Evolution Holdings (Guernsey) Limited
Evolution Insurance Company Limited

Solvency & Financial Condition Report

For year ended 30th June 2019

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Executive Summary

The Solvency and Financial Condition Report ('SFCR') is an annual public disclosure requirement under the Solvency II Directive, it presents material information on Evolution Holdings (Guernsey) Limited and subsidiaries ('the Group') business, performance, system 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 provides traditional and innovative commercial insurance solutions to its business partners in the UK. The Company specialises in niche products including Surety Bonds, Latent Defects Insurance, Insurance Backed Guarantees, and Legal Indemnity Products. EICL also manages an in-force portfolio of UK and Greek Motor business.

EICL is the largest company in the Group and this is the first year the SFCR has been prepared on a Group basis. As such certain data and comparatives relate to the Company only. The Group also includes Evolution Insurance Solutions Limited a UK insurance intermediary, and Skylark Investments Limited, a Guernsey investment holding company, although neither are considered material to the Group in terms of financial position or risk profile.

The Group has taken several actions in the last 6 months to improve its risk profile following a strategic review and an assessment of the returns available in current market conditions. This has seen many business arrangements terminated, resulting in a reduction in the short-term growth profile of the Group. The governance and risk frameworks of the Group are detailed further in this report.

During the year ended 30 June 2019 the Group wrote £23.4m (2018: £36.5m) of gross premium and reported a profit after tax and dividends of £0.5m (2018: £1.5m[1]). Non-UK written premium reduced by £17.6m representing the most material change in the level of gross written premium. The profit after tax has been adversely impacted by prior year adjustments and reserve strengthening.

The Group is focused on maintaining a strong balance sheet that ensures there are always sufficient own funds to meet the solvency capital requirement (SCR) plus a buffer in excess of the SCR to provide additional resilience to adverse events. All the Group's basic own funds are classified as Tier 1 except for a £0.7m deferred tax asset.

As at 30 June 2019, the Company reported own funds of £18.6m (2018: £20.9m) which were in excess of its SCR of £15.0m (2018: £18.1m) by £3.6m (2018: £2.8m) and hence EICL has an SCR Cover Ratio of 124% (2018: 115%). As at 30 June 2019, the Group own funds and SCR were £19.3m and £15.0m respectively meaning there is a Group SCR Cover Ratio of 129%.

The excess of own funds is forecast to increase driven by a focus on underwriting discipline and investment return. The Group continues to seek new business opportunities that will generate attractive returns to investors.

William Bidwell

[1] EICL only

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 companies are:

- Evolution Insurance Solutions Limited ('EISL') a UK regulated insurance intermediary and 100% owned by EHGL; and
- Skylark Investments Limited ('SIL'), a Guernsey domiciled investment holding company, 87% owned by EICL.

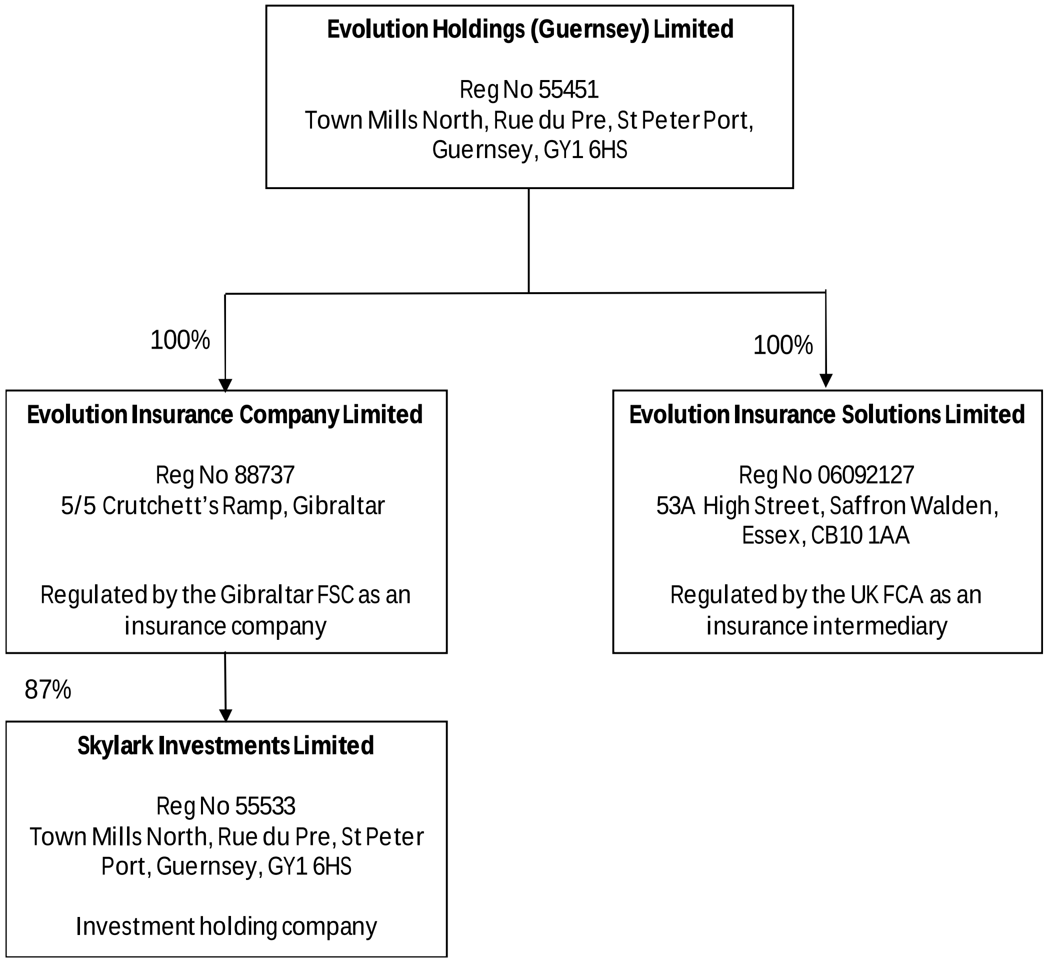
The EHGL shareholders, with qualifying holdings, are:

- Kenneth Acott
- Patrick Tilley
- 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 surety bonds, latent defects insurance ('LDI'), insurance backed guarantees ('IBG'), warranty, legal indemnity & title insurance, motor insurance, and motor insurance ancillary products in the UK and EEA jurisdictions (see below).
Evolution Insurance Solutions Limited	UK	A regulated insurance intermediary, EISL's main business is to sell surety bonds, primarily on behalf of EICL and to assist developers, builders and receivers to access alternative warranties. 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').
Skylark Investments Limited	Guernsey	SIL is a subsidiary of EICL and holds some of EICL's property investments.

The Group structure is detailed in the following diagram.



