Evolution Holdings (Guernsey) Limited
Evolution Insurance Company Limited

Solvency & Financial Condition Report

For year ended 30th June 2022

Contents

Executive Summary

The Solvency and Financial Condition Report ('SFCR') is an annual public disclosure requirement under the Solvency II Directive. It presents information on Evolution Holdings (Guernsey) Limited ("EHGL") and subsidiaries ('the Group') business, performance, systems of governance, risk profile, valuation for solvency purposes, and capital management.

The principal trading company in the Group is Evolution Insurance Company Limited ('EICL', 'the Company') which works with Brokers and MGAs to develop innovative solutions for SME businesses and individuals. The Company specialises in commercial products that enable businesses to meet their contractual or legislative requirements – such as Surety for Construction Contracts and Financial Protection for the Travel Industry. The Company also offers personal insurance products that support customers when everyday utilities such as boilers and cars break down.

The Group also includes Evolution Insurance Solutions Limited a UK insurance intermediary which is not considered material to the Group's financial position or risk profile.

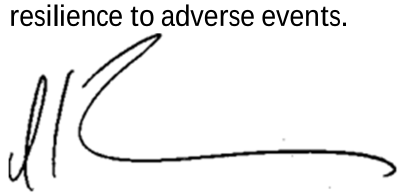
During 2022, the new business books of Surety, Travel Financial Insolvency Insurance, and Home Emergency performed well. However, recognising the challenging economic environment and especially the current and forecast rate of inflation, the Board has strengthened reserves in the Latent Defects Insurance and Surety portfolios. Additionally, the Board has established an explicit inflation reserve focused on the expected "excess of inflation" forecast for the next 24 months. On 24 June 2022, the Company paid a dividend of £2.5m to EHGL and this was used to buy-back shares from certain shareholders.

For the year ended 30 June 2022 the Group reported a profit of £0.3m (2021: £1.0m) and a solvency capital requirement (SCR) cover ratio of 174% (2021: 199%) which equates to excess own funds of £7.1m (2021: £10.2m). As at 30 June 2022, the Company reported own funds of £15.4m (2021: £19.7m) which are in excess of its SCR of £9.3m (2021: £9.7m).

The Board regularly assesses the ongoing developments arising from the macro events and their impact on the economic, political, and regulatory environment. The Board has considered the risks arising from these events, including the impact of inflation, and believes it has made adequate allowance within the financial position presented in this report. In addition, the Board is working with the Company's business partners to control costs while maintaining a constant focus on delivering good customer outcomes. The Company maintains a strong financial and liquidity position and therefore remains well positioned for any future adverse economic developments.

The excess of own funds before the payment of dividends is forecast to increase over the next 3 years driven by a focus on underwriting and cost disciplines. Subject to regulatory approval the Company plans further dividends over the next three years which will be used to buy back shares of EHGL.

The Group continues to seek new business opportunities that will generate attractive returns to investors while maintaining sufficient own funds to meet the SCR plus a buffer to provide additional resilience to adverse events.



William Bidwell

A. Business & Performance

A1. Business

This report relates to Evolution Holdings (Guernsey) Limited ('EHGL') and its subsidiaries ('the Group), an insurance holding company licensed in Guernsey and limited by shares. Since Guernsey is not in the European Economic Area, nor is a Solvency II equivalent jurisdiction, Group supervision is carried out at the level of the insurance company.

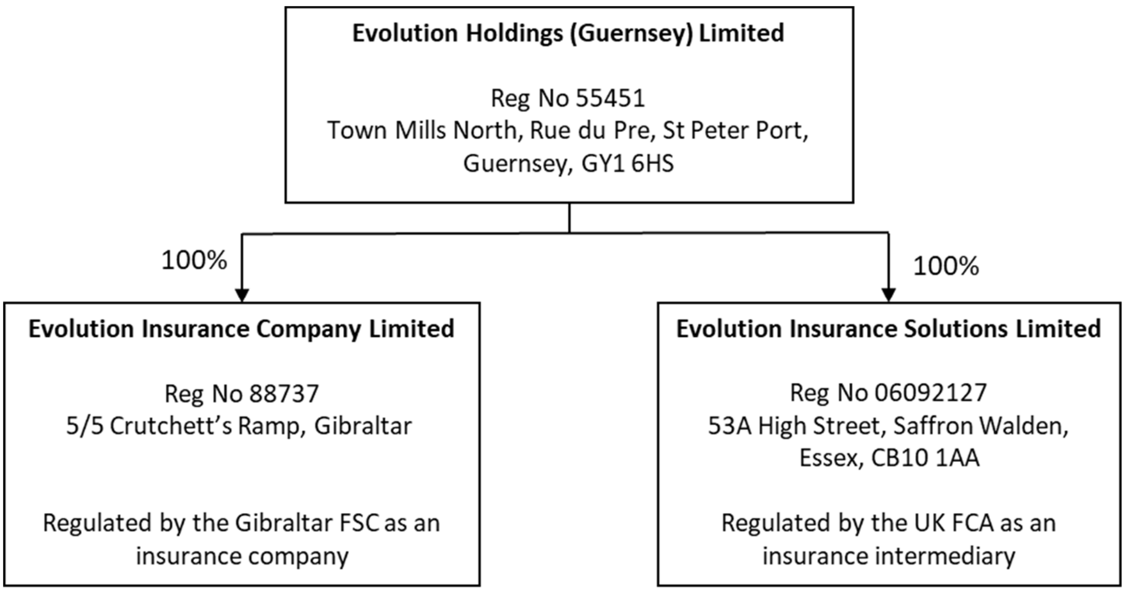
The principal trading Company of the Group is Evolution Insurance Company Limited ('EICL', 'the Company') which is 100% owned by EHGL. The other group company is also 100% owned by EHGL and is Evolution Insurance Solutions Limited ('EISL'), a UK regulated insurance intermediary.

The EHGL shareholders, with qualifying holdings, are Kenneth Acott, Patrick Tilley, and William Bidwell.

The table below summarises the domicile and purpose of each Group company.

Group Company	Domicile	Purpose
Evolution Holdings (Guernsey) Limited	Guernsey	A holding company which is parent to the other Group companies.
Evolution Insurance Company Limited	Gibraltar	A regulated insurance company which underwrites, inter alia, surety bonds, travel financial failure insurance, and home emergency insurance in the UK.
Evolution Insurance Solutions Limited	UK	A regulated insurance intermediary, EISL's core business is to underwrite surety bonds and travel financial failure insurance, primarily on behalf of EICL. It is also responsible for policy administration and claims handling (within authority limits) on behalf of EICL and acts as EICL's agent for Insurance Premium Tax ('IPT').

The Group structure is detailed in the following diagram.



EICL and EISL are regulated as detailed below. EHGL is not regulated as a standalone company.

EICL Regulator	**EISL Regulator**
Gibraltar Financial Services Commission PO Box 940 Suite 3, Atlantic Suites Gibraltar Tel: +350 200 40283 www.fsc.gi	UK Financial Conduct Authority 12 Endeavour Square London E20 1JN Tel: +44 207 066 1000 www.fca.org.uk

The auditors for the Group companies are as follows:

EHGL	**EICL**	**EISL**
Grant Thornton Limited PO Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey. GY1 3TF Tel: +44 1481 753400 www.grantthorntonci.com	BDO Limited 5.20 World Trade Centre 6 Bayside Road Gibraltar Tel: +350 200 47300 www.bdo.gi	Humphrey & Co Audit Services Ltd 7-9 The Avenue Eastbourne East Sussex BN21 3YA Tel: + 44 1323 730631 www.humph.co.uk

EICL is authorised to write insurance business in the UK and Gibraltar.

The Group's EU exposure has reduced significantly since 2018. At 30 June 2022, EICL had 103 live EU policies, comprising 13 in Ireland and 90 in the Netherlands. These policies are latent defects and insurance-backed guarantee (IBG) policies, with relatively long durations.
The Group's other EU exposure is a Greek motor book which has been in run-off since 2018.

The Group has investigated the possibility of portfolio transfers for its EU risks but believes these would be challenging to execute and not necessarily in the best interest of customers. Accordingly, EICL wrote to the relevant national regulators, including those in Ireland, Greece, and the Netherlands, to outline the Group's intention to honour the policies and pay any valid claims as they fall due.

A2. Trading and Underwriting Performance

The principal trading activity of the Group is underwriting insurance business, and this is all performed within EICL. The performance for the last 2 years is set out in the following table.

£m	**EICL**		**Group**	
	2022	**2021**	**2022**	**2021**
Gross Written Premium (GWP)	8.2	6.4	8.2	6.4
Underwriting Profit	0.6	1.7	1.8	2.4
Profit After Tax	0.1	1.1	0.3	1.0

The GWP by class of business and jurisdiction for the years ending 30 June 2022 and 2021 is detailed in the following table.

		2022	2021
Class	**Jurisdiction**	**£'000**	**£'000**
Motor	UK	0	(2)
Property	UK	(4)	(39)
Surety	UK	2,136	1,987
Assistance	UK	3,388	0
Miscellaneous Financial Loss	UK	2,684	4,495
Total		**8,204**	**6,441**

During the last 12 months the Group's ongoing focus on underwriting discipline resulted in gross written premium of £8.2m (2021: £6.4m) and an underwriting profit of £1.8m (2021: £2.4m). The new business books of Surety, Travel Financial Insolvency Insurance and Home Emergency have performed well and have generated positive underwriting results in the year. The Board has strengthened reserves in Latent Defects Insurance and Surety portfolios and lightened reserves in the Motor Ancillary book - but otherwise the insurance portfolio has performed as expected despite the difficulties presented by COVID-19 and the economic downturn.

The Company has established an additional "inflation reserve" in acknowledgement of the "excess" level of inflation forecast for the next 24 months. Normal levels of claims inflation are implicitly allowed for within the reserves set for each underlying book of business.

A3. Investment Performance

EHGL's investments are primarily in the Group companies along with an investment in an unquoted insuretech vehicle. EISL has investments of c.£0.3m (2021: £0.1m).

EICL invests primarily in marketable, investment grade-rated, short, and intermediate-term securities and commercial property. The Investment Committee proactively manages the risk profile of the investments and works closely with independent investment consultants to ensure the portfolio meets the requirements of the Company.

The associated income and expenditure on these investments for the years ended 30 June is stated in the table below.

