CARDIF PINNACLE
A BNP PARIBAS company

SOLVENCY AND FINANCIAL CONDITION REPORT

PINNACLE INSURANCE PLC

Company Registration Number: 1007798
Financial Conduct Authority Firm reference number: 110866

At 31 December 2017

BNP PARIBAS CARDIF

CONTENTS

SUMMARY

Pinnacle Insurance plc ("the Company") is a subsidiary of Cardif Pinnacle Insurance Holdings plc (the "UK Parent"), a member of the BNP Paribas Cardif group, a worldwide provider of insurance and savings products. The Company is part of the global banking group BNP Paribas SA ("the Group"), a European leader in banking and financial services, with a Standard and Poor's long-term rating of A (Stable outlook). The Group has one of the largest international banking networks, with a presence in 75 countries and employs more than 189,000 employees.

The Company was formed in 1971 and has established itself as a provider of personal lines insurance, principally within the UK. The Company underwrites Creditor, Motor Warranty and Pet insurance products.

The Company's strategy is to ensure that customers are well serviced whilst focusing on securing growth of the Pet and Motor Warranty businesses, the optimisation of the Creditor book and improvement of operational capabilities and efficiencies.

Over the past few years, the Company has strengthened its corporate governance and risk frameworks which are detailed further in this report. There have been no significant changes in the current reporting period.

Following the Brexit referendum, there is a risk of certain taxation changes in value added tax, insurance premium tax and corporation tax rates which could impact on the Company's resources and liquidity requirement. There is currently no expected impact on the Company's capital position of the UK leaving the EU. However, the Company's Board is continuing to monitor the impact it may have in the future.

The Company's capital position as at 31 December 2017 is as follows:

	2017	2016
	£'000	£'000
Eligible own funds	150,866	154,043
Solvency capital requirement (SCR)	39,492	54,821
Capital Surplus	111,374	99,222
Ratio of Eligible own funds to the SCR	382%	281%

The Company has a strong capital position with solvency capital surplus of £111.3m (2016: £99.2m) in excess of its solvency capital requirement. The Company's eligible own funds decreased by £3.2m in 2017 (2016: increase of £0.4m), resulting from foreseeable dividends of £4.8m to be made in 2018 offset by £1.7m increase in the basic own funds (see section E.1).

The SCR decreased from £54.8m to £39.4m between 2016 and 2017. This decrease is mainly driven by the non-life underwriting risk component of SCR following the decision by the Company to terminate its motor and household activities in 2015.

The Company's capital management policy is to maintain sufficient own funds to cover a minimum 120% of the Solvency Capital Requirement (SCR). The Company calculates its SCR using the Standard Formula under Solvency II requirements.

SUMMARY – (continued)

The report makes reference to the Company's Annual Report and Accounts which can be accessed from the Company's website at http://www.cardifpinnacle.com/about/reports. Information in the Annual Report and Accounts is prepared in accordance with International Financial Reporting Standards (IFRSs); whereas information in this report is governed by Solvency II rules. Important differences include valuation methodologies for assets, technical provisions and other liabilities. Therefore the numbers, including financial, in this report will not always correspond to the numbers in the Annual Report and Accounts.

The elements of the disclosure relate to the business and performance, system of governance, risk profile, valuation for solvency purposes and the solvency and capital management.

A M Wigg
Chief Executive Officer

1 May 2018

DIRECTORS' REPORT

Directors

The Directors who held office throughout the year (unless stated otherwise) were:

G Binet (Chairman)
P J Box *
M Haderer
N D Rochez *
A M Wigg FCA
M J Lorimer LLB (Hons) Solicitor
S.L.P.F Chevalet

* Independent Non-Executive Director

Statements of Directors' Responsibilities

The Directors are responsible for preparing the Solvency Financial Condition Report, including the attached public quantitative reporting templates, in all material respects in accordance with PRA Rules and the Solvency II Regulations.

The Solvency II Directive, the Delegated Acts, related Implementation Rules, Technical Standards and Guidelines, as well as PRA rules provide the regulatory framework in which the Company operates. The Solvency II rules and regulations include, but are not limited to, the recognition and measurement of its assets and liabilities including Technical Provisions and Risk Margin, the calculation of its capital requirement and the reporting and disclosures of the Solvency II results.

Compliance with the Solvency II framework

The Company has complied in all material respects with the requirement of the PRA Rules and Solvency II regulations as applicable throughout the financial year 2017. The Company reasonably believes that it will comply with PRA rules and Solvency II regulations subsequently and will continue to comply for the foreseeable future.

Disclosing information to the Auditor

Each of the persons who is a Director as at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 1 May 2018 and signed on its behalf by:

M J Lorimer
Director

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF PINNACLE INSURACE PLC ('THE COMPANY') PURSUANT TO RULE 4.1 (2) OF THE EXTERNAL AUDIT CHAPTER OF THE PRA RULEBOOK APPLICABLE TO SOLVENCY II FIRMS

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report ("SFCR")

Opinion
Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2017:

- the 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR of the Company as at 31 December 2017, ('the Narrative Disclosures subject to audit'); and
- Company templates S.02.01.02, S.12.01.02, S.17.01.02, S.23.01.01, S.25.01.21, S.28.02.01 ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the SFCR'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- the 'Executive summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the SFCR;
- Company templates S.05.01.02, S.05.02.01, S.19.01.21;
- the written acknowledgement by management of their responsibilities, including for the preparation of the SFCR ('the Responsibility Statement').

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2017 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK), including ISA (UK) 800 and ISA (UK) 805. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the SFCR in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report ("SFCR") - continued

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' and other relevant disclosures sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The SFCR is required to be published, and intended users include but are not limited to the PRA. As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the SFCR is not appropriate; or
- the Directors have not disclosed in the SFCR any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the SFCR is authorised for issue.

We have nothing to report in relation to these matters.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the SFCR, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the SFCR or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in relation to these matters.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a SFCR that is free from material misstatement, whether due to fraud or error.

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report ("SFCR") - continued

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report
It is our responsibility to form an independent opinion as to whether the relevant elements of the SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the SFCR.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. The same responsibilities apply to the audit of the SFCR.

Use of our Report
This report is made solely to the Directors of Pinnacle Insurance plc in accordance with Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook for Solvency II firms. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA, for our audit work, for this report or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements
In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Pinnacle Insurance plc's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in relation to this matter.

Elanor Gill

Elanor Gill (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

01 May 2018

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report ("SFCR") - continued

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

Solo standard formula

The relevant elements of the SFCR that are not subject to audit comprise:

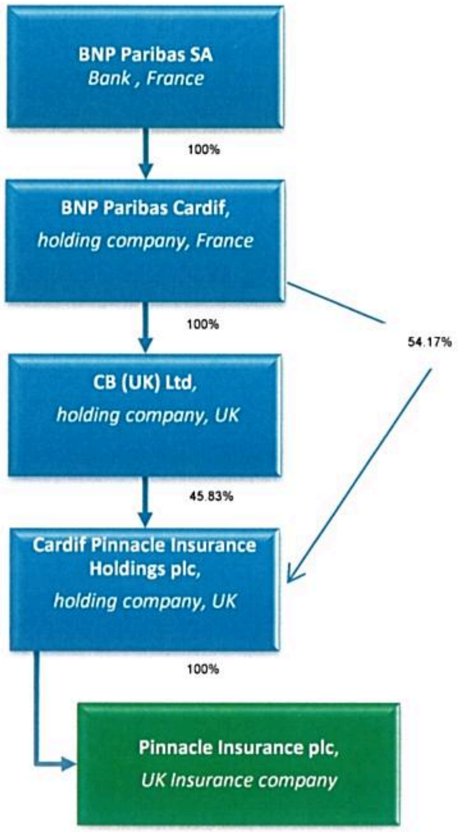
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

A. BUSINESS AND PERFORMANCE

A.1 Business

Pinnacle Insurance plc ("the Company") is a limited company incorporated in 1971 in the United Kingdom. The registered address of the Company is Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire, WD6 2XX.

Simplified legal group structure



The Directors regard BNP Paribas SA (incorporated in France), as being the Company's ultimate parent undertaking and the controlling party, and Cardif Pinnacle Insurance Holdings plc (incorporated in the United Kingdom) as being the immediate parent undertaking.

BNP Paribas Cardif, a holding company, forms part of the insurance group for Solvency II purpose and therefore, results of the Company are also consolidated in the insurance group SFCR.

Supervision and External Audit

Pinnacle Insurance plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

www.bankofengland.co.uk/pra
www.fca.org.uk

The Company's statutory annual financial statements and the SFCR are audited by Deloitte LLP who can be contacted as follows: Deloitte LLP, 2 New Street Square, London, EC4A 3BZ.

A. BUSINESS AND PERFORMANCE – (continued)

A.2 Underwriting performance

The Company reported a pre-tax profit £4.9m (2016: loss of £0.1m) resulting from the Company's improved performance in Pet combined with the run-off of Household and Motor. In addition, further operational efficiencies were achieved resulting in a further reduction in overheads.

Company's key performance indicators	2017	2016
	£'000	£'000
Gross Written Premiums	54,379	72,807
Net Earned Premiums	63,561	107,744
Technical Result	19,638	13,326
Investment Income	3,214	6,538
Administration Expenses	(17,944)	(20,008)
Profit / (Loss) Before Tax	4,908	(144)
Technical Ratio	69%	88%
Claims Ratio	28%	45%
Commission Ratio	41%	43%

Gross Written Premiums (GWP): represents the total premiums written in a given year before deductions of reinsurance and ceding commission, is analysed as:

GWP by line of business	2017	2016	Change
	£'000	£'000	Increase/ (decrease)
Pet	16,545	16,481	64
Creditor	31,318	45,411	(14,093)
Warranty	5,397	9,417	(4,020)
Household	(42)	519	(561)
Motor	(99)	(917)	818
Reinsurance	-	4	(4)
General business	**53,117**	**70,915**	**(17,798)**
Long-term business	1,261	1,892	(631)
Gross written premiums	**54,379**	**72,807**	**(18,428)**

GWP decreased in the year by £18.4m (25%) largely due to:

- Creditor business declined by 31% to £31.3m (2016: £45.4m) due to;
  - the continued low level of activity across the sector;
  - termination of contracts with unprofitable partners; and
  - downward repricing.
- Warranty business decreased by 43% to £5.4m (2016: £9.4m) reflecting lower motor warranty volumes distributed through a fellow subsidiary, BNP Paribas Cardif Limited coupled with the competitive environment;

A. BUSINESS AND PERFORMANCE – (continued)

A.2 Underwriting performance – (continued)

- Pet GWP of £16.6m (2016: £16.5m) remained broadly in line with prior year;
- Household and motor business will continue to run off in 2018 and subsequent years due to long tail of personal injury claims arising in the Motor book; and
- Long-term business which includes business underwritten for mortgage loan protection, leasing creditor and standard living guaranteed income, continued to be in run off with GWP decreased to £1.3m in 2017 (2016: £1.8m).

