Acasta European Insurance Company Limited
Focus Holdings (Gibraltar) Limited

Solvency and Financial Condition Report

For year ended 31 December 2023

Contents

Executive Summary

2023 HIGHLIGHTS
• Group Solvency Capital Requirement coverage of 157% (2022: 155%) • AEICL Solvency Capital Requirement coverage of 156% (2022: 154%) • SCR% has been within risk tolerance (140% to 170%) throughout 2023 • No additional capital required during 2023 • AEICL gross written premium increased to £36.1m (2022: £31.8m) • AEICL profit before tax of £3.6m (2022: £2.7m) • Maintained a strong reinsurance programme with A rated reinsurers

This report relates to the Group, which is made up of Focus Holdings (Gibraltar) Limited ('FHGL' or 'the Group'), an insurance holding company, and Acasta European Insurance Company Limited ('AEICL' or 'the Company'). AEICL is a 100% subsidiary of FHGL. The purpose of this report is to satisfy the Solvency II public disclosure requirements. The elements of the disclosure relate to business and performance, system of governance, risk profile, valuation for solvency purposes and capital management. The Company's main service provider is Acasta Europe Limited ('AEL'), which is an UK based intermediary authorised and regulated by the Financial Conduct Authority. AEICL distributes business through a range of intermediaries.

In previous SFCR reports, the Company highlighted a number of strategic decisions to withdraw from certain lines of business. This included putting all EU business into run-off and to stop writing After the Event (ATE) and Commercial After the Event (CATE) business. In addition, the Company has not written any new General Liability business since 2020. During 2022 the Company decided to withdraw from UK Surety business.

To improve the transparency of this report, the Company is classifying Miscellaneous Finance Loss, Property and Assistance as continuing business (new business is being written) and Legal Expenses, Suretyship and General Liability as discontinued business (no new business is being written).

The Group net profit before tax for 2023 was £3.5m (2022: £2.9m). The solvency position of the Group remained stable, increasing by 2% to 157%. No additional capital was required during 2023.

The Group's continuing business has maintained a strong performance during 2023, reporting a net technical income before operating expenses of £8.2m (2022: £7.6m). The performance of the continuing business was partially offset by the performance of the discontinued business, which reported a net technical income before operating expenses of £1.6m (2022: £(0.5)m).

During 2023 the Company continued to invest in its infrastructure, with enhancements to the bespoke underwriting system, improvements in its internal resources and further updates to internal processes and procedures.

Overall, the Company has continued its focus on sustained, controlled and profitable growth with continued improvements over recent years with respect to underwriting and pricing, systems, people and governance.

The Boards are committed to ensuring that the Group's business is always managed in a risk-focused manner. The risk management philosophy is an integral part of the business culture and the decision-making processes and drives the way in which the Group seeks to achieve its objectives. The implementation of a new risk management system in 2023 supports the Boards' commitment in this area. The governance and risk frameworks are detailed in this report.

On behalf of the Boards **Date: 17 May 2024**
Focus Holdings (Gibraltar) Limited
Acasta European Insurance Company Limited

A. Business and Performance

1. Business

1.1. This report relates to Focus Holdings (Gibraltar) Limited (‘FHGL’) and Acasta European Insurance Company Limited (‘AEICL’ or ‘the Company’). AEICL is an insurance Company licensed in Gibraltar and limited by shares.

1.2. FHGL is a non-regulated holding company domiciled in Gibraltar. Group supervision is carried out by AEICL’s regulator:

Gibraltar Financial Services Commission
PO Box 940
Suite 3, Atlantic Suites
Gibraltar
Tel: +350 200 40283
www.fsc.gi

1.3. FHGL’s and AEICL’s external auditor is:

RSM Gibraltar Limited
21 Engineer Lane
Gibraltar
GX11 1AA
https://www.rsm.global/gibraltar

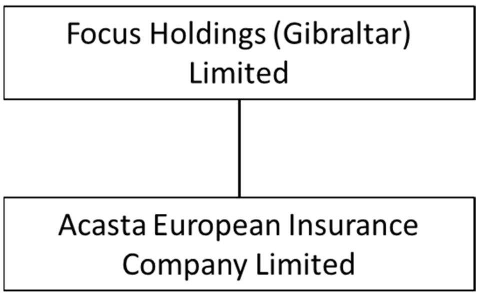
FHGL and AEICL prepare their audited financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar (‘GAAP’).

1.4. FHGL shareholders with qualifying holdings at 31 December 2023:

Peter Done
Lea Done-Jackson
Nicola Done-Orrell

AEICL is 100% owned by Focus Holdings (Gibraltar) Limited.

1.5. The FHGL structure is shown below:



1.6. The Company conducts insurance business across several licence classes in multiple territories and in several different currencies. The table below shows the business licence by class for the year to December 2023:

Class	Type of insurance business	Jurisdiction
1	Accident	France, UK
2	Sickness	France, UK
8	Fire and Natural Forces	UK
9	Damage to Property	France, Poland, UK
13	General Liability	France, Ireland, UK
15	Suretyship	France, Ireland, UK
16	Miscellaneous Financial Loss	Czech Republic, France, Ireland, Poland, UK, Australia
17	Legal Expenses	France, Ireland, Poland, UK
18	Assistance	Poland, UK

All EU business was put into run-off during 2020. Where continuing claims handling was not permitted by the host state policies were cancelled or the policies were left to expire and not renewed.

1.7. The material undertaking in the Group is AEICL, as FHGL is solely a holding company. AEICL's results and net assets are as follows:

Undertaking	Profit/(Loss) after Tax £m		Total Assets £m		Net Assets £m	
	2023	2022	2023	2022	2023	2022
AEICL	3.4	2.4	138.5	134.1	30.0	27.3

1.7.1. FHGL is a non-trading insurance holding company.

1.7.2. AEICL's source of profit is from underwriting activities and investment income which is explained in further detail in this report.

2. Underwriting Performance

2.1. The Company reported a balance on the technical account of £1.5m for 2023 (2022: £2.4m).

2.2. Total gross written premiums for 2023 increased by £4.3m to £36.1m (2021: £31.8m). The movements are shown in the tables below.

2.3. The classification by line of business and geographical area for 2023 and 2022 is shown in the tables below. The negative premiums are a function of cancellations being greater than written premiums.

2023	Property	General Liability	Suretyship	Miscellaneous Financial Loss	Legal Expenses	Assistance	Total
Territory	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Australia							0
Czech Republic							0
France	12	0	0	0	0	0	13
Ireland	0	-9	0	4	0	0	-5
United Kingdom	1,966	263	36	33,928	-78	0	36,116
Total	1,978	254	36	33,932	-78	0	36,124

2022	Property	General Liability	Suretyship	Miscellaneous Financial Loss	Legal Expenses	Assistance	Total
Territory	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Australia							
Austria							
Belgium							
Czech Republic	0	0	0	0	0	0	0
France	0	0	0	59	0	0	59
Germany							
Hungary							
Ireland	(1)	0	0	166	0	0	165
Poland	0	0	0	0	0	0	0
Slovakia							
Spain							
United Kingdom	2,961	186	1,254	27,024	144	1	31,570
Total	**2,960**	**186**	**1,254**	**27,248**	**144**	**1**	**31,793**

2.4. Overall, Miscellaneous Financial Loss premium, which includes GAP, Warranty and Excess Protection, increased by £6.7m to £33.9m (2022: £27.2m).

2.5. GAP premium decreased by £8.1m to £11.3m (2022: £19.4m).

2.6. Warranty premium total increased by £14.6m to £21.2m (2022: £6.6m). Brown and White Warranty increased by £0.2m to £0.9m (2022: £0.7m), Furniture Warranty decreased by £0.1m to £2.4m (2022: £2.5m) and Motor Warranty increased by £14.4m to £17.8m (2022: £3.4m).

2.7. Property premium decreased by £1.0m to £2.0m (2022: £3.0m).

2.8. The Legal Expenses business has been in run-off since 2020. The experienced AEL team have been retained through a third party to manage the Commercial ATE policies to their conclusion. Another third party has been engaged to manage the run-off of the ATE policies.

2.9. Stability in the Company's overall loss ratios for the continued business was evidenced in the year-end external review of best estimates. This is shown in the table in 2.12. The Company's policy continues to be to use at least the external actuary's reserve best estimates in the management accounts and solvency calculations.

2.10. The Company experienced further deterioration in its discontinued business. Adverse development of General Liability and Legal Expenses was partially offset by favourable development for the Suretyship business.