	2022		2021	
	Income	**Expenses**	**Income**	**Expenses**
Asset Class	**£'000**	**£'000**	**£'000**	£'000
Cash & Equivalents	(123)	1	22	1
Bond & Debt Instruments	110	24	188	117
Property	741	98	781	151
Equity	(19)	0	0	0
Total	**709**	**123**	**991**	**269**

A4. Any Other Information

The Company paid a £2.5m dividend in 2022 (2021: £nil) consisting of £1.9m cash and £0.6m of shares in an equity investment. The cash dividend was paid on 24 June 2022.

As at 30 June 2022, the shares were held in trust by the Company on behalf of EHGL pending the formal update of the investee's share register, which was completed on 5 August 2022.

B. System of Governance

B1. General Information on System of Governance

The Group is headed by the EHGL Board which retains ultimate accountability for the governance of the Group. The EHGL Board have delegated responsibility for the operation of the System of Governance to the Board of EICL. The EHGL Board retains a presence on all group company boards, through a "shareholder" director.

Principles

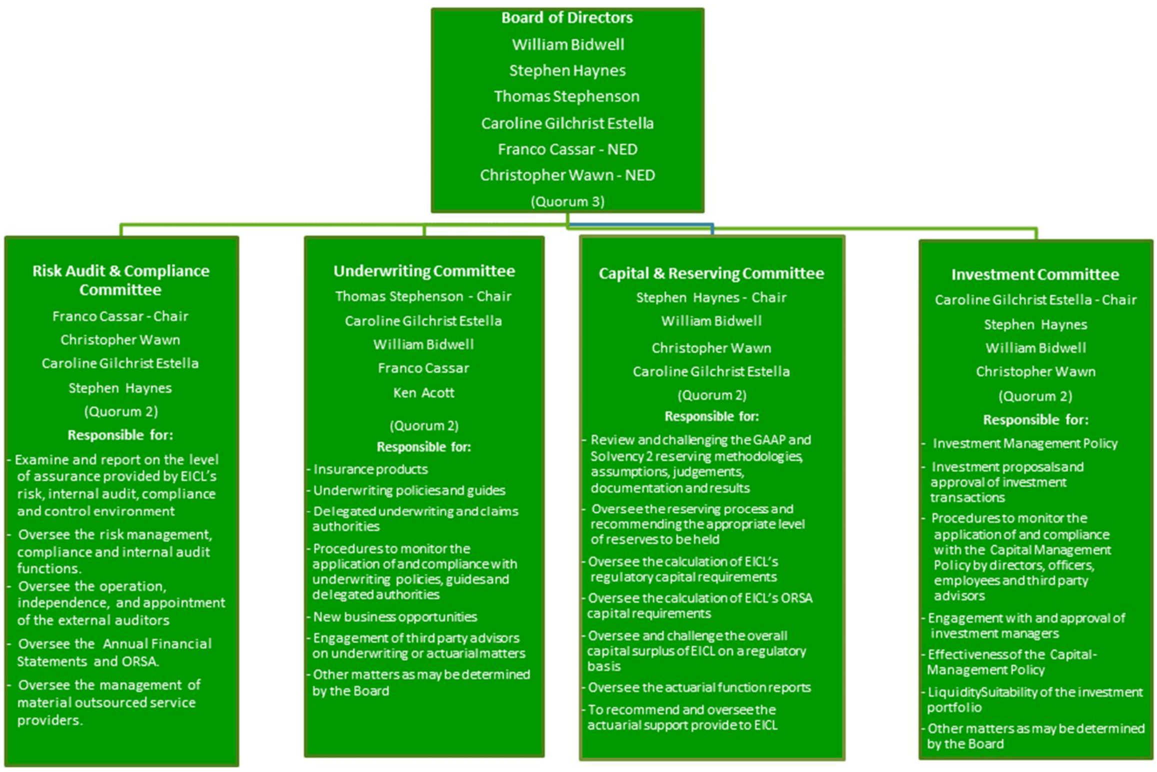
The governance framework implemented by the EICL Board, which applies to the Group, is based on the following principles:

- Governance drives a culture of accountability, delivering fair customer and investor outcomes.
- Governance is clear and transparent, principles based and pragmatic, and reflects the Group's and each company's nature, size, and scale.
- The governance framework helps the business run effectively, adds value to decision-making and supports the achievement of the Group's strategy.
- Governance is flexible and adaptive to change, cost efficient and effective.
- The governance approach meets and evidences regulatory requirements.

To lead and support the System of Governance, the following EICL Board and Committee structure has been approved by the EHGL Board.

Board and Committee Structure

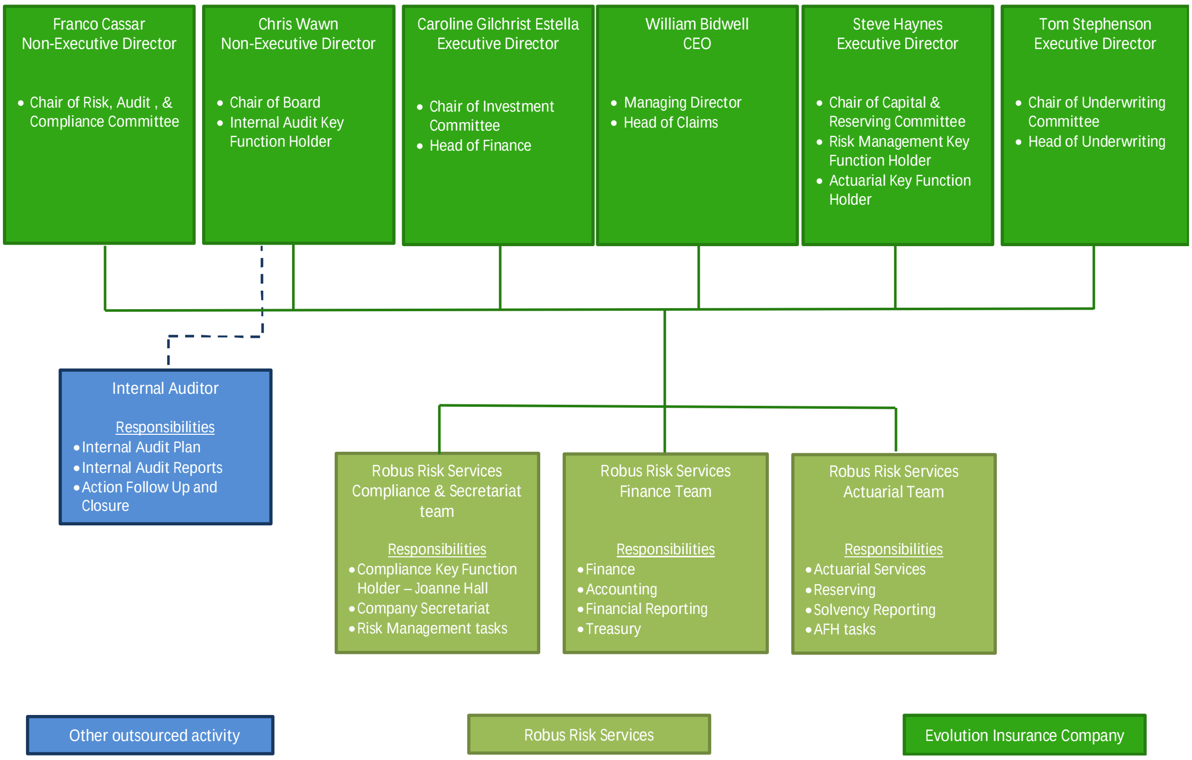
The current Board and Committee structure is detailed below.



Terms of Reference describe the purpose, responsibilities, membership, and authority delegated from the Board for each Committee. Relevant attendees are invited to Committees as determined by the Chair of each Committee.

Roles and Responsibilities

The Roles and Responsibilities of the Directors are detailed below.



Key Function Holders and Regulated Individuals

The current Key Function holders are:

Key Function	Key Function Holder
Compliance	Kerris Fryer[1]
Risk	Stephen Haynes
Internal Audit	Chris Wawn
Actuarial Function	Stephen Haynes

Note 1: subject to regulatory approval

As part of the Regulated Individuals regime the following regulated roles have been approved by the Board and the regulator:

Head Of	Director
Finance	Caroline Gilchrist Estella
Underwriting	Tom Stephenson
Claims	William Bidwell

Changes Since the last SFCR

Since the date of the last SFCR the following changes have been made:

- Chris Johnson retired due to rotation as Director and Chair with effect from 31 March 2022.
- Chris Wawn was appointed Board Chair with effect 1 June 2022 and resigned as Chair of the Risk, Audit, and Compliance Committee with effect from 13 September 2022
- Franco Cassar was appointed Non-Executive Director and Chair of the Risk, Audit, and Compliance Committee with effect from 20 June 2022.
- Ruth Matthews resigned as Head of Compliance with effect from 4 March 2022

- Joanne Hall was appointed as Head of Compliance with effect from 4 March 2022 and resigned with effect from 5 July 2022.
- Kerris Fryer's RIR application for Head of Compliance was dated 30 June 2022. The application is currently with the regulator.

Directors Fees

The non-executive directors and the CEO are paid a fixed fee for their services which is benchmarked to standard market rates. The remaining executive directors were remunerated through their employment contracts or a consultancy agreement. There is a remuneration policy in place to ensure benchmarking is performed regularly. EICL has no employees.

Directors' remuneration is approved by the Board, or if it is inappropriate to discuss at board level, it will be discussed with and approved by shareholders. Directors abstain from discussion and decisions regarding their own remuneration to avoid conflicts of interest.

Non-Executive Director and CEO fees of £151k (2021: £147k) were paid during the reporting period.

B2. Fit and Proper Requirements

The Group and the Company recognise the value of fit and proper requirements and seek to ensure that directors, function holders and senior managers can perform their role effectively and in accordance with relevant business and regulatory requirements, and to manage EICL and the Group in a sound and prudent manner. Accordingly, all directors, key function holders and senior managers are required to meet the requirements set out in EICL's Fit and Proper Policy.

This policy requires that these individuals have:

- appropriate personal characteristics (including being honest and of good repute and integrity);
- the required level of competence, knowledge, and experience; and
- financial soundness.

The Group ensures that any individual employed, or applying to be employed, in such a position is assessed to confirm that they fulfil the fit and proper requirements. For new candidates this includes reviewing the CV of the candidate, an in-depth interview, obtaining references (both personal and professional), and the performance of due diligence checks. For existing staff, the relevant Board performs a regular assessment of impacted individuals and if necessary, seeks a personal attestation.

The Group also seeks to ensure that its Boards meet the Fit and Proper requirements by ensuring that collectively the Directors possess appropriate qualifications, experience, and knowledge about (at least) the following:

- Insurance and financial markets;
- Business strategy and model;
- Systems of governance;
- Financial and actuarial analysis;
- Regulatory frameworks and requirements; and
- Business Ethics

For EICL a review is led by the Chair of the Board.