The Company's business materially relates to one geographical market (United Kingdom).

Net Earned Premiums (NEP): represents the portion of the policy's premium that applies to the expired portion of the policy. The NEP of £63.6m decreased by £44.1m substantially due to the exit from the Motor (£10.3m) and Household (£19.1m) and declining premium on Creditor (£9.1m) and Motor Warranty (£5.3m) partly offset by an increase in Pet of £0.4m.

Technical Result: represents the balance of earned premiums less incurred claims, commission and profit share payments, net of associated reinsurance balances.

The technical result improved by £6.3m in 2017 mainly from improved claims ratio in Pet and Motor.

Technical Ratio: reflects the profitability of the general business before direct and indirect costs and is calculated as the sum of commission and net incurred claims expressed relative to NEP. The technical ratio improved from 88% in 2016 to 69% in 2017 due to lower claims costs in the year. The commission cost remained broadly in line with prior year.

Claims Ratio: calculated as net claims incurred expressed as a percentage of NEP. The claims ratio in 2017 decreased to 28% (2016: 44%) due to claims settled in Motor and Household.

Commission Ratio: commission expense incurred expressed as a percentage of NEP. The Commission ratio of 41% (2016: 43%) remained broadly in line with prior year.

A. BUSINESS AND PERFORMANCE – (continued)

A.3 Investment performance

The investment income represents the portfolio investment income, including the impact of mark to market revaluations, foreign exchange movements and realised losses on investments.

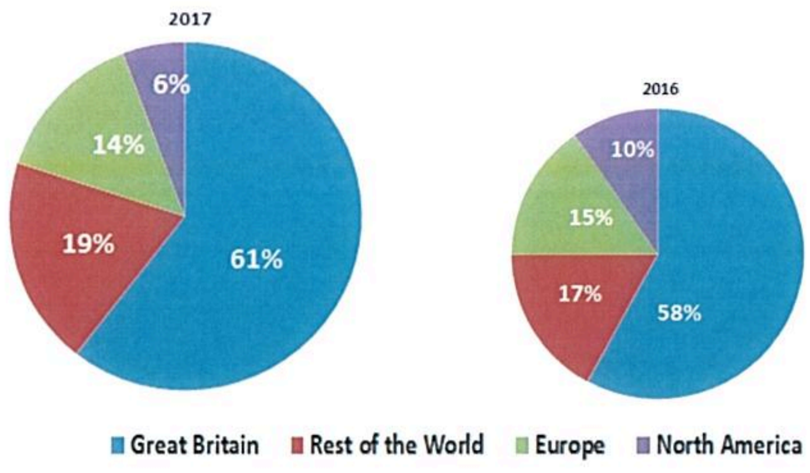
Total net investment return for the year is £3.2m (2016: £6.5m) which comprises interest earned on financial investments of £5.5m (2016: £6.7m), realised losses on bonds of £2.5m (2016 £1.7m) and unrealised gains of £0.2m (2016: £1.0m).

The investment return decreased by £3.2m in 2017 due to lower Assets under Management which were valued at £251.5m at 31 December 2017 (2016: £268.4m) of which 44% was in bonds, 43% in deposits with credit institutions and 13% in cash and cash equivalents. The decrease in AUM reflects continued run off of Motor and Household and declining premiums in Creditor business.

The table below provides summary of assets under management and the return on investments:

	2017		2016	
By assets class	Investments	Return on investments	Investments	Return on investments
	£'000	£'000	£'000	£'000
Bonds	111,867	1,699	130,440	4,419
Deposits	107,472	1,482	117,737	2,075
Cash at bank	32,210	33	20,178	44
Total	**251,549**	**3,214**	**268,355**	**6,538**

The chart below provides geographical split of the investments as follows:



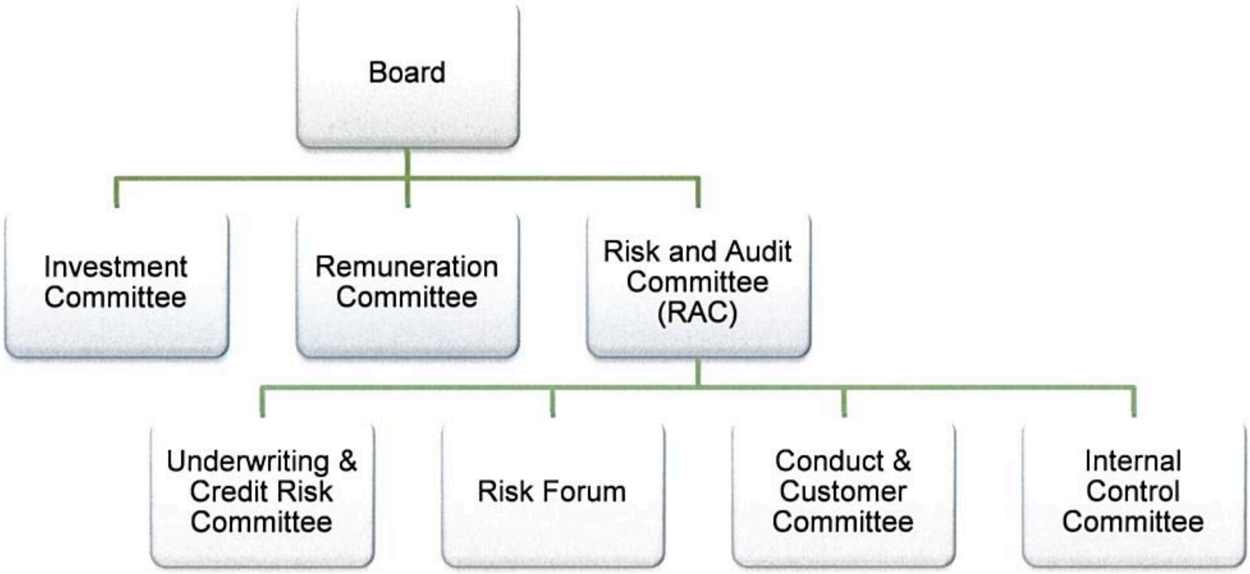
A.4 Performance of other activities

Administration expenses represent those operating expenses incurred by the Company which are not classified as either acquisition or claims handling costs. Administration expenses decreased by £2.1m to £17.9m (2016: £20.0m) mainly due to a continued focus on operational efficiencies.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the system of governance

The Company's Board comprises Directors and Non-Executive Directors who are responsible to the shareholder and other stakeholders for ensuring that the Company is appropriately managed and achieves its objectives. The Board meets at least six times per year to determine the Company's strategic direction, review operating and financial performance, and to ensure that the Company is adequately resourced and effectively controlled. The Company's governance regime is summarised as follows:



The following were the members of the Board throughout the year (unless stated otherwise):

Name	Function	Description of a controlled function
A M Wigg , FCA	SIMF1	Chief Executive Officer function
	SIMF 20	Chief Actuary
M Haderer	SIMF 22	Chief Underwriting Officer function
M J Lorimer LLB (Hons) Solicitor	SIMF 4	Chief Risk Officer (CRO)
	SIMF 9	Chairman function
G Binet	SIMF 7	Group Entity Senior Insurance Manager function
	SIMF 10	Chair of the Risk Committee
P J Box *	SIMF 11	Chair of the Audit Committee
N D Rochez *	SIMF 12	Chair of the Remuneration Committee
S.L.P.F Chevalet	SIMF 7	Group Entity Senior Insurance Manager function

* Independent non-Executive Director

B. SYSTEM OF GOVERNANCE– (continued)

Remuneration Committee

This committee is a formal subcommittee of the Board. It is chaired by, a Non-Executive Director. It reviews and makes recommendations to the Board regarding the Company's remuneration policy. It also reviews compliance with the Remuneration policy in so far as it relates to senior managers and other employees. The Remuneration Committee is specifically responsible for making recommendations for the remuneration of the Company staff.

The Company determines remuneration according to three key principles, namely competitiveness, discretion and fairness.

a) Individual fixed basic salary:

The Company determines individual basic pay according to the minimum basic salary at a level commensurate with the qualifications required for the post (defined according to collective agreements, salary grids and in line with legal minimums).

b) Additional fixed remuneration

Additional fixed remuneration rewards specific expertise, employment in a specific post or a post that meets a key role.

More broadly, it is any remuneration whose conditions and amounts awarded meet the following characteristics:

- the remuneration is predetermined;
- it is non-discretionary;
- it is permanent and of a recurring nature, i.e. maintained throughout the period linked to the specific role and organisational responsibilities of the holder;
- the payment of this remuneration may not be unilaterally reduced, suspended or cancelled; and
- it is not dependent on the performance of the holder and/or the company.

B. SYSTEM OF GOVERNANCE– (continued)

***Remuneration Committee* – (continued)**

Variable compensation: It is determined each year in accordance with that year's remuneration policy and the principles of governance. It is intended to incentivise performance in all its forms:

a) Personal performance-related variable compensation
Within the company, personal performance-related remuneration rewards achievements that are qualitatively and quantitatively assessed based on a record of sustained performance and on individual appraisals.

b) Long-term profit-sharing plan
Additionally, variable compensation may be supplemented by a medium or long-term loyalty plan comprised of stock options, performance shares, a medium or long-term remuneration plan, or any other appropriate instrument designed to retain and motivate key employees.

The Company does not operate any supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders.

Risk and Audit Committee (RAC)
The RAC is chaired by an independent Non-Executive Director. Its main responsibilities are to:

- coordinate and have oversight of the Company's financial reporting process, specifically;
    - integrity of the financial statements
    - review and monitor the reserving process and recommend to the Board; and
    - valuation of assets and impairment reviews.
- review the effectiveness of the system for monitoring compliance with laws and regulations;
- have oversight of internal and external audit functions;
- have oversight of the systems of internal control;
- review matters relating to legal risk;
- provide assurance on the effectiveness of the Company's risk management; and
- review, challenge and make recommendations in respect of Own Risk and Solvency Assessment (ORSA) reports and the Solvency Financial Condition Report; and
- oversee and receive reports from the Conduct and Customer Committee, the Internal Control Committee, the Risk Forum and the Underwriting and Credit Risk Committee.

B. SYSTEM OF GOVERNANCE– (continued)

Investment Committee

The Committee is chaired by the Chief Executive Officer and meets on quarterly basis. Its main responsibilities are to:

- ensure asset exposures do not exceed the limit established under Prudential Regulation Authority (PRA) regulations for Admissible Assets for the general and life business;
- maximise accounting rate of return yielded by the portfolio, within the agreed risk and liability matching framework; and
- agree investment returns to be used for future investments, new products types, counterparties and removal of counterparties' restrictions.

