Acasta European Insurance Company Limited
Focus Holdings (Gibraltar) Limited

Solvency & Financial Condition Report

For year ended 31st December 2018

Contents

Executive Summary

HIGHLIGHTS
• Company Solvency II ratio ('SCR ratio') of 164% as at 31 December 2018, increased from 117% as at 30 September 2018. • Written business increased by 16% during the year. • The Company entered into a number of quota share reinsurance agreements to support the growth in business. • The Shareholders injected £5m of additional capital. • The Company is in a strong position to take advantage of good quality, profitable opportunities to grow the business thereby reinforcing its resilience to any future volatility.

This report relates to the Group which is made up of Focus Holdings (Gibraltar) Limited ('FHGL' or 'the Group'), an insurance holding company, and Acasta European Insurance Company Limited ('AEICL' or 'the Company'). AEICL is a 100% subsidiary of FHGL. The purpose of this report is to satisfy the public disclosure requirements under the Financial Services (Insurance Companies) (Solvency II Directive) Act (the Solvency II Act in Gibraltar) including the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

AEICL is the driver of the Group's performance. During 2018 the business continued to grow by offering a diversified range of niche products of low volatility in a range of territories where the Company is able to differentiate itself by service rather than price alone. The Company has cancelled those books of business which have contributed to either a deterioration of claims experience, greater volatility or have longer term uncertainty.

The integrity of financial and solvency reporting improved during 2018 and the Board has confidence that the management information produced is an accurate reflection of the Company's position.

The Company's policy, in line with a prudent approach to business, is to use at least the external actuary's reserve best estimates in the management accounts and solvency calculations. The reserve review as at December 2018 resulted in a need to increase reserves in some areas. The Company was also subject to a full external audit of the figures going into this Solvency and Financial Condition Report which highlighted some further necessary adjustments.

Although 2018 has been volatile, the Company now has a strong portfolio of profitable books, robust reserves and sufficient capital to enable it to grow and prosper. At a strategic level, growing the Company will increase its resilience to any future volatility. No dividends are forecast in the business planning period.

We continue to seek good quality, profitable business through well managed business producers in order to meet our growth plans.

We continue to employ strong governance procedures with the assistance of our outsourced specialist partners, Robus Risk Services (Gibraltar) Ltd ('RRS') (insurance management), Mazars (actuarial services), PricewaterhouseCoopers (internal audit) and Lombard Odier (investment management).

We continue to strengthen the corporate governance framework including the risk management function. The Boards are committed to ensuring that the Group's business is managed in a risk-focused manner at all times. The risk management philosophy is an integral part of its business culture and the decision-making processes and drives the manner in which the Group seeks to achieve its objectives. The governance and risk frameworks are detailed in this report. There have been no significant changes in the reporting period.

The Board has implemented plans to enable trading to continue with the least interruption, and to ensure servicing of existing policies and the protection of customer outcomes, post Brexit.

Keith Wardell **Date: 3rd June 2019**
Chief Executive Officer
Acasta European Insurance Company Limited

A. Business & Performance

1. Business

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

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

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

1.3. FHGL and AEICL's external auditor is:

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

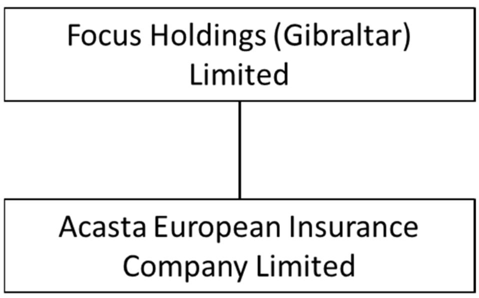
FHGL and AEICL prepare their audited financial statements in accordance with Generally Accepted Accounting Principles in Gibraltar ('GAAP').

1.4. FHGL shareholders with qualifying holdings at 31st December 2018:

Keith Wardell
Peter Done
Lea Ann Done-Jackson
Nicola Done-Orrell
Jacqueline Siddons

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

1.5. The FHGL structure is shown below:



1.6. The Company writes business across several licence classes in multiple territories and in several different currencies. The table below shows the business licence by class for the year to December 2018

Class	Type of insurance business	Jurisdiction
1	Accident	France, Spain, UK
2	Sickness	France, Spain, UK
8	Fire and natural forces	UK
9	Damage to property	France, Poland, UK
13	General liability	France, Ireland, UK
15	Suretyship	France, Ireland, Spain, UK
16	Miscellaneous financial loss	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK, Australia
17	Legal Expenses	France, Ireland, Poland, UK
18	Assistance	Poland, UK

1.7. The material undertaking in the Group is AEICL as FHGL is solely a holding company. The results and net assets of each of the material undertakings are as follows:

Undertaking	Profit/(Loss) (£'000)	Total Assets (£'000)	Net Assets (£'000)
AEICL	5,*580*	106,357	*14,331*

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

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

2. Underwriting Performance

2.1. The premium written in the year ended 31 December 2018 is shown overleaf by class of business and jurisdiction.

Territory	Damage to Property £'000	General Liability £'000	Suretyship £'000	Miscellaneous Financial Loss £'000	Legal Expenses £'000	Assistance £'000
Australia				243		
Austria				880		
Belgium				14		
Czech Republic				1,150		
France	4,663	5,402		6,250		
Germany				2,126		
Hungary				29		
Ireland				90		
Luxembourg						
Poland				785		
Spain			743	38		
United Kingdom	1,075	485	1,801	9,860	588	26
Total	**5,738**	**5,887**	**2,544**	**21,709**	**588**	**26**

2.2. The majority of premiums written are single premium policies bar commercial ATE policies which are single premiums, but each premium has 4 stages commencing with stage 1 from inception to stage 4 when a case is heard at court. Premiums are therefore uplifted as each stage is reached. Settlement within the relevant stage requires payment on a successful outcome of the applicable premium.