B3. Risk Management System including ORSA

The EHGL Board is accountable for Risk Management, although in practice day to day responsibility is delegated to the Risk Management Function Holder for EICL.

Risk Management Roles and Responsibilities

The Boards of each Group company are ultimately responsible for ensuring the effectiveness of the risk management system, setting that company's risk appetite, and approving risk management strategies and policies.

EICL has established a risk management framework which is used for the Group and applied to each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to the Group.

The EICL Board delegates its risk management function to the Risk Management Key Function Holder and to the Risk, Audit & Compliance Committee ("RACC"). Should any risk management tasks be outsourced, the function holder is also responsible for the outsourced relationship, including monitoring the scope of work, service levels and for challenging the results. This individual is supported by the RACC in the execution of their role.

The key function holder and the RACC review, monitor and update as required, all the components of the risk management framework, engaging other Group and Company directors, key function, or key role holders, as necessary. This includes the Own Risk and Solvency Assessment process and the Risk Register.

EICL completes the Group solvency calculation and monitors Group solvency on behalf of EHGL and will liaise with the Group Board as necessary to ensure that the Group SCR is met and that risks to Group solvency are monitored and managed.

The Risk Management Process

The process of risk management is a continuous and systematic one, comprising 5 elements:

a) **Identification**. All Group directors ensure that risks are identified relating to their respective areas of responsibility, and in addition collectively identify risks to the overall business and Group. This includes risks outside the control of the Group.
b) **Assessment**. Only risks material to the Group are included in the Risk Register. Risks are assessed according to a matrix to evaluate their impact on the business if they materialised, and the probability of the risk materialising. The assessment is carried out on the risk with no mitigating controls in place ('gross' scores), and with mitigating controls in place ('net' scores). This assessment is then considered against the target or appetite score to determine any required changes in the level of risk or risk mitigation.
c) **Response**. All risks are dealt with as and when they arise, by the responsible director, EICL's RACC, the function holder, or the Board as appropriate. Decisions will be recorded on the Risk Register and detailed in the minutes of the relevant meeting.
d) **Monitoring**. The RACC reviews all items contained in the Risk Register at least quarterly. Risk controls on the Risk Register are incorporated into the Company's Compliance Monitoring Programme. Risks pertaining to a particular area of the business are regularly discussed with internal audit. The RACC and function holder also monitor the Company's adherence to stated risk appetites and tolerances.
e) **Reporting**. All directors report risk events as and when they occur, and ensure they are considered at the appropriate meeting. They ensure the Risk Register is updated with regard to impact and probability of the risk.

Risk Appetite and Tolerances

Risk Appetite is the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives, which is those risks that it wants to actively engage with. The risk appetite is a written statement with a target risk limit or trigger that usually lies between the upper and lower risk tolerance limits.

Risk Tolerance limits are 'lines in the sand' beyond which the Group will not go without prior Board approval. It is not necessarily appropriate or possible to attribute a risk tolerance to all risks. The Board will consider the Group's material risks and choose those for which a risk tolerance will be relevant and meaningful for the business, and which can be measured and monitored. In doing this it will also consider the risks' net scores from the Risk Register.

The EICL Board has established a risk tolerance and a risk appetite in respect of regulatory solvency.

Own Risk Solvency Assessment ('ORSA' or 'the Assessment')

EICL is responsible for completing an ORSA for the Group, incorporating EHGL. The Group ORSA includes a solo ORSA on EICL, as the only insurance entity in the Group.

The ORSA is a fundamental part of the Group's capital management processes under the Risk Management Framework. The ORSA consists of processes that are designed to ensure those risks mitigated by holding capital are appropriately assessed, the capital requirements are understood on a forward looking basis and that this insight is used to inform decision making.

The ORSA is a judgement by the Board of these risks and their impact on the Group's solvency and is the Board's view, not the regulator's (and not the view using the regulatory formula) on the forecast level of excess own funds. At the same time, a forecast is also performed using the regulatory basis.

On an annual basis, an ORSA report is presented to the Board which consolidates the findings from these processes, which include business planning, stress testing and scenario analysis, including reverse stress testing and regular monitoring of the Group solvency position. If there is a material change in the risk profile of the Group, then an updated ORSA report will be produced.

The latest ORSA report, approved by the Board in June 2022, includes the outcome of stress tests on the current and forecast balance sheet and risk profile of the Group. This demonstrates that on both an ORSA and regulatory basis the excess of own funds over the SCR, before any dividend payments, increases steadily over the assessment period.

B4. Internal Control System

The Group's internal controls are part of its compliance framework, being the first line of defence in the 'three lines of defence' model the Group has implemented.

1. Business Operations - Internal Controls. The measures that are incorporated into systems and processes to control day-to-day activities. Appropriate controls and control indicators are implemented to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.
2. Oversight Functions. The Company's Committees and functions oversee internal controls, including drafting and implementing policies and procedures, and monitoring compliance with them. This second line of defence includes the compliance and risk management functions.
3. Independent Assurance Providers. This is primarily the Internal Audit function, although the appointment of External Auditors also provides independent assurance.

There is a risk-based compliance monitoring programme in place to provide assurance that EICL fulfils all its legislative and regulatory requirements and adheres to its policies and procedures. This is completed by the Compliance Function on a quarterly basis and forms part of the compliance report to the RACC.

Compliance Function

The Compliance key function holder is responsible for the completion of compliance tasks and has direct access to both the Board and the RACC.

The 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. Compliance reports are made to the Board at each meeting and advice provided to the business when requested. If any conflict of interest should arise, the function holder follows the Company's Conflicts of Interest Policy.

The Board supports the compliance function and shall make available such resource as is necessary and provide access to all relevant documentation and information from the business, for the Compliance Function to fulfil its aims.

B5. Internal Audit Function

The internal audit function considers the adequacy and effectiveness of the internal control system and other elements of the system of governance. It is objective and independent from the operational functions. These are regulatory requirements.

Internal audit performs an independent risk assessment and agrees what areas it will investigate with the RACC. It produces a report after each investigation describing its findings and its recommendations. This report is presented to the RACC, which ensures that appropriate actions are taken within an appropriate timescale. A summary of activity and investigation results, including progress towards implementing the recommendations, is provided to the RACC by the internal audit function.

The internal audit function is provided by an outsourced professional services firm, following a formal tender process. By using an external firm as internal auditor, the RACC are of the view that internal audit is independent and objective. The external firm does not provide any additional services to the Group, and their independence, effectiveness, and re-engagement are reviewed annually by the RACC.

Audit Plan

The RACC approves the internal audit risk based three-year plan prepared by the appointed third party provider every year, reviewing and revising this in accordance with business priorities and risk areas, and with input from key stakeholders.

The plan is presented to the Board for approval. Should the plan significantly change for any reason during the year, it will be resubmitted to the Board for authorisation. Performance against the plan is monitored by the RACC and any significant deviations reported to the Board as required.

Audit Reporting

An audit report is prepared and issued by the appointed third party provider Internal Auditor following the conclusion of each audit, including any management responses, for review by the RACC. A log of all internal audit recommendations raised during individual audits is collated and the status of action points are monitored to completion by the RACC.

B6. Actuarial Function

EICL is the only insurance entity in the Group and therefore the only one for which it is relevant to have an Actuarial Function as set out in the SII Directive.

EICL's actuarial function is the responsibility of the key function holder, who reports directly to the Board. The actuarial function is responsible for:

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

Each of these activities is undertaken at least annually and the outcomes reported to the Board.

B7. Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) 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'.

Outsourcing is considered where the Board believes that there is an advantage to the Company and its customers by using a service provider e.g. access to specialist resource, provision of services in the same jurisdiction as the customer, and cost benefits without a loss in the quality of service. The Board remains fully accountable for any activity or function outsourced and must ensure that the Company does not outsource any activity which will unduly raise its exposure to operational risk, its ability to fulfil its obligations to customers or its regulator, nor impede effective supervision by its regulator.

Robust governance and management oversight over the outsourcing process, combined with assurance provided by regular management information, are essential controls for managing outsourcing risk and these are all included within the Company's outsourcing policy. The policy also requires the Board to consider contingency arrangements if a service provider should fail.

<u>Outsourcing of critical or important operational functions or activities</u>
EHGL is a holding company and does not undertake any significant operational activity and its financial and operational management is outsourced to Robus Corporate Services (Guernsey) Limited.

EICL and EISL engage several suppliers to undertake important activities on their behalf. For each company, details of the activities and the jurisdictions they operate in are shown in the following table:

Critical Service Outsourced	Recipient Company	Jurisdiction
Underwriting, business acquisition, claims management, policy fulfilment & IPT compliance, for all lines of business, subject to delegated authorities	EICL	UK Greece
IT Helpdesk and day-to-day support	EISL	UK
Insurance Management (compliance, risk management tasks, company secretarial, accounting, banking & investments, regulatory reporting, actuarial function)	EICL	Gibraltar
Internal Audit	EICL	UK
Professional Services – legal and tax	EICL EISL	UK, Gibraltar UK
Management Accounting and Payroll	EISL	UK

B8. Adequacy of the System of Governance

The Group continually monitors, assesses, and enhances its system of governance. There have been no significant findings during the reporting period which have indicated to the Board that the system of governance is not adequate. The Board 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 Group companies.

COVID-19 resulted in restrictions on movement of people which placed a strain on the Group and its business partners in terms of business continuity. However, the Group placed appropriate focus on business continuity planning and this focus led to the operations continuing with minimal impact on policyholders or other key stakeholders.

C. Risk Profile

The risk profile of the Group is not considered to be materially different to that of EICL. As such the following risk profile assessment is based on that for EICL.

EICL faces risks spanning a range of categories including, but not limited, to those categories of risk that are encompassed by the Standard Formula and for which the holding of capital is considered an appropriate response. EICL maintains a Risk Register for recording these risks and considers these risks within the following categories:

Risk	**Risk Description**
Insurance / Underwriting	Insurance experience is different to current best-estimate assumptions.
Market	Adverse movement in asset values, asset income, interest rates or inflation.
Counterparty	A counterparty defaults on its obligations or fails to meet them on time.
Operational	Losses resulting from inadequate or failed internal processes, people, and systems or from external events.
Liquidity	The risk that EICL, though solvent, either does not have sufficient financial resources available to meet its obligations when they fall due or can secure them only at excessive cost.
Strategic (including Group & Reputational Risk)	Risks which can be quantified and understood, and which would have a major impact on the Group's business model and strategy. These could derive from either external or group events. The Group Risk component of strategy includes conflicts of interest, competition for financial resources, and the reputational impact from the activities of other parts of the group.