Conduct and Customer Committee (CCC)

The Committee is chaired by the General Counsel and reports to the RAC. It reviews and provides direction on the Company's Conduct Risk strategy, including overseeing all product governance controls and reviews, and provides direction on the development of products. The Committee's main responsibilities are to identify, assess and report on key Conduct Risks faced by the Company, specifically to:

- promote and encourage a corporate culture that ensures the recognition of Conduct Risk and the fair treatment of customers;
- continue to encourage the development, analysis and use of further Conduct Risk Indicators (CRI) or other management information and to ensure the CRI measures are constantly challenged;
- ensure that staff appropriately record Conduct Risk issues including the findings and resulting outcome using an agreed process or system such as (but not limited to) the Incident Reporting.
- review issues brought to the Conduct Risk Committee by the Treating Customers Fairly (TCF) Forum (the TCF Forum is responsible for monitoring and managing the customer experience and the identification, resolution and, where applicable, escalation of issues which may cause customer detriment to the CCC) and make recommendations that are in the best interests of the customer and ensure those recommendations are acted upon as required; and
- maintain an understanding of developments in the market, regulatory and legal environments that may impact on the Conduct Risk framework, and to research and highlight industry best practice.

Risk Forum

This Committee is chaired by the Chief Executive Officer. It meets at least four times per year and reports to the RAC. The Risk Forum's focus on prudential regulations includes overseeing notably Solvency II quarterly and annual returns and Own Risk and Solvency Assessment (ORSA) runs. The Risk Forum also reviews the ORSA triggering events on a regular basis.

B. SYSTEM OF GOVERNANCE– (continued)

Internal Control Committee (ICC)

The ICC is chaired by the General Counsel and reports to the RAC. Its main responsibilities are to:

- embed an effective risk management culture in the Company;
- identify, assess and report on key risks faced by the Company including those relating to outsourced activities;
- review the effectiveness of the internal control and compliance arrangements;
- update the Company's Risk Register on a regular basis;
- identify, assess and report on operational risks faced by the Company including those related to outsourced activities in accordance with the Group Guidance "Control of Risks Associated with Outsourced Processes";
- establish effective systems of internal control and reporting for key risks, appropriate to the size, nature and complexity of the Company;
- establish effective systems of compliance appropriate to the size, nature and complexity of the Company;
- monitor the performance of all suppliers of outsourced activities (operational performance, quality indicators and technical monitoring including KPIs & SLAs); and
- monitor the performance of security and business continuity by review of security incidents, test and exercises, critical IT risks and recommendations in progress.

Underwriting and Credit Risk Committee

This Committee is chaired by the Chief Actuarial Officer and meets quarterly. The Committee's main responsibilities are to:

- provide effective risk monitoring & risk follow up for all the key underwriting & credit risk and provide an escalation process (alert system);
- review the underwriting and credit risk exposure and the related risk mitigation technique and the related risk map;
- review the new products that could lead to a material change of the company's risk profile;
- review the adequacy of the reinsurance programme as part of the risk mitigation techniques; and
- review the underwriting & credit risk management procedures and the underwriting policy at least once a year and make proposal of change to the RAC.

B. SYSTEM OF GOVERNANCE– (continued)

B.2 "Fit and proper" requirements

The Company applies the "Fit and Proper Requirement" criteria laid down by the FCA and PRA in the appointment of controlled function holders including those individuals encompassed in the Senior Insurance Managers Regime (SIMR).

The Company's assessment of individuals' fitness and propriety is by giving consideration to their:

- financial soundness;
- honesty, integrity and reputation;
- competence and capability; and
- references completed by the candidates previous employer.

The Company employs the following procedures to assess "fit and proper":

- compliance with the applicable PRA Conducts Standards and FCA Conduct Rules;
- compliance with internal policies and procedures;
- disclosure and Barring Service (DBS) checks;
- annual performance reviews and assessments;
- self-attestation annually; and
- regulated References completed by a candidate's previous employer.

B.3 Risk management system including the own risk and solvency assessment (ORSA)

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Risk and Audit Committee (RAC) oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework. The RAC is assisted in its oversight role by Internal Audit, which undertakes both regular and ad-hoc reviews the results of which are reported to the RAC.

Risk management policies and procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk appetites and limits, and to identify, measure, record, manage and report on existing and emerging risks, so that they can be managed within Board-approved risk appetites. Risk management policies and systems are reviewed at least annually to ensure that they remain effective and appropriate for the management of the Company's risks. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

Own risk and solvency assessment (ORSA)
As with all insurers, the Company is required to assess its solvency at least every 12 months, by conducting an Own Risk & Solvency Assessment (ORSA). Details of the last ORSA conducted are set out elsewhere in this document. Solvency II also requires insurers to conduct an ORSA immediately their risk profile changes significantly. Risk profile changes are monitored by the Risk Forum. The Risk Forum also reviews the triggering events on a regular basis and reports to the RAC. If a triggering event occurs, the Risk Forum will inform Board to enable decision to re-run the ORSA. Since last ORSA submission in November 2017, there was no further submission as there has been no material deviation of risk profile.

B. SYSTEM OF GOVERNANCE– (continued)

ORSAs are conducted in accordance with the Board's ORSA policy. ORSAs are guided by the Board, e.g. by setting the stress and scenario tests to be used in an ORSA, requiring amendments to ORSA content, etc. The Board receives both updates from the Risk Forum through the RAC (setting out work completed, key tasks and deliverables, etc.) and reviews and approves draft ORSA content and the draft ORSA report. The Board challenges these as it deems fit and approves the ORSA report once satisfied with it.

B.4 Internal control framework

The Board has the overall responsibility for maintaining the systems of internal control of the Company and for monitoring their effectiveness, while the implementation of internal control systems is the responsibility of the executive management. The Company's systems of internal control are designed to manage the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material financial misstatement or loss.

The systems are designed to:

- safeguard assets;
- maintain proper accounting records;
- provide reliable financial information;
- identify and manage business risks;
- maintain compliance with appropriate legislation and regulation; and
- identify and adopt best practice.

The Company has an established governance framework, the key features of which include:

- a Corporate Governance manual including matters reserved for the Board and Terms of Reference for each of the Board's Committees;
- a clear organisational structure, with documented delegation of authority from the Board to executive management;
- a policy and procedures framework, which sets out risk management and control standards for the Company's operations; and
- defined procedures for the approval of major transactions.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which has operated throughout 2017 and onward. The Company's risk management and control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of its business objectives. The Company has a set of formal policies which govern the management and control of both financial and non-financial risks.

The Board has conducted a review of the effectiveness of the Company's systems of internal control. Where weaknesses were identified as part of the control review, mitigating actions have been taken or plans put in place. These are monitored by the appropriate Committee on behalf of the Board.

B. SYSTEM OF GOVERNANCE– (continued)

B.5 Internal Audit function

The Internal Audit function has been outsourced to BNP Paribas SA, i.e. the Company's ultimate parent. BNP Paribas uses one central internal audit function for all of its businesses. This ensures that the Internal Audit function is independent of the Company. The Internal Audit function reports its findings to the RAC.

Findings may contain recommendations, such as enhancing internal controls. Any such recommendations will include agreed actions for closure which are deemed to have been completed only once Internal Audit is satisfied with them.

The RAC agrees the audit schedule set out by Internal Audit. Where required, the schedule is adjusted in consultation with the RAC to address new or emerging risks. This might be the case if the RAC or Board wants a particular area of the Company's operations to be reviewed, perhaps in response to external drivers such as new regulations.

The Internal Audit function is separate from the rest of the Company, in that it has been outsourced to BNP Paribas' central audit function for all of its businesses. None of the Internal Audit function staff is employed by the Company, nor do any of those staff participate in any of the Company's other activities. This ensures their independence and objectivity.

B.6 Actuarial function

The Company has an in-house actuarial team which carries out a day-to-day actuarial role, including claims reserving. The formal role of the actuarial function under Article 48 of the Solvency II Directive is to report formally to the Board on technical provisions, reinsurance and underwriting policy.

In addition, the Company also engages external advisors to perform an independent review of its material claims reserves.

B.7 Compliance

The Company has an in-house Compliance function reports on a hierarchical basis to the BNP Paribas Cardif Compliance function and on territorial basis to General Counsel to identify relevant legislative, regulatory and Group requirements. The Compliance function is responsible for ensuring that the Company implements the necessary arrangements, systems and controls so as to facilitate adherence to these obligations. The RAC agrees the annual Compliance monitoring schedule and all findings from the periodic reviews are reported back to the RAC. The findings may contain recommendations which are closely monitored and closed by the Compliance function.

B.8 Outsourcing

This section of the report details the outsourcing arrangements for the Company's critical outsourced activities.

The outsourcing function is carried-out by one full-time employee. However, Subject Matter Experts are drawn from across all functions with a total of 14 contributors.

B. SYSTEM OF GOVERNANCE– (continued)

B.8 Outsourcing– (continued)

Before an activity is outsourced, the Company conducts a comprehensive pre-outsourcing assessment of the potential outsource provider. This is performed by staff from the key areas of the business. Each assessment is specific to both the activities being outsourced and the potential outsource provider. The results of the pre-outsourcing assessment are reviewed by senior management to assess the balance between risk and reward in respect of the potential outsourcing as well as determining the likely effectiveness of the control of those activities, once outsourced.

Outsourcing creates risks, which the Company remains fully responsible for, even though the activities are performed by another organisation. Once an activity has been outsourced, the Company applies post-outsourcing supervision and controls in order to ensure that the outsource provider remains suitable and that all risks associated with that outsourcing are managed effectively.

A number of critical activities are outsourced on a number of schemes, including sales, fulfilment, policy administration, premium collection and claim handling. All activities are outsourced within the UK with the exception of one claims handling, fulfilment and premium collection arrangement in the Republic of Ireland; this arrangement is due to be terminated by the end of 2018.

B.9 Any other information

There is no other information to disclose.

C. RISK PROFILE

The Company's activities expose the business to a number of key risks which have the potential to affect the Company's ability to achieve its business objectives. The Board is responsible for ensuring that an appropriate structure for managing these risks is maintained. The key risks and risk mitigation framework are highlighted below:

C.1 Underwriting risk

The non-life underwriting risk is the main component of Company's risk profile and represents c. 63% of the total capital requirement at the end of 2017 (2016: c. 65%).

For the non-life and health cover, the underwriting risk mainly relates to the premium and reserve risk c. 65% and the catastrophe risk for non-life covers c. 30%.