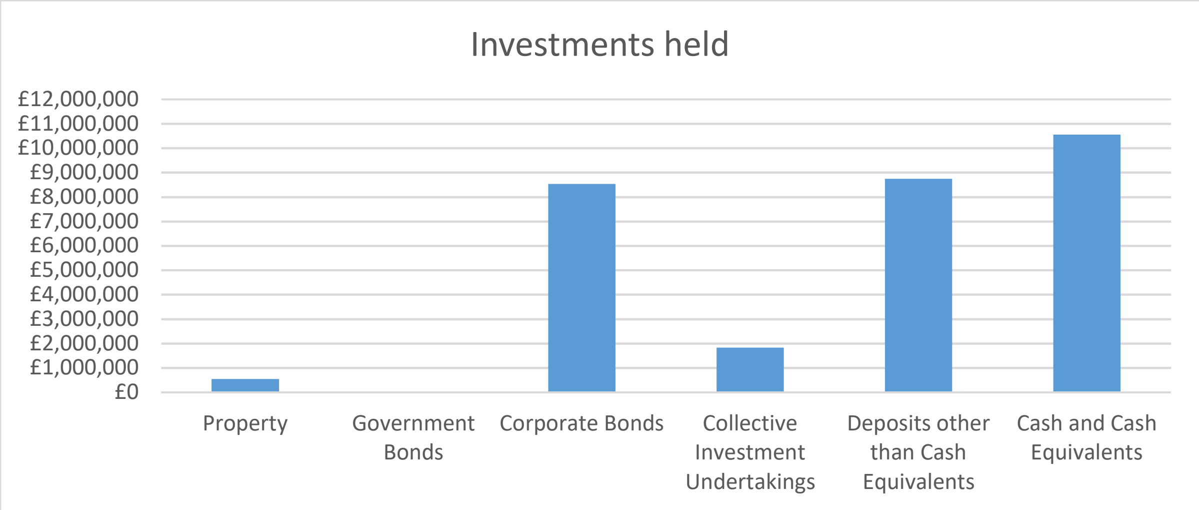
2.3. Performance has improved with a technical profit reported in the financial statements for the year ended 31 December 2018 of £9,233k (compared to loss of £2,914k in 2017). This is as a result of a process of elimination of loss making business, improvement in underwriting results for continuing business and reinsurance of certain lines of business.

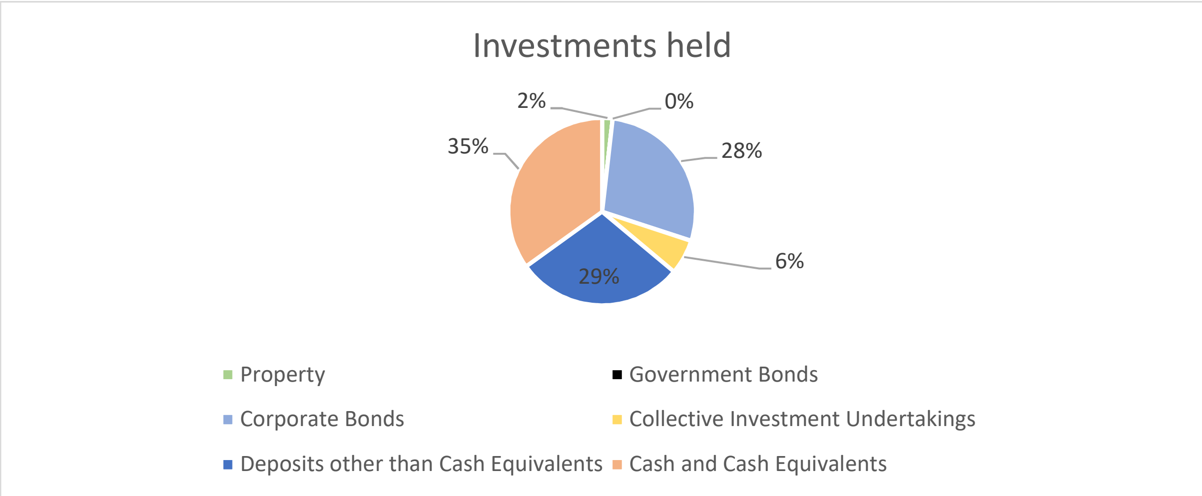
3. Investment Performance

3.1 FHGL's investments comprise the equity holdings in AEICL. AEICL employs an external investment manager, Lombard Odier Darier Hentsch, to invest surplus Euro balances into highly diversified and highly rated fixed interest investment portfolio. The Investment Committee ('IC') also monitors the assets and liabilities by major currency. In order to minimise currency exposure assets and liabilities are held and matched in the same currency.

3.2 The investments held by the Company are as follows:

The Company's investment portfolio is valued at approximately £19.