET AS AT 31 DECEMBER 2016 (EUR'000s)			
Other Liabilities	**Solvency II Value**	**Statutory Accounts Value**	**Difference**
Deferred tax liabilities	272	24	(248)
Insurance & intermediaries payables	5,669	5,669	-
Reinsurance payables	1,596	1,596	-
Payables (trade, not insurance)	4,658	4,649	(9)
Any other liabilities, not elsewhere shown	1	1	-
Total Other Liabilities	**12,196**	**11,939**	**(257)**

The following describes the bases, methods and main assumptions used by the Company for the valuation of other liabilities for solvency purposes:

- Insurance & Intermediaries Payables
  - ➢ Insurance and Intermediaries payable includes the following material amounts:
    - a) Commission payable to intermediaries of €579k
      - o Amounts due relate to commission payable to intermediaries and is calculated in accordance with the terms and conditions of the contract with the intermediary.
      - o There is a high degree of certainty over the economic outflow due to the relatively short timeframe between the commission liabilities arising and the intermediary receiving payment from the Company.
      - o The value of this commission payable in the financial statements is the same as for Solvency II with no significant estimates or judgements used in the valuation of these payables
    - b) Losses payable to policyholders including claims management expenses of €4.1m at 31st December 2016
      - o Amounts due represent claims that have been reported to the Company but not yet paid to policyholders and fees payable to claims handlers for these losses.
      - o These balances are valued at fair value based upon the agreed claims settlement amount.
      - o The valuation in the financial statements is the same as for Solvency II with no significant estimates or judgements used in the valuation of these payables

- Reinsurance Payables
  - ➢ This balance is in respect of amounts owed to reinsurers, in respect of reinsurance agreements in place.
  - ➢ The amounts payable are calculated in accordance with the reinsurance agreements and final statements received
  - ➢ No estimation methods, adjustments for future value or valuation judgements are required for these balances. The timing of expected economic outflows to settle the liability with each reinsurer is contractually based, and in the normal course of business is within three months of the reporting date.
  - ➢ There is no difference to the valuation basis and method from IFRS to Solvency II.

- Payables (trade, not insurance)
    - Payables (trade, not insurance) are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.
    - These comprise the following material classes of liabilities:
        a) General accruals of €1.5m comprising general business expense accruals for professional fees, training costs, IT costs and others.
        b) Insurance Premium Tax ("IPT") payable of approximately €1m. This amount represents the amount outstanding to Fiscal authorities. The amounts payable are calculated in accordance with premium information received and relevant country IPT rates and monthly statements received.
    - No significant estimates or judgements are used in the valuation of these liabilities.

- Deferred tax liabilities
    - Deferred tax is provided on all timing differences that have originated but not reversed at the Balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred.
    - Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because of certain items of income and expenditure in the financial statements which are dealt with in different years for tax purposes.
    - The Deferred tax liability recognised in the balance sheet primarily relates to tax on overall unrealised gains on investments due to positive price movement, which has resulted in deferred tax liability, and this has been calculated at 12.5% which is the applicable tax rate used in Ireland for this.
    - The deferred tax assets and liabilities are netted off if the counterparty is the same tax authority and there is an ability to settle net.
    - The increase in the deferred tax liability from IFRS to Solvency II reflects the increase in own funds on a Solvency II basis.

The Company participates in a defined contribution scheme operated by its parent, BNP Paribas Ireland Unlimited Company whereby it offers all employees the choice of making contributions into a defined contribution pension scheme, which the Company will match up to a limit. Once the contributions have been paid the Company has no further payment obligations. The assets of the scheme are held separately from those of the Company in an independently administered fund. Differences between the amounts charged in the income statement and payments made to the scheme are treated as assets or liabilities. At 31st December 2016 no asset or liability existed on this. The Company does not participate in a defined benefit plan.