2.11. The table below shows the performance of the continuing and the discontinued business for 2023 and 2022:

2023	Continuing Business				Discontinued Business				
	Property	Miscellaneous Loss	Assistance	Total	Suretyship	General liability	Legal expenses	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross written premium	1,985	34,197	-	**36,182**	36	(17)	(78)	(58)	**36,124**
Net earned premium	1,281	16,322	-	**17,604**	2,150	123	(68)	2,206	**19,810**
Technical account before operating expenses	168	8,015	-	**8,183**	2,903	(3,147)	(1,384)	(1,629)	**6,554**

2022	Continuing Business				Discontinued Business				
	Property	Miscellaneous Loss	Assistance	Total	Suretyship	General liability	Legal expenses	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross written premium	2,962	27,433	-	**30,395**	1,254	-	144	**1,398**	**31,793**
Net earned premium	1,250	17,842	-	**19,092**	305	100	(271)	**134**	**19,226**
Technical account before operating expenses	(127)	7,695	-	**7,568**	(473)	(982)	998	**(457)**	**7,111**

2.12. In order to manage its solvency position the Company continues to operate with the benefit of quota share reinsurance arrangements, using reinsurers rated at least A-, including Swiss Re, Ocean Re and Builders Re. Under the terms of the agreements the Company is entitled to receive various commissions and fees, including placement fees, reinsurance commission and profit commission.

3. Investment Performance

3.1 FHGL's investments comprise the equity holdings in AEICL. AEICL engages Barclays as an external investment manager. They manage the investments in accordance with the Company's investment risk appetite. A summary of the type of investments and their performance is shown below:

2023	Net investment income £	Net realised gains and losses £	Changes in fair value £	Impairment £	Net investment result £
Rental income	27,983	-	-	-	27,983
Debt securities	2,017,863	(138,374)	642,040	-	2,521,529
Other investment expenses	(91,119)	-	-	-	(91,119)
	1,954,727	(138,374)	642,040		2,458,393

2022	Net investment income £	Net realised gains and losses £	Changes in fair value £	Impairment £	Net investment result £
Rental income	31,012	-	-	-	31,012
Debt securities	637,388	2,240	(947,223)	-	(307,595)
Derivatives	-	5,355	(22,645)	-	(17,290)
Other investment expenses	(57,185)	-	-	-	(57,185)
	611,215	7,595	(969,868)	-	(351,058)

3.2 The Company recorded a foreign exchange loss of £(0.1)m (2022: £0.1m).

4. Performance of Other Activities

4.1. The summary profit and loss account for the Company for 2023 and 2022 is shown below:

Profit and loss account	**2023** £	**2022** £
Technical income	6,566,826	7,045,392
Net operating expenses	(5,110,510)	(4,646,418)
Balance on the technical account	**1,456,316**	**2,398,974**
Net investment income/(expense)	2,458,393	(351,058)
Other (expense)/income	(311,080)	1,044,087
Profit before tax	**3,603,629**	**2,724,251**
Taxation	(216,212)	399,876
Profit/(loss) for the financial year	**3,387,417**	**2,354,088**

4.2. During 2020 and 2021 the Company invested in a bespoke underwriting system which became operational in Q4 2021. Further enhancements and capabilities have been added in 2022 and 2023, including a fully functional sales platform with API integration and a claims handling system which has been implemented to provide a smoother claims handling process.

5. Any Other Information

5.1. The Company recognises the risk of inflation affecting its claims costs and monitors this carefully. The external actuary also provides an opinion on the potential effect of inflation as part of the biannual reserve review and, where appropriate, estimated ultimate loss ratios take inflation into account.

5.2 During early 2024 the UK FCA raised concerns with the insurance market over the design of GAP insurance products which resulted in the majority of UK GAP insurers, including AEICL, ceasing to write GAP business. The Company is working closely with the FCA to address their concerns. The Company has no short- or medium-term concerns about the impact on the business.

B. System of Governance

1. General Information on System of Governance

FHGL
Governance requirements are largely set by regulatory and legal requirements and oversight of AEICL is provided by the three FHGL directors on the AEICL Board. FHGL has no Committees or employees.

No dividends were paid to the shareholders during the period.

The FHGL Board of Directors comprises two executive directors and one non-executive director. Directors are either not remunerated or remunerated through service agreements held by AEICL.

At 31 December 2023 the Directors of FHGL were:

- Michael Gallagher - Executive Officer
- Ruth Mathews - Executive Director
- Michael Truran –Non-Executive Director

AEICL

Board and Committee Structure

AEICL carries out its functions via the Board of Directors, three Committees and carefully selected, experienced, outsourced service providers.

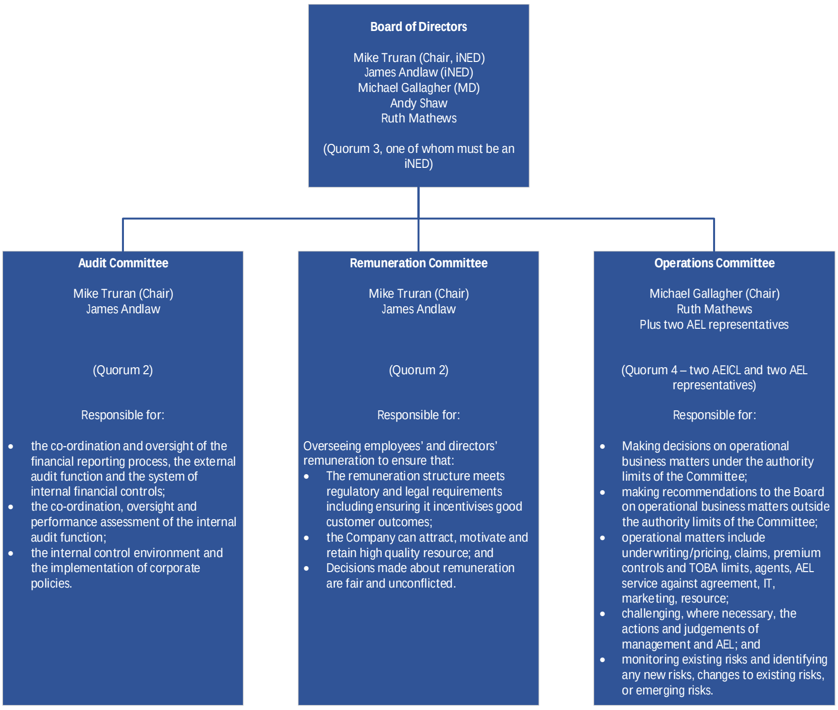
At 31 December 2023 the Directors of AEICL were:

- Michael Gallagher - Chief Executive Officer
- Ruth Mathews - Executive Director
- Andrew Shaw – Executive Director
- Michael Truran – Chair and Independent Non-Executive Director
- James Andlaw – Independent Non-Executive Director

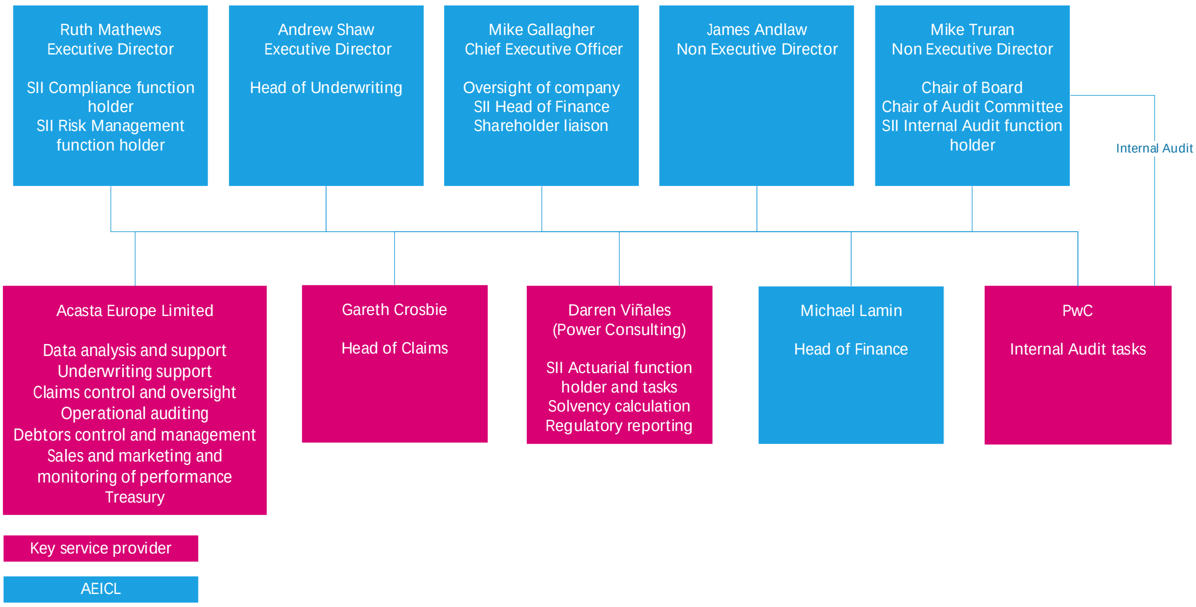
The Company's Board and Committee structure is set out below.