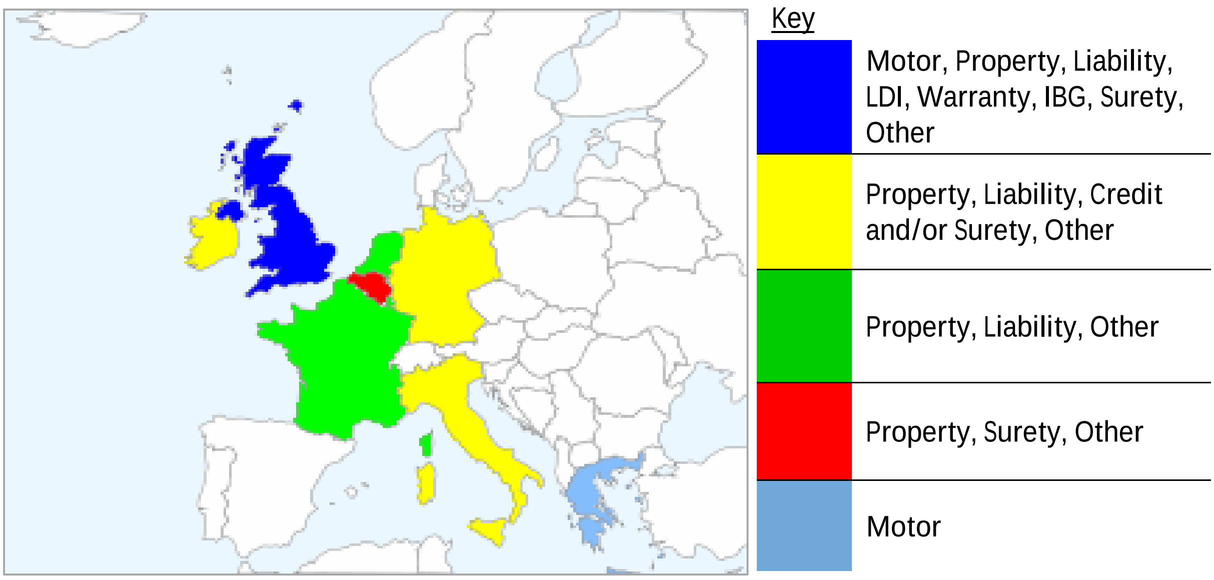
EICL and EISL are regulated as detailed below. EHGL and SIL are not regulated companies.

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 and SIL	**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	EY Limited PO Box 191 Regal House Queensway Gibraltar Tel: +350 200 13200 www.ey.com	Humphrey & Co Audit Services Ltd 7-9 The Avenue Eastbourne East Sussex BN21 3YA Tel: + 44 1323 730631 www.humph.co.uk

EICL remains authorised to carry out business in the territories highlighted on the map below. However, should the UK leave the European Union the Company will only be authorised to write insurance business in the UK, Gibraltar, Guernsey and the Isle of Man.



A2. Trading and Underwriting Performance

The principal trading activity of the Group is underwriting insurance business, and this is all performed within EICL. The gross written premium and profit after tax for EICL and the Group was as follows.

£m	**EICL**		**Group**	
	2019	2018	2019	2018[2]
Gross Written Premium	23.4	36.5	-	-
Profit After Tax	0.3	1.5	0.5	1.5

The Gross Written Premium ('GWP') by class of business and jurisdiction for the years ending 30 June 2019 and 2018 is detailed in the following table.

[2] EICL only

		2019	2018
Class	**Jurisdiction**	**£'000**	**£'000**
Motor	UK	(22)	39
Motor	Greece	4,960	15,470
Property	France	188	4,655
Property	Netherlands	0	1,921
Property	Germany	0	813
Property	Belgium	0	221
Surety	UK	1,504	2,129
Surety	Italy	4	116
Legal	UK	177	181
Assistance	UK	0	251
Miscellaneous	UK	16,078	10,658
Miscellaneous	Ireland	72	0
Miscellaneous	Netherlands	46	0
Miscellaneous	Italy	348	0
TOTAL	**ALL**	**23,355**	**36,454**

The fall in GWP is largely driven by the cessation of the Motor and Property business written in non-UK jurisdictions, in anticipation of Brexit. The resulting underwriting performance has been positive with a technical profit of £1.0m (2018 audited accounts: £1.2m) reported in the management accounts for the year ended 30 June 2019.

A3. Investment Performance

EHGL's investments are solely in Group companies and EISL had investments of less than £50,000 as at 30 June 2019 and 2018. SIL's investments in property are consolidated within the investments held by EICL.

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. In 2019, £0.08m (2018: £1.8m) of realised and unrealised losses were reported in the Bond & Debt Instrument and Property portfolios. The equity income in 2019 relates wholly to unrealised gains.

	2019		2018	
	Income	**Expenses**	**Income**	**Expenses**
Asset Class	£'000	£'000	£'000	£'000
Cash & Equivalents	91	3	113	5
Bond & Debt Instruments	277	140	594	135
Property	487	129	(8)	428
Equity	573	-	-	-
Total	**1,428**	**272**	**699**	**568**

There have been no other significant activities undertaken by the Group or the Company other than its insurance and related activities.

A4. Any Other Information

There are no other material matters to report in respect of the business or performance of the Group or the Company.

B. System of Governance

B1. General Information on System of Governance

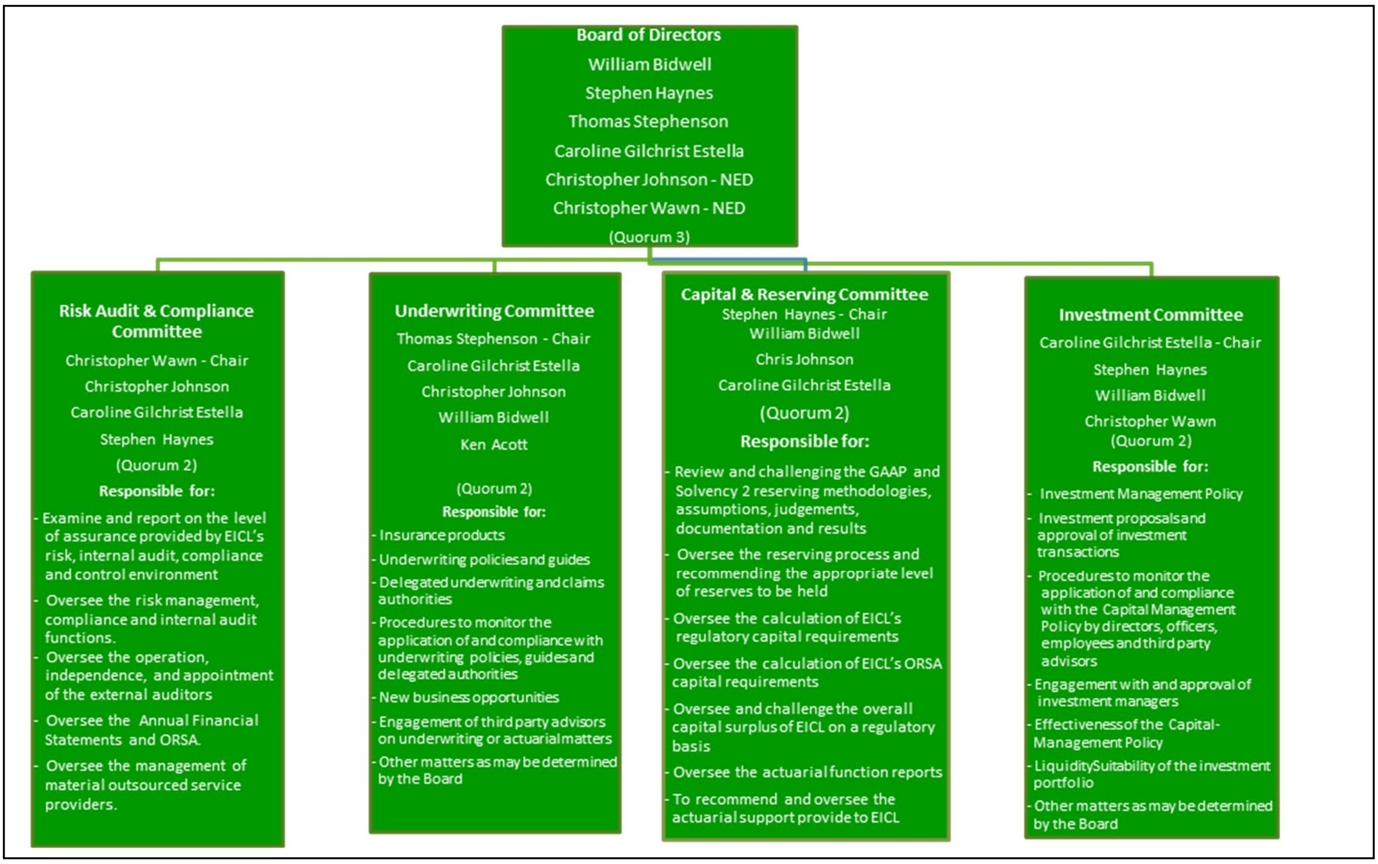
The Group is headed by the EHGL Board which retains ultimately accountability for the governance of the Group. The EHGL Board have delegated responsibility for the operation of the System of Governance to the Board of EICL. The EHGL Board retains a presence on all group company boards, through a "shareholder"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

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

- 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.
- Governance drives a culture of accountability, delivering fair and focused outcomes.