Liquidity Risk and Strategic Risk are not explicitly considered by the Standard Formula SCR but are included for completeness.

There have been no material changes in the material risks over the reporting period.

C1. Underwriting Risk

The nature of insurance business means that insurers are exposed to the possibility of claims arising on the business written. In underwriting insurance business EICL is therefore exposed to the following insurance risks:

Types of Insurance Risk	**Risk Description**
Premium or Pricing	The risk that the premium charged by the Company is inadequately priced or underwritten resulting in underwriting losses.
Reserving	The risk that the provisions / reserves established by the Company are not sufficient to meet the value of claims.
Catastrophe	The risk that there is a large loss arising from the insurance written.
Lapse	The risk that the rate at which policyholders cancel or do not renew their insurance is materially different to that assumed when the product is designed and priced

Underwriting concentration risk is limited due to the spread of classes, jurisdictions, and distribution channels. Where there is a significant concentration, this is mitigated via reinsurance arrangements or underwriting limits placed on intermediaries.

The overall level of underwriting risk has stabilised following a period of risk reduction driven by the transfer of the UK Motor book and the closure of the Greek Motor book, and longer tail portfolios such as Latent Defects Insurance and Insurance Backed Guarantees. These closed books are now in run-off and therefore the Company's SCR is most sensitive to an adverse stress in Reserve Risk.

The means by which Underwriting risks are mitigated by the Company is set out below.

<u>Premium Risk</u>

EICL targets a balanced portfolio of insurance risks by reference to the underwriting class. New business lines are spread across Surety, Assistance, and Miscellaneous Financial Loss.

All lines are distributed through intermediaries with underwriting authority delegated to them by EICL allowing them to bind business on behalf of the Company. This presents a risk in that the intermediary could underwrite outside of EICL's risk appetite, which is mitigated through robust controls, including:

- Delegated authority limits being specified in the contracts with the intermediary;
- Intermediaries being provided with pricing rates and underwriting guidelines which are regularly reviewed by the Underwriting Committee to ensure they are fit for purpose;
- Regular underwriting audits to review the procedures and controls of the intermediary and their compliance with the delegated authorities, pricing rates and underwriting guidelines.

<u>Reserve Risk</u>

The Company uses the services of external professional actuaries to assist in the determination of the reserves that EICL holds. Additional mitigation is achieved through the following processes:

- the Capital and Reserving Committee reviewing claims reserves to ensure they are appropriate;
- delegated authority holders being regularly monitored to ensure they are adhering to the claim's management and reserving philosophy and guidelines; and
- internally assessing the data quality and methodology used to calculate the reserves.

<u>Catastrophe Risk</u>

The Company is exposed to catastrophic risks, particularly in the surety line of business due to the requirements of the Solvency II standard model approach. This risk is mitigated via the use of corporate counter indemnities and Directors' guarantees as security coupled with close oversight and monitoring of the intermediary and checking adherence to the delegated authority.

<u>Lapse Risk</u>

The Company is exposed to lapse risk in relation to its Home Emergency product. This risk is mitigated through a focus on good customer service and fair pricing of renewals.

C2. Market Risk

The Company is exposed to Market Risk through its financial assets and liabilities and its insurance assets and liabilities. The principal risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from the insurance or underwriting risk.

The main market risks which affect EICL are:

Types of Market Risk	Risk Description
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.
Property	The risk that there is a fall in the value of the property assets owned by the Company or used to secure the value of loans made by the Company.
Concentration	Concentration exposure is assessed in respect to exposure to any single name.
Equity	The risk that there is a fall in the value of equities held by the Company.
Currency	Currency risk arises from change in the level or volatility of exchange rates.

The Company does not have a material exposure to Interest Rate risk (the risk that the fair value of interest rates adversely affects the value of assets or liabilities of the Company).

Prudent Person Principle

The Group and the 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 defines that the assets must be invested in a manner that a 'prudent person' would (i.e. the decisions are generally accepted as being sound for the average person).

EICL considers the cash needed over a three-year horizon based on the business plan, considering the liquidity of the assets. The bond portfolio is invested in short-dated instruments which, along with the cash and cash equivalents held, are designed to approximate the nature and duration of the insurance liabilities. In addition, the Company is exposed to some medium to long term business for which the commercial property portfolio is considered an appropriate investment to counter the long-term effects of inflation.

The Investment Committee is charged with the responsibility of measuring, reporting on, monitoring of, control and managing the performance of all EICL's investable assets. This includes assessment of the prudent person principle.

The Investment Committee has engaged the services of external experts to assist with its responsibilities and the Board has issued terms of reference that impose limits and controls on the quality, liquidity, asset class, nature, duration and security of investments and investment assets.

The risk management actions employed to manage the individual risks are discussed below.

Spread

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 specifies credit quality limits to the conventional fixed income assets in its Investment Policy.

The Investment Management Procedures and Policy are reviewed at least annually to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates. There has been no material change in spread risk over the reporting period.

Property

EICL has a property investment portfolio, the majority of which consists of commercial properties which are then leased to provide a return on capital. Given the tenant covenants in place, these commercial properties are not subject to the same market fluctuations as residential properties, and therefore are considered to be lower risk. The properties, while all based in the UK, are spread across different sectors (i.e. office, retail, industrial) to mitigate concentration risk.

The material risks presented by the property portfolio have not significantly changed over the reporting period. The Investment Committee assesses and monitors the risks presented by the property portfolio,

<u>Concentration</u>
The concentration exposure arises in respect of positions taken in the Company's bond portfolio, secured loans, property and loan exposure and counterparties in respect of its cash holdings and reinsurance recoveries. In respect to properties and loans, concentration exposure is considered where the individual properties are part of the same building or the same property holding company. Concentration of counterparties in respect of cash and reinsurance exposures is considered with counterparty risk in section C3.

Concentration risk in the bond portfolio is mitigated by the use of an external investment manager. 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 the concentration risk is undertaken by the Investment Committee which monitors investment holdings against the Investment Management Policy and Procedures, which are reviewed at least annually to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

Concentration risk has remained relatively consistent over the reporting period and EICL's risk profile is most sensitive to a fall in the value of commercial property.

<u>Currency</u>
The Company is exposed to two currencies, the Euro ("EUR") and British Sterling ("GBP"). All investments are held in GBP and therefore present no currency risk to the Company. The Company holds a Euro cash account for Euro premium funds and claims payments, to minimise the number of currency exchanges necessary, however it is exposed to currency risk as its accounting currency is GBP and the exchange rate will affect the value of transactions and balances.

The Investment Committee regularly consider currency exposure and make recommendations to the Board when appropriate. The level of currency risk has reduced over the reporting period and is not material to the Group.

C3. Counterparty Risk
Counterparty risk (sometimes referred to as credit risk) is the risk that a counterparty will be unable to pay amounts in full when due.

EICL is principally exposed to Counterparty risk in the following areas:
- Counterparty exposure to reinsurers;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries; and
- Amounts held with banks and other financial institutions

The Underwriting Committee assesses the counterparty risk by reviewing the reinsurers'. share of insurance liabilities and amounts overdue from the other insurance counterparties listed above (including how long overdue they are) at each Committee meeting. It monitors these amounts and whether they are in line with EICL's risk appetite, implementing additional risk mitigation measures or escalating to the Board if the risk appetite is exceeded. The Investment Committee considers the counterparty risk to banks and other financial institutions.

Counterparty risk presented by reinsurers is mitigated by:
- using ‘A’ rated reinsurers or better wherever possible;
- monitoring the credit rating of current and historic rated reinsurers;
- for non-rated reinsurers alternative mitigation measures are implemented, such as ‘pay as paid’ clauses in the contract or collateralised arrangements via ‘funds withheld’ accounts;
- using a select number of reinsurers (reducing contagion risk).

As at 30 June 2022, the largest exposure to a single reinsurer (net of collateral) amounted to 98% (2021: 98%) of the net exposures. This exposure is with an A rated counterparty with the exposure all relating to Greek motor insurance.

Counterparty risk relating to insurance contract holders and insurance intermediaries is mitigated by:
- performing due diligence on the financial stability of counterparties prior to entering into business relationships, and ongoing monitoring of same;
- some insurance intermediaries being connected parties;
- ensuring payment terms are included in business contracts; and
- requiring payment of premium in advance wherever possible.

Counterparty risk is also identified, assessed, and monitored through the Risk Register on which key market risks are recorded.

The risk mitigation measures outlined above are reviewed at least annually by the Underwriting and/or Investment Committee to ensure that they are still effective and appropriate for the Company and the risk environment in which it operates.

C4. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events.

EHGL is exposed to low levels of operational risk, being holding companies, as it outsources operational functions to Robus Corporate Services (Guernsey) Limited. The majority of the operational risk in EISL is considered in assessing EICL’s operational risk as its activity primarily relates to sourcing Surety and Travel Financial Failure Insurance business for the Company.

EICL’s operational risk is identified, assessed, and monitored by the RACC with oversight from the Board, and recorded on the Risk Register. Mitigating measures are also recorded on the Risk Register and are monitored on a risk-based frequency. The most material categories of operational risk and how they are mitigated are set out below.

There have been no material changes to the operational risks the Company is exposed to over the reporting period. The Company’s solvency is not sensitive to operational risk stresses.

<u>Outsourcing risk</u>

This is the risk that a material service provider fails to meet its contractual obligations or goes into liquidation and is mitigated by the following key controls:
- contracts must be in place with all material service providers
- appropriate risk assessment and due diligence must be conducted before entering into a new outsourcing arrangement
- at regular intervals, a service provider’s stability and performance are monitored and measured against agreed service levels

Regulatory & Legal risk
This is the risk that EICL and/or the Group breaches a regulatory or legal requirement resulting in a fine, sanction, and/or restriction/revocation of its licence.

This risk is mitigated by having sound corporate governance and internal controls, and a strong compliance culture. Internal controls are regularly assessed through the compliance monitoring programme and are also subject to internal audit. In addition, the Company has regular meetings with its Regulator and closely monitors legal developments in the jurisdictions in which it operates.

Financial crime risk
This is the risk that EICL is used as a vehicle for financial crime, e.g. money laundering, or suffers directly from financial crime e.g. is defrauded by a customer, employee or intermediary. Increased claims costs because of fraudulent claims effects EICL's profitability and potentially its solvency.

This risk is largely mitigated by having robust internal controls and corporate governance, including adhering to the 'four-eyes principle'. Internal controls are regularly monitored through the compliance monitoring programme and are also subject to internal audit.