Terms of reference describe the purpose, responsibilities, membership and authority delegated from the Board to the Committees and held by the Board. Relevant attendees are invited to the Committees as determined by the Committees.

Board and Committee Structure at 31 December 2023



Roles and Responsibilities at 31 December 2023



Material Intra-Group Transactions

There have been no material intra-group transactions.

Fit and Proper Requirements

It is the responsibility of the Company Board to ensure that the individuals managing the business or fulfilling key functions have the appropriate knowledge and skills to do so. The Board ensures that it and all persons in a position of influence over the Company demonstrate and continuously act with honesty, integrity and professionalism and do not pose a risk to key stakeholders.

AEICL has fit and proper policies and procedures which detail the controls around ensuring that the Company and the key individuals associated with it are fit and proper.

To ensure the Board meets fit and proper requirements the Board must have the appropriate mix of executive and non-executive directors, and the appropriate mix of skills and experience (composition). The Board reviews its composition at least annually, or if a new appointment or replacement is being considered, to verify and demonstrate that the Board's skills encompass all areas of the business and particularly that the non-executive directors have sufficient technical knowledge and multiple skills to be able to effectively challenge the executive functions.

Evaluation of fit and proper status is made on the appointment of a director and an attestation of continued propriety is obtained on an annual basis.

The Company aims to instil a culture with strong communication and complete transparency between the directors and with all stakeholders to facilitate challenge.

The compliance function is responsible for ensuring that appropriate notification documents are prepared for all individuals carrying out regulated functions and submitted for regulatory approval.

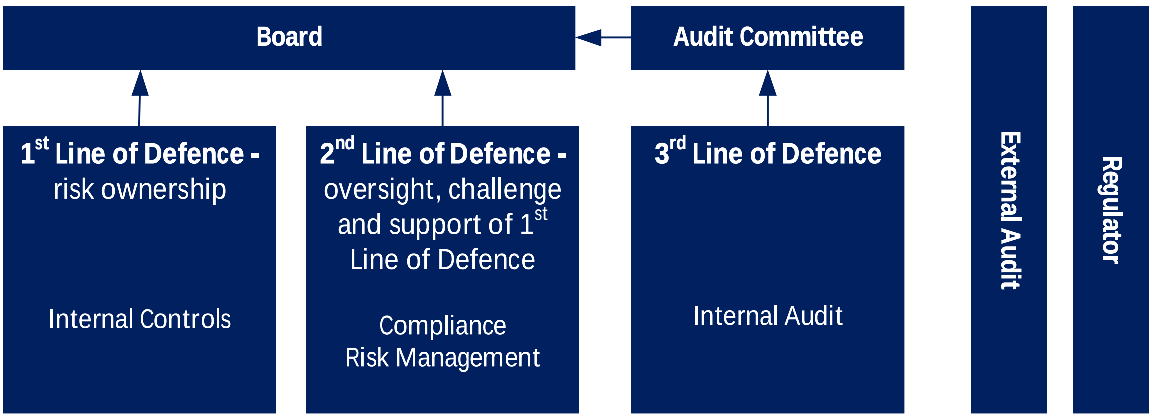
2 Risk Management System including Own Risk and Solvency Assessment ('ORSA')

AEICL recognises the importance of risk management; risk management is at the heart of its internal control system and therefore is key to the business meeting its objectives. This Risk Management Framework ('the Framework') describes how risk management is used by and embedded into the business, and is integrated into decision making.

The Framework:

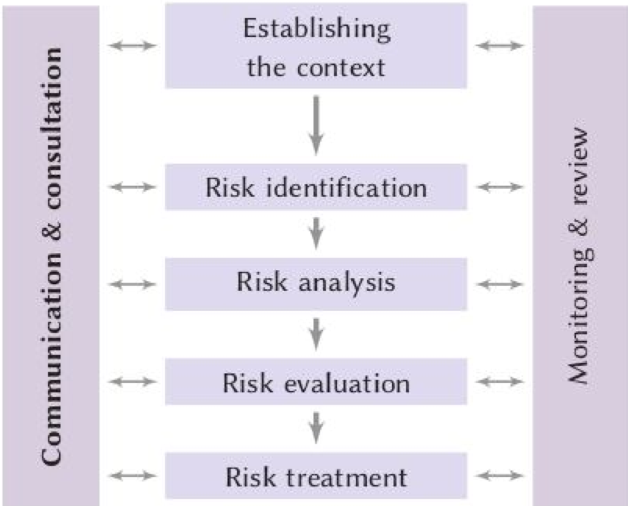
- sets the architecture for the Company's risk management activities including strategy, risk appetite, governance and reporting structure within the business;
- outlines the Company's Risk Management Policy; and
- describes the procedures the Company uses to identify, measure, manage, monitor, record and report on significant risks.

Risk management is integrated into the Company's 'three lines of defence' control model as follows:



Risk management is key for determining, implementing, monitoring and evaluating the internal controls that the Company has in place to manage its risks.

The Company has adopted an approach to risk management which aligns with ISO 13001, the international standard for risk management. This structure is outlined by the diagram below:



The stages of risk management are recorded on the risk and control registers, which are then utilised to monitor and review risks and controls by risk owners and the Board. Risks are reviewed on an at least quarterly basis. Risk identification includes considering emerging risks, and these are recorded on and monitored via a separate register.

In early 2023 the Company implemented Protecht, a risk management software system, on which the the risk, control and emerging risk registers are recorded and maintained. The system facilitates a dynamic approach to risk and greater ownership of risk and controls by individual owners, supporting a risk culture. Control attestations are also managed through the system providing second-line assurance that controls are functioning and effective.

Risk appetites and tolerances are set by the Board where relevant for the risk, and the risk profile of the business is monitored against these and reported to the Board on a quarterly basis. Management takes action where the risk lies outside of appetite or tolerance, or is trending towards a breach.

Ultimately the Board is responsible for the function and for embedding risk management into the business, with a Head of Risk Management ('HoRM') overseeing the day-to-day function of risk management on its behalf. The Board-approved terms of reference for the risk management function define its purpose, role, authority and responsibilities.

The reporting structure is very flat, with the HoRM reporting directly to the Board on a quarterly basis.

One of the key strategic objectives of the Company is to maintain adequate capital from a regulatory perspective and to protect policyholders' interests. The Own Risk Solvency Assessment ('ORSA') enables the Board to assess its capital needs on a forward-looking basis across its business planning horizon, and is a key component of the Company's risk management framework.

While the Risk Register focuses on risks from a bottom-up viewpoint, the ORSA takes a top-down approach, linking business objectives, business risks, business planning and capital planning. The results of the ORSA also provide feedback into the risk management process, ensuring that all risks identified are incorporated into the assessment, management, monitoring and reporting cycle.

The assessment is conducted at a Group level. However, since the Company is the only trading entity in the Group, with very little risk exposure in Focus Holdings (Gibraltar) Limited ('FHGL'), the ORSA centres on AEICL. The risk management function is responsible for coordinating the ORSA.

The ORSA's main purpose is to ensure that the Company engages in the process of assessing all the risks inherent to its business and determines the corresponding capital needs, or identifies other means needed to mitigate these risks. It also explores the impact of stresses and scenarios on the Company to inform business decisions and facilitate the protection of policyholders. The ORSA aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term future and that all items of own funds comply with the relevant rules, regulations and legislation.

Each time an ORSA is completed and approved by the Board it is communicated to relevant staff, and a supervisory report is also prepared each time an ORSA is performed. It is completed on an at least annual basis, or if there are any material changes to the Company's risk profile or business plan.

3 Internal Control System

FHGL

Internal controls are implemented at a level proportionate to the business, and are driven by regulatory and legal requirements, largely being reporting and accounting controls to enable the monitoring of the business. FHGL is subject to statutory audit which independently reviews its internal control system.

AEICL

AEICL has in place internal controls to manage risk and increase the likelihood that its objectives and goals will be achieved. Risk management and adherence to internal controls are an integral part of the business culture.

As well as being a key risk response, internal controls are also part of the compliance framework, being the first line of defence in the 'three lines of defence' model that the Company continues to develop.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system; however, responsibility for adherence to internal controls rests with all individuals involved in the business.