The premium and reserve risk arises from the premium exposure and the development of outstanding unsettled claims at year end. The non-life exposure relates mostly to:

- the line of business miscellaneous (c. 48% of the non-life exposure) comprising notably unemployment risk, pet health insurance; and
- the motor liability and fire lines of business (c. 35% of the non-life exposure) comprising motor insurance cover and household for claim outstanding mainly.
- The other motor line of business (c. 15% of the non-life exposure) corresponding to motor extended warranty products.

The motor extended warranty products have been reclassified as “Other Motor” in line with the Group requirements.

The catastrophe risk arises from infrequent shock events that give rise to large numbers of claims or large individual claims and mostly related to the unemployment risk covers.

The Company's exposure to underwriting risk on pet health insurance cover has been relatively stable during 2017.

On the creditor book, the Company's underwriting risk profile relates mainly to the risk inherent to unemployment and temporary disability. The exposure is reducing in line with the business volumes but the Company remains exposed to the possible economical short term of the Brexit on unemployment rates.

The Company's motor and household exposure to risks ceased at the end of 2016. However, the Company continues to be exposed to the development of claims (reserving risk) and notably for large motor claims.

The Company's annuity and assurance book is in run-off leading to a continuously decreasing exposure to longevity risk.

For the other lines of business, the exposure to catastrophe risk for life or health related risks is limited.

C. RISK PROFILE– (continued)

C.1 Underwriting risk – (continued)

The Company adopts the following to mitigate these risks:

- Underwriting policy, risk tolerance and pricing and reserving procedures;
- Reinsurance (proportional and non-proportional) notably on annuity and assurance life book and large motor claims;
- Re-pricing when deemed necessary;
- Risk monitoring dashboards and risk monitoring committee; and
- External review of reserves for the most material line of business.

C.2 Market risk

Market risk is the risk that the Company is adversely affected by movements in the value of its financial assets arising from market movements.

The Company is mainly exposed to interest rate risk. It arises mainly from the bond portfolio and bank deposits with credit institutions. The average maturity duration of investment portfolio is between 1 and 10 years and therefore the Company is only exposed to the interest rate fluctuations upon their maturity or when the term of the fixed term deposits expires.

The Company has a low risk appetite for market risk which has been translated into a policy allowing the Company to invest predominantly in short-term bonds or cash to match the short-tail nature of most of its claims. The risk is managed through the Investment Committee.

C.3 Credit / Counterparty risk

Credit risk is the risk that the Company becomes exposed to loss if the counterparty fails to its contractual obligations. The credit risk could, therefore, impact on the Company's ability to meet its claims and other liabilities as they fall due.

The primary source of credit risk for the Company is:

- Investments portfolio including cash and cash equivalents;
- Amounts due from reinsurer; and
- Amounts due from insurance intermediaries,

Investment activities: the Company, through the Board and the Investment Committee, seeks to limit, as far as is practical, exposure to credit risk from its investment activities. The investment credit risk managed through established guidelines and procedures. The Company's investment policy prescribes the investments limits and credit quality of the investments which are monitored and reviewed by the Investment Committee on quarterly basis.

C. RISK PROFILE– (continued)

C.3 Credit / Counterparty risk– (continued)

The Company maintains a low risk, high quality investment portfolio with exposure concentrated in bonds, bank deposits and cash. The table below provides investment portfolio by credit quality:

Investment portfolio by credit quality	2017		2016	
	£'000	%	£'000	%
AAA	28,101	11%	17,645	6%
AA	22,508	8%	2,010	1%
AA-	68,844	27%	51,208	19%
A+	9,941	3%	47,782	18%
A	93,258	37%	105,519	39%
A-	19,980	8%	22,871	9%
BBB+	6,465	3%	18,630	7%
BBB	2,035	2%	2,077	1%
BBB-	417	1%	-	-
BB+	-	-	614	-
	251,549	**100%**	**268,356**	**100%**

Concentration of credit risk exists where the Company has significant exposure to an individual counterparty or a group of counterparties. As at 31 December 2017, the Company has £25.1m investment with a single issuer with a credit rating of "A" with average duration of 12 months. The single party exposure is within the Company's prescribed investment policy limit.

Reinsurance risk - the Company manages the risk through the use of preferred reinsurers. No reinsurance counterparty has a rating lower than A-.

The highest exposure to single reinsurance counterparty is £25.8m (2016: £26.0m) rated AA- under IFRS on the Long-term business. The best estimate ceded reinsurance liability under IFRS basis as at 31 December 2017 is £56.8m (2016: £68.6m) and £57.7m (2016: £66.3m) under Solvency II basis.

C. RISK PROFILE– (continued)

C.3 Credit / Counterparty risk– (continued)

Insurance debtors and other receivables – the Company regularly reviews receivables, the collectability of these receivables and adequacy of associated impairment. Outstanding premiums receivables balances are monitored by the business operations team on a monthly basis, as a minimum. Concentration risk is also monitored for large partners/brokers. Bad debt provisions are provided where appropriate to reflect recoverability of the receivables.

The carrying value of the insurance receivables at 31 December 2017 is £17.8m (2016: £26.9m) net of bad debts provisions of £nil (2016: £nil).

The Company mitigates its credit risk and risk concentration as follows:

- individual counter-party risk assessment using Standard & Poors rating assigned to each counterparty;
- credit and concentration risk limits relating to cash, short term deposits and bond investments are defined in the Investment policy. The Company has a very low risk appetite for any default by counterparties with whom deposits are placed and will not place funds with counterparties whose S&P credit rating is lower than BBB- or lower rated investments;
- selection of reinsurance counterparts from a preferred list and in any case with a rating above BB+;
- monies held in trust accounts (or the segregated accounts); and
- contractual audit rights and rights to terminate contracts due to the failure of counterparties to perform agreed duties including the right to set-off.

C. RISK PROFILE– (continued)

C.4 Liquidity risk

The Company considers Liquidity Risk both in terms of the risk of having insufficient liquidity to satisfy policyholder liabilities and maintain financial flexibility in the event of a stress event.

The Company mitigates liquidity risk in the following ways:

- The Company, through the Investment Committee and dedicated treasury function, manages the liquidity risk through investments in predominately liquid financial assets; and
- The Company prepares forecasts to predict required level of liquidity levels both for short-term and medium-term and adjusts assets accordingly.

The tables below analyses the liquid resources available to meet Company's liabilities as they fall due:

		Time to maturity				
As at 31 December	**2017**	**1 Year**	**2-3 Years**	**4-5 Years**	**Over 5Years**	**2016**
Highly liquid resources	£'000	£'000	£'000	£'000	£'000	£'000
Financial investments	219,339	87,938	77,012	35,944	18,445	248,177
Cash & cash equivalents	32,210	32,210	-	-	-	20,178
	251,549	120,148	77,012	35,944	18,445	268,355
Expected liabilities						
Gross insurance liabilities	117,536	36,022	26,419	9,545	45,549	152,283
Other payables	43,289	38,723	4,566	-	-	46,408
	160,825	74,745	30,985	9,545	45,549	198,691
Surplus funds	**90,724**	**45,403**	**46,027**	**26,399**	**(27,104)**	**69,664**

The Company has surplus funds of £90.7m (2016: £69.6m) in excess of its liabilities. The deficit of £27.1m in the above table is a timing difference between financial investments maturity profiles against the expected liabilities over 5 years. The Company always holds adequate liquid assets to meet any expected obligations.

With regard to liquidity risk, the Expected Profit Included in the Future Premium ("EPIFP") means the expected present value of future cash-flow which results from the inclusion in technical provisions of premium relating to existing insurance contracts that are expected to be received in the future.

As at 31 December	**2017**	**2016**
	£'000	£'000
EPIFP	1,000	553

C. RISK PROFILE– (continued)

C.5 Operational risk

The Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events having an adverse impact on the business.

Operational risks are usually more difficult to quantify as such, so that their materiality is assessed using a severity / impact scoring approach. This allows risks to be ranked in order of their potential impact and so to focus risk management activities on those risks warranting the greatest attention.

The Company is exposed to the following material operational risks:

- Payment Protection Insurance (PPI) mis-selling complaints: PPI is an insurance product which covers loan or debt repayments in certain circumstances where the consumer is unable to service the debt. Historically, the Company offered PPI for loans, credit cards and mortgages via its intermediaries. The Company's management closely monitor the exposure to the PPI mis-selling complaints and have taken appropriate action to mitigate the impact on the Company resulting in a provision of £9.4m (2016: £9.4m).

- Political Risk: Following the UK referendum result in favour of exiting the European Union, it is likely that there could be a period of increased market volatility. The negotiations surrounding any exit are likely to take a significant amount of time and it is then unclear what scope or appetite the UK government would have to amend the UK regulatory framework that applies to insurance companies.

The Company manages operational risk through a framework of robust systems and controls which includes:

- Internal committees reviewing and reporting material operational risks notably those arising from PPI mis-selling and Brexit;
- Incident reporting system: this is used by staff for reporting any operational incidents which are reviewed by the Business Risk and Controls Department placing appropriate preventive and corrective actions in place;
- Departmental level risk assessments: departments record their key risks on their departmental risk registers in compliance with company-wide procedures which are discussed by the Company executive management group;
- Corporate level risk register: the risk owners report on their most material risks and their evolution during their weekly meetings; and
- Risk reports are sent to the RAC, which in turn reports to the Board: Reports are regularly submitted on operational, compliance and legal risks.

Regulatory Risk: The Company is required to comply with the requirements of the Prudential Regulation Authority and Financial Conduct Authority. Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Regulatory Risk is managed by the Risk and Compliance teams to ensure legislative and regulatory changes are identified understood and observed.

C. RISK PROFILE– (continued)

C.6 Risk sensitivities

The Company has identified two stress scenarios and assessed the impact of both scenarios on its solvency position:

Scenario 1: Default of our largest reinsurance exposure at 31 December 2017 amongst all such exposures with a credit rating or A[1] or lower, which the Company considered would materialise in an instant loss equal to the amount of the reinsurance exposure after expected liquidation recoveries (40% recovery according the Solvency II standard parameters for such credit rating), leading to an increase in the Company's net liabilities and its reserve risk SCR capital requirement as a result, together with a (relatively smaller) second-order reduction in Counterparty default risk SCR.

The stress scenario would trigger a £2.4m increase in the Company's net BEL (directly reducing own funds) combined with a net £0.4m increase in SCR.

Scenario 2: Instantaneous and unexpected increase in national unemployment rates up to recessionary levels combined with a greater persistency on the Creditor books, which the Company considered would materialise as loss ratios increasing three fold from base BEL levels with lapse rates reducing to nil on Creditor products respectively.

The stressed scenario would trigger an increase in BEL of £0.5m which is partly mitigated by profit share (directly reducing own funds); and an increase in SCR of £1.2m driven by its non-life catastrophe risk component.