External risk
This is the risk that an external event affects the operation of the Company or one (or more) of its material outsourced providers.

The risk is mitigated by the Company having a tested Business Continuity Plan ('BCP') and requiring such a tested BCP to be operated by its material service providers.

C5. Liquidity Risk

This is the risk that cash may not be available to pay obligations when due at a reasonable cost. EHGL and EISL have no material exposure to liquidity risk.

EICL manages its assets in such a manner to ensure an adequate proportion of invested funds is available to meet its expected and stressed cash outflows.

Liquidity risk is assessed and monitored by the Investment Committee, ensuring that there are sufficient funds available to meet both immediate and foreseeable cash flow requirements. This is done by reviewing balances in bank accounts and investments against expected requirements, bearing in mind maturities of investments and notice periods for withdrawals. Investments and cash are reviewed by the Board quarterly. The Investment Committee have set guidelines for the management of liquidity in the Investment Management Policy, which is reviewed at least annually to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

The property portfolio presents the greatest liquidity risk to the Company as property is likely to take some time to sell and a forced sale may result in a reduced return. This is mitigated by the Investment Committee adhering to the Investment Management Policy, and monitoring liquidity risk.

C6. Strategic Risk

Strategic risks are those that arise from the fundamental decisions that the Board take concerning the Group's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives. This includes Group risk which is the risk that adverse events or circumstances affecting one part of the Group damage the solvency, liquidity, results, or reputation of the other companies in the Group.

The risk is not considered material and is mitigated by the governance and risk management frameworks operating in the Group. Brexit has been assessed as a strategic risk and the actions taken by the Group to mitigate this risk are detailed in section A1.

C7. Other Risks

The Group, along with most businesses, is currently exposed to an elevated range of external risks driven by global events such as the Ukraine War, Climate Change, COVID-19, and regulatory / legislative changes. The Board believes that these external events are driving a number of outcomes which may have an adverse impact on the Group. These include:

- Inflationary pressures
- Supply chain challenges
- Interest rate and yield curve changes
- Decreased volume of insurable activity by retail customers
- Reduced levels of business confidence
- Increases in taxation
- Increase in the number of businesses entering administration or insolvency
- Increased fears over cyber-attacks

The Board consensus is that it is not possible to make long term quantifiable forecasts on the impact of many of these risks. However, the Boards ongoing qualitative impact assessment (see extract below) has highlighted that inflationary pressures resulting from a combination of these external factors may have an adverse impact on the Group and can be quantified. Accordingly, an explicit provision for inflation has been made within the current and forecast financial assessment.

To support the Board in its ongoing impact assessment of these macro events the following qualitative assessment is reviewed and updated regularly:

Risk Category	Hazard	Potential Impact / Risk to the Company
Insurance	Climate Change	Increase in frequency & severity of property related claims
	Claims Inflation	General inflation risk combined with supply chain issues could result in increased claims inflation
	Insolvencies	Inflation, cash flow and loss of business confidence leads to an increase in business failures which could impact the Construction and Travel sectors
	New Business levels	The level of business is lower than hoped for driven by lower business growth and retail consumers looking to economise
Market	Yield curve and interest rates	Short term volatility combined with a longer-term adjustment to interest rates and yields may impact asset prices
	Property valuations	The economic downturn leads to an increase in rental defaults and /or puts pressure on rent rises to meet inflation pressures
Counterparty	Insolvencies / Downgrades	No downgrades or defaults are anticipated but there is an elevated risk and as such risk appetite is adjusted
Operational	Resilience	The Group closely monitors its operational resilience tolerances and risk appetite considering the external environment, including the risk of cyber-attack.

D. Valuation for Solvency Purposes

The Technical Provisions held by the Company and Group are not materially different. The Group assets are £0.4m (2021: £0.5m) higher than those in EICL and all restatements are made following the same methodology as for the Company. Accordingly, the information in this section relates to EICL.

D1. Assets

As at 30 June 2022, the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adjustment (£'000)	Solvency Value (£'000)	Note
Investments in properties	7,105	-	-	7,105	1
Equity	-	-	-	-	2
Reinsurer's share of claims outstanding	10,797	(561)	142	10,378	3
Debtors arising out of insurance operations	2,723	(2,723)	-	-	4
Deferred acquisition costs	3,087	-	(3,087)	-	5
Other Assets and Prepayments	718	1,802	(40)	2,480	6
Cash and cash equivalents	2,714	-	-	2,714	7
Collective investment undertakings	20,020	-	-	20,020	7
Financial investments - other loans	3,637	77	-	3,714	8
Deferred taxation	-	-	468	468	9
TOTAL	**50,801**	**(1,405)**	**(2,517)**	**46,879**	

As at 30 June 2021, the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adjustment (£'000)	Solvency Value (£'000)	Note
Investments in properties	7,505	-	-	7,505	1
Equity, including investment in group undertaking	2,106	-	-	2,106	2
Reinsurer's share of claims outstanding	12,692	(715)	294	12,271	3
Debtors arising out of insurance operations	439	(439)	-	-	4
Deferred acquisition costs	2,333	-	(2,333)	-	5
Other Assets and Prepayments	308	(51)	(24)	233	6
Cash and cash equivalents	9,356	-	-	9,356	7
Collective investment undertakings	20,197	-	-	20,197	7
Financial investments - other loans	3,149	51		3,200	8
Deferred taxation	51		102	153	9
TOTAL	**58,136**	**(1,154)**	**(1,961)**	**55,021**	

Reclassifications for solvency purposes are reclassifications to the technical provisions, whereas solvency valuation adjustments are valuation differences applied on a line-by-line basis.

Supporting Notes

The valuation principles applied to these assets are consistent with those used in the GAAP accounts.

1. Investments in property – these are valued based on the most recent external valuation report, or cost if the acquisition was less than three years ago. Properties are valued at least every three years.
2. The Company sold and/or distributed its non-quoted equity investment during the year. In addition, the investment in subsidiary was converted to a loan as the Board believed this to be a fairer reflection of the economic substance of the investment.
3. Reinsurance share of claims provisions – The adjustments made to its reinsurance recoveries in its GAAP accounts in recording the reinsurance share of claims provisions for solvency purposes are set out in section D2, including items such as discounting, ENIDs, and defaults.
4. Debtors arising out of insurance operations – valued based on the best estimate of the recoverable value, discounted to present value where the expected recovery is greater than one year. Reclassified for solvency purposes to net off technical provisions.
5. Prepayments and deferred acquisition costs – GAAP value based on the estimated unutilised benefit as at the balance sheet date. These are disallowed for solvency purposes.
6. Other assets – valued based on the best estimate of the recoverable or realisable value. Adjustments for solvency purposes include reclassifications of claims fund from 'Debtors arising out of insurance operations' and accrued interest arising on secured loans.
7. Cash and equivalents; deposits other than cash equivalents; and collective investment undertakings – valued at the amount held at the period end, translated using the year end exchange rate where appropriate. Amounts are reclassified to technical provisions where they relate to collateral arrangements.
8. Financial investments – all the financial investments for the company have been looked through to identify the underlying exposures or reclassified to technical provisions where they relate to collateral arrangements.
9. Deferred tax asset – the revaluation is based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.

D2. Technical Provisions

Technical Provisions measure the value of EICL policies and are comprised of two main calculations:

- the Best Estimate of Liabilities (BEL) which is the Company's realistic assessment of every policy's future cash flows while it remains active over the life of the contract; and
- the Risk Margin which represents the estimated cost of the capital a third-party insurer would be required to hold to support the Company's insurance business over its period of run-off.

The technical provisions by line of business are set out in the following table:

	As at 30 June 2022			As at 30 June 2021		
Line of business	Best Estimate of Liabilities (£'000)	Risk margin (£'000)	Technical provisions (£'000)	Best Estimate of Liabilities (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Motor vehicle liability including PPOs	8,382	103	8,485	16,025	655	16,680
Fire & damage to property	307	36	343	1,151	117	1,268
Credit and suretyship	3,014	352	3,366	2,116	215	2,331
Assistance	1,472	173	1,645	0	0	0
Miscellaneous financial loss	14,010	1,300	15,310	12,210	969	13,179
Total	**27,185**	**1,964**	**29,149**	**31,502**	**1,956**	**33,458**

Areas of Uncertainty in Technical Provisions

In calculating the Technical Provisions there are a number of areas where informed or expert judgement is required. The key areas of uncertainty around the calculation of technical provisions are:

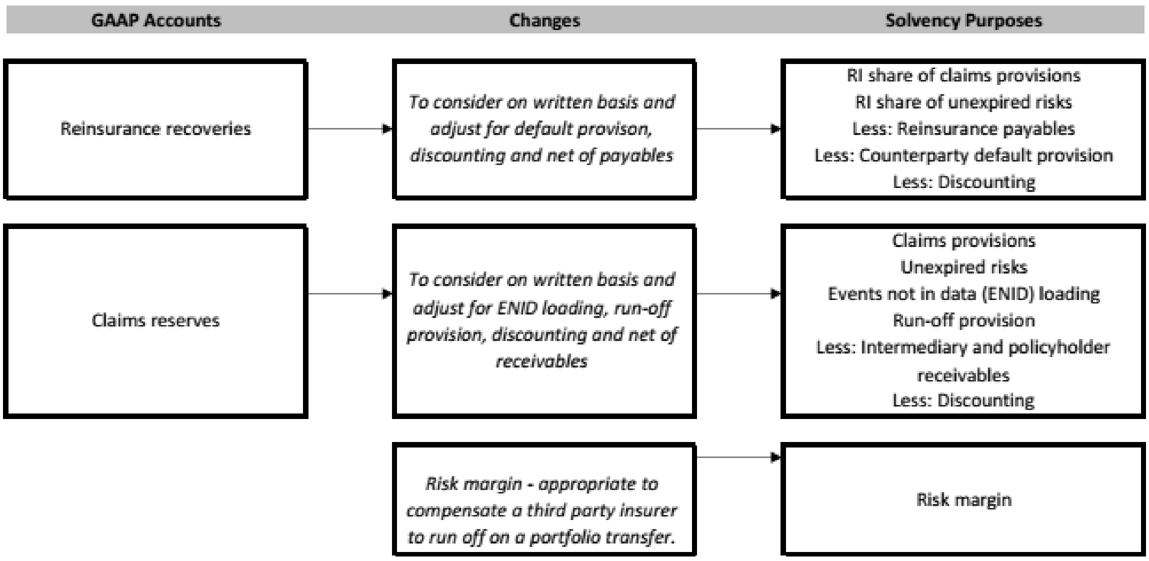
a. Estimation of outstanding loss reserves ("OSLR") – while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.
b. Estimation of the losses relating to claims which have been incurred but not reported ("IBNR") – this is subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of calculating the technical provision.
c. 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 where the Company has written premium but this has not yet been earned.
d. Market environment – changes in the market environment increase the inherent uncertainty affecting the business.
e. Events not in data ('ENID loading') – estimating a provision for events not in data is subject to uncertainty as the events being reserved for have not been observed in the data underlying the actuarial projections.
f. Provision for expenses – estimating a provision for expenses required to run-off bound obligations of the Company (assuming that new business continues to be underwritten) is uncertain due to the estimations around the period of the run-off, base costs, forecast levels of new business and inflation.
g. Risk margin – is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the uncertainties of the runoff provision, as well as the inherent uncertainties around forecasting future solvency capital requirements.