The Company recognises an operating lease it has in place with BNP Paribas Securities Services S.C.A – Dublin Branch with regards to office space. Lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are amortised over the term of the lease. There were no changes made to the recognition and valuation bases used during the reporting period with regards to this lease agreement. The Company does not have any financial leasing agreements in place.

There were no changes to the recognition and valuation bases used by the Company for the valuation of liabilities for solvency purposes during the reporting period.

D.4. Alternative methods for valuation

The Company does not use any alternative methods for valuation.

D.5. Any other information

Refer to the appendix 2 of this report for the following quantitative reporting templates:

- S.02.01.02 - Balance Sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-life insurance claims information

Refer also to information included at section A.5 of this report.

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. CAPITAL MANAGEMENT

E.1. Own funds

E.1.1. Information on the Objectives, Policies and Processes for Managing Own Funds

Capital Management Objective

Greenval seeks at all times to hold sufficient eligible capital over its business planning time horizon of 3 years:

- to meet its current and projected business activities
- to ensure it can continue its business on a going concern basis
- to comply with the regulatory requirements set by the CBI
- to maximise the return to its sole shareholder

Dividends

As part of its capital management strategy the Company considers on an annual basis its ability to pay a dividend to its sole shareholder, BNP Paribas Ireland Unlimited Company. Dividends are paid out of the retained earnings of its statutory accounts provided that capital is maintained to provide a capital structure for the Company to support its existing business activities, planned business strategies and to meet legal and regulatory requirements. The dividend policy of the Company is to pay on an annual basis a dividend corresponding to the retained earnings of its statutory accounts at the previous year end. A dividend will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the acceptable risk appetite tolerance limit for solvency margin cover. Prior to declaring any dividends, the Company will obtain the necessary approvals from its Board and Shareholder as required.

Monitoring and Reporting

Greenval's solvency position is assessed at each quarter end and reported to Management, Risk Committee and the Board.

The Company's Board approved risk appetite statement contains a trigger monitoring and reporting framework based on risk appetite tolerance limits (acceptable, warning, immediate action and material deviation) which is used to signal activities and the escalation of reporting requirements. The risk appetite statement contains tolerance limits for solvency margin cover.

As part of its annual ORSA the Board considers the following over the business planning time horizon of 3 years:

- the capital management plan
- the application of the dividend policy
- the scenarios that could trigger it seeking capital from its sole shareholder

E.1.2. Own Funds classified by Tiers

The table below presents own funds at 31st December 2016 by tiers. All the Company's own funds are classified as tier 1 unrestricted.

Tier 1 Unrestricted - Own Funds (EUR'000s)	Opening Balance at 01/01/2016	Movement in Period	Closing Balance at 31/12/2016
Paid in Ordinary Share Capital	10,000	12,000	22,000
Capital Contributions	10,000	-	10,000
Reconciliation Reserve	11,777	(1,560)	10,217
Total Tier 1 Unrestricted Own Funds	**31,777**	**10,440**	**42,217**

The Company has received approval from the CBI to include capital contributions as Tier 1 unrestricted own funds for solvency purposes.

During 2016, the Company's sole shareholder, fully paid up €12 million ordinary shares bringing the total called up share capital to €22 million.

Details of the reconciliation reserve are included in section E1.4.

E.1.3. Eligibility of Own Funds

The Company's own funds are all classified as Tier 1 unrestricted and are available to cover the SCR and MCR.

None of the Company's own fund items are subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds items and there are no restrictions affecting their availability and transferability.

E.1.4. Material difference between Equity as shown in the Financial Statements and the Excess of Assets over Liabilities calculated for solvency purposes

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

Own Funds (EUR'000s)	Statutory Accounts Balance Sheet Equity	Adjustments for Solvency Purposes	Solvency II Balance Sheet Excess of Assets over Liabilities
Ordinary Share Capital	22,000	-	22,000
Capital Contributions	10,000	-	10,000
Revaluation Reserve	229	-	229
Retained Earnings	8,010	-	8,010
Difference in the valuation of assets	-	(11,719)	(11,719)
Difference in the valuation of technical provisions	-	13,954	13,954
Difference in the valuation of other liabilities	-	(257)	(257)
Total	**40,239**	**1,978**	**42,217**