The Company has implemented policies which describe the Board's approach to key areas of the business and procedures where appropriate which describe how the Board fulfils its policies and manages its key risks. In essence, they document the internal controls that the Company has in place.

Policies are reviewed at least annually to ensure that they remain accurate and fit for purpose. Each relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. As with the policies, they are reviewed at least annually.

Compliance Function

The Head of Compliance ('HoC') is responsible for the completion of compliance tasks and has direct access to the Board.

The compliance function is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficacy through the compliance monitoring programme. The HoC reports to the Board at each meeting and provides advice to the business when requested.

The compliance function also liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Board supports the compliance function and makes available such resources as are necessary, and provides access to all relevant documentation and information from the business for the compliance function to fulfil its aims.

4 Internal Audit Function

Internal audit exists to provide the Company with independent assessments of the quality of internal controls and administrative processes and to provide recommendations and suggestions for continuous improvement. It provides advisory services to management, conducts investigations on an ad hoc basis as requested by management, and has responsibility for assisting in the development and operation of the risk management framework.

The Board-appointed Head of Internal Audit ('HoIA') has responsibility for the internal audit function and reports into the Audit Committee ('AC'). Internal audit tasks are outsourced to a third-party provider selected by the AC. PricewaterhouseCoopers ('PwC') have been engaged as internal auditors for AEICL. The results of PwC's audits are reviewed by the AC. The HoIA also has responsibility for co-ordinating this outsourcing and challenging the results.

The third-party provider prepares an internal audit plan for the following year which is based on a three-year plan and is developed using a risk-based approach to prioritise high risk areas and the extent and frequency of audits. The plan is approved by the AC and provided to the Board for information. The plan is subject to change throughout the year depending on the business and changing risk environment.

Audit reports are produced after each internal audit and provided to the AC with management responses for review. Any actions arising from the audits are monitored to completion by the AC.

Internal audits are conducted by appropriately skilled, experienced and independent persons to carry out the audit to the AC's standards.

To carry out its work effectively and to retain integrity of the function, internal audit acts independently of line management. The HoIA is also the Chair of the AC and is responsible for the planning, management and performance of internal audit. The AC consists of two Non-Executive Directors.

The AC provides a quarterly written or verbal report to the Board. Additional AC meetings are held when necessary and a report of these meetings is provided to the Board.

Internal audit reports may be requested by appointed external auditors.

5 Actuarial Function

The Company engages an actuary who is appointed as Head of Actuarial Function. The actuarial function is responsible for:

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;
h) contributing to the effective implementation of the risk management system.

Each of these activities is undertaken on at least an annual basis and the outcome reported to the Board in an internal actuarial report.

The Company engaged an external actuarial firm to conduct the half year and full year independent actuarial review of reserves.

6 Outsourcing

Outsourcing is the use of a third party to perform activities on a continuing basis that would normally be undertaken by the Company. The third party to whom an activity is outsourced is a 'service provider'.

AEICL considers outsourcing where it believes that there is an advantage to the Company and customer by using a service provider, e.g. access to a specialist resource, provision of services in the same jurisdiction as the customer and cost benefits.

The Board ensures that an outsourcing arrangement does not diminish the ability of the Company to fulfil its obligations to its customers or regulator, nor impede effective supervision by its Regulator.

Fundamental responsibilities such as the setting of strategies and policies, oversight of the operation of the Company's processes, and the final responsibility for customers are not outsourced.

<u>FHGL</u>
FHGL is a holding company and has no operational activity. AEICL provides support to FHGL, primarily consisting of the provision of accounting and company secretarial services.

<u>AEICL</u>
AEICL is reliant on a number of material service providers. Due to the risk this presents, AEICL has an outsourcing policy which describes how it takes the decision to outsource, how a service provider is selected, and how the relationship is defined, managed and monitored. The Company takes a risk-based approach to all these activities.

The key outsourced service providers used by AEICL along with the services currently provided are: -

Material Service Providers in the Reporting Period:

Service Provider	Service Provided	Jurisdiction Located
Acasta Europe Limited (AEL)	Treasury Data analysis and support Underwriting support Claims control and oversight Operational auditing Debtor control and management Sales and marketing and monitoring of performance	United Kingdom
Robus Risk Services (Gibraltar) Limited	Accounting support	Gibraltar
CTC Limited (ceased using in Q4 2023)	Provides, hosts and develops the policy administration system for ATE business (in run-off)	United Kingdom
Power Consulting Limited	SII actuarial function holder and tasks, solvency calculations, regulatory reporting, business planning support	Gibraltar
Pecometer	Hosts and develops the underwriting system	United Kingdom
PwC Gibraltar Limited	Internal audit	Gibraltar
J Safra Sarasin	Investment management	Gibraltar
Barclays Bank plc	Investment management	United Kingdom
HR Space	Human resources services	Gibraltar
Various	Claims handling and policy administration outsourced under terms of business agreements to local agents	Czech Republic, France, Ireland, Poland, UK
Fiscal representatives	Local tax collection/reporting within a jurisdiction	France

7 Adequacy of the System of Governance

The Group aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated and recommendations made to the Board(s) regarding enhancing and developing the systems. This includes the outcomes from compliance monitoring programmes, root cause analysis from complaints, breaches and risk events, and incremental development as the systems mature. It also considers relevant industry advice and guidelines, for example the UK Financial Reporting Council's corporate governance code, implementing these as appropriate for the size and complexity of the Company.

Internal audits and external audits provide an independent evaluation of the Company's system of governance. Recommendations from these audits are considered by the Audit committee.

C. Risk Profile

1. Underwriting Risk

AEICL is the only company in the FHGL Group which is exposed to underwriting risk. The Group's underwriting risk is therefore the same as AEICL's.

Underwriting risk is a key risk to AEICL. The core lines of business are GAP, other motor ancillary products, Warranty (Motor, Brown and White Goods and Furniture Warranty) and Wedding.

Following Brexit, EU business was put into run-off from October 2019 in accordance with EIOPA and local regulatory requirements, with no new EU business being written after February 2020. The Company uses external legal advice for any Brexit-related matters to ensure that the Company is managing the run-off appropriately.

After the Event Legal Expenses (ATE) and Commercial ATE business was put into run-off during 2020 and Suretyship business was put into run-off during 2022.

The Company regularly reviews the performance of product lines on a granular basis. Any product or producing agent that returns insufficient premiums and/or profits is examined, and remediation action applied. In some cases, the decision is taken to close an agency or cease to write a particular product.

The Company uses quota share reinsurance with Swiss Re to mitigate its underwriting risk and reduce its solvency requirement. This quota share reinsurance commenced on 1 January 2020 and continues in force across all material lines of business.

The Surety business was subject to an 80% quota share reinsurance from A rated Builders Re for 2021 and 2022.

The Company withdrew from writing French construction business in 2018. The run-off of this business is 100% reinsured with Ocean Re.

Underwriting risk is monitored by the Board and by the head of risk management via the risk management processes. It is assessed and monitored using key indicators such as written premium, claims reserves, loss ratio, claims frequency, administrative costs, and large loss claims details.

The Company sells its insurance through intermediaries, who have been granted limited authority via their terms of business agreements under strict guidelines set by the Board. Intermediaries are monitored by the Board based on management information, and are also subject to audits conducted by AEL on behalf of AEICL to ensure adherence to contractual requirements including delegated underwriting authority parameters. These audits are conducted on a risk assessed basis. The results are reported to the Operations Committee, which may make underwriting and other decisions based on the results.

The Company continually seeks to improve the methodology and granularity for identifying, assessing, managing and reporting on underwriting risk. This process has been further strengthened with the appointment of a Pricing Actuary in AEL to review all new and existing products.

Setting delegated authority limits appropriate to the risk presented, and careful selection and close monitoring of intermediaries and books of business, are AEICL's primary methods of mitigating underwriting risk. The use of quota share and excess of loss reinsurance is also considered on a book by book basis in accordance with risk appetite.

2. Market Risk

FHGL

FHGL has no exposure to market risks as it holds funds in cash only.

AEICL

The Board is responsible for reviewing and monitoring market risk and maximising investment returns within the Company's risk appetites and tolerances. The Company engages an investment manager, Barclays, to provide specialist knowledge and detailed investment analysis and make recommendations to the Board. Barclays operates in accordance with the Company's investment risk appetite and investment guidelines.

AEICL pursues a conservative investment strategy, focused on the preservation of capital. The Company has no investments in equities or investment property, and holds its funds in GBP based investments.

Currency

The Company's non-sterling exposures are in run-off, so the currency risk is expected to decrease over time.

Property

The Company sold both its properties during 2023. Their values were not material to the risk profile, and there is no future exposure to property risk at the year end.