The Company manages the risks around these uncertainties through the following actions:

- Ongoing monitoring of claims, including regular reviews of claims handling functions.
- Maintaining reinsurance arrangements to limit the impact of adverse claims development.
- Internal controls through the underwriting committee and actuarial function which monitor claims development and reinsurance arrangements.
- Regular internal and external actuarial reviews.

Reconciling GAAP Reserves to Technical Provisions

The changes required to transition from Claims Reserves in the EICL Financial Statements (GAAP Reserves) to the Technical Provisions for solvency purposes are consistent for all lines of business, and can be summarised as follows:



The detailed adjustments made by the Company to transition balances from GAAP reserves to solvency Technical Provisions are set out below. 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.

1. Claims provisions – The Company is not required to make any adjustments to its claims provisions in its GAAP accounts in recording the claims provisions for solvency purposes.

   The claims provisions as at 30 June 2022 were £18,203k (2021: £17,323k). The increase from 2021 reflects the reserve strengthening in the Latent Defects Insurance portfolio and the creation of an explicit 'inflation reserve'.

2. Reinsurance share of claims provisions – The Company has made no adjustments to its reinsurance recoveries in its GAAP accounts in recording the reinsurance share of claims provisions for solvency purposes other than those described.

   The reinsurance share of claims provisions as at 30 June 2022 was £10,797k (2021: £12,692k).

3. Premium provisions / Unexpired risks – The Company has estimated the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions.

   The premium provision as at 30 June 2022 was £7,573k (2021: £5,290k).

4. Reinsurance share of premium provisions – The Company has estimated the amounts recoverable on premium provisions based on the ultimate loss ratios and large loss experience from the claims provisions.

   The reinsurance share of premium provisions as at 30 June 2022 was £nil (2021: £nil).

5. Intermediary and policyholder payables/receivables are netted off the technical provisions for solvency purposes. There are no valuation differences between GAAP accounts and intermediary and policyholder payables/receivables for solvency purposes.

   The net insurance payables as at 30 June 2022 were £560k (2021: £5,996k). The reduction in net insurance payables is due to a settled balance (which was offset by cash) with a third party Gibraltar insurer.

6. Reinsurance payables/receivables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP Accounts and net reinsurance payables/receivables for solvency purposes.

   The net reinsurance payable as at 30 June 2022 was £561k (2021: £715k).

7. Events not in data – 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 data are often called events not in data ("ENID"). This is a difference in valuation methodology compared to the GAAP accounts which consider prudent 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 and given the business model, believe that such unobserved events are unlikely.

   As such, the net ENID loading applied by the Company as at 30 June 2022 was £687k (2021: £190k).

8. 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. It then applies the estimated probability of default by rating and derives a weighted average probability of default.

   As at 30 June 2022 the Company has calculated the weighted average probability of default of reinsurers to be 0.28% (2021: 0.13%), and the resultant counterparty default adjustment was £20k (2021: £21k). The reduction in the adjustment was driven by an increase in the collateral held in respect of unrated reinsurance exposures.

9. Expense 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 an expense or run-off provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run-off.

   The provision applied by the Company as at 30 June 2022 was £2,274k (2021: £2,604k).

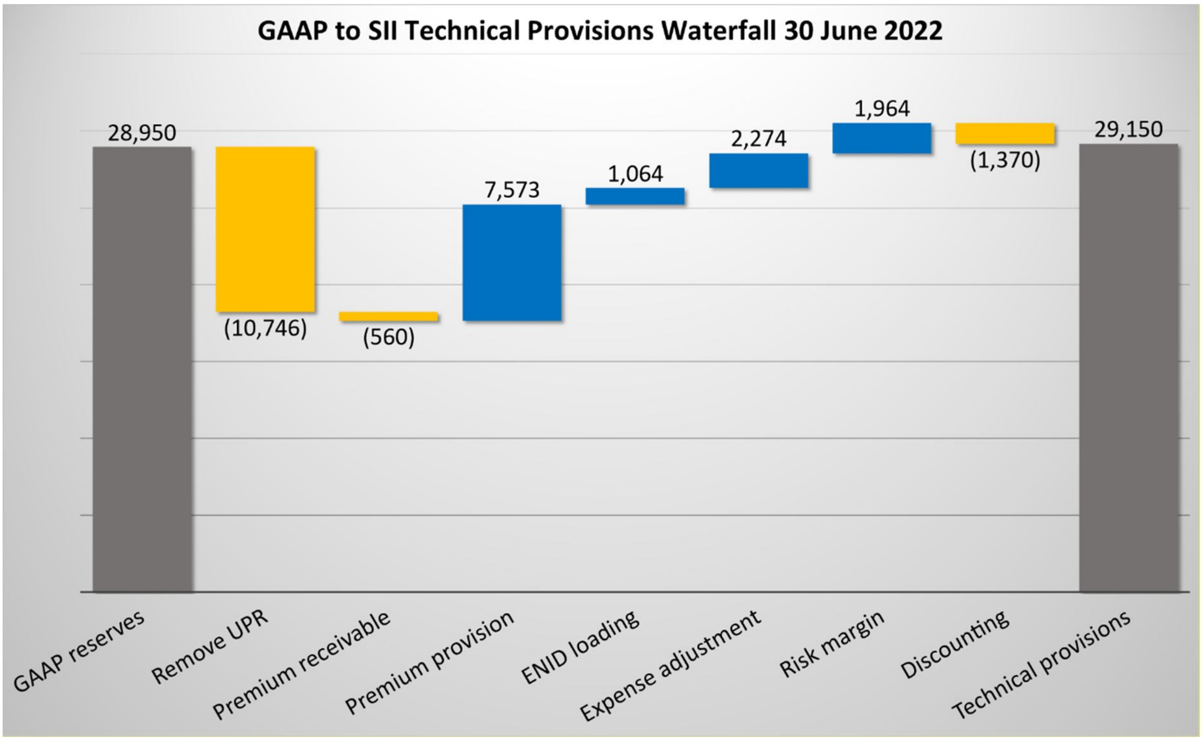
10. Discounting – Discounting has been applied in the technical provisions based on the sterling yield curve as at 30 June 2022 as issued by the European Insurance and Occupational Pensions Authority ("EIOPA").

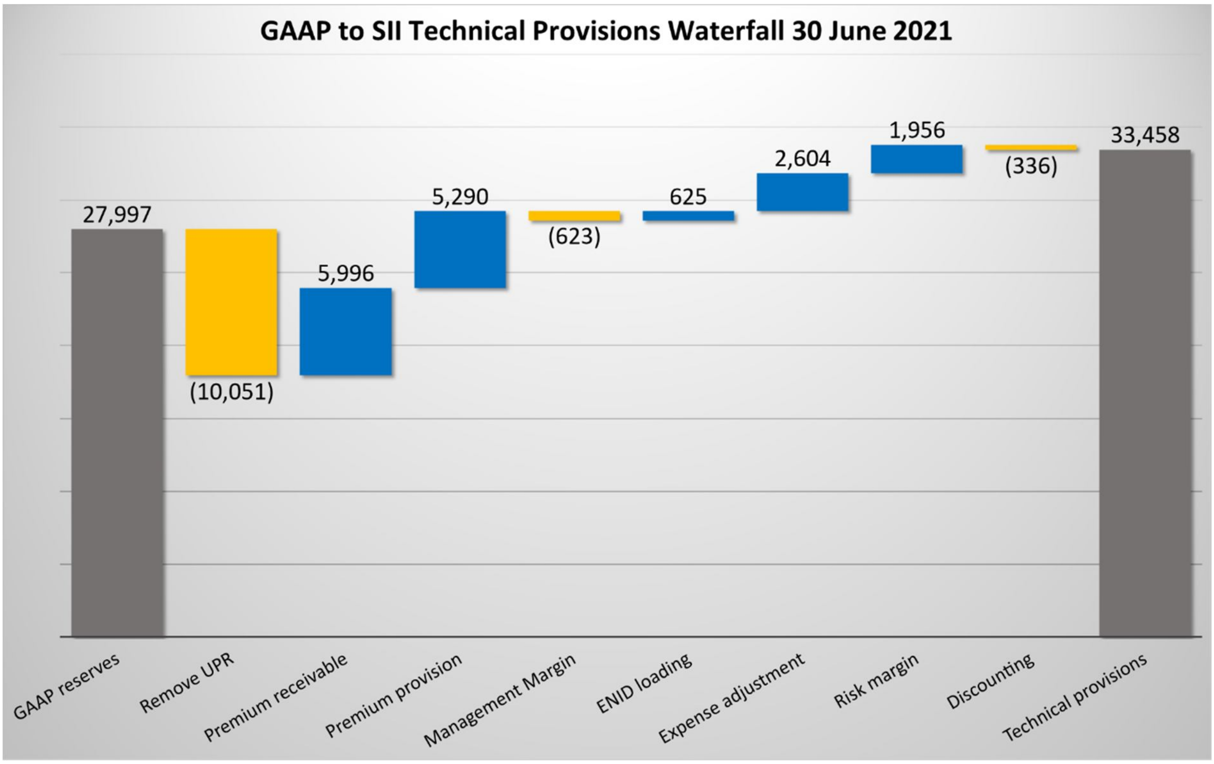
    The impact of discounting on the gross technical provisions was £1,370k (2021: £335k), and on the reinsurance share of technical provisions the impact of discounting was £215k (2021: £120k).

11. Risk Margin – The risk margin has been considered to ensure that the value of the technical provisions is equivalent to the amount that would be expected to have to be paid to a third party insurance company to take over and meet the insurance obligations of the Company. The risk margin has been calculated based on the estimated capital requirements to run off the Company's obligations and applying a cost of capital of 6%.
    The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of operational, underwriting risk and reinsurance counterparty risk.

    This results in a risk margin as at 30 June 2022 of £1,964k (2021: £1,956k).