Under both of the above stressed scenarios, the Company would still retain its solvency ratio above 350%.

[1] Standard & Poor's or equivalent credit rating

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

The following table summarises the assets held by the Company as at 31 December 2017 with analysis of the differences between Solvency II and IFRS valuation rules:

		2017			2016
Total Assets	**Notes**	**IFRS**	**Adjustment for Solvency purpose**	**Solvency II**	**Solvency II**
		£'000	£'000	£'000	£'000
Financial investments	D.1 (a)	219,339	16,782	236,121	260,769
Reinsurance assets	D.1 (b)	56,782	966	57,748	66,298
Insurance and other receivables	D.1 (c)	17,834	(5,000)	12,834	11,818
Cash and cash equivalents	D.1 (d)	32,210	(15,631)	16,579	8,835
Deferred acquisition costs	D.1 (e)	6,161	(6,161)	-	-
Total Assets		**332,326**	**(9,044)**	**323,282**	**354,780**

Solvency II Directive and Delegated Regulation (EU) 2015/35 generally provide for undertakings to recognise and value assets and liabilities other than technical provisions in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Commission in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, except where this is not consistent with Article 75 of the Solvency II Directive.

The valuation principles applied between each material asset class are explained below:

D.1 (a) Financial investments: The Company's financial investments comprise bonds and term-deposits which are analysed below:

	2017			2016
Financial investments	**IFRS**	**Reclassification for Solvency purpose**	**2017 Solvency II**	**Solvency II**
	£'000	£'000	£'000	£'000
Corporate bonds	83,686	1,015	84,701	128,195
Government bonds	28,181	137	28,318	3,495
Investments funds	-	15,630	15,630	11,343
Deposits with credit institutions	107,472	-	107,472	117,735
Total	**219,339**	**16,782**	**236,121**	**260,769**

D. VALUATION FOR SOLVENCY PURPOSES– (continued)

D.1 Assets – (continued)

Adjustment for Solvency II purposes represents reclassification of:

- highly liquid deposit of £15.6m (2016: £11.3m) into Solvency II balance category of "Investment Fund" which is held within cash and cash equivalents under IFRS basis.
- Accrued interest of £1.1m (2016: £1.2m) is recognised in the valuation of 'investments' on the Solvency II balance sheet, but held within 'other assets' on the IFRS balance sheet.

Under the IFRS basis, financial assets which also include financial investments are classified into the following specified categories:

- financial assets at fair value through profit or loss (FVTPL):
- held to maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company designates its corporate bonds and government bonds at fair value through profit or loss which is valued using quoted market prices at the period end date provided by recognised pricing sources.

Deposits with credit institutions are classified as under Loans and receivables which carry fixed payments that are not quoted in the active market. These are measured at amortised cost under IFRS.

The Solvency II valuation rules for financial investments are consistent and in line with those applied in the IFRS financial statements.

D.1 (b) Reinsurance assets: These were valued at £56.7m under IFRS and £57.7m under Solvency II resulting in £1.0m (2016: £2.2m) Solvency II valuation difference.

The table below provides the difference between the IFRS and Solvency II carrying values:

Reinsurance assets	IFRS 2017	Valuation of assets under Solvency II	Solvency II 2017	2016
	£'000	£'000	£'000	£'000
Non-life excluding health	34,023	(6,653)	27,370	32,492
Health similar to non-life	21	(21)	-	1,123
Life excluding health	22,738	7,640	30,378	32,683
Total Assets	**56,782**	**966**	**57,748**	**66,298**

D. VALUATION FOR SOLVENCY PURPOSES– (continued)

D.1 Assets – (continued)

The net valuation difference of £1.0m between IFRS and Solvency II carrying value mainly arises from an allowance for potential adverse developments in the Company's large bodily injury outstanding claims, beyond the level implied by the analysis of the Company's claims historical data (events not in data or ENID for motor risks of positive £3.9m offset by a decrease in:

- a recognition of the margins included in the mortality assumptions underlying the ceded IFRS reserves relating to the Company's annuities and assurance products of £1.3m;
- release of margin included in IFRS share of reinsurance claims reserves of £0.2m;
- a reduction due to the difference in discount rates used to convert expected future cash-flows in today's monetary value of £1.0m; and
- an allowance for expected profits in future premiums within Solvency II provisions ceded to reinsurance of £0.03m.

The valuation difference resulted in a decrease in the carrying value of the reinsurance assets is reflected in the reconciliation reserves (see section E.1).

D.1 (c) Insurance and other receivables: value as at the year-end is £17.8m (2016: £26.9m) under IFRS and £12.8m (2016: £11.8m) under Solvency II. The difference represents:

- Insurance receivables of £3.8m (2016: £6.8m); and
- Accrued interest of £1.1m (2016: £1.2m).

In accordance with Solvency II guidelines premium cash flows falling due after the valuation date are recognised within technical provisions, and premiums due at the valuation date are recognised as an asset. Hence, the valuation difference of £3.8m is allowed for in the Solvency II BEL calculations as future inflows within the premium provisions.

The impact of the adjustment is reflected in the reconciliation reserves to offset against the valuation difference between IFRS and Solvency II technical provisions. (see note E.1).

Accrued interest held as part of other receivables under IFRS is reclassified within corporate and government bonds for Solvency II purposes.

Other elements included within other receivables included are, amounts due from group undertakings and prepayments are considered close approximation to the fair value due their short-term nature of due within one year.

D. VALUATION FOR SOLVENCY II PURPOSES– (continued)

D.1 Assets – (continued)

D.1 (d) Cash and cash equivalents: Cash and cash equivalents comprise cash in hand and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Under IFRS, cash & cash equivalents are £32.2m (2016: £20.1m) which have reduced to £16.6m (2016: £8.8m) due to a reclassification of a highly liquid deposit of £15.6m (2016: £11.3m) into Solvency II balance category of "Investment Fund".

The Solvency II valuation rules for cash & cash equivalents are consistent and in line with those applied in the IFRS financial statements.

D.1 (e) Deferred acquisition costs (DAC): Under IFRS, the acquisition costs should be deferred commensurate with the unearned premiums provisions. The deferred acquisition costs (DAC) are separately presented as an asset in the IFRS balance sheet. However, under Solvency II, the DAC of £6.1m (2016: £11.4m) is valued as nil as it is included in the premiums provisions valuation (part of Solvency II best estimates) and therefore not included as an asset.

D.2 Technical provisions

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a Best Estimate Liabilities (BEL) and the risk margin. The technical provisions as at 31 December 2017 were:

Balance Sheet Extracts –Technical provisions As at 31 December	2017	2016
	£'000	£'000
Technical provisions – non-life (excluding health)		
Best Estimate	80,771	108,944
Risk margin	5,436	3,727
Technical provisions - health (similar to non-life)		
Best Estimate	13,639	15,606
Risk margin	435	492
Technical provisions – life		
Best Estimate	33,980	36,839
Risk margin	405	538
TECHNICAL PROVISIONS INC. BEST ESTIMATE OF LIABILITIES	**134,666**	**166,146**
TECHNICAL PROVISIONS IFRS Balance Sheet	**130,519**	**175,225**

D. VALUATION FOR SOLVENCY II PURPOSES– (continued)

D.2 Technical provisions - continued

IFRS technical provisions: comprises unearned premium reserves, claims outstanding and long-term business provisions, reduced from £175.2m to £130.5m in 2017 due to:

- *Unearned premium reserve*: decreased from £22.8m in 2016 to £12.9m in 2017 mainly due to the declining Motor Warranty business of £3.6m, a Creditor book of £5.7m and others of £0.5m.

- *Claims outstanding:* decreased by £33.8m largely due to:
    - Household reserves release of £6.8m due to book in run off ; and
    - Motor reserves release of £25.7m due to actual bodily injury claims year-end review.

- *Long-term Business Provision:* The gross of reinsurance life mathematical reserves have decreased by £1.3m over 2017 to £36m (2016: £37.2m), driven mainly by run off of Guaranteed Underwriting Agency (GUAL) and Risk Assurance Management (RAM) annuity books of business.
    - The GUAL liabilities have decreased by £0.8m due to changes in mortality assumptions to reflect more recent UK mortality studies.
    - The RAM liabilities have decreased by £0.3m mainly from changes in future interest rate, inflation assumptions and future mortality assumptions.

Solvency II technical provisions against IFRS: increased by £4.2m (2016: £9.1m) from £130.5m to £134.6m under Solvency II.

- recognition of events not in data (ENID) of £5.5m mainly relating to the motor bodily injury claims; and
- de-recognition of deferred acquisition cost of £6.1m, insurance receivables of £3.4m.

Offset by:

- reclassification of loss absorbing element of profit share payables of £10.5m;
- net difference between IFRS margin and Solvency II risk margin of £2.72m;
- provision of allowance for the administration overheads of £3.0m within the Solvency II provisions;
- the discounting of future expected cash-flows reflecting the time value of money under Solvency II of £1.98m; and
- inclusion of expected profit in future premiums (EPIFP) of £1.0m (see section C.4).

D. VALUATION FOR SOLVENCY II PURPOSES– (continued)

D.2 Technical provisions – (continued)

Solvency II technical provision against prior year: comprise best estimates claims provisions, premium provisions and the risk margin gross of reinsurance. The technical provisions before reinsurance decreased by £31.4m from £166.1 to £134.7m in 2017 are explained by:

- *Best estimate claims provisions*: reduced by £25.7m from £107.0m to £81.3m, mostly driven by continued reserve run-off of motor and household business resulting in reserve release relating to motor of £18.7m and household of £6.2m. The remainder of £0.8m mainly reflecting the gradual reduction in the Company's creditor book.

  Motor and household business will continue to run off in 2018 and subsequent years for long tail personal injury claims arising on the Motor book

- *Best estimate premium provisions:* for the unexpired risk reduced by £6.9m from £55.0m to £48.1m in 2017 mainly due to the:
  - upwards movement in risk-free discount yield affecting Company's Long Term Fund products slowly running off, mainly related to the annuities and assurance books of £3.4m;
  - gradual reduction in the size of reserves held by Company's in respect of its creditor of £2.0m and motor warranty products of £1.2m; and
  - remainder £0.3m arising from a balance sheet reclassification of profit share provision.

- Risk margin: increased by £1.5m from £4.8m to £6.3m following a review of the Company's allowance for the possible development of some of its outstanding long-term bodily injury liability claims in the form of potential periodical payment orders potentially (PPO's).

D. VALUATION FOR SOLVENCY II PURPOSES– (continued)

D.2 Technical provisions – (continued)

The BEL is the sum of the claims provision BEL (valuation of IFRS claims reserves run-off under Solvency II standards) and the premium provision BEL (arising from future events).