Interest rate

Interest rate risk arises from the effect of changes in interest yield curves on the Company's investment returns versus future payments to be made in respect of claims. Continuing economic uncertainty in the UK and Europe and recent increases in base rates and forecast inflation are expected to lead to an increase in the yield curves.

The Company's exposure to interest rates arises primarily from bond portfolios (as bond values are susceptible to changes in interest rates) and the settlement of future claims (as the discount rates applied to claims settlement projections are affected by interest yield curves).

Interest rate risk is assessed and monitored by the Board. The Company considers the prudent person principle (section 4) in considering the investment assets and how they match to the expected payment profile of the Company's technical liabilities. Maximum duration limits (seven years) are also imposed on conventional fixed income assets in order to ensure that interest rate exposure on the bond portfolio is appropriate, while the property portfolio assists in hedging against longer term changes in the interest rate yield curve. The Board reviews the effectiveness of the mitigating measures, considers how they could be improved, and makes recommendations as appropriate.

Concentration

The Board reviews the investment portfolio and assesses the concentration risk that the Company is exposed to, to ensure that it is within the risk appetite. The concentration exposure arises in respect of positions taken in the Company's bond portfolio, property exposure and counterparties in respect of its cash holdings and reinsurance recoveries.

While the Company is exposed to concentration risk from all of the sources described in the previous paragraph, the concentration risk charge under the standard formula is part of market risk and only takes into account the risk relating to bonds and property exposures. Concentration risk is assessed in respect of exposure to any single name. In respect of properties, concentration exposure is considered where the individual properties are part of the same building. Concentration exposure is calculated based on the proportion of the single name exposure relative to the investment assets as a whole.

The Company diversified its investment portfolio during 2023 with a loan to a property developer. As a result, there is an increase in concentration risk, although the loan is not a significant part of the investment portfolio.

Concentration risk in the bond portfolio is mitigated by limiting exposure to any one single entity the limit depending on the security of the issuer. Concentration risk on property acquisitions is easier to control since the concentration exposure is considered as part of the due diligence on acquisition.

Ongoing monitoring of concentration risk is undertaken by the Board and by the risk management framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures, to ensure the risk remains within risk appetite.

Concentration of counterparties in respect of cash and reinsurance exposures is considered with credit risk in Section 3.

Spread

Spread risk is the sensitivity of the values of investments, primarily bonds and secured loans in respect of the Company, to changes in the level or in the volatility of credit spreads. As credit spreads will typically be narrower for well rated securities than for poorly rated securities (and for short duration rather than long duration securities), the Company considers credit quality limits to the conventional fixed income assets in their investment guidelines to the investment manager.

The investment policy and risk appetites are reviewed regularly to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

Ongoing monitoring of spread risk is undertaken by Board and by the risk management framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures, to ensure the risk remains within risk appetite.

3. Credit Risk

<u>FHGL</u>

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. FHGL is exposed to very low levels of credit risk through amounts held with banks.

<u>AEICL</u>

Key areas where the Company is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;

- amounts held with banks and other financial institutions; and
- amounts due from insurance intermediaries.

Reinsurance and Financial Institutions
All reinsurance and financial counterparties used have a credit rating of at least 'BBB'. The Company partners with a limited number of counterparties, reducing exposure and mitigating contagion risk. On purchasing reinsurance, the Company also considers other ways of mitigating risk such as collateral or funds withheld arrangements.

Reinsurer credit ratings on the current and historical programmes are monitored on an ongoing basis and reported to the Board.

The Board recognises the concentration risk exposures to Swiss Reinsurance Company Limited ("Swiss Re") and Ocean International Reinsurance Company Limited ('Ocean Re'). Both companies are rated at least A- and the Board considers the exposure to be acceptable. The ratings of both companies are monitored as described above.

The Company only uses reinsurance brokers with appropriate experience. All reinsurance contracts are subject to review by the Company's reinsurance brokers. In addition, the performance of all reinsurance contracts is reviewed regularly, including using external legal advice where necessary.

Amounts due from insurance intermediaries
Credit risk arises from the use of insurance intermediaries, as premiums have to be collected from the policyholder and paid to AEICL. Credit risk therefore occurs when the policy has incepted but the policyholder has not yet paid (so the intermediary cannot pay the insurer for time on risk), and when the policyholder has paid and funds are due from the intermediary.

Intermediary credit risk is mitigated by all intermediary relationships being governed by contractual agreements which specify payment terms. AEL closely manages this risk by reviewing intermediaries' performance and amounts owed, and escalating to the Company where necessary. Relationships with intermediaries are subject to coverholder audit and can be terminated if contractual payment terms are not met.

Credit risk is also identified, assessed and monitored by the Board through the risk management framework (see above for further details), which necessitates regular review and evaluation of the mitigation measures in place to ensure the risk remains within risk appetite.

4. Prudent Person Principle

The Group and Company are required to invest the assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the prudent person principle. The prudent person principle states that the assets must be invested in a manner that a prudent person would - that is that the decisions are generally accepted as being sound by an informed person.

Anticipated cash requirements are forecast over a three-year horizon based on the three-year business plan taking into account the liquidity of assets. The bond portfolio is invested in highly liquid securities which, along with the cash and cash equivalents held, are designed to approximate to the nature and duration of the insurance liabilities.

The assets of the Company are distributed as disclosed in Section A3 and transitions based on underlying exposure are detailed in Section D1. There are no material other financial instruments held by FHGL.

5. Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay the obligations when they are due.

FHGL

FHGL has liquid assets only so is not exposed to any liquidity risk.

AEICL

The Board is responsible for monitoring and managing liquidity risk, ensuring that AEICL has liquidity available to meet both immediate and foreseeable cash flow requirements. The Company's Head of Finance is responsible for day-to-day operational liquidity management.

6. Operational Risk

FHGL

As a holding company, FHGL is exposed to a low level of operational risk. FHGL outsources its operational functions to AEICL. FHGL is also exposed to a low level of crime risk; operational procedures around the finance function (e.g. two authorisers on payments) are reviewed as part of the external audit.

There have been no material changes to operational risk in the reporting period.

AEICL

AEICL is exposed to a low level of operational risk itself as it outsources the majority of its operational functions (see section B6 above) i.e. it is exposed to outsourcing risk instead of operational risk.

AEICL's key operational risks are:

- Accounting misstatement: This risk is controlled by having robust checks, reconciliations and reviews built into the account productions and financial reporting processes. These controls are subject to an annual statutory audit.

- External fraud: AEICL carries out few operational processes itself, being reliant on outsourced service providers for these. This risk is controlled by having robust due diligence and monitoring procedures in place which encompass external service providers. Nearly all material service providers are regulated companies in their respective jurisdictions. Internal controls are evaluated and improved via the 2nd and 3rd line of defence assurance processes.

- Inaccuracy or unavailability of management information: Inaccuracy of data is controlled with exceptions, verification, validation and reconciliation checks and a robust, multi-layered review process. The timeliness and accuracy of bordereaux is monitored and is an agent performance indicator. There are appropriate continuity and back up processes in place for the data system.

- Poor or inefficient claims handling: Due diligence is conducted on service providers prior to entering into a contract with them to ensure they have the requisite knowledge, experience, resource and controls/procedures to provide the service to the expected standard. Claims Handling Agreements (CHAs) set the expected standard and associated service levels that must be met, and also set delegated authority limits over which the claim must be referred to AEL or AEICL. Claims handlers must also abide by the Company's claims philosophy. Claims audits are conducted on all claims handlers on a risk assessed frequency but at least once a year. A new Head of Claims was appointed in 2023 to further strengthen this area of the business.

- Information security risk: denial of service, information leakage, infrastructure misconfiguration, malware, social engineering, supply chain compromise. The risk of financial loss, disruption, data breach or damage to the reputation of the Company. This risk is controlled by having appropriate physical and system controls to secure AEICL's information, and by ensuring that key service providers have the same.

- Slow response from Regulator on approvals: the risk that execution of business decisions is hampered by the Regulator being unable to respond in a timely manner. This risk is accepted and there is little AEICL can do to influence this risk.

Operational risk within AEICL is identified, assessed and monitored through the risk management processes which are overseen by the Head of Risk Management.

There have been no material changes to the operational risks the Company is exposed to over the reporting period.

7. Other Material Risks

GAP market regulatory intervention

During early 2024 the UK FCA raised concerns with the insurance market over the design of GAP insurance products which resulted in the majority of UK GAP insurers, including AEICL, ceasing to write GAP business. The Company is working closely with the FCA to address their concerns. The Company has no short- or medium-term concerns about the impact on the business. Existing GAP customers continue to be serviced and their policies fulfilled.