Adjustment for Solvency Purposes

The following summarises the adjustment for solvency purposes of EUR1.98m above:

- Difference in valuation of assets of EUR11.7m
  - Refer to section D.1. of this report
- Difference in valuation of technical provisions of EUR13.95m
  - Refer to section D.2. of this report
- Difference in valuation of other liabilities of EUR0.3m
  - Refer to section D.3. of this report

Reconciliation Reserve

The table below presents the reconciliation reserve which comprises the excess of assets over liabilities of the Solvency II Balance Sheet less issued share capital and capital contributions. Capital contributions are approved by the CBI as Tier 1 unrestricted own funds.

Reconciliation Reserve	**EUR'000s**
Solvency II Balance Sheet - Excess of assets over liabilities	42,217
Ordinary Share Capital	(22,000)
Capital Contributions	(10,000)
Reconciliation Reserve	**10,217**
Represented by	
Difference in the valuation of assets	(11,719)
Difference in the valuation of technical provisions	13,954
Difference in the valuation of other liabilities	(257)
Revaluation Reserve from the Statutory Accounts	229
Retained earnings from Statutory Accounts	8,010
Reconciliation Reserve	**10,217**

E.2. Solvency Capital Requirement and Minimum Capital Requirement

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

The table below presents the SCR and MCR at 31st December 2016.

Capital Requirement	**EUR'000s**
Solvency Capital Requirement	29,526
Minimum Capital Requirement	10,616

E.2.2. Solvency Capital Requirement split by Risk Modules

The table below presents the SCR at 31st December 2016 split by risk modules.

Risk Modules	EUR'000s
Market Risk	9,778
Counterparty Default Risk	3,517
Life Underwriting Risk	-
Health Underwriting Risk	3,218
Non-Life Underwriting Risk	24,769
Diversification	(9,998)
Basic Solvency Capital Requirement	**31,283**
Operational Risk	2,461
Loss Absorbing Capacity of Deferred Taxes	(4,218)
Solvency Capital Requirement	**29,526**

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

E.2.3. Inputs used to calculate the Minimum Capital Requirement

The table below shows the inputs into the MCR calculation as at 31st December 2016.

Inputs to MCR Calculation (EUR'000s)	Net (of reinsurance/SPV) best estimate	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance and proportional reinsurance	(681)	4,782
Motor vehicle liability insurance and proportional reinsurance	46,664	39,253
Other motor insurance and proportional reinsurance	4,378	29,311
Miscellaneous financial loss insurance and proportional reinsurance	187	1,039
Non-proportional property reinsurance	309	135

The overall MCR calculation is presented in the table below. Using the inputs in the table above results in a Linear MCR of €10.6m.

Overall MCR Calculation	EUR'000s
Linear MCR	10,616
SCR	29,526
MCR cap	13,287
MCR floor	7,382
Combined MCR	10,616
Absolute floor of the MCR	3,700
Minimum Capital Requirement	**10,616**

E.2.4. Material Changes to the Solvency Capital Requirement and to the Minimum Capital Requirement

There was no material change to the SCR and to the MCR for the reporting period ended 31st December 2016.

E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Greenval uses the Standard Formula to calculate its SCR and MCR and does not use the duration-based equity risk sub-module in the calculation of the SCR.

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

Greenval uses the Standard Formula, and not an internal model, to calculate its SCR and MCR.

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

There were no instances of non-compliance with the MCR and the SCR for Greenval during the reporting period ended 31st December 2016.