The gross technical provisions by Solvency II lines of business are set out in the table below:

By line of business	2017 Best estimate	2017 Risk margin	2017 Total	2016 Best estimate	2016 Risk margin	2016 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Medical expense	71	3	74	215	11	226
Income protection	13,567	433	14,000	15,391	482	15,873
Motor vehicle liability	54,852	3,940	58,792	73,499	1,893	75,392
Other motor	3,607	110	3,717	852	29	881
Fire & other damage to property	4,766	132	4,898	10,191	329	10,520
General liability	2,105	54	2,159	2,396	53	2,449
Miscellaneous financial loss	15,441	1,199	16,640	22,005	1,423	23,428
Non-life	**94,409**	**5,871**	**100,280**	**124,549**	**4,219**	**128,768**
Other life	33,981	405	34,386	36,839	538	37,377
Life	**33,981**	**405**	**34,386**	**36,839**	**538**	**37,377**
TOTAL TECHNICAL PROVISIONS	**128,390**	**6,276**	**134,666**	**161,388**	**4,758**	**166,146**

In the above table:

- The gross BEL for miscellaneous financial loss line of business is £15.4m (2016: £22.0m) 16% (2016: 17%) of the overall gross non-life BEL) grouping risks related to pet insurance and unemployment cover;
- The motor extended warranty products have been reclassified to" Other Motor" based on the underlying risk. The gross BEL for motor liability is £54.9m (2016: £73.4m) representing 58% (2016: 59%) of the non-life BEL. As the activity on motor ceased in 2015, the BEL relates only to BEL claims;
- The line of business "Fire and other damage to property" mostly relates to home insurance for a gross BEL of £4.7m (2016: £10.1m);
- The life long term fund BEL including risk margin is £34.3m (2016: £37.3m) and remained broadly in line with prior year; and
- The risk margin calculated is £6.3m (2016: £4.8m) and represents 4.8% (2016: 2.94%) of the overall gross technical reserves. It reflects the short tail of the portfolio. The increase of £1.5m compared to 2016 relates mainly to the allowance of long-term development of potential Periodical Payment Order.

D. VALUATION FOR SOLVENCY II PURPOSES– (continued)

D.2 Technical provisions – (continued)

The recoverable from reinsurance contracts are £57.7m (2016: £66.2m) representing £23.4m for Non-Life risk mostly related to motor vehicle liability (excess of loss treaty) and £30.4m mostly related to annuities and assurances (quota-share treaty). The decrease in recoverable reflects continued run off of motor and household business.

D.2 (a) Description of method used for technical provision assessment

Assessment of the Best Estimate Liabilities

The liability cash flow projections are assessed using deterministic based and best estimate assumptions.

For annuities and assurances products, the projections are made for each individual policy in line with the financial statement methodology. For the other line of business (Non-life and Health), the projections are made by homogeneous risk groups. The cash flows taken into account for the purpose of the projections are:

- future premiums arising from existing contracts at the projection start date;
- claims payable (arising from outstanding claim reserve, unearned premium reserve and future premium on existing contracts);
- commissions and profit share payable to intermediaries;
- overheads (including claims management cost and administration costs); and
- recoverable from reinsurance.

Assessment of the reinsurance recoverable

The best estimates are calculated gross of reinsurance and without deduction of amounts recoverable from reinsurance contracts.

The amounts recoverable are calculated separately, following the same principles as presented for the best estimate and consistently with the contract liability term of the underlying policies covered and the reinsurance contract term. The result is then adjusted to take account of expected losses due to default of the counterparty. This adjustment is based on the probability of default of the reinsurance counterparty based on its rating.

Assessment of Risk Margin

The risk margin is assessed as the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement (SCR) necessary to support the insurance obligations over their lifetime. It is calculated as 6% of the present value of the projected SCR at the end of each year. The SCR is assessed based on year end using drivers for each component based on the run off risk profile of the portfolio.

D. VALUATION FOR SOLVENCY PURPOSES– (continued)

D.2 Technical provisions– (continued)

D.2 (b) Uncertainty associated with the amount of technical provisions

There is uncertainty arising from the projection method (deterministic approach).

For non-Life projections, there is uncertainty related to the grouping of insurance and reinsurance obligations on a limited number of homogeneous risk group for liabilities arising from future premiums. However this risk is limited due to the limited projection horizon of future premium.

D.2 (c) Material differences with financial statements valuation

For the purpose of the valuation of the BEL claims, the approach between solvency II and the statutory accounts are aligned. The statutory accounts best estimate claims outstanding reserves are used as the basis for future payment projections. The differences are limited to the use of an annual payment pattern combined with the application of a risk-free discount rate and the introduction of Event Not In Data (ENID).

Compared to the financial statements, the future cash flows arising from premium exposure at the end of the financial year (unearned premium reserve and expected future premium generated by the monthly premium product cover up to their contractual liabilities terms) are taken into account.

With the exception of annuities and assurance products, the future claims payments are estimated using a loss ratio approach applied to the premium exposure.

D.2 (d) Details on key assumptions

The key assumptions used in the projection are the following:

- future loss ratios;
- discount rate;
- best estimate mortality table; and
- overheads projected.

Overheads

The overheads are projected using two main components; administration costs and claims management expenses.

The overheads projections are based on the detailed analysis of 2017 costs structure taking into account expected future inflation.

Loss ratio

The loss ratio used for the purpose of BEL premium assessment is calibrated using a tailor made study for most material homogeneous risk group and based on past months experience for others.

D. VALUATION FOR SOLVENCY PURPOSES – (continued)

D.3 Other liabilities

The table below provides total liabilities analysis including other liabilities as at 31 December 2017 of £32.9m (2016: £34.6m).

Liabilities as at 31 December 2017	Notes	2017 Solvency II	2016 Solvency II
		£'000	£'000
Technical provisions incl. best estimate of liabilities (BEL)	D.2	**134,666**	**166,146**
Insurance & intermediaries payables		30,290	29,824
Insurance payable-reinsurance operations		53	195
Amounts owed to credit institutions		32	66
Amounts owed to group undertakings		824	2,568
Other taxation and social security		1,375	1,697
Accruals and deferred income		278	241
Other liabilities	D.3(a)	**32,852**	**34,591**
Excess of assets over liabilities (basic own funds)	E.1	**155,764**	**154,043**
Total Liabilities		**323,282**	**354,780**

D.3 (a) Differences between Solvency II valuation and IFRS valuation by material class of other liabilities

Insurance & intermediaries payables: represents profit share and claims payable which are due to be settled after the reporting period.

There is a valuation difference between IFRS carrying value of insurance and intermediaries payable and Solvency II basis. The valuation difference relates to a profit share payable of £10.5m (2016: £11.8m).

Under Solvency II Level 1 Directive, Article 77(2), the cash flow projections to estimate the technical provisions should take into account all cash in and out flows required to settle the insurance and reinsurance obligations. Therefore, the profit share payable for contract within the contract boundaries is included within BEL calculations resulting in reclassification of the amount to the reconciliation reserve (see note E.1).

As a result of the valuation difference, the amount relating to insurance & intermediaries payables under IFRS reduced from £40.7m (2016: £41.6m) to £30.2m (2016: 29.8m) under Solvency II basis.

D. VALUATION FOR SOLVENCY PURPOSES – (continued)

D.3 (a) Differences between Solvency II valuation and IFRS valuation by material class of other liabilities – (continued)

Amounts owed to group undertakings: represent short-term intercompany liability which is valued at amortised cost. The carrying value of £0.8m (2016: £2.5m) which is subject to 30 days credit terms deemed to be fair value as at the year end. Therefore there is no difference between the IFRS and Solvency II carrying values.

Other taxation and social security: represents Insurance Premium Tax (IPT) payable to HM Revenue & Customs (HMRC). The IPT is a financial liability valued as loans and receivables under IFRS which is deemed to be an approximate to fair value due to the short-term settlement time after the reporting date.

The following amounts included within other liabilities above in the table are under IFRS principals:

- Insurance payable-reinsurance operations;
- Amounts owed to credit institutions; and
- Accruals and deferred income.

The carrying value of these liabilities is deemed to be a close approximation to fair value as they are all due within one year. Therefore no adjustment is required under Solvency II.

D.4 Alternative methods for valuation (article 263)

The Company does not use any alternative methods for valuation.

D.5 Any other information

The Company does not apply the:

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

E. CAPITAL MANAGEMENT

E.1 Own funds

Under the Solvency II regime, the Company is required to hold sufficient own funds to cover its Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR).

The Company's capital management policy is to maintain its own funds in excess of SCR with a target minimum coverage of 140% which provides reasonable assurance to the policyholders that the Company has enough capital to absorb any future significant losses. The following table provides Company's own funds position as at 31 December 2017:

Own Funds	2017	2016
	£'000	£'000
Ordinary share capital	126,557	126,557
Share premiums	23,323	23,323
IFRS retained earnings	8,635	3,739
Solvency II valuation differences	(2,751)	424
Excess of assets over liabilities (basic own funds)	**155,764**	**154,043**
Foreseeable dividends	(4,898)	-
Total available own funds to meet SCR	**150,866**	**154,043**

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds as at 31 December 2017. 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. All of the Company's own funds items fall under Tier 1-unrestricted category.