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

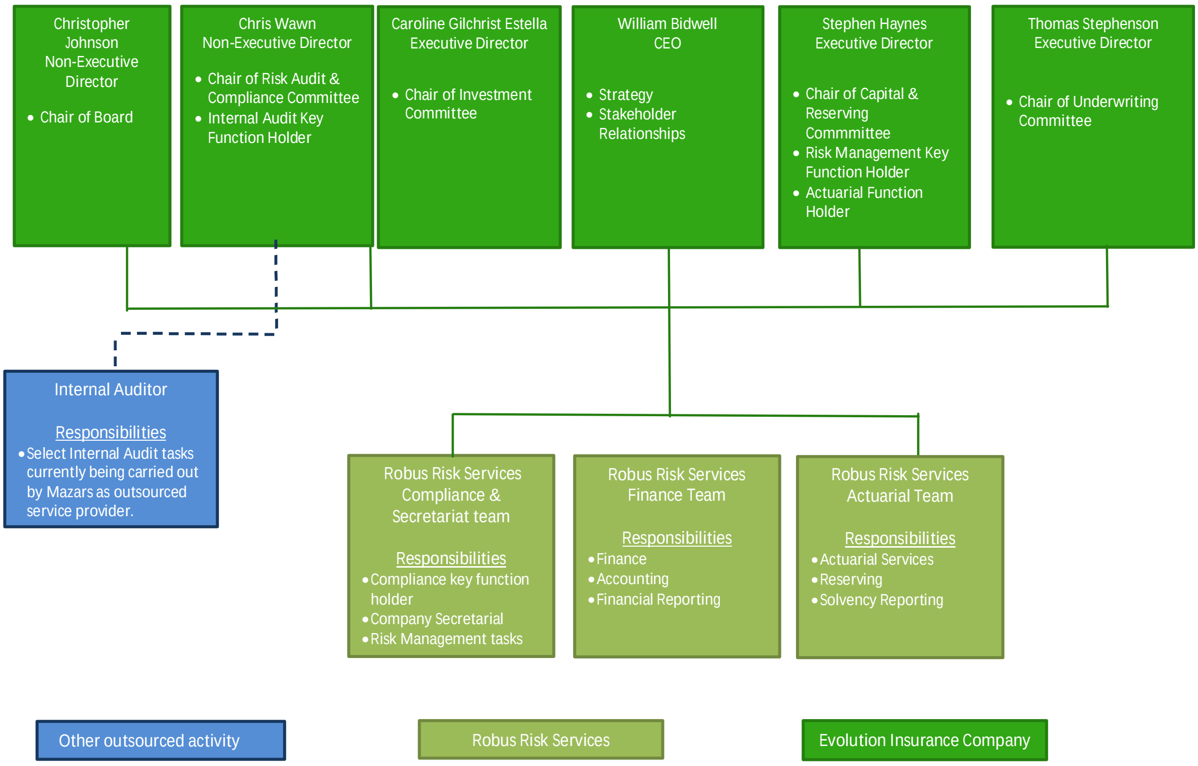
Board and Committee Structure



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

Committee, for example the Company's investment consultant, River and Mercantile Solutions (previously P-Solve Meridian), attends each Investment Committee meeting.

The Roles and Responsibilities of the Directors are as follows:



During the year the following changes were implemented:

Committees
- The Capital and Reserving Committee was constituted.
- Oversight for Compliance was delegated from the Board to the RACC.

Non-Executive Directors (NED)
- The responsibilities of the non-executive directors were changed such that one is Chair of the Board and the other is Chair of the Risk, Audit & Compliance Committee and Internal Audit key function holder.

Executive Directors
Two new executive directors were appointed with the following responsibilities:
- Stephen Haynes: Risk Function Holder, Actuarial Function Holder and Chair of Capital & Reserving Committee.
- Caroline Gilchrist Estella: Chair of the Investment Committee.

The non-executive directors and the CEO are paid a fixed fee for their services which is benchmarked to standard market rates. One executive director is employed within the Group and paid on a fixed remuneration basis plus an annual bonus. The remaining two executive directors are remunerated by outsourced companies. 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 £147k (2018: £140k) 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 are able to 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 an annual assessment of all impacted individuals and where necessary seeks a personal attestation.

The Group also seeks to ensure that its Boards, as a whole, 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 annually 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 is 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 will report risk events as and when they occur, and ensure they are considered at the appropriate meeting. They will 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; those risks that it wants to actively engage with. The risk appetite is typically a written statement with a target risk limit or trigger that will normally lie 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 may be produced.

The 2019 to 2022 ORSA report, produced in October 2019, included the outcome of stress tests on the current and forecast balance sheet and risk profile of the Group. This demonstrated that on both an ORSA and regulatory basis the excess of own funds over the SCR increase 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
   The Internal Audit function. 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 Board.

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 regulator requires that every insurer has an effective 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 has, from 1 January 2019, been provided by an outsourced professional services firm. 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.

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 are collated and the status of action points are monitored to completion by the RACC.

An annual review of internal audit activity is reported to the Board. This includes a review of performance against the annual audit plan and review of the Audit Recommendations Log.

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, cost benefits. 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 and SIL are holding companies, neither of which have significant operational activity. Both companies' financial and operational management is outsourced to Robus Corporate Services (Guernsey) Limited.

EICL and EISL are currently utilising several suppliers to undertake critical or important activities on their behalf. For each company, details of the activities they provide and the jurisdictions they operate in are shown in the table below:

Critical Service Outsourced	Recipient Company	Jurisdiction
Underwriting, claims management, policy fulfilment & IPT compliance, for all lines of business, subject to delegated authorities	EICL	UK Greece
IT Help-desk and day-to-day support	EISL	UK
Insurance Management (compliance, risk management tasks, company secretarial, accounting, banking & investments, regulatory reporting, actuarial tasks)	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.

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)	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 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.

The Company does not have a material exposure to Lapse risk (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.
There has been a steady reduction in the overall level of underwriting risk to which the Company is exposed as the UK and Greek motor books run-off and the level of new business is reduced to optimise the Company's risk profile. The Company's SCR is most sensitive to an adverse stress in Reserve Risk.

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

<u>Premium Risk</u>
EICL underwrites a mix of business that can broadly be split into 'retained' lines and 'fronted' lines.

Retained lines are distributed through intermediaries, the majority of which have underwriting authority delegated to them by EICL to allow 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.

Fronted lines are those where 100% of the underwriting risk is mitigated by the use of reinsurance, and therefore EICL retains no underwriting risk on these lines.

<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, particularly large loss claims, 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.

Catastrophe Risk
The Company is exposed to catastrophic risks in relation to its retained lines, particularly the surety line of business, since there are no non-proportional reinsurance treaties in place on this line of business. 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.