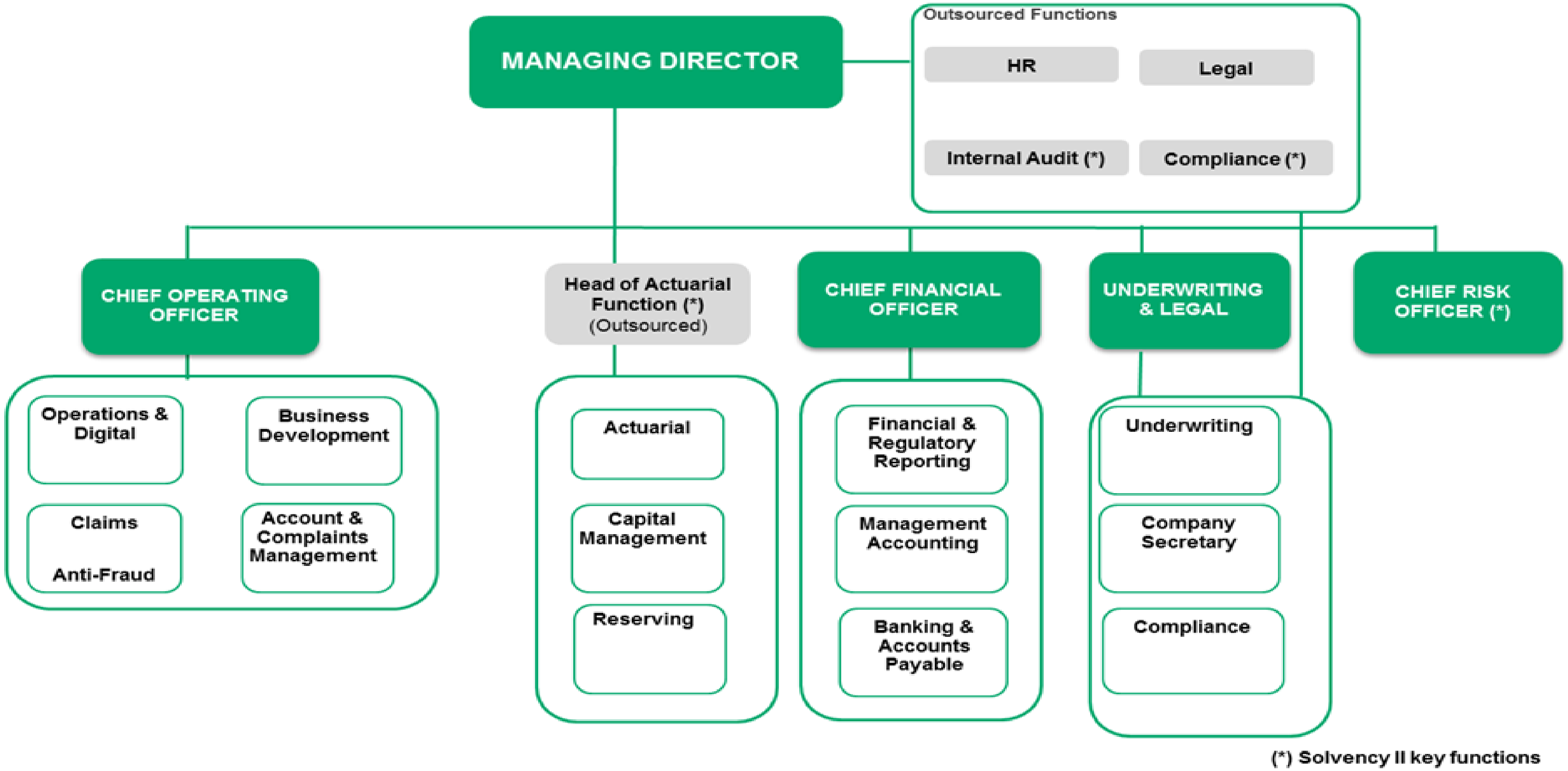
E.6. Any other information

There is no other material information regarding the capital management of Greenval that has not been disclosed in section E above.