The Company's own funds decreased by £3.2m to £150.8m in 2017 (2016: increase of £0.4m) resulting from solvency II valuation differences increase of £1.7m, offset by foreseeable dividends of £4.8m to be paid in 2018. The table below provides reconciliation between IFRS retained earnings and the Solvency II reconciliation reserves:

Reconciliation reserve (£'000)	Notes	2017	2016
IFRS Retained earnings		8,635	3,739
Solvency II valuation differences			
-reinsurance share of technical provisions	D.1(b)	966	(2,255)
-gross technical provisions liability	D.2	(4,147)	9,079
-premium receivables	D.1(d)	(3,847)	(6,801)
-profit share payable	D.3(a)	10,438	11,817
-de-recognition of deferred acquisition costs	D.1(e)	(6,161)	(11,416)
		(2,751)	**424**
Foreseeable dividends out of current year profit		(4,898)	-
Reconciliation reserve		**986**	**4,163**

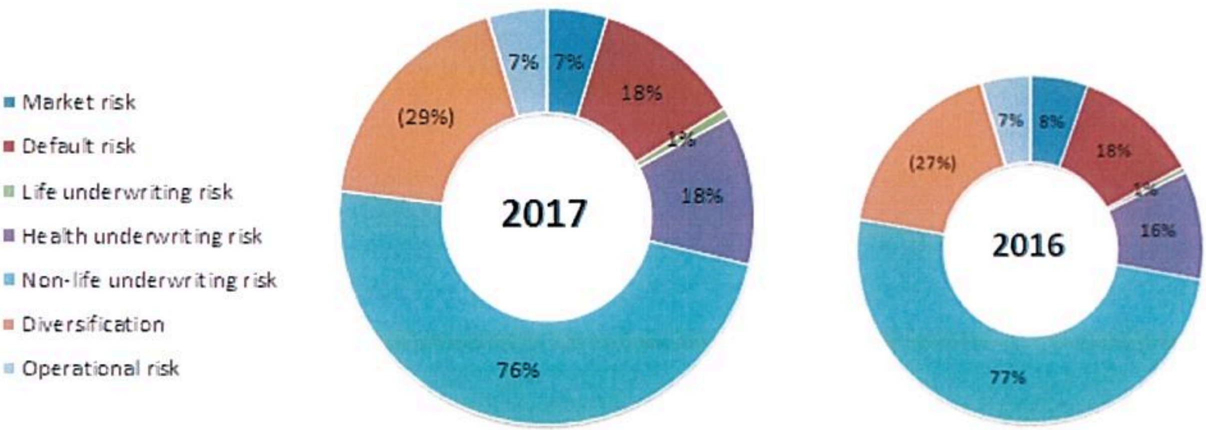
E. CAPITAL MANAGEMENT – (continued)

E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Company's SCR as at 31 December 2017 is £39.4m (2016: £54.8m). The Company's MCR as at 31 December 2017 is £14.2m (2016: £18.4m). The SCR of the Company is the aggregation of the market, counterparty and non-life underwriting risks, less a credit for diversification, and an additional charge to represent the operational risks faced by the Company.

The table below provides the breakdown of the SCR by risk:

Solvency Capital requirement(SCR) by risk	2017	2016
	£'000	£'000
Market risk	2,913	4,547
Counterparty default risk	7,236	9,964
Life underwriting risk	517	452
Health underwriting risk	7,253	8,605
Non-life underwriting risk	30,093	42,312
Diversification	(11,505)	(14,961)
Basic Solvency Capital Requirement	**36,507**	**50,919**
Operational risk	2,985	3,902
Solvency Capital Requirement	**39,492**	**54,821**



Non-life underwriting risk remained the main component of the SCR.

The Company has used the Standard Formula approach to calculate its Solvency Capital Requirement.

The Company has not used undertaking specific parameters to calculate the SCR pursuant to Article 104(7) of the Solvency II Directive. The SCR remains subject to formal supervisory assessment and includes no adjustments or capital add-on.

E. CAPITAL MANAGEMENT – (continued)

Market Risk: a component of the SCR is driven by the risks inherent within the Company's assets and liabilities portfolio and the details of the changes over the reporting period are as follows:

Solvency Capital requirement	**2017**	**2016**
	£'000	£'000
Interest rate risk	202	104
Spread risk	2,549	3,504
Currency risk	7	153
Concentration risk	1,194	2,779
	3,952	**6,540**
Less: Diversification effect	(1,038)	(1,993)
Market risk	**2,913**	**4,547**

The Market risk SCR net of diversification effect decreased from £4.5m to £2.9m in 2017 driven by:

Spread risk: results from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate structure. The spread risk applies to the Company's holdings in corporate bonds and money market funds. The Company's spread risk decreased to £2.5m (2016: £3.5m) mainly due to lower level of corporate bonds holdings that decreased from £128.1m to £84.7m in 2017 offset by an increase in money market funds from £11.3m to £15.6m.

Concentration risk: arises from large investments in individual counterparties and single name exposure. It applies to investment holdings in excess of a specified threshold, and is based on exposure, rating and total assets held. The Company's concentration risk decreased to £1.1m (2016: £2.8m) with exposure reducing to £128.6m (2016: £139.6m) in 2017. This is due to £9.4m reduction in a single name exposure which matured in 2017 resulting in a £1.5m reduction in the concentration risk.

Currency risk: arises from changes in the level or volatility of currency exchange rates. The Company's currency risk arises from the Irish creditor book of business. As a result the Company is required to hold Euro currency to settle the liabilities as they fall due from the business. The decrease in Euro cash holding from £3.0m to £2.4m in 2017 resulted in lower currency risk.

The decrease in Euro deposits reflects reduction in liabilities due to the book in run-off.

Interest rate risk: driven by changes in assets and liabilities of the Company due to changes in term structure of interest rates. The Company's interest rate risk increased to £0.2m (2016: £0.1m) due to increased investments in Gilts which have longer duration.

The Company does not hold any investments in equities or properties, hence no SCR required.

Diversification effect: between the sub-modules of Market SCR reduced to £1.0m (2016: £1.9m) due to reduction in the overall investment portfolio.

E. CAPITAL MANAGEMENT – (continued)

Counterparty default risk: module of £7.2m (2016: £9.9m) arises from risk of default on reinsurance recoverable and cash at bank and deposits. The table below provide breakdown by each asset class.

	2017	2016
	£'000	£'000
Type 1 - rated		
Reinsurance recoverable	753	994
Cash at bank and deposits	5,072	6,671
Type 2 - unrated		
Receivables from intermediaries	1,757	2,829
Diversification	(345)	(530)
Counterparty default risk	**7,237**	**9,964**

The Counterparty default SCR reduced to £7.2m (2016: £9.9m) mainly driven by capital required for:

- Receivables from intermediaries: decreased to £17.8m (2016: £26.9m) resulting in a lower capital charge of £1.7m (2016: £2.8m). The decrease in receivables is due to:
  - continued run off of Motor and Household business; and
  - low level of activity across Creditor business including termination of certain books of creditor business.
- Cash at bank and deposits: decreased to £5.0m (2016: £6.6m) mainly due to counterparties mix change.

Life underwriting risk: represents the risk of adverse change in the value of long-term BEL due mainly from mortality rates and longevity risk. The life underwriting risk SCR is £0.5m (2016: £0.4m).

Health underwriting risk (Non similar to Life techniques): provides composition of Health underwriting risk:

	2017	2016
	£'000	£'000
Health Non-SLT	7,196	8,533
Health Catastrophe	214	273
Diversification	(158)	(200)
Health underwriting risk	**7,253**	**8,606**

The Health underwriting SCR arises from:

- £7.2m (2016: £8.5m) health non-SLT risk mainly driven by earned premium and reserve volume decrease.
- £0.2m (2016: £0.3m) Health Catastrophe risk is driven by accident and Pandemic risk.

E. CAPITAL MANAGEMENT – (continued)

Non- life underwriting risk: SCR risk module comprises:

	2017	2016
	£'000	£'000
Non-life premium & reserve	24,947	36,704
Non-life Lapse	1,985	1,743
Non-life Catastrophe	11,600	13,721
Diversification	(8,440)	(9,856)
Non-life underwriting risk	**30,093**	**42,312**

The non-life underwriting risk SCR arises from:

- premium and reserve exposure of £24.9m (2016: £36.7m) mostly driven by premium exposure to miscellaneous financial loss and other motor and claim exposure to motor liability;
- catastrophe exposure of £11.6m (2016: £13.7m) mostly driven by future premium exposure on miscellaneous financial loss; and
- lapse risk of £2.0m (2016: £1.7m) on future premium arising from existing contracts up to their contractual liabilities term.

Operational risk

The operational risk of £2.9m (2016: £3.9m) is driven by life and non-life technical provision.

Solvency Capital requirement		2017	2016
		£'000	£'000
Gross non-life BEL	94,409 x 3%	2,832	3,736
Gross life BEL	33,980 x 0.45%	153	166
Operational risk		**2,985**	**3,902**

E. CAPITAL MANAGEMENT – (continued)

The Company has calculated the MCR based on rules set out in the Delegated Regulation. The MCR calculation is mainly based on the net value of technical provisions and premium exposures. The result of the calculation is then subject to a floor and a cap, of 25% and 45% of the SCR respectively. As at 31 December 2017, the MCR is of £14.2m and within the SCR corridor 36% of SCR.

Minimum Capital Requirement	2017	2016
	£'000	£'000
Linear minimum capital requirement	14,185	18,523
Solvency capital requirement - SCR	39,374	54,821
Minimum capital requirement cap	17,772	24,669
Minimum capital requirement floor	9,843	13,705
Combined minimum capital requirement	14,185	18,523
Absolute floor of the minimum capital requirement	6,501	6,664
Minimum Capital Requirement - MCR	**14,185**	**18,523**

Capital position

The Company has Solvency II capital surplus of £111.5m and Solvency ratio of 383%. The Company's capital position as at 31 December 2017 is detailed below:

Solvency Ratio	2017	2016
	£'000	£'000
Available own funds to meet the solvency capital requirement	150,866	154,043
Available own funds to meet the minimum capital requirement	150,866	154,043
Solvency capital requirement (SCR)	39,492	54,821
Minimum capital requirement (MCR	14,185	18,523
Ratio of Eligible own funds to the solvency capital requirement	382%	281%
Ratio of Eligible own funds to the minimum capital requirement	1,064%	832%

E.3 Any Other Information

The Company does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

ANNEX - QUANTITATIVE REPORTING TEMPLATES

The following templates form part of the published SFCR report.

Templates

S.02.01.02	Balance Sheet
S.05.01.02 *	Premiums, claims and expenses by line of business -life
S.05.02.01 *	Premiums, claims and expenses by line of business – non-life
S.12.01.02	Life and Health SLT Technical Provisions
S.17.01.02	Non-Life Technical Provisions
S.19.01.21 *	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.02.01	Minimum Capital Requirement - Both life and non-life insurance activity

* These templates are not subject to external audit opinion.