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 in particular 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 a good 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 by the Company 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 still geographically spread to mitigate concentration risk, and all have insurance to cover damage and loss of rental income.

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,

Concentration
The concentration exposure arises in respect of positions taken in the Company's bond portfolio, secured loans, property exposure and counterparties in respect of its cash holdings and reinsurance recoveries. In respect to properties, 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 CC3.

Concentration risk in the bond portfolio is mitigated by limiting exposure to any one single name to 3% of the portfolio. 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.

Currency
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.

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 2019, the largest risk exposure (net of collateral) in respect of the panel of reinsurers amounted to 38.6% (2018: .29.2%) of the net exposures. This exposure is with an A rated counterparty.

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.

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 and SIL are exposed to low levels of operational risk, being holding companies, as they outsource operational functions to RCS (Guernsey). The majority of the operational risk in EISL is considered in assessing EICL's operational risk as its activity primarily relates to sourcing Surety 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.

Outsourcing risk
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 providers' 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, EISL, and SIL have no material exposure to liquidity risk.

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

Liquidity risk is assessed and monitored by RRS on behalf of EICL on a day-to-day basis, 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 haven also 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.

D. Valuation for Solvency Purposes

The Technical Provisions held by the Company and Group are not materially different. The Group net assets are £0.6m higher 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 2019, 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	8,466	(405)	-	8,061	1
Equity, including investment in group undertaking	2,106	-	-	2,106	2
Reinsurer's share of unearned premiums	1,107	-	(1,107)	-	3
Reinsurer's share of claims outstanding	100,286	2,752	2,080	105,118	4
Debtors arising out of insurance operations	6,125	(6,125)	-	-	5
Prepayments and Deferred acquisition costs	3,509	-	(3,509)	-	6
Other Assets	501	1,868	(29)	2,340	7
Cash and cash equivalents	9,321	(1,414)	-	7,907	8
Deposits other than cash equivalents	1,303	714	-	2,017	8
Collective investment undertakings	21,602	(15,101)	-	6,501	8
Financial investments - corporate bonds	15,320	(5,702)	-	9,618	9
Financial investments - other loans	5,208	501	-	5,709	9
Deferred taxation	51	-	631	682	10
TOTAL	**174,903**	**(22,912)**	**(1,934)**	**150,058**	

As at 30 June 2018, 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	8,511	50	-	8,561	1
Equity, including investment in group undertaking	3,333	-	-	3,333	2
Reinsurers share of unearned premiums	14,994	-	(14,994)	-	3
Reinsurers share of claims outstanding	127,122	(5,760)	4,159	125,522	4
Debtors arising out of insurance operations	14,727	(14,727)	-	-	5
Prepayments and Deferred acquisition costs	5,480	-	(5,480)	-	6
Other assets	1,283	(687)	-	596	7
Cash and cash equivalents	16,952	(8,747)	-	8,205	8
Deposits other than cash equivalents	1,869	(445)	-	1,424	8
Collective investment undertakings	11,982	(5,534)	-	6,448	8
Financial investments - corporate bonds	14,227	(4,392)	-	9,834	9
Financial investments - other	3,243	45	-	3,287	9
Deferred taxation	-	-	410	410	10
TOTAL	**223,721**	**(40,197)**	**(15,905)**	**167,620**	

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. The solvency value also includes SIL equity.
2. The Company has made no adjustments to the GAAP accounts valuation.
3. Reinsurance share of unearned premiums – the reinsurance share of the unearned premium reserve comprises the reinsurer's share of the proportion of gross premium written which is to be earned in the following or subsequent financial years. For policies with a defined period of insurance, the unearned premium reserve is calculated by apportioning premiums over the period to which they relate on a pro rata basis adjusted to take account of the incidence of risk. In instances where the period of insurance is not finite, premiums are fully earned on the date of inception of the policy and an appropriate loss reserve is immediately created. The unearned premiums are not recognised for solvency purposes.
4. 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 0.
5. 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.
6. 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.
7. Other assets – valued based on the best estimate of the recoverable or realisable value. Adjustments for solvency purposes include the look through to reclassify long term loans and a reclassification of accrued interest arising on bonds and secured loans.
8. 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.
9. Financial investments – all of 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.
10. 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 as follows:

	As at 30 June 2019			As at 30 June 2018		
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	97,155	1,352	98,507	129,988	1,698	131,686
Fire & damage to property	11,884	32	11,916	1,596	17	1,613
Credit and suretyship	1,305	225	1,530	1,105	146	1,251
Legal expenses	(5)	(1)	(6)	(578)	8	(570)
Assistance	61	-	61	630	(129)	502
Miscellaneous financial loss	9,605	992	10,597	1,228	604	1,832
Total	**120,005**	**2,600**	**122,605**	**133,969**	**2,344**	**136,314**

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

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:

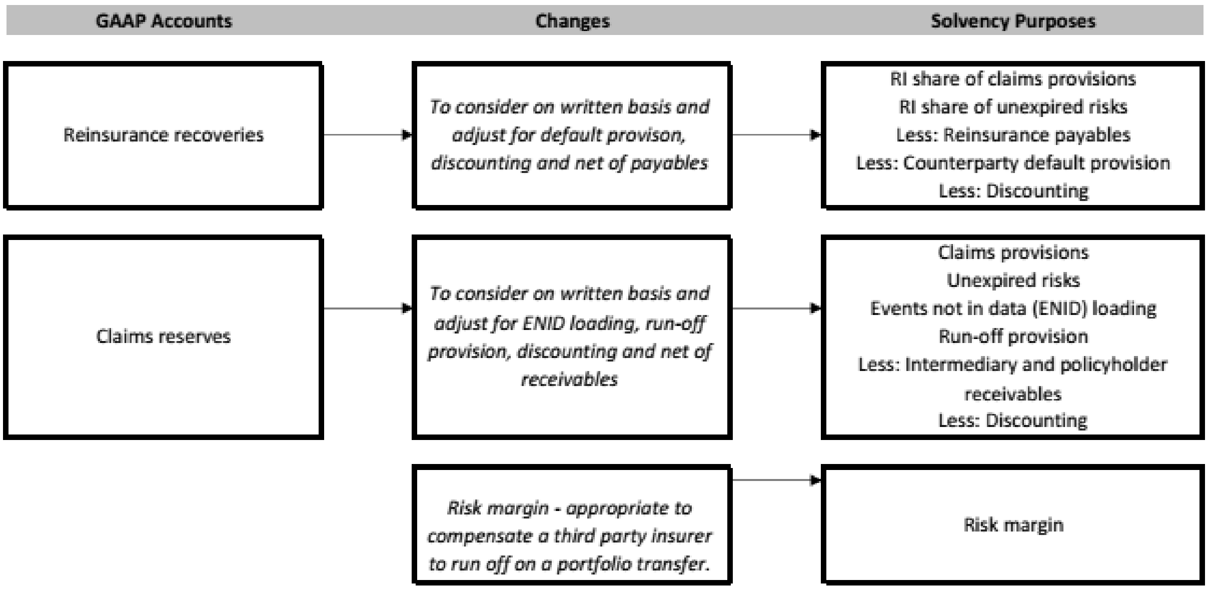
a. Estimation of outstanding loss reserves ("OSLR") – while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.
b. Estimation of the losses relating to claims which have been incurred but not reported ("IBNR") – this is subject to 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, for example claims inflation, propensity for UK motor claims to settle through periodic payment orders ("PPOs"), and changes in the personal injury discount rate ("Ogden rate").
e. Events not in data ('ENID loading') – estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed.
f. Provision for expenses – estimating a provision for expenses required to run-off bound obligations of the Company taking into account new business 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 via the following actions:

- Ongoing monitoring of claims, including regular reviews of claims handling functions.
- Maintaining a number of 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 external actuarial reviews.
- Use of the Robus Risk Services actuarial team and an industry leading reserving system.