Inflation

The Company recognises the risk of inflation affecting its claims costs and monitors this carefully. The external actuary also provides an opinion on the potential effect of inflation as part of the biannual reserve review and, where appropriate, estimated ultimate loss ratios take inflation into account.

D. Valuation for Solvency Purposes

1. Assets

1.1 The following table shows the differences between the Solvency II valuations of asset classes and those in the Group's Financial Statements, other than technical provisions. Explanations are provided:

Assets (£000)	Solvency II value	Financial statements value	Difference	Explanation
Deferred tax assets	0	0	0	No change
Deferred acquisition costs	0	28	(28)	These are revalued to nil on the S2 valuation basis.
Tangible and intangible assets	0	400	(400)	These are revalued to nil on the S2 valuation basis.
Cash and investments	55,820	55,443	377	This is a reclassification of accrued interest from any other assets to bonds and in addition investments held to maturity are valued on an amortised cost basis in the financial statements and revalued to market value on the S2 valuation basis
Insurance and reinsurance receivables	0	17,134	(17,134)	Insurance and reinsurance receivables are reclassified to technical provisions.
Any other assets	610	1,117	(508)	In addition to the reclassification of accrued income from cash and investments, the Company revalues prepayments to nil on the S2 valuation basis.
Total	**56,429**	**74,122**	**(17,665)**	

1.2 The following table shows the differences between the Solvency II valuations of asset classes and those in the Company's financial statements, other than technical provisions. Explanations are provided:

Assets (£000)	Solvency II value	Financial statements value	Difference	Explanation
Deferred tax assets	0	0	0	No change
Deferred acquisition costs	0	28	(28)	These are revalued to nil on the S2 valuation basis.
Tangible and intangible assets	0	400	(400)	These are revalued to nil on the S2 valuation basis.
Cash and investments	55,819	55,442	377	This is a reclassification of accrued interest from any other assets to bonds and in addition investments held to maturity are valued on an amortised cost basis in the financial statements and revalued to market value on the S2 valuation basis
Insurance and reinsurance receivables	0	17,134	(17,134)	Insurance and reinsurance receivables are reclassified to technical provisions.
Any other assets	479	959	(480)	In addition to the reclassification of accrued income from cash and investments, the Company revalues prepayments to nil on the S2 valuation basis.
Total	**56,298**	**73,963**	**(17,637)**	

2. Technical Provisions

2.1 The GAAP accounts of both the Group and Company include provisions for claims incurred based on earned premiums which consider all reasonably foreseeable best estimates. This includes reserves for claims incurred plus a provision for claims incurred but not reported ('IBNR'). The Group and the Company also consider any amounts recoverable from reinsurance contracts in respect of claims reserves and IBNR.

2.2 The technical provisions by line of business are as follows:

Line of business	Technical provisions (excluding risk margin) (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Fire and Other Damage to Property insurance	10,539	17	10,556
General Liability insurance	21,660	647	22,307
Credit and Suretyship insurance	9,352	412	9,765
Legal Expenses insurance	(556)	164	(392)
Assistance	(1)	0	(1)
Miscellaneous Financial Loss insurance	43,681	338	44,020
Total	**84,676**	**1,578**	**86,254**

Negative technical provisions arise where future premiums exceed provisions for claims.

2.3 The key areas of uncertainty around technical provisions are as follows:

2.3.1 Estimation of outstanding loss reserves ('OSLR') - while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

2.3.2 Estimation of the losses relating to claims IBNR - this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

2.3.3 Estimation of claims arising on business which has not yet expired ('unexpired risks') - this is uncertain as the claims have not yet been incurred but are expected to be incurred on the business which the Company has written.

2.3.4 Market environment - changes in the market environment increase the inherent uncertainty affecting the business. Claims inflation, legal changes (especially on the ATE book), perceived regulatory risk and jurisdictional reputation have all affected the company and the market environment in recent years.

2.3.5 Events not in data ('ENID loading') - estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed.

2.3.6 Run-off expenses - the estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

2.3.7 Risk margin - the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off.

2.4 The Company manages the risks around these uncertainties via the following actions:

2.4.1 Ongoing monitoring of claims including regular reviews of claims handling functions.

2.4.2 Maintaining reinsurance arrangements to limit the impact of adverse claims development (see [2.8]).

2.4.3 Internal controls through the Board and actuarial function which monitor claims development and reinsurance arrangements.

2.4.4 Regular external actuarial reviews.

2.5 We consider each of these adjustments to transition from GAAP accounts to solvency technical provisions:

2.5.1 Claims provisions - In line with GAAP reserves the Company evaluates the claims provisions on a best estimate basis, albeit on a cash flow basis and with the removal of unearned premium reserves. The Company has considered whether adjustments may be required as a result of contract boundaries and has provided for bound but not incepted premiums and claims.

2.5.2 Reinsurance share of claims provisions – Expected proportional reinsurance recoveries are allowed for by the Group and Company on the same basis as the claims provisions in paragraph 2.5.1.

2.5.3 Unexpired risks - The Company has estimated the claims which will be payable on unexpired risks (sometimes termed ‘premium provisions’ or the ‘unexpired risk reserve’) based on the ultimate loss ratios and large loss experience from the claims provisions.

2.5.4 Reinsurance share of unexpired risks - The Company has estimated the amounts recoverable on unexpired risks (sometimes termed ‘premium provisions’ or the ‘unexpired risk reserve’) based on the ultimate loss ratios and large loss experience from the claims provisions.

2.5.5 Intermediary and policyholder receivables - Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes. The Company recognises premium receivables in respect of risks that are bound but not incepted (BBNI) which are not included in the GAAP receivables and are netted off the technical provisions for solvency purposes. There are otherwise no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes.

2.5.6 Other receivables and payables in technical provisions - Other receivables and payables, notably claims funds held by intermediaries and commissions payable to intermediaries, are netted off the technical provisions for solvency purposes. The Company has estimated the other receivables and payables which will be payable on premium provisions and added these to those recorded in the GAAP accounts in respect of the claims provisions.

2.5.7 Reinsurance payables - Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes.

2.5.8 Events not in data loading (ENID) - Technical provisions for solvency purposes are required to allow for all possible events, including those that may not have been historically realised before. Such events not presented in a set of observable historical loss date are often called ENID. This is a difference in valuation methodology compared to the GAAP accounts which consider best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed.

The Company has undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events.

2.5.9 Counterparty default provision - The Company has considered a provision for default by one or more of its reinsurance providers. The provision is based on the total exposure to the counterparty, the rating of the counterparty and the existence of any collateral arrangements with the counterparty. The Company estimates the counterparty default provision and considers each of the exposures, net of collateral arrangements in existence, applies the estimated probability of default by rating, and derives a weighted average probability of default.

2.5.10 Run-off provision - Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as a 'run-off' provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run off.

2.5.11 Discounting - Discounting has been applied in the technical provisions based on a weighted average of the yield curves as issued by the European Insurance and Occupational Pensions Authority ('EIOPA').

2.5.12 Risk Margin - The risk margin has been calculated using Method 1, which is to approximate the individual risks or sub-risks within some or all modules and sub-modules to be used for the calculation of future SCR. The Company has allowed for the change in the cost of capital rate from 6% to 4% which was effective in Gibraltar from reporting periods 31 December 2023 onwards.

2.6 The Company has not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its technical provisions.

2.7 The changes to technical provisions highlighted above are reflected in the following table.:

£000	Net
GAAP technical provisions	29,864
Remove UPR	(22,707)
Provision for claims relating to UPR	21,976
Recognise BBNI premiums	(278)
Provision for claims relating to BBNI	80
ENID	374
Expense provision	2,192
Expected cost of reinsurer default	38
Discounting	(2,458)
Restatement of (re)insurance net receivables	(10,446)
Risk margin	1,578
Solvency II technical provisions	20,212

2.8 The Company purchases reinsurance as part of its risk mitigation programme. All reinsurance contracts are on a proportional basis. The expected cash flow of ceded losses for each year is based on the difference between the expected cash flow of gross and net unpaid claims liabilities, offset by an adjustment for expected reinsurer default.

2.9 The methodology and assumptions in setting best estimate technical provisions are materially the same as in the previous year. The risk margin continues to be derived using Method 1.

3. Other Liabilities

3.1 The following table shows liabilities other than technical provisions for the Group:

Liabilities (£000)	Solvency II value	GAAP value	Difference
Deferred tax liabilities	0	0	0
Insurance and Reinsurance payables	0	5,897	(5,897)
Payables (trade, not insurance)	6,332	6,332	0

3.2 The corresponding table for the Company is materially the same as for the Group and so is not shown.

4. Alternative Methods for Valuation

Not applicable for the Group or Company.