Refer to the appendix 2 to this report for the following quantitative reporting templates:

- S.23.01.01 – Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

APPENDIX 1 – GREENVAL ORGANISATION CHART



APPENDIX 2 – QUANTITATIVE REPORTING TEMPLATES
All amounts expressed in €'000

S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipement held for own use	**R0060**	-
Investments (other than assets held for index-linked and unit-linked	**R0070**	68,858
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	40,099
Government Bonds	**R0140**	8,530
Corporate Bonds	**R0150**	23,573
Structured notes	**R0160**	7,995
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	24,637
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	4,123
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**	4,359
Non-life and health similar to non-life	**R0280**	4,359
Non-life excluding health	**R0290**	5,123
Health similar to non-life	**R0300**	(764)
Life and health similar to life, excluding health and index-linked and unit-	**R0310**	-
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	-
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	10,271
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	137
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not	**R0400**	-
Cash and cash equivalents	**R0410**	28,364
Any other assets, not elsewhere shown	**R0420**	1,801
Total assets	**R0500**	**113,790**

S.02.01.02
Balance sheet

Liabilities		Solvency II value C0010
Technical provisions – non-life	**R0510**	59,377
Technical provisions – non-life (excluding health)	**R0520**	60,746
TP calculated as a whole	**R0530**	-
Best Estimate	**R0540**	56,660
Risk margin	**R0550**	4,086
Technical provisions - health (similar to non-life)	**R0560**	(1,369)
TP calculated as a whole	**R0570**	-
Best Estimate	**R0580**	(1,445)
Risk margin	**R0590**	75
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	-
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**	-
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**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	272
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	5,669
Reinsurance payables	**R0830**	1,596
Payables (trade, not insurance)	**R0840**	4,658
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	1
Total liabilities	**R0900**	**71,573**
Excess of assets over liabilities	**R1000**	**42,217**

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**	4,872	-	-	41,899	30,106	-	-	-	-
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	4,515	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	-	-	-	5,714	782	-	-	-	-
Net	**R0200**	**4,872**	**-**	**-**	**40,699**	**29,324**	**-**	**-**	**-**	**-**
Premiums earned										
Gross - Direct Business	**R0210**	4,848	-	-	41,306	29,912	-	-	-	-
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	3,272	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	-	-	-	5,714	782	-	-	-	-
Net	**R0300**	**4,848**	**-**	**-**	**38,863**	**29,130**	**-**	**-**	**-**	**-**
Claims incurred										
Gross - Direct Business	**R0310**	(224)	-	-	25,455	23,178	-	-	-	-
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	3,183	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	-	-	-	255	(21)	-	-	-	-
Net	**R0400**	**(224)**	**-**	**-**	**28,893**	**23,157**	**-**	**-**	**-**	**-**
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**	**790**	**-**	**-**	**8,799**	**4,627**	**-**	**-**	**-**	**-**
Other expenses	**R1200**									
Total expenses	**R1300**									

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	121	-	1,039					**78,037**
Gross - Proportional reinsurance accepted	**R0120**	-	-	-					**4,515**
Gross - Non-proportional reinsurance accepted	**R0130**				-	25	-	-	**25**
Reinsurers' share	**R0140**	-	-	-	-	-	-	-	**6,497**
Net	**R0200**	**121**	**-**	**1,039**	**-**	**25**	**-**	**-**	**76,080**
Premiums earned									
Gross - Direct Business	**R0210**	121	-	1,039					**77,224**
Gross - Proportional reinsurance accepted	**R0220**	-	-	-					**3,272**
Gross - Non-proportional reinsurance accepted	**R0230**				-	311	-	-	**311**
Reinsurers' share	**R0240**	-	-	-	-	-	-	-	**6,497**
Net	**R0300**	**121**	**-**	**1,039**	**-**	**311**	**-**	**-**	**74,310**
Claims incurred									
Gross - Direct Business	**R0310**	-	-	62					**48,471**
Gross - Proportional reinsurance accepted	**R0320**	-	-	-					**3,182**
Gross - Non-proportional reinsurance accepted	**R0330**				-	43	-	-	**43**
Reinsurers' share	**R0340**	-	-	-	-	26	-	-	**260**
Net	**R0400**	**-**	**-**	**62**	**-**	**70**	**-**	**-**	**51,957**
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**	**19**	**-**	**231**	**-**	**2**	**-**	**-**	**14,469**
Other expenses	**R1200**								**-**
Total expenses	**R1300**								**14,469**