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	236,121
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	113,019
R0140	*Government Bonds*	28,318
R0150	*Corporate Bonds*	84,701
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	15,631
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	107,472
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	57,748
R0280	*Non-life and health similar to non-life*	27,370
R0290	*Non-life excluding health*	27,370
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	30,378
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	30,378
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	5,809
R0370	Reinsurance receivables	282
R0380	Receivables (trade, not insurance)	6,641
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	16,579
R0420	Any other assets, not elsewhere shown	102
R0500	**Total assets**	323,282

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	100,280
R0520	*Technical provisions - non-life (excluding health)*	86,206
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	80,771
R0550	*Risk margin*	5,436
R0560	*Technical provisions - health (similar to non-life)*	14,074
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	13,639
R0590	*Risk margin*	435
R0600	Technical provisions - life (excluding index-linked and unit-linked)	34,386
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)*	34,386
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	33,980
R0680	*Risk margin*	405
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	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	0
R0790	Derivatives	
R0800	Debts owed to credit institutions	32
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	30,290
R0830	Reinsurance payables	53
R0840	Payables (trade, not insurance)	2,199
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	278
R0900	**Total liabilities**	167,518
R1000	**Excess of assets over liabilities**	155,764

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	191	15,884		-98	5,241		230	445				31,224					53,117
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share	0	70		199	0		49	445				0					763
R0200	Net	191	15,814		-297	5,241		182	-1				31,224					52,354
	Premiums earned																	
R0210	Gross - Direct Business	193	19,065		-98	8,410		684	451				34,371					63,076
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share	0	70		199	0		49	458				0					776
R0300	Net	193	18,995		-297	8,410		636	-8				34,371					62,300
	Claims incurred																	
R0310	Gross - Direct Business	226	5,787		-15,204	3,057		-930	58				13,034					6,029
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share	0	-1,139		-10,281	0		0	419				0					-11,001
R0400	Net	226	6,925		-4,922	3,057		-930	-361				13,034					17,030
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0		0	0		0	0				0					0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share	0	0		0	0		0	0				0					0
R0500	Net	0	0		0	0		0	0				0					0
R0550	**Expenses incurred**	34	14,401		291	6,351		1,058	-1				24,089					46,222
R1200	**Other expenses**																	
R1300	**Total expenses**																	46,222

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Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		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	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross				1,261					1,261
R1420	Reinsurers' share									0
R1500	Net				1,261					1,261
	Premiums earned									
R1510	Gross				1,261					1,261
R1520	Reinsurers' share									0
R1600	Net				1,261					1,261
	Claims incurred									
R1610	Gross				2,605					2,605
R1620	Reinsurers' share				2,611					2,611
R1700	Net				-6					-6
	Changes in other technical provisions									
R1710	Gross				1,115					1,115
R1720	Reinsurers' share				1,089					1,089
R1800	Net				25					25
R1900	**Expenses incurred**				-1,354					-1,354
R2500	**Other expenses**									
R2600	**Total expenses**									-1,354

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Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	52,288						52,288
R0120	Gross - Proportional reinsurance accepted	0						0
R0130	Gross - Non-proportional reinsurance accepted	0						0
R0140	Reinsurers' share	763						763
R0200	Net	51,525	0	0	0	0	0	51,525
	Premiums earned							
R0210	Gross - Direct Business	62,132						62,132
R0220	Gross - Proportional reinsurance accepted	0						0
R0230	Gross - Non-proportional reinsurance accepted	0						0
R0240	Reinsurers' share	776						776
R0300	Net	61,356	0	0	0	0	0	61,356
	Claims incurred							
R0310	Gross - Direct Business	6,862						6,862
R0320	Gross - Proportional reinsurance accepted	0						0
R0330	Gross - Non-proportional reinsurance accepted	0						0
R0340	Reinsurers' share	-9,875						-9,875
R0400	Net	16,737	0	0	0	0	0	16,737
	Changes in other technical provisions							
R0410	Gross - Direct Business	0						0
R0420	Gross - Proportional reinsurance accepted	0						0
R0430	Gross - Non-proportional reinsurance accepted	0						0
R0440	Reinsurers' share	0						0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	45,490						45,490
R1200	**Other expenses**							
R1300	**Total expenses**							45,490

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Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	1,252						1,252
R1420	Reinsurers' share							0
R1500	Net	1,252	0	0	0	0	0	1,252
	Premiums earned							
R1510	Gross	1,252						1,252
R1520	Reinsurers' share							0
R1600	Net	1,252	0	0	0	0	0	1,252
	Claims incurred							
R1610	Gross	1,405						1,405
R1620	Reinsurers' share							0
R1700	Net	1,405	0	0	0	0	0	1,405
	Changes in other technical provisions							
R1710	Gross	1,115						1,115
R1720	Reinsurers' share							0
R1800	Net	1,115	0	0	0	0	0	1,115
R1900	**Expenses incurred**	-1,355						-1,355
R2500	**Other expenses**							
R2600	**Total expenses**							-1,355

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Life and Health SLT Technical Provisions

		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 insurance obligations	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						
R0020	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole										0						
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**						33,980				33,980						
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						30,378				30,378						
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re						3,603	0			3,603						
R0100	**Risk margin**					405					405						
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole					0					0						
R0120	Best estimate						0				0						
R0130	Risk margin					0					0						
R0200	**Technical provisions - total**					34,386					34,386						

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Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	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
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	0	0		0	0		0	0				0					0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	6	5,462		0	2,927		567	-32				5,274					14,204
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		0	0		0	-32				0					-32
R0150	**Net Best Estimate of Premium Provisions**	6	5,462		0	2,927		567	0				5,274					14,235
	Claims provisions																	
R0160	Gross	65	8,106		54,852	680		4,199	2,137				10,167					80,206
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		26,986	0		0	416				0					27,402
R0250	**Net Best Estimate of Claims Provisions**	65	8,106		27,866	680		4,199	1,721				10,167					52,804
R0260	**Total best estimate - gross**	71	13,568		54,852	3,607		4,766	2,105				15,441					94,410
R0270	**Total best estimate - net**	71	13,568		27,866	3,607		4,766	1,721				15,441					67,040
R0280	**Risk margin**	3	433		3,941	110		132	54				1,199					5,871
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	0	0		0	0		0	0				0					0
R0300	Best estimate	0	0		0	0		0	0				0					0
R0310	Risk margin	0	0		0	0		0	0				0					0
R0320	**Technical provisions - total**	74	14,000		58,792	3,717		4,898	2,159				16,640					100,280
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0	0		26,986	0		0	384				0					27,370
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	74	14,000		31,806	3,717		4,898	1,775				16,640					72,911

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Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident year

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

	Year	C0010 0	C0020 1	C0030 2	C0040 3	C0050 4	C0060 5	C0070 6	C0080 7	C0090 8	C0100 9	C0110 10 & +	C0170 In Current year	C0180 Sum of years (cumulative)
R0100	Prior											0	0	0
R0160	2008	6,420	12,093	1,122	119	22	20	20	3	6	2		2	19,828
R0170	2009	12,802	13,571	831	101	30	22	2	0	4			4	27,362
R0180	2010	7,905	8,087	658	110	26	13	2	0				0	16,801
R0190	2011	11,130	14,702	1,814	299	53	16	17					17	28,030
R0200	2012	15,086	17,703	1,813	229	57	40						40	34,928
R0210	2013	25,343	24,134	2,904	847	388							388	53,616
R0220	2014	42,381	32,355	8,324	5,085								5,085	88,145
R0230	2015	50,477	34,657	7,537									7,537	92,671
R0240	2016	28,910	12,993										12,993	41,903
R0250	2017	13,607											13,607	13,607
R0260												Total	39,673	416,892

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200 0	C0210 1	C0220 2	C0230 3	C0240 4	C0250 5	C0260 6	C0270 7	C0280 8	C0290 9	C0300 10 & +	C0360 Year end (discounted data)
R0100	Prior											41	41
R0160	2008	0	0	0	0	0	0	0	0	0	27		27
R0170	2009	0	0	0	0	0	0	0	0	23			23
R0180	2010	0	0	0	0	0	0	0	4				4
R0190	2011	0	0	0	0	0	0	53					53
R0200	2012	0	0	0	0	0	125						125
R0210	2013	0	0	0	0	3,726							2,511
R0220	2014	0	0	0	48,475								31,414
R0230	2015	0	0	35,827									23,683
R0240	2016	0	7,826										6,698
R0250	2017	15,698											15,628
R0260												Total	80,206

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Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	126,557	126,557		0	
R0030	Share premium account related to ordinary share capital	23,323	23,323		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	985	985			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
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				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	150,865	150,865	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	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				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	150,865	150,865	0	0	0
R0510	Total available own funds to meet the MCR	150,865	150,865	0	0	
R0540	Total eligible own funds to meet the SCR	150,865	150,865	0	0	0
R0550	Total eligible own funds to meet the MCR	150,865	150,865	0	0	
R0580	**SCR**	39,492				
R0600	**MCR**	14,185				
R0620	**Ratio of Eligible own funds to SCR**	382.02%				
R0640	**Ratio of Eligible own funds to MCR**	1063.57%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	155,764
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	4,898
R0730	Other basic own fund items	149,880
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	985
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	26
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	975
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,000

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	2,913		
R0020	Counterparty default risk	7,236		
R0030	Life underwriting risk	517		
R0040	Health underwriting risk	7,253		
R0050	Non-life underwriting risk	30,093		
R0060	Diversification	-11,505		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	36,507		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	2,985
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**	39,492
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	39,492

	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

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Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		$MCR_{(NL,NL)}$ Result	$MCR_{(NL,L)}$ Result
		C0010	C0020
R0010	**Linear formula component for non-life insurance and reinsurance obligations**	14,014	0

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
R0020	Medical expense insurance and proportional reinsurance	71	191		
R0030	Income protection insurance and proportional reinsurance	13,568	18,650		
R0040	Workers' compensation insurance and proportional reinsurance	0	0		
R0050	Motor vehicle liability insurance and proportional reinsurance	27,866	0		
R0060	Other motor insurance and proportional reinsurance	3,607	5,241		
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0		
R0080	Fire and other damage to property insurance and proportional reinsurance	4,766	182		
R0090	General liability insurance and proportional reinsurance	1,721	0		
R0100	Credit and suretyship insurance and proportional reinsurance	0	0		
R0110	Legal expenses insurance and proportional reinsurance	0	0		
R0120	Assistance and proportional reinsurance	0	0		
R0130	Miscellaneous financial loss insurance and proportional reinsurance	15,441	33,571		
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		

		$MCR_{(L,NL)}$ Result	$MCR_{(L,L)}$ Result
		C0070	C0080
R0200	**Linear formula component for life insurance and reinsurance obligations**	0	171

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
R0210	Obligations with profit participation - guaranteed benefits				
R0220	Obligations with profit participation - future discretionary benefits				
R0230	Index-linked and unit-linked insurance obligations				
R0240	Other life (re)insurance and health (re)insurance obligations			3,603	
R0250	Total capital at risk for all life (re)insurance obligations				136,150

	Overall MCR calculation	C0130
R0300	Linear MCR	14,185
R0310	SCR	39,492
R0320	MCR cap	17,771
R0330	MCR floor	9,873
R0340	Combined MCR	14,185
R0350	Absolute floor of the MCR	6,501
R0400	**Minimum Capital Requirement**	14,185

	Notional non-life and life MCR calculation	C0140	C0150
R0500	Notional linear MCR	14,014	171
R0510	Notional SCR excluding add-on (annual or latest calculation)	39,016	476
R0520	Notional MCR cap	17,557	214
R0530	Notional MCR floor	9,754	119
R0540	Notional combined MCR	14,014	171
R0550	Absolute floor of the notional MCR	3,251	3,251
R0560	**Notional MCR**	14,014	3,251