5. Any Other Information

Not applicable for the Group or Company.

E. Capital Management

1. Own Funds

1.1. The Company undertakes an ORSA exercise that also encompasses FHGL at least annually or when the risk profile of the Group or Company changes. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon.

The Company and Group classify their own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses. The Group's own funds are as follows:

Own fund item	Tier	Eligible capital for the SCR 2023 (£'000)	Eligible capital for the MCR 2023 (£'000)	Eligible capital for the SCR 2022 (£'000)	Eligible capital for the MCR 2022 (£'000)
Ordinary share capital (gross of own shares) and associated share premium	1	18,248	18,248	18,248	18,248
Preference share capital and associated share premium	1	5,471	5,471	6,167	6,167
Preference share capital and associated share premium	2	2,529	1,146	1,833	1,296
Reconciliation reserve	1	3,637	3,637	6,421	6,421
Deferred tax asset	3	0	0	0	0
Unpaid and uncalled ordinary share capital callable on demand	2	6,000		6,000	
		35,885	**28,503**	**38,669**	**32,132**

The Company's own funds are as follows.

Own fund item	Tier	Eligible capital for the SCR 2023 (£'000)	Eligible capital for the MCR 2023 (£'000	Eligible capital for the SCR 2022 (£'000)	Eligible capital for the MCR 2022 (£'000)
Ordinary share capital (gross of own shares) and associated share premium	1	17,458	17,458	17,458	17,458
Preference share capital and associated share premium	1	5,442	5,442	6,092	6,092
Preference share capital and associated share premium	2	2,558	1,146	1,908	1,296
Reconciliation reserve	1	4,311	4,311	6,909	6,909
Deferred tax asset	3	0	0	0	0
Unpaid and uncalled ordinary share capital callable on demand	2	6,000		6,000	
		35,768	**28,357**	**38,366**	**31,754**

The reconciliation reserve represents retained earnings and reconciliation adjustments from GAAP balance sheet to SII balance sheet.

2. Solvency Capital Requirements and Minimum Capital Requirements

2.1. The SCR of the Company as at 31 December 2023 was £22.9m (2022: £24.9m). The SCR of the Group as at 31 December 2023 was £22.9m (2022: £25.0m).

2.2. The MCR of the Group and Company as at 31 December 2023 was £5.7m (2022: £6.5m).

2.3. The SCR of the Company and Group is made up as follows:

2.3.1. The Company and Group are exposed to market risks derived predominately from the assets held by the Company to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates are also considered in the exposure from underwriting risks.

	2023		2022	
MARKET RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Interest rate risk	79	79	566	566
Spread risk	1,192	1,192	704	704
Equity risk	0	0	0	0
Currency risk	1,687	1,687	917	917
Property risk	0	0	263	263
Concentration risk	3,070	3,070	0	0
Market risk diversification	(2,184)	(2,184)	(672)	(672)
MARKET RISK TOTAL	3,843	3,843	**1,778**	**1,778**

2.3.2. The Company and Group are exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

	2023		2022	
COUNTERPARTY RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Type 1 risk	1,742	1,742	2,001	2,001
Type 2 risk	6,806	6,806	4,076	4,193
Market risk diversification	(354)	(354)	(345)	(348)
COUNTERPARTY RISK TOTAL	**8,194**	**8,194**	**5,731**	**5,845**

2.3.3. The Company and Group are exposed to non-life underwriting risk as a result of the insurance policies sold. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which the Company and Group may be exposed.

	2023		2022	
NON-LIFE UNDERWRITING RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Premium and reserve risk	11,700	11,700	16,125	16,125
Lapse risk	2,683	2,683	6,166	6,166
Catastrophe Risk	3,866	3,866	6,435	6,435
Non-life diversification	(4,771)	(4,771)	(8,944)	(8,944)
NON-LIFE UNDERWRITING RISK TOTAL	**13,478**	**13,478**	**19,782**	**19,782**

2.3.4. The final solvency capital requirement of the Company and Group is the aggregation of the market, counterparty and non-life underwriting risks, less a credit for diversification, an additional charge to represent the operational risks faced by the Company and Group, and finally an adjustment for the loss absorbing capacity of deferred tax.

	2023		2022	
SOLVENCY CAPITAL REQUIREMENT	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Market risks	3,843	3,843	1,778	1,778
Counterparty risks	8,194	8,194	5,731	5,845
Non-life underwriting risks	13,478	13,478	19,782	19,782
Basic SCR diversification	(5,128)	(5,128)	(3,555)	(3,592)
Operational risks	2,540	2,540	2,232	2,232
Loss absorbing capacity of deferred tax	0	0	(1,047)	(1,047)
SOLVENCY CAPITAL REQUIREMENT	**22,927**	**22,927**	**24,920**	**24,998**

2.4 Neither the Group nor the Company have utilised simplified calculations in applying the standard model, and there has been no use of undertaking specific parameters in the non-life underwriting risk calculations.

2.5 The inputs used to calculate the MCR of the Company are as follows:

Line of business	**Net (of reinsurance) best estimate and technical provisions calculated as a whole**	**Net (of reinsurance) written premiums in the last 12 months)**
Fire and Other Damage to Property	0	1,027,228
General Liability	4,148,337	259,540
Suretyship	1,338,462	1,965,688
Legal Expenses	0	0
Assistance	0	147
Miscellaneous Financial Loss	15,438,925	9,091,724

2.6 This is the eighth period for which the Solvency Capital Requirement and Minimum Capital Requirement have been reported.

3. Any Other Information

The Directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company or Group.

F. Quantitative Reporting Templates

Quantitative Reporting Templates for Year Ended 31 December 2023

Focus Holdings (Gibraltar) Limited

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	48,256
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	48,231
Government Bonds	**R0140**	29,964
Corporate Bonds	**R0150**	17,808
Structured notes	**R0160**	
Collateralised securities	**R0170**	458
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	25
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	5,001
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	5,001
Reinsurance recoverables from:	**R0270**	66,042
Non-life and health similar to non-life	**R0280**	66,042
Non-life excluding health	**R0290**	66,042
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	2,563
Any other assets, not elsewhere shown	**R0420**	610
Total assets	**R0500**	122,471

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	86,254
Technical provisions – non-life (excluding health)	**R0520**	86,254
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	84,676
Risk margin	**R0550**	1,578
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
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**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	6,332
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	92,586
Excess of assets over liabilities	**R1000**	29,885

Annex I
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:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**							1,979	254	36	-78	0	33,933					36,124
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**							951	-6	-1,930	-9	0	24,841					23,848
Net	**R0200**							1,027	260	1,966	-68	0	9,092					12,276
Premiums earned																		
Gross - Direct Business	**R0210**							3,816	781	1,010	-78	1	32,276					37,805
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**							2,534	658	-1,141	-9	0	15,954					17,996
Net	**R0300**							1,281	123	2,150	-68	0	16,322					19,810
Claims incurred																		
Gross - Direct Business	**R0310**							3,258	6,345	-1,379	1,683	1	21,889					31,798
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**							2,039	6,930	-1,125	1,019	0	12,326					21,189
Net	**R0400**							1,220	-585	-253	664	1	9,563					10,610
Changes in other technical provisions																		
Gross - Direct Business	**R0410**												86					86
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**												86					86
Expenses incurred	**R0550**							445	89	222	-72	27	3,750					4,461
Other expenses	**R1200**																	465
Total expenses	**R1300**																	4,926

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

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

Annex I
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		GB	ES	FR	IE	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		36,116		13	-5	0	36,124
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		25,886	-1,958	12		0	23,940
Net	R0200		10,230	1,958	0	-5	0	12,184
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310		29,285	-129	3,751	-1,012	27	31,922
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		13,928	-98	4,162	-862	14	17,145
Net	R0400		15,357	-31	-411	-150	13	14,778
Changes in other technical provisions								
Gross - Direct Business	R0410		-140		102			-38
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers'share	R0440		20					20
Net	R0500		-160		102			-58
Expenses incurred	R0550		4,357		2	-1	0	4,357
Other expenses	R1200							465
Total expenses	R1300							4,822

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I

S.23.01.22

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	5,078	5,078			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	13,170	13,170			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090	8		8		
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110	7,992		7,992		
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	3,637	3,637			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	29,885	21,885	8,000		
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	6,000			6,000	
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					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					

Annex I

S.23.01.22

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400	6,000			6,000	
Own funds of other financial sectors						
Reconciliation reserve	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	35,885	21,885	8,000	6,000	
Total available own funds to meet the minimum consolidated group SCR	R0530	35,885	21,885	8,000	6,000	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	35,885	21,885	5,471	8,529	
Total eligible own funds to meet the minimum consolidated group SCR	R0570	28,503	21,885	5,471	1,146	
Minimum consolidated Group SCR	R0610	5,732				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	497.27%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	35,885	21,885	5,471	8,529	
Group SCR	R0680	22,927				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	156.52%				