S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		FR	NL	BE	PL	IT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**	-	31,973	14,051	11,631	11,260	401	**69,316**
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-	-	3,027	**3,027**
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	-	-	-	25	**25**
Reinsurers' share	**R0140**	-	2,750	700	1,407	321	395	**5,573**
Net	**R0200**	**-**	**29,223**	**13,351**	**10,224**	**10,939**	**3,058**	**66,795**
Premiums earned								
Gross - Direct Business	**R0210**	-	31,679	13,914	11,631	11,192	289	**68,705**
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-	-	1,996	**1,996**
Gross - Non-proportional reinsurance accepted	**R0230**	-	-	-	-	-	311	**311**
Reinsurers' share	**R0240**	-	2,750	700	1,407	321	395	**5,573**
Net	**R0300**	**-**	**28,929**	**13,214**	**10,224**	**10,871**	**2,201**	**65,439**
Claims incurred								
Gross - Direct Business	**R0310**	-	24,131	6,478	7,829	5,964	(1,825)	**42,577**
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-	-	2,414	**2,414**
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	-	-	-	43	**43**
Reinsurers' share	**R0340**	-	(12)	(271)	(478)	-	(26)	**(787)**
Net	**R0400**	**-**	**24,143**	**6,749**	**8,307**	**5,964**	**658**	**45,821**
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**	**-**	**6,551**	**1,977**	**1,901**	**1,638**	**666**	**12,733**
Other expenses	**R1200**							**-**
Total expenses	**R1300**							**12,733**

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	(2,364)	-	-	1,853	(740)	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	(764)	-	-	(981)	(76)	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**	**(1,600)**	**-**	**-**	**2,834**	**(666)**	**-**	**-**	**-**	**-**
Claims provisions										
Gross	**R0160**	919	-	-	49,140	5,042	-	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	5,310	-	-	-	-	-
Net Best Estimate of Claims Provisions	**R0250**	**919**	**-**	**-**	**43,828**	**5,042**	**-**	**-**	**-**	**-**
Total Best estimate - gross	**R0260**	**(1,445)**	**-**	**-**	**50,993**	**4,302**	**-**	**-**	**-**	**-**
Total Best estimate - net	**R0270**	**(681)**	**-**	**-**	**46,664**	**4,378**	**-**	**-**	**-**	**-**
Risk margin	**R0280**	**76**	**-**	**-**	**3,599**	**415**	**-**	**-**	**-**	**-**
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**	(1,369)	-	-	54,592	4,717	-	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	(764)	-	-	4,329	(76)	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	(605)	-	-	50,263	4,793	-	-	-	-

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	-	-	(393)	-	-	-	-	**(1,646)**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	**(1,821)**
Net Best Estimate of Premium Provisions	**R0150**	**-**	**-**	**(393)**	**-**	**-**	**-**	**-**	**175**
Claims provisions									
Gross	**R0160**	-	-	580	-	1,179	-	-	**56,860**
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	870	-	-	**6,180**
Net Best Estimate of Claims Provisions	**R0250**	**-**	**-**	**580**	**-**	**309**	**-**	**-**	**50,678**
Total Best estimate - gross	**R0260**	**-**	**-**	**187**	**-**	**1,179**	**-**	**-**	**55,215**
Total Best estimate - net	**R0270**	**-**	**-**	**187**	**-**	**309**	**-**	**-**	**50,855**
Risk margin	**R0280**	**-**	**-**	**48**	**-**	**24**	**-**	**-**	**4,161**
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**	-	-	234	-	1,203	-	-	**59,377**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	870	-	-	**4,359**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-	-	234	-	333	-	-	**55,017**