<u>Reconciling GAAP Reserves to Technical Provisions</u>

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 has made no adjustments to its claims provisions in its GAAP accounts in recording the claims provisions for solvency purposes. The Company had considered whether adjustments may be required as a result of contract boundaries and believe there are no such adjustments required.
   The claims provisions as at 30 June 2019 were £108,445k (2018: £139,217k).

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 2019 was £100,569k (2018: £127,122k).

3. 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 premiums provision as at 30 June 2019 was £6,178k (2018: £10,752k).

4. Reinsurance share of unexpired risks – The Company has estimated the amounts recoverable on unexpired risks (sometimes termed '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 2019 was £542k (2018: £8,568k).

5. Intermediary and policyholder receivables – Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes. There are no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes.
   The net insurance receivables as at 30 June 2019 was £1,850k (2018: £14,727k).

6. Reinsurance payables – Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP Accounts and net reinsurance payables for solvency purposes.
   The net reinsurance payables (being reinsurance payables less financial investments held for collateral arrangements) as at 30 June 2019 was £2,753k (2018: 5,760k).

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 best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed.
   The Company has undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events and, given the business model, believe that such unobserved events are unlikely.
   As such, the net ENID loading applied by the as at 30 June 2019 was £163k (2018: £188k).

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 consider each of the exposures, net of collateral arrangements in existence, apply the estimated probability of default by rating, and derive a weighted average probability of default.
   As at 30 June 2019. the Company has calculated the weighted average probability of default of reinsurers to be 0.13% (2018: 0.67%), and the resultant counterparty default adjustment was £160k (2017: £1,214k). The reduction in the adjustment was driven by an increase in the collateral held in respect of unrated reinsurance exposures.

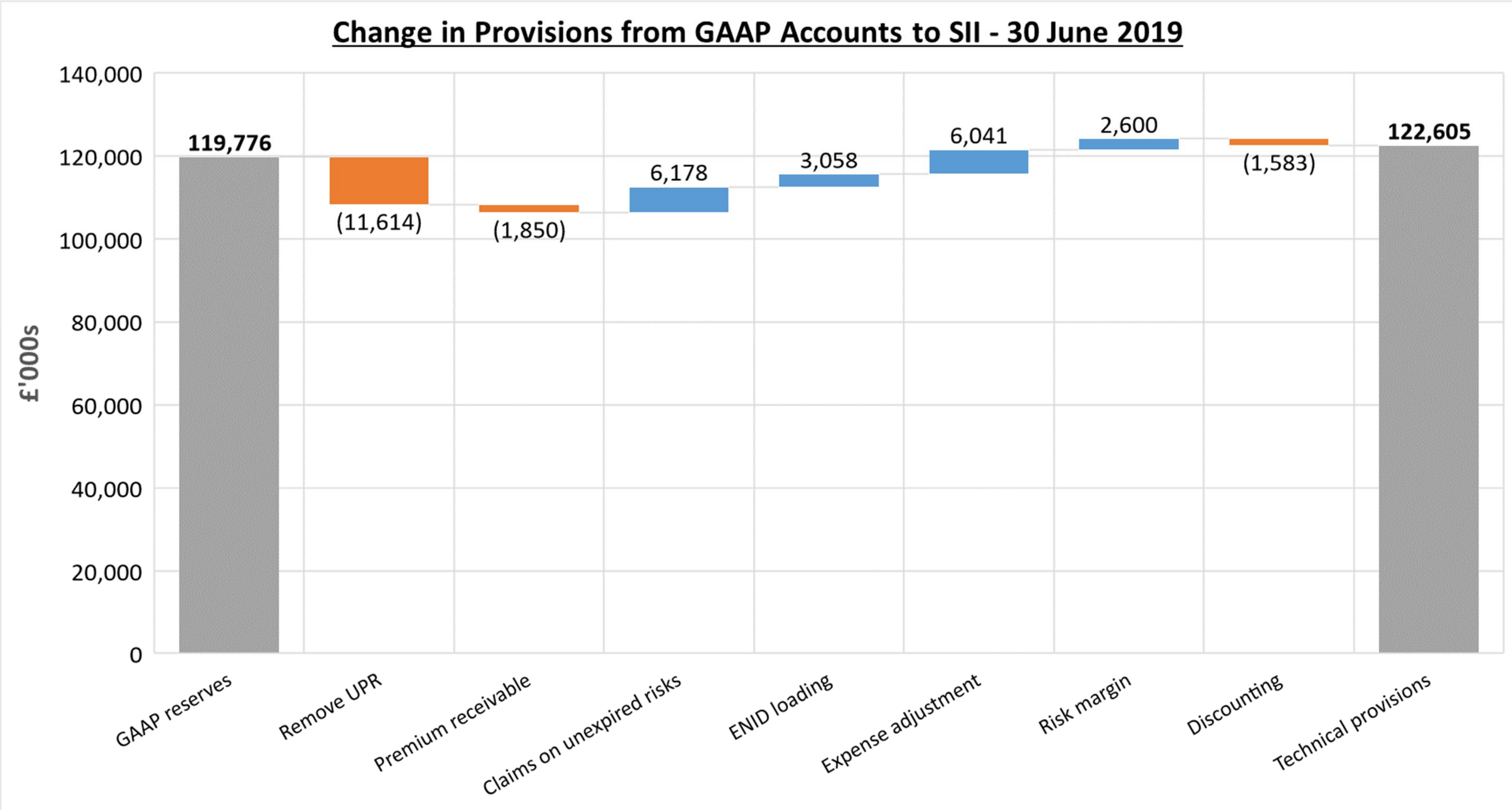
9. Expense provision – Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as an expense or run-off provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run-off.
   The Company has considered a run-off period of nine years and estimated the level of future expenses based on the current level of expenses, considering the decrease in activity in the period and underlying expense inflation.