For the years ended 30 June 2022 and 2021, the reconciliation adjustments detailed above are summarised in the following charts.





<u>Reinsurance Arrangements by Line of Business</u>
The Company has entered into various reinsurance arrangements, as follows, for each line of business:

- Motor vehicle liability and other motor insurance – In respect of its Greek motor business, the company has a Quota Share (QS) treaty with a counterparty with a good rating from a well-known rating agency.
- Fire and other damage to property – There are no reinsurance arrangements for this line of business.
- Credit and suretyship – There are no reinsurance arrangements for this line of business.
- Miscellaneous financial loss – The Company has QS reinsurance arrangements for two books of business written in this line of business. One arrangement is with an unrated reinsurer but with collateral arrangements in place and the other is with a rated reinsurer. However, the majority of books are not subject to reinsurance.

D3. Other Liabilities

The Company recorded the following classes of liabilities for solvency purposes:

	As at 30 June 2022		As at 30 June 2021		
Liability (£'000)	**GAAP Value**	**Solvency Value**	**GAAP Value**	**Solvency Value**	**Explanation of Differences**
Accruals	433	367	495	495	• Reclassified to other creditors
Reinsurance accounts payable	561	-	532	-	• Reclassified to technical provisions
Other creditors	2,156	1,937	8,027	1,358	• Reclassified to technical provisions

There have been no valuation adjustments for solvency purposes other than the non-recognition of reinsurance share of deferred acquisition costs.

D4. Alternative Methods for Valuation

Not applicable for the Company.

E. Capital Management

The Capital Management section of the report describes the objectives and approach that the Group takes in managing its capital position. The capital position is measured by assessing the structure, quality and level of Own Funds and the calculation of the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') under the Standard Formula.

When managing capital, the Group has the following additional objectives:

- To ensure the Group's strategy can be implemented and is sustainable;
- To ensure the Group's financial strength and to support the risks it takes on as part of its business;
- To give confidence to policyholders and other stakeholders who have relationships with the Group; and
- To comply with Solvency II capital requirements imposed by its regulator, the Gibraltar Financial Services Commission (GFSC).

These objectives are reviewed at least annually, and risk metrics are set by which to judge the adequacy of the Group's capital. The capital position is monitored against these metrics to ensure that sufficient capital is available to the Group. The Group is required to hold sufficient capital to meet the Solvency II capital requirements based on the higher of the SCR or MCR.

The Group intends to maintain Own Funds in excess of the SCR and MCR to meet the GFSC's regulatory requirements and to maintain an appropriate additional margin over this to absorb changes in both capital and capital requirements (an 'SCR Buffer'). The level of the SCR Buffer is determined by the EICL Board and depends on various actuarial and other assumptions about potential changes in market prices, future operating experience and the actions management would take in the event of adverse changes in market conditions.

As at 30 June 2022 the Company reported an excess of Own Funds over the SCR of £6.1m or 167% (30 June 2021: £9.7m or 197%). The corresponding Group excess of Own Funds was £7.1m or 174% (2021: £10.2m or 199%).

E1. Own Funds

The Company classifies its 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 Company's available own funds are as follows:

		As at 30 June 2022		As at 30 June 2021	
Own fund item	**Tier**	**£'000**	**%**	**£'000**	**%**
Ordinary share capital	1	500	3%	500	2%
Preference share capital and share premium	1	5,121	33%	5,121	26%
Reconciliation reserve	1	9,337	61%	13,936	71%
Deferred tax asset	3	468	3%	153	1%
		15,426	**100%**	**19,710**	**100%**

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

The movement in Company Own Funds during the year ended 30 June 2022 was as follows:

	£'000	£'000
Own funds as at 30 June 2021		**19,710**
Accounting profit in the current year	**117**	
Solvency II valuation adjustments:		
Less: increase in prepayments	(15)	
Less: net increase in discounted claims and premium provisions	(1,272)	
Add: decrease in counterparty default provision	1	
Less: increase in risk margin, run-off provision and net ENIDs	(176)	
less: increase in deferred tax assets	315	
less: increase in accrued income and deferred acquisition costs	(780)	
Other movements	26	
Solvency II loss for the year		**(1,784)**
Dividend		**(2,500)**
Own funds as at 30 June 2022		**15,426**

The Group's available Own Funds are as follows:

		As at 30 June 2022		As at 30 June 2021	
Own fund item	**Tier**	**£'000**	**%**	**£'000**	**%**
Share capital and share premium	1	125	1%	125	1%
Reconciliation reserve	1	16,184	97%	20,145	98%
Deferred tax asset	3	419	2%	112	1%
		16,728	**100%**	**20,382**	**100%**

E2. Solvency Capital Requirement (SCR) & Minimum Capital Requirement (MCR)

The SCR of the Company as at 30 June 2022 was £9,264k (2021: £10,016k). The MCR of the Company as at 30 June 2022 was £3,511k (2021: £3,426k). The SCR and MCR of the Group are not materially different to that of the Company. The final amount of the SCR in respect of the Company and the Group remains subject to supervisory assessment.

<u>Solvency Capital Requirement</u>

The Company uses the Standard Formula approach for calculating its regulatory SCR, and maintains its own internal view of capital. The following table shows the breakdown of the Company SCR by risk. In line with the construction of the Standard Formula SCR, the amounts for each risk module contain some diversification allowance within that module. For example, the market risk line includes diversification between property and spread risk.

The composition of the Company SCR is set out the following table:

SOLVENCY CAPITAL REQUIREMENT	30 June 2022 £'000	30 June 2021 £'000
Market risks	2,516	3,143
Counterparty risks	491	815
Non-life underwriting risks	7,185	7,285
Basic SCR diversification	(1,743)	(2,172)
Operational risks	815	945
Total	**9,264**	**10,016**

The Company has not 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.

Minimum Risk Capital Requirement

The MCR is calculated in accordance with article 248 of the delegated regulations with the key inputs into the calculation being the net of reinsurance technical provisions and gross written premium over the reporting period.

Material Changes in the SCR and MCR

The SCR has decreased since June 2021 driven by Market and Counterparty risk modules. Market risk driven by the exclusion of equity investments (Skylark and HP Insuretech) from the solo SII Balance sheet and counterparty default driven by reduced exposure to RBS derived mostly from the FCIM creditor transfer.

E3. Non-Compliance with the MCR and Non-Compliance with the SCR

The Company has maintained capital sufficient to meet its minimum capital requirement and solvency capital requirement throughout the period covered by this report.

E4. 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.

Evolution Holdings (Guernsey) Limited

Quantitative Reporting Templates

G.02.01.02 - Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	419
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	28,376
R0080	Property (other than for own use)	7,105
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	1,251
R0110	Equities - listed	0
R0120	Equities - unlisted	1,251
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	20,020
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	3,714
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	3,714
R0270	Reinsurance recoverables from:	10,350
R0280	Non-life and health similar to non-life	10,350
R0290	Non-life excluding health	10,350
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	8,079
R0420	Any other assets, not elsewhere shown	2,382
R0500	**Total assets**	53,319

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	29,137
R0520	Technical provisions – non-life (excluding health)	29,137
R0530	TP calculated as a whole	0
R0540	Best Estimate	27,185
R0550	Risk margin	1,952
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	7,044
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	411
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	36,591
R1000	**Excess of assets over liabilities**	16,728

G.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

Contents

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		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																	
R0110	Gross - Direct Business	0	0	0	0	0	0	-4	0	2,136	0	3,388	2,684					8,205
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	0	0	0	0	0	0	0	0	1,333	0	0	0	0	1,333
R0200	Net	0	0	0	0	0	0	-4	0	2,136	0	3,388	1,352	0	0	0	0	6,872
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	0	0	0	250	0	2,071	0	817	3,711					6,850
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	0	0	0	0	0	0	0	0	1,333	0	0	0	0	1,333
R0300	Net	0	0	0	0	0	0	250	0	2,071	0	817	2,379	0	0	0	0	5,517
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	1,100	0	0	194	0	1,016	0	460	2,545					5,315
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	1,100	0	0	0	0	0	0	0	241	0	0	0	0	1,341
R0400	Net	0	0	0	0	0	0	194	0	1,016	0	460	2,304	0	0	0	0	3,974
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	-330	0	0	0	0	-330					-660
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	-330	0	0	0	0	-330	0	0	0	0	-660
R0550	**Expenses incurred**	0	0	0	0	0	0	-1	0	632	0	1,270	1,002	0	0	0	0	2,904
R1200	**Other expenses**																	0
R1300	**Total expenses**																	2,904

G.05.02.01 - Premiums, claims and expenses by country

Contents

		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	GR	IT	NL	0	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	8,205	0	0	0	0	8,205
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	1,333	0	0	0	0	1,333
R0200	Net	0	6,872	0	0	0	0	6,872
	Premiums earned							
R0210	Gross - Direct Business	0	6,846	0	0	3	0	6,850
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	1,333	0	0	0	0	1,333
R0300	Net	0	5,514	0	0	3	0	5,517
	Claims incurred							
R0310	Gross - Direct Business	0	4,253	1,100	-45	6	0	5,315
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	241	1,100	0	0	0	1,341
R0400	Net	0	4,013	0	-45	6	0	3,974
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	-660	0	0	0	0	-660
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	-660	0	0	0	0	-660
R0550	**Expenses incurred**	0	2,899	0	0	4	0	2,904
R1200	**Other expenses**							0
R1300	**Total expenses**							2,904

		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			0	0	0	0	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0
R2500	**Other expenses**							0
R2600	**Total expenses**							0

		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					
R0010	Ordinary share capital (gross of own shares)	1	1		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	125	125		0	
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	16,183	16,183			
R0140	Subordinated liabilities	0		0	0	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	419				419
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	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	0				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activit	0	0	0	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	16,728	16,309	0	0	419
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
R0520	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)	16,728	16,309	0	0	419
R0530	Total available own funds to meet the minimum consolidated group SCR	16,309	16,309	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	16,728	16,309	0	0	419
R0570	Total eligible own funds to meet the minimum consolidated group SCR	16,309	16,309	0	0	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,515				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	4.6392				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	16,728	16,309	0	0	419
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	9,639				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.7354				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	16,728
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	545
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	16,183
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

G.25.01.22 - Solvency Capital Requirement - for undertakings on Standard Formula

Contents

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	2,891		
R0020	Counterparty default risk	794		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	7,185		
R0060	Diversification	-2,047		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	8,824		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	816
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	9,639
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	9,639
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	3,515
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	9,639