S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	1

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

	Year	**Development year 0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**		**In Current year**	**Sum of years (cumulative)**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**		**C0170**	**C0180**
Prior	**R0100**											-	**R0100**	-	-
N-9	**R0160**	22	14	1	(1)	-	-	-	(4)	-	(1)		**R0160**	(1)	31
N-8	**R0170**	1,127	581	3	37	20	66	167	-	50			**R0170**	50	2,051
N-7	**R0180**	5,110	1,145	397	276	315	675	196	(12)				**R0180**	(12)	8,102
N-6	**R0190**	8,266	3,274	578	222	(36)	419	646					**R0190**	646	13,369
N-5	**R0200**	12,482	5,461	1,546	442	505	1,651						**R0200**	1,651	22,087
N-4	**R0210**	14,871	7,407	1,843	313	696							**R0210**	696	25,130
N-3	**R0220**	19,654	6,165	739	586								**R0220**	586	27,144
N-2	**R0230**	22,037	7,821	2,569									**R0230**	2,569	32,427
N-1	**R0240**	24,432	10,721										**R0240**	10,721	35,153
N	**R0250**	31,631											**R0250**	31,631	31,631
												Total	**R0260**	**48,537**	**197,125**

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	**Development year 0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**		**Year end (discounted data)**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**		**C0360**
Prior	**R0100**											-	**R0100**	-
N-9	**R0160**	-	-	-	-	-	-	-	-	-	-		**R0160**	-
N-8	**R0170**	-	-	-	-	-	-	-	-	4			**R0170**	4
N-7	**R0180**	-	-	-	-	-	-	-	380				**R0180**	379
N-6	**R0190**	-	-	-	-	-	-	241					**R0190**	240
N-5	**R0200**	-	-	-	-	-	2,537						**R0200**	2,532
N-4	**R0210**	-	-	-	-	2,521							**R0210**	2,516
N-3	**R0220**	-	-	-	2,371								**R0220**	2,367
N-2	**R0230**	-	-	4,562									**R0230**	4,553
N-1	**R0240**	-	14,675										**R0240**	14,641
N	**R0250**	29,807											**R0250**	29,627
												Total	**R0260**	**56,859**

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	22,000	22,000		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Iinitial 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	10,217	10,217			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	10,000	10,000	-	-	-
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	**42,217**	**42,217**	-	-	
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	42,217	42,217	-	-	-
Total available own funds to meet the MCR	R0510	42,217	42,217	-	-	
Total eligible own funds to meet the SCR	R0540	42,217	42,217	-	-	-
Total eligible own funds to meet the MCR	R0550	42,217	42,217	-	-	
SCR	R0580	**29,526**				
MCR	R0600	**10,616**				
Ratio of Eligible own funds to SCR	R0620	1.430				
Ratio of Eligible own funds to MCR	R0640	3.977				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	42,217	
Own shares (held directly and indirectly)	R0710	-	
Foreseeable dividends, distributions and charges	R0720	-	
Other basic own fund items	R0730	32,000	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-	
Reconciliation reserve	R0760	**10,217**	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	-	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	(176)	
Total Expected profits included in future premiums (EPIFP)	R0790	(176)	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	9,778		-
Counterparty default risk	R0020	3,517		
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	3,218	-	-
Non-life underwriting risk	R0050	24,769	-	-
Diversification	R0060	(9,998)		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	**31,283**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,461
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(4,218)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	**29,526**
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	**29,526**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	10,616

		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	(681)	4,782
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	46,664	39,253
Other motor insurance and proportional reinsurance	R0060	4,378	29,311
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	187	1,039
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	309	135
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	-

		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**		-

Overall MCR calculation

		C0070
Linear MCR	**R0300**	10,616
SCR	**R0310**	29,526
MCR cap	**R0320**	13,287
MCR floor	**R0330**	7,382
Combined MCR	**R0340**	10,616
Absolute floor of the MCR	**R0350**	3,700
		C0070
Minimum Capital Requirement	**R0400**	**10,616**