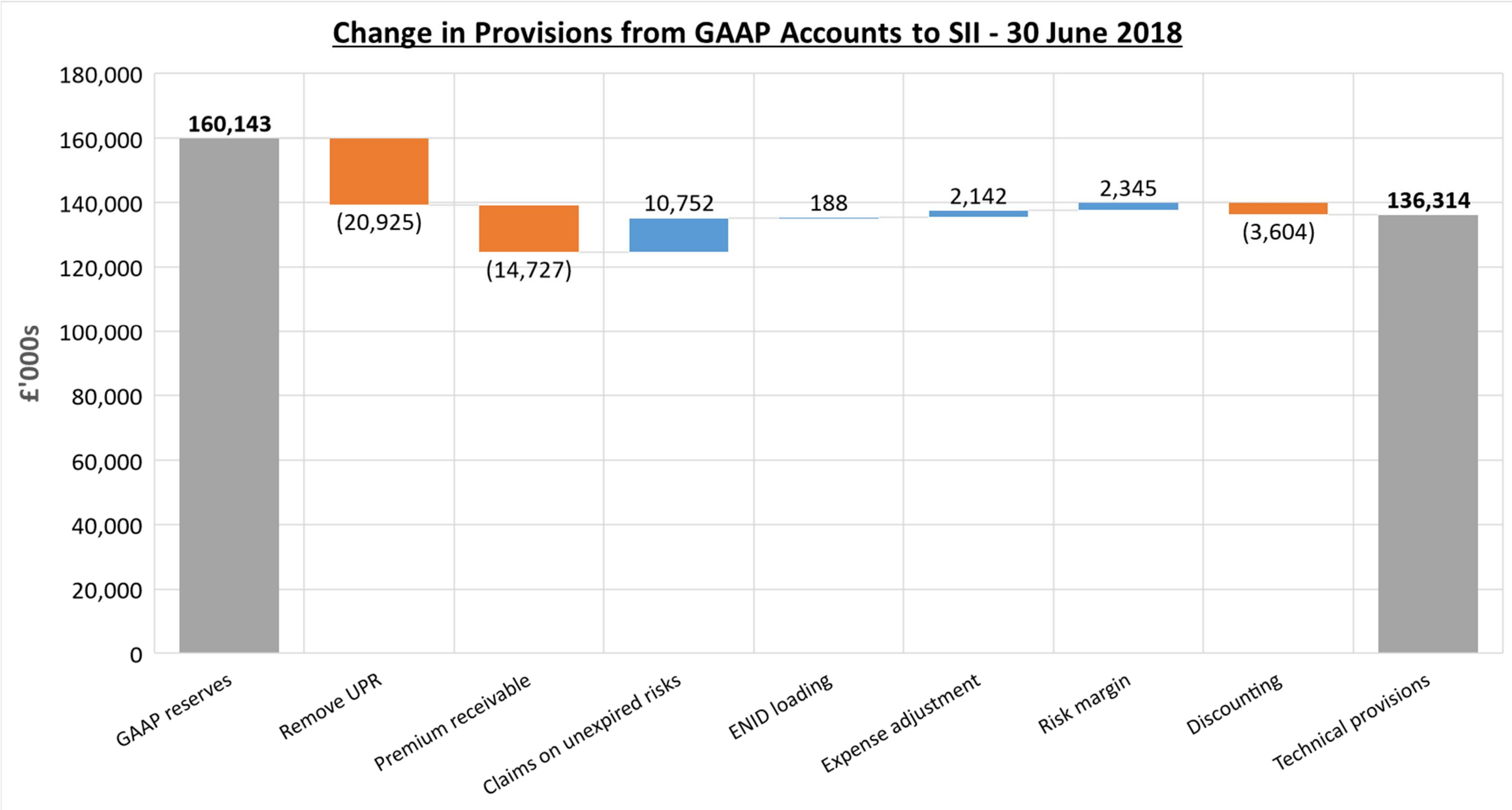
The provision applied by the Company as at 30 June 2019 was £6,041k (2018: £2,142k) with the increase due to the reduction in underwriting activities and as the expense base is largely fixed this led to a higher servicing cost relating to bound obligations.

10. Discounting – Discounting has been applied in the technical provisions based on the sterling yield curve as at 30 June 2019 as issued by the European Insurance and Occupational Pensions Authority ("EIOPA").
    The impact of discounting on the gross technical provisions was £1,867k (2018: £3,604k), and on the reinsurance share of technical provisions the impact of discounting was £1,481k (2018: £3,194k).

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 in order 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 2019 of £2,600k (2018: £2,345k).

For the years ended 30 June 2019 and 2018, the reconciliation adjustments detailed above are summarised in the following charts.





Change in Provisions from GAAP Accounts to SII - 30 June 2018
£'000s
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
160,143
(20,925)
(14,727)
10,752
188
2,142
2,345
(3,604)
136,314
GAAP reserves
Remove UPR
Premium receivable
Claims on unexpired risks
ENID loading
Expense adjustment
Risk margin
Discounting
Technical provisions

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

- Motor vehicle liability and other motor insurance – The Company caps its underwriting risk at £500,000 for UK policies and €500,000 for Greek policies via non-proportional ("XoL") treaties. The panel of reinsurers in the XoL treaties are predominately counterparties with good ratings from a well-known rating agency. The Company also has a stop-loss arrangement in place which caps the maximum loss across the whole UK motor book in each six month period. In respect of the UK motor business, the company also has a proportional ("QS") treaty for which the company holds collateral via a fund withheld arrangement. In respect of its Greek motor business, the company has a QS treaty with a counterparty with a good rating from a well-known rating agency.
- Fire and other damage to property – The Company has a QS treaty with an unrated reinsurer in respect of its Irish, French, German and Netherlands based business. While the reinsurer is unrated, there is a cut through provision to a rated panel of reinsurers.
- Credit and suretyship – There are no reinsurance arrangements for this line of business in the UK and Ireland.
- Legal expenses – There are no reinsurance arrangements for this line of business in the UK, Ireland or Italy.
- Assistance – The company has a QS reinsurance arrangement with an unrated reinsurer but with collateral arrangements in place.
- Miscellaneous financial loss – The Company has QS reinsurance arrangements for two books of business written in this line of business. One arrangement is with unrated reinsurers 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 2019		As at 30 June 2018		
Liability (£'000)	**GAAP Value**	**Solvency Value**	**GAAP Value**	**Solvency Value**	**Explanation of Differences**
Reinsurance share of deferred acquisition costs	448	-	3,456	-	• Not recognised for solvency purposes
Accruals	310	310	285	285	• None
Provisions	-	-	135	-	• Not recognised for solvency purposes
Reinsurance accounts payable	20,022	-	25,083*	-	• Reclassified to technical provisions
Other creditors	9,606	8,539	8,742**	10,166***	• Inclusion of liability element of derivative position

Supporting Notes
*Values have been updated since last year's submission to be on the same basis as this year's figures, so they are comparable, and figures are consistent with the other figures quoted in report. Previous value 23,946.
**Previous value 8,354.
***Previous value 7,604.

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

D4. Alternative Methods for Valuation

Not applicable for the Company.

D5. Any Other Information

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.

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 particular adverse changes in market conditions.

As at 30 June 2019 the Company reported an excess of Own Funds over the SCR of £3.6m or 124% (30 June 2018: £2.7m or 115%); this excess was sufficient to also cover the SCR Buffer of £3m. The corresponding Group excess was £4.3m or 129%.

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 2019		As at 30 June 2018	
Own fund item	**Tier**	**£'000**	**%**	**£'000**	**%**
Ordinary share capital	1	500	3%	500	2%
Preference share capital and share premium	1	5,121	27%	5,121	25%
Reconciliation reserve	1	12,301	66%	14,819	71%

Deferred tax asset	3	682	4%	410	2%
		18,604	**100%**	**20,850**	**100%**

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

The movement in own funds during the year ended 30 June 2019 was as follows:

	£'000	£'000
Own funds as at 30 June 2018		**20,855**
Accounting profit for the year	**293**	
Solvency II valuation adjustments:		
Add: decrease in disallowable assets	(749)	
Less: increase in premium provisions and other adjustments to technical provisions	1,151	
Add: decrease in counterparty default provision	1,054	
Less: increase in risk margin and run-off provision	(4,154)	
Add: increase in deferred tax assets	272	
Other movements (including discounting of reserves)	(120)	
Solvency II profit for the year		**(2,252)**
Own funds as at 30 June 2019		**18,604**

The Group's available own funds are as follows:

		As at 30 June 2019	
Own fund item	**Tier**	**£'000**	**%**
Share capital and share premium	1	125	1%
Preference share	1	-	0%
Reconciliation reserve	1	18,511	96%
Deferred tax asset	3	654	3%
		19,290	**100%**

E2. Solvency Capital Requirement & Minimum Capital Requirement

The SCR of the Company as at 30 June 2019 was £14,988k (2018: £18,137k). The MCR of the Company as at 30 June 2019 was £3,747k (2018: £4,534k). 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.

Solvency Capital Requirement

The Company uses the Standard Formula approach for calculating its regulatory SCR, although it maintains its own internal view of capital. The following table shows the breakdown of the Group 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.