		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	29,885				
Own shares (included as assets on the balance sheet)	R0710					
Forseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	26,248				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Other non available own funds	R0750					
Reconciliation reserve before deduction for participations in other financial sector	R0760	3,637				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770					
Expected profits included in future premiums (EPIFP) - Non- life business	R0780					
Total EPIFP	R0790					

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	3,843		
Counterparty default risk	R0020	8,194		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	13,478		
Diversification	R0060	-5,128		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	20,387		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,540
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	22,927
Capital add-on already set	R0210	
Solvency capital requirement	R0220	22,927
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	5,732
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non--regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	22,927

Annex I
S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	13800HEGZ3KK1RYWY6	LEI	ropean Insurance Compar	2	limited company	2	ancial Services	10000.00%	100	10000.00%		1	10000.00%	1		1
GB	13800SAP8UHYTUNVU1	LEI	s Holdings (Gibraltar) Li	5	limited company	2								1		1

Quantitative Reporting Templates for Year Ended 31 December 2023

Acasta European Insurance Company Limited

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	48,256
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	48,231
Government Bonds	**R0140**	29,964
Corporate Bonds	**R0150**	17,808
Structured notes	**R0160**	
Collateralised securities	**R0170**	458
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	25
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	5,001
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	5,001
Reinsurance recoverables from:	**R0270**	66,042
Non-life and health similar to non-life	**R0280**	66,042
Non-life excluding health	**R0290**	66,042
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	2,562
Any other assets, not elsewhere shown	**R0420**	479
Total assets	**R0500**	122,340

Annex I

S.02.01.02

Balance sheet

Liabilities		**Solvency II value**
		C0010
Technical provisions – non-life	**R0510**	86,254
Technical provisions – non-life (excluding health)	**R0520**	86,254
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	84,676
Risk margin	**R0550**	1,578
Technical provisions - health (similar to non-life)	**R0560**	0
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	0
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**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	6,317
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	92,572
Excess of assets over liabilities	**R1000**	29,768

Annex I
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:				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**							1,979	254	36	-78	0	33,933					36,124
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**							951	-6	-1,930	-9	0	24,841					23,848
Net	**R0200**							1,027	260	1,966	-68	0	9,092					12,276
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Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**							2,039	6,930	-1,125	1,019	0	12,326					21,189
Net	**R0400**							1,220	-585	-253	664	1	9,563					10,610
Changes in other technical provisions																		
Gross - Direct Business	**R0410**												86					86
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**												86					86
Expenses incurred	**R0550**							445	89	222	-72	27	3,750					4,461
Other expenses	**R1200**																	465
Total expenses	**R1300**																	4,926

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

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

Annex I
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		GB	ES	FR	IE	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		36,116		13	-5	0	36,124
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		25,886	-1,958	12		0	23,940
Net	R0200		10,230	1,958	0	-5	0	12,184
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310		29,285	-129	3,751	-1,012	27	31,922
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		13,928	-98	4,162	-862	14	17,145
Net	R0400		15,357	-31	-411	-150	13	14,778
Changes in other technical provisions								
Gross - Direct Business	R0410		-140		102			-38
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers'share	R0440		20					20
Net	R0500		-160		102			-58
Expenses incurred	R0550		4,357		2	-1	0	4,357
Other expenses	R1200							465
Total expenses	R1300							4,822

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total Non-Life obligation
		C0080	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0180**
Technical provisions calculated as a whole	**R0010**							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**							
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	**R0060**	10,915	7,316	212	-4,192	-1	36,178	50,427
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	13,239	7,864	360	-1,298	24	24,153	44,343
Net Best Estimate of Premium Provisions	**R0150**	-2,325	-549	-148	-2,894	-25	12,025	6,084
Claims provisions								
Gross	**R0160**	-376	14,345	9,140	3,637	0	7,503	34,249
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-927	9,648	7,654	1,235		4,089	21,699
Net Best Estimate of Claims Provisions	**R0250**	551	4,697	1,486	2,402	0	3,414	12,550
Total Best estimate - gross	**R0260**	10,539	21,660	9,352	-556	-1	43,681	84,676
Total Best estimate - net	**R0270**	-1,774	4,148	1,338	-493	-25	15,439	18,634
Risk margin	**R0280**	17	647	412	164	0	338	1,578
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**	10,556	22,307	9,765	-392	-1	44,020	86,254
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	12,313	17,512	8,014	-63	24	28,243	66,042
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-1,757	4,795	1,751	-329	-25	15,777	20,212

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

		Development year												In Current year	Sum of years (cumulative)
	Year		1	2	3	4	5	6	7	8	9	10 & +			
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											1	R0100	1	1
2014	R0160	600	696	948	896	401	87	77	22	81	-7		R0160	-7	3,799
2015	R0170	2,109	2,539	2,073	1,028	583	301	117	209	323			R0170	323	9,281
2016	R0180	2,258	6,167	3,039	2,098	680	565	236	154				R0180	154	15,197
2017	R0190	2,748	11,425	5,688	3,388	3,902	1,829	853					R0190	853	29,832
2018	R0200	3,905	7,844	4,313	2,954	2,263	1,804						R0200	1,804	23,083
2019	R0210	7,065	13,565	8,625	5,520	2,325							R0210	2,325	37,100
2020	R0220	2,283	9,212	5,114	4,335								R0220	4,335	20,944
2021	R0230	2,341	6,206	6,905									R0230	6,905	15,452
2022	R0240	2,600	8,089										R0240	8,089	10,688
2023	R0250	3,768											R0250	3,768	3,768
												Total	R0260	28,549	169,146

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												Year end (discounted data)
	Year		1	2	3	4	5	6	7	8	9	10 & +		
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											302	R0100	247
2014	R0160			-949	205	41	240	83	-12	-129	-83		R0160	-316
2015	R0170		2,124	390	611	205	100	19	5	-408			R0170	-1,045
2016	R0180	4,464	3,147	1,932	928	475	478	497	418				R0180	255
2017	R0190	6,880	4,588	4,202	4,262	3,147	2,954	5,712					R0190	5,751
2018	R0200	483	10,195	10,090	11,180	9,242	10,711						R0200	11,033
2019	R0210	8,326	4,621	5,049	3,863	3,116							R0210	2,812
2020	R0220	3,325	4,670	4,136	3,850								R0220	3,964
2021	R0230	2,071	5,616	3,214									R0230	3,701
2022	R0240	3,629	4,342										R0240	4,963
2023	R0250	2,579											R0250	2,884
												Total	R0260	34,249

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**	5,061	5,061			
Share premium account related to ordinary share capital	**R0030**	12,397	12,397			
I-initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**	8		8		
Share premium account related to preference shares	**R0110**	7,992		7,992		
Reconciliation reserve	**R0130**	4,311	4,311			
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**					
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**	29,768	21,768	8,000		
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	6,000			6,000	
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**	6,000			6,000	
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	35,768	21,768	8,000	6,000	
Total available own funds to meet the MCR	**R0510**	29,768	21,768	8,000		
Total eligible own funds to meet the SCR	**R0540**	35,768	21,768	5,442	8,558	
Total eligible own funds to meet the MCR	**R0550**	28,357	21,768	5,442	1,146	
SCR	**R0580**	22,927				
MCR	**R0600**	5,732				

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ratio of Eligible own funds to SCR	**R0620**	156.01%				
Ratio of Eligible own funds to MCR	**R0640**	494.72%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	29,768	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	25,458	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Reconciliation reserve	**R0760**	4,311	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**		

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	3,843		
Counterparty default risk	R0020	8,194		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	13,478		
Diversification	R0060	-5,128		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	20,387		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,540
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	22,927
Capital add-on already set	R0210	
Solvency capital requirement	R0220	22,927
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	

Annex I
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**	4,978

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**		
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**		
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**		
Fire and other damage to property insurance and proportional reinsurance	**R0080**		1,027
General liability insurance and proportional reinsurance	**R0090**	4,148	260
Credit and suretyship insurance and proportional reinsurance	**R0100**	1,338	1,966
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		0
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	15,439	9,092
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		

Linear formula component for life insurance and reinsurance obligations

		C0040
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**	4,978
SCR	**R0310**	22,927
MCR cap	**R0320**	10,317
MCR floor	**R0330**	5,732
Combined MCR	**R0340**	5,732
Absolute floor of the MCR	**R0350**	3,380
		C0070
Minimum Capital Requirement	**R0400**	5,732