G.32.01.22 - Undertakings in the scope of the group

Contents

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	Criteria of influence: % capital share	Criteria of influence: % used for the establishment of consolidated accounts	Criteria of influence: % voting rights	Criteria of influence: Other criteria	Criteria of influence: Level of influence	Criteria of influence: Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision: YES/NO	Inclusion in the scope of Group supervision: Date of decision if art. 214 is applied	Group solvency calculation: 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
GI	213800BP6LTB2RWKB804	LEI	Evolution Insurance Company Limited	2	limited company	2	Gibraltar Financial Services Commission	1.0000	1.0000			1	1.0000	1		1
GB	EISL	SC	Evolution Insurance Solutions Limited	10	limited company	2	UK Financial Conduct Authority	1.0000	1.0000			1	1.0000	1		1
GG	213800D7V77ZGIRCU963	LEI	Evolution Holdings (Guernsey) Limited	3	limited company	2	Guernsey Financial Services Commission							1		1

Evolution Insurance Company Limited

Quantitative Reporting Templates

P.02.01.02 - Balance sheet

Contents

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	468
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	27,125
R0080	Property (other than for own use)	7,105
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	20,020
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	3,714
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	3,714
R0270	Reinsurance recoverables from:	10,378
R0280	Non-life and health similar to non-life	10,378
R0290	Non-life excluding health	10,378
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,714
R0420	Any other assets, not elsewhere shown	2,481
R0500	**Total assets**	46,879

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	29,149
R0520	Technical provisions – non-life (excluding health)	29,149
R0530	TP calculated as a whole	0
R0540	Best Estimate	27,185
R0550	Risk margin	1,964
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	1,937
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	368
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	31,453
R1000	**Excess of assets over liabilities**	15,426

P.05.01.02.01 - Premiums, claims and expenses by line of business - Table 1

Contents

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		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																	
R0110	Gross - Direct Business	0	0	0	0	0	0	-4	0	2,136	0	3,388	2,684					8,205
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	0	0	0	0	0	0	0	0	1,333	0	0	0	0	1,333
R0200	Net	0	0	0	0	0	0	-4	0	2,136	0	3,388	1,352	0	0	0	0	6,872
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	0	0	0	250	0	2,071	0	817	3,711					6,850
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	0	0	0	0	0	0	0	0	1,333	0	0	0	0	1,333
R0300	Net	0	0	0	0	0	0	250	0	2,071	0	817	2,379	0	0	0	0	5,517
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	1,100	0	0	194	0	1,016	0	460	2,545					5,315
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	1,100	0	0	0	0	0	0	0	241	0	0	0	0	1,341
R0400	Net	0	0	0	0	0	0	194	0	1,016	0	460	2,304	0	0	0	0	3,974
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	-330	0	0	0	0	-330					-660
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	-330	0	0	0	0	-330	0	0	0	0	-660
R0550	**Expenses incurred**	0	0	0	0	0	0	-1	0	1,022	0	864	1,014	0	0	0	0	2,899
R1200	**Other expenses**																	0
R1300	**Total expenses**																	2,899

P.05.02.01 - Premiums, claims and expenses by country

Contents

		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	GR	IT	NL	0	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	8,205	0	0	0	0	8,205
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	1,333	0	0	0	0	1,333
R0200	Net	0	6,872	0	0	0	0	6,872
	Premiums earned							
R0210	Gross - Direct Business	0	6,846	0	0	3	0	6,850
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	1,333	0	0	0	0	1,333
R0300	Net	0	5,514	0	0	3	0	5,517
	Claims incurred							
R0310	Gross - Direct Business	0	4,253	1,100	-45	6	0	5,315
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	241	1,100	0	0	0	1,341
R0400	Net	0	4,013	0	-45	6	0	3,974
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	-660	0	0	0	0	-660
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	-660	0	0	0	0	-660
R0550	**Expenses incurred**	0	2,894	0	0	4	0	2,899
R1200	**Other expenses**							0
R1300	**Total expenses**							2,899

		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			0	0	0	0	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0
R2500	**Other expenses**							0
R2600	**Total expenses**							0

P.17.01.02 - Non-Life Technical Provisions

Contents

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	**Income protectioninsurance**	**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**	**Non-proportional health reinsurance**	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	0	0	244	0	0	96	0	512	0	1,308	6,277	0	0	0	0	8,438
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	0	0	0	0	0	-3	0	0	0	0	-3
R0150	Net Best Estimate of Premium Provisions	0	0	0	244	0	0	96	0	512	0	1,308	6,280	0	0	0	0	8,441
	Claims provisions																	
R0160	Gross	0	0	0	8,138	0	0	211	0	2,501	0	164	7,732	0	0	0	0	18,746
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	7,497	0	0	0	0	0	0	0	2,884	0	0	0	0	10,380
R0250	Net Best Estimate of Claims Provisions	0	0	0	641	0	0	211	0	2,501	0	164	4,849	0	0	0	0	8,366
R0260	**Total Best estimate - gross**	0	0	0	8,382	0	0	307	0	3,014	0	1,472	14,010	0	0	0	0	27,185
R0270	**Total Best estimate - net**	0	0	0	885	0	0	307	0	3,014	0	1,472	11,128	0	0	0	0	16,807
R0280	**Risk margin**	0	0	0	103	0	0	36	0	352	0	172	1,301	0	0	0	0	1,964
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0300	Best estimate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0310	Risk margin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Technical provisions - total																	
R0320	Technical provisions - total	0	0	0	8,486	0	0	343	0	3,366	0	1,645	15,310	0	0	0	0	29,149
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0	0	7,497	0	0	0	0	0	0	0	2,881	0	0	0	0	10,378
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	0	0	989	0	0	343	0	3,366	0	1,645	12,429	0	0	0	0	18,771

P.19.01.21 - Non-life Insurance Claims Information (simplified template for the public disclosure)

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

Total Non-Life Business

Z0020	Accident year / Underwriting year	**Z0020**	Underwriting year [UWY]

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		Development year												
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											0	0	0
R0160	**N-9**	79	1,331	0	0	144	0	0	0	0	0		0	1,555
R0170	**N-8**	106	204	453	93	240	112	124	96	46			46	1,474
R0180	**N-7**	2,218	3,185	568	494	478	361	270	282				282	7,855
R0190	**N-6**	6,469	4,886	2,055	808	1,663	1,321	1,058					1,058	18,259
R0200	**N-5**	5,347	4,197	1,178	1,413	1,495	1,128						1,128	14,758
R0210	**N-4**	3,431	4,451	1,183	1,241	1,062							1,062	11,369
R0220	**N-3**	2,039	2,952	2,511	990								990	8,493
R0230	**N-2**	196	240	174									174	610
R0240	**N-1**	4	5										5	9
R0250	**N**	313											313	313
R0260												**Total**	5,058	64,696

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		Development year											
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											0	0
R0160	**N-9**	0	0	0	0	348	311	0	0	0	0		0
R0170	**N-8**	0	0	0	1,271	350	1,093	880	1,170	3,796			3,531
R0180	**N-7**	0	0	697	2,422	4,037	1,961	914	712				677
R0190	**N-6**	0	17,712	6,770	8,427	4,724	3,891	2,810					2,746
R0200	**N-5**	4,517	12,314	7,798	3,676	3,484	2,959						2,851
R0210	**N-4**	6,201	7,646	4,744	3,853	2,949							2,874
R0220	**N-3**	4,752	5,601	3,155	2,377								2,294
R0230	**N-2**	1,061	916	657									618
R0240	**N-1**	1,558	1,330										1,258
R0250	**N**	1,993											1,896
R0260												**Total**	18,746

P.23.01.01 - Own funds

Contents

		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					
R0010	Ordinary share capital (gross of own shares)	500	500		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	2		2	0	0
R0110	Share premium account related to preference shares	5,119		5,119	0	0
R0130	Reconciliation reserve	9,337	9,337			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	468				468
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	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	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	15,426	9,837	5,121	0	468
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	15,426	9,837	5,121	0	468
R0510	Total available own funds to meet the MCR	14,958	9,837	5,121	0	
R0540	Total eligible own funds to meet the SCR	15,426	9,837	2,459	2,662	468
R0550	Total eligible own funds to meet the MCR	12,998	9,837	2,459	702	
R0580	**SCR**	9,264				
R0600	**MCR**	3,511				
R0620	**Ratio of Eligible own funds to SCR**	1.6652				
R0640	**Ratio of Eligible own funds to MCR**	3.7025				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	15,426
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	6,089
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	9,337
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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

Contents

				Gross solvency capital requirement	USP	Simplifications
				C0110	C0090	C0120
R0010	Market risk	R0010		2,516		
R0020	Counterparty default risk	R0020		491		
R0030	Life underwriting risk	R0030		0		
R0040	Health underwriting risk	R0040		0		
R0050	Non-life underwriting risk	R0050		7,185		
R0060	Diversification	R0060		-1,743		
R0070	Intangible asset risk	R0070		0		
R0100	**Basic Solvency Capital Requirement**	R0100		8,448		

	Calculation of Solvency Capital Requirement		C0100
R0130	Operational risk	R0130	816
R0140	Loss-absorbing capacity of technical provisions	R0140	0
R0150	Loss-absorbing capacity of deferred taxes	R0150	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
R0200	**Solvency capital requirement excluding capital add-on**	R0200	9,264
R0210	Capital add-on already set	R0210	0
R0220	**Solvency capital requirement**	R0220	9,264
	Other information on SCR		
R0400	Capital requirement for duration-based equity risk sub-module	R0400	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

			Yes/No
	Approach to tax rate		C0109
R0590	Approach based on average tax rate	R0590	0

			LAC DT
	Calculation of loss absorbing capacity of deferred taxes		C0130
R0600	DTA	R0600	
R0610	DTA carry forward	R0610	
R0620	DTA due to deductible temporary differences	R0620	
R0630	DTL	R0630	
R0640	LAC DT	R0640	0
R0650	LAC DT justified by reversion of deferred tax liabilities	R0650	0
R0660	LAC DT justified by reference to probable future taxable economic profit	R0660	0
R0670	LAC DT justified by carry back, current year	R0670	0
R0680	LAC DT justified by carry back, future years	R0680	0
R0690	Maximum LAC DT	R0690	0

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

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	3,511

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	885	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	307	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	3,014	2,136
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	1,472	3,388
R0130	Miscellaneous financial loss insurance and proportional reinsurance	11,128	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	3,511
R0310	SCR	9,264
R0320	MCR cap	4,169
R0330	MCR floor	2,316
R0340	Combined MCR	3,511
R0350	Absolute floor of the MCR	3,126

		C0070
R0400	**Minimum Capital Requirement**	3,511