SOLVENCY CAPITAL REQUIREMENT	**30 June 2019 £'000**	**30 June 2018 £'000**
Market risks	4,033	3,628
Counterparty risks	1,827	1,984
Non-life underwriting risks	8,723	11,643
Basic SCR diversification	(3,054)	(3,096)
Operational risks	3,459	3,979
SOLVENCY CAPITAL REQUIREMENT	**14,988**	**18,138**

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 risk profile of the Company has reduced during the year ended 30 June 2019 as the Company ceased writing UK motor business on 30 June 2016 and the exposure to these liabilities continues to fall. The reduction in SCR and MCR during the year reflect this change in risk profile.

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.

F. Quantitative Reporting Templates

Evolution Holdings (Guernsey) Limited

Quantitative Reporting Templates

G.02.01.02 - Balance sheet

Contents

Tabular
Microsoft Excel -based
Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	654
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)	28,570
R0080	Property (other than for own use)	9,661
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	773
R0110	Equities - listed	0
R0120	Equities - unlisted	773
R0130	Bonds	9,618
R0140	Government Bonds	0
R0150	Corporate Bonds	9,618
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	6,501
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	2,017
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	5,709
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	5,709
R0270	Reinsurance recoverables from:	105,118
R0280	Non-life and health similar to non-life	103,458
R0290	Non-life excluding health	103,458
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	1,661
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	1,661
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	8,226
R0420	Any other assets, not elsewhere shown	2,617
R0500	**Total assets**	150,892

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	120,887
R0520	Technical provisions – non-life (excluding health)	120,887
R0530	TP calculated as a whole	0
R0540	Best Estimate	118,328
R0550	Risk margin	2,558
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)	1,718
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)	1,718
R0660	TP calculated as a whole	0
R0670	Best Estimate	1,677
R0680	Risk margin	42
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	1,303
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	5,023
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	340
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	2,331
R0900	**Total liabilities**	131,602
R1000	**Excess of assets over liabilities**	19,290

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

Contents

Tabular
Microsoft Excel-based Solvency II reporting solution

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Motor vehicle liability insurance	Fire and other damage to property insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0040	C0070	C0090	C0100	C0110	C0120	C0200
	Premiums written							
R0110	Gross - Direct Business	4,938	188	1,508	177	0	16,544	23,355
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	5,546	188	0	0	0	5,560	11,294
R0200	Net	-608	0	1,508	177	0	10,985	12,061
	Premiums earned							
R0210	Gross - Direct Business	11,348	6,605	2,085	176	35	12,271	32,521
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	11,956	6,605	0	0	35	6,438	25,034
R0300	Net	-608	0	2,085	176	0	5,833	7,487
	Claims incurred							
R0310	Gross - Direct Business	-6,866	2,542	1,010	83	-595	3,543	-282
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-6,634	2,542	0	0	-595	1,443	-3,243
R0400	Net	-232	0	1,010	83	0	2,100	2,961
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted							0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	634	24	207	73	0	5,012	5,950
R1200	**Other expenses**							0
R1300	**Total expenses**							5,950

G.05.01.02.02 - Premiums, claims and expenses by line of business - Table 2

Contents

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	0	0	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0	0	0
	Premiums earned									
R1510	Gross	0	0	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0	0	0
	Claims incurred									
R1610	Gross	0	0	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0	0	0
	Changes in other technical provisions									
R1710	Gross	0	0	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0	0	0
R2500	**Other expenses**									0
R2600	**Total expenses**									0

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	NL	IE	IT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	17,738	4,960	234	72	352	23,355
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	5,972	4,960	188	174	1	11,294
R0200	Net	0	11,766	0	46	-102	351	12,061
	Premiums earned							
R0210	Gross - Direct Business	0	14,154	11,369	2,004	63	316	27,907
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	6,928	11,369	1,991	0	131	20,420
R0300	Net	0	7,226	0	13	63	185	7,487
	Claims incurred							
R0310	Gross - Direct Business	0	-10,429	7,427	773	32	140	-2,058
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	-13,274	7,427	766	0	61	-5,019
R0400	Net	0	2,845	0	6	32	79	2,961
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
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	0	0	0	0	0	0
R0550	**Expenses incurred**	0	5,303	472	28	43	104	5,950
R1200	**Other expenses**							0
R1300	**Total expenses**							5,950

		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

G.23.01.22 - 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					
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	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
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	18,511	18,511			
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	654				654
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 activitie	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**	19,290	18,636	0	0	654
	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)	19,290	18,636	0	0	654
R0530	Total available own funds to meet the minimum consolidated group SCR	18,636	18,636	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	19,290	18,636	0	0	654
R0570	Total eligible own funds to meet the minimum consolidated group SCR	18,636	18,636	0	0	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,747				
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**	4.9738				
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)**	19,290	18,636	0	0	654
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	14,988				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.2871				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	19,290
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	779
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**	18,511
	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

Tabular
Microsoft Excel -based Solvency II reporting solution

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	4,033		
R0020	Counterparty default risk	1,827		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	8,723		
R0060	Diversification	-3,055		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	11,529		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	3,459
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**	14,988
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	14,988
	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	3,747
	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**	14,988

G.32.01.22 - Undertakings in the scope of the group

Contents

C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138008P6LTB2RWKB804	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		1.0000	1.0000			1	1.0000	1		1
GG	SKYLARK	SC	Skylark Investments Limited	99	limited company	2		0.8710	0.8710			2	0.8710	1		2
GG	213800D7V77ZGIRCU963	LEI	Evolution Holdings (Guernsey) Limited	5	limited company	2	Guernsey Financial Services Commission							1		1

Evolution Insurance Company Limited

Quantitative Reporting Templates

P.02.01.02 - Balance sheet

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	682
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)	28,303
R0080	Property (other than for own use)	8,061
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	2,106
R0110	Equities - listed	0
R0120	Equities - unlisted	2,106
R0130	Bonds	9,618
R0140	Government Bonds	0
R0150	Corporate Bonds	9,618
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	6,501
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	2,017
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	5,709
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	5,709
R0270	Reinsurance recoverables from:	105,118
R0280	Non-life and health similar to non-life	103,458
R0290	Non-life excluding health	103,458
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	1,661
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	1,661
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	7,907
R0420	Any other assets, not elsewhere shown	2,340
R0500	**Total assets**	150,058

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	120,887
R0520	Technical provisions – non-life (excluding health)	120,887
R0530	TP calculated as a whole	0
R0540	Best Estimate	118,328
R0550	Risk margin	2,558
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)	1,718
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)	1,718
R0660	TP calculated as a whole	0
R0670	Best Estimate	1,677
R0680	Risk margin	42
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	1,303
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	6,483
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	310
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	754
R0900	**Total liabilities**	131,455
R1000	**Excess of assets over liabilities**	18,604

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

Contents

Tabular
Microsoft Excel -based Solvency II reporting solution

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Motor vehicle liability insurance	Fire and other damage to property insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0040	C0070	C0090	C0100	C0110	C0120	C0200
	Premiums written							
R0110	Gross - Direct Business	4,938	188	1,508	177	0	16,544	23,355
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	5,546	188	0	0	0	5,560	11,294
R0200	Net	-608	0	1,508	177	0	10,985	12,061
	Premiums earned							
R0210	Gross - Direct Business	11,348	6,605	2,085	176	35	12,271	32,521
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	11,956	6,605	0	0	35	6,438	25,034
R0300	Net	-608	0	2,085	176	0	5,833	7,487
	Claims incurred							
R0310	Gross - Direct Business	-6,866	2,542	1,010	83	-595	3,543	-282
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-6,634	2,542	0	0	-595	1,443	-3,243
R0400	Net	-232	0	1,010	83	0	2,100	2,961
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted							0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	470	17	837	67	0	4,460	5,851
R1200	**Other expenses**							0
R1300	**Total expenses**							5,851

P.05.01.02.02 - Premiums, claims and expenses by line of business - Table 2

Contents

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	0	0	0	0	0	0	0	0	0
R1420	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1500	Net	0	0	0	0	0	0	0	0	0
	Premiums earned									
R1510	Gross	0	0	0	0	0	0	0	0	0
R1520	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1600	Net	0	0	0	0	0	0	0	0	0
	Claims incurred									
R1610	Gross	0	0	0	0	0	0	0	0	0
R1620	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1700	Net	0	0	0	0	0	0	0	0	0
	Changes in other technical provisions									
R1710	Gross	0	0	0	0	0	0	0	0	0
R1720	Reinsurers' share	0	0	0	0	0	0	0	0	0
R1800	Net	0	0	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0	0	0	0	0	0	0	0	0
R2500	**Other expenses**									0
R2600	**Total expenses**									0

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	NL	IE	IT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	17,738	4,960	234	72	352	23,355
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	5,972	4,960	188	174	1	11,294
R0200	Net	0	11,766	0	46	-102	351	12,061
	Premiums earned							
R0210	Gross - Direct Business	0	14,154	11,369	2,004	63	316	27,907
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	6,928	11,369	1,991	0	131	20,420
R0300	Net	0	7,226	0	13	63	185	7,487
	Claims incurred							
R0310	Gross - Direct Business	0	-10,429	7,427	773	32	140	-2,058
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	-13,274	7,427	766	0	61	-5,019
R0400	Net	0	2,845	0	6	32	79	2,961
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	0	0
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	0	0	0	0	0	0
R0550	**Expenses incurred**	0	5,204	472	28	43	104	5,851
R1200	**Other expenses**							0
R1300	**Total expenses**							5,851

		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.12.01.02 - Life and Health SLT Technical Provisions

Contents

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, including Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**	0	0			0			0	0	0	0			0	0	0
R0020	**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
	Technical provisions calculated as a sum of BE and RM																
	Best Estimate																
R0030	**Gross Best Estimate**	0		0	0		0	0	1,677	0	1,677		0	0	0	0	0
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0		0	0		0	0	1,661	0	1,661		0	0	0	0	0
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	0		0	0		0	0	16	0	16		0	0	0	0	0
R0100	**Risk Margin**	0	0			0			42	0	42	0			0	0	0
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole	0	0			0			0	0	0	0			0	0	0
R0120	Best estimate	0		0	0		0	0	0	0	0		0	0	0	0	0
R0130	Risk margin	0	0			0			0	0	0	0			0	0	0
R0200	**Technical provisions - total**	0	0			0			1,718	0	1,718	0			0	0	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	3,848	0	0	206	0	316	-78	2	3,852	0	0	0	0	8,146
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	2,165	0	0	0	0	0	0	0	1,098	0	0	0	0	3,262
R0150	Net Best Estimate of Premium Provisions	0	0	0	1,683	0	0	206	0	316	-78	2	2,754	0	0	0	0	4,883
	Claims provisions																	
R0160	Gross	0	0	0	91,631	0	0	11,678	0	989	72	59	5,753	0	0	0	0	110,183
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	0	85,700	0	0	11,696	0	0	0	60	2,739	0	0	0	0	100,195
R0250	Net Best Estimate of Claims Provisions	0	0	0	5,930	0	0	-18	0	989	72	0	3,014	0	0	0	0	9,987
R0260	**Total Best estimate - gross**	0	0	0	95,479	0	0	11,884	0	1,305	-5	61	9,605	0	0	0	0	118,328
R0270	**Total Best estimate - net**	0	0	0	7,613	0	0	188	0	1,305	-5	1	5,768	0	0	0	0	14,871
R0280	**Risk margin**	0	0	0	1,310	0	0	32	0	225	-1	0	992	0	0	0	0	2,558
	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	96,788	0	0	11,916	0	1,530	-6	61	10,597	0	0	0	0	120,887
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0	0	87,865	0	0	11,696	0	0	0	60	3,837	0	0	0	0	103,458
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	0	0	8,923	0	0	220	0	1,530	-6	1	6,760	0	0	0	0	17,429

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)

	Development year													
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**In Current year**	**Sum of years (cumulative)**
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											0	0	0
R0160	**N-9**	0	0	1	10	84	4	16	19	0	0		0	134
R0170	**N-8**	0	22	3	40	0	14	25	0	0			0	104
R0180	**N-7**	1,236	11,229	5,185	2,010	3,216	807	465	990				990	25,137
R0190	**N-6**	6,262	14,856	5,356	3,332	2,082	1,098	533					533	33,519
R0200	**N-5**	9,714	22,912	11,308	5,871	4,620	6,505						6,505	60,931
R0210	**N-4**	10,480	26,381	9,913	5,680	5,764							5,764	58,219
R0220	**N-3**	16,624	30,032	10,519	9,008								9,008	66,183
R0230	**N-2**	7,085	4,410	1,235									1,235	12,730
R0240	**N-1**	3,663	4,573										4,573	8,236
R0250	**N**	2,091											2,091	2,091
R0260												**Total**	30,698	267,284

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

	Development year												
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**	**Year end (discounted data)**
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											0	0
R0160	**N-9**	0	0	0	0	0	0	0	138	135	0		0
R0170	**N-8**	0	0	0	0	0	0	433	137	0			0
R0180	**N-7**	0	0	0	0	0	2,550	429	-402				-400
R0190	**N-6**	0	0	0	0	3,163	1,297	667					665
R0200	**N-5**	0	0	0	21,596	3,126	10,085						10,016
R0210	**N-4**	0	0	30,769	21,224	25,273							25,760
R0220	**N-3**	0	77,179	30,942	49,975								50,078
R0230	**N-2**	5,016	76,082	8,113									8,009
R0240	**N-1**	7,456	7,908										7,797
R0250	**N**	4,866											8,259
R0260												**Total**	110,183

P.23.01.01 - Own funds

Contents

Tabular Microsoft Excel -based Solvency II reporting solution

		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	12,301	12,301			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	682				682
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**	18,604	12,801	5,121	0	682
	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	18,604	12,801	5,121	0	682
R0510	Total available own funds to meet the MCR	17,922	12,801	5,121	0	
R0540	Total eligible own funds to meet the SCR	18,604	12,801	3,200	1,921	682
R0550	Total eligible own funds to meet the MCR	16,750	12,801	3,200	749	
R0580	**SCR**	14,988				
R0600	**MCR**	3,747				
R0620	**Ratio of Eligible own funds to SCR**	1.2413				
R0640	**Ratio of Eligible own funds to MCR**	4.4704				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	18,604
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	6,303
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	12,301
	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

Tabular
Microsoft Excel -based Solvency II reporting solution

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	4,033		
R0020	Counterparty default risk	1,827		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	8,723		
R0060	Diversification	-3,055		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	11,529		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	3,459
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**	14,988
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	14,988
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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

Contents

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	3,518

		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	7,925	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	188	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	1,305	1,504
R0110	Legal expenses insurance and proportional reinsurance	0	177
R0120	Assistance and proportional reinsurance	1	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	5,768	10,988
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	16	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	3,518
R0310	SCR	14,988
R0320	MCR cap	6,744
R0330	MCR floor	3,747
R0340	Combined MCR	3,747
R0350	Absolute floor of the MCR	3,288

		C0070
R0400	**Minimum Capital Requirement**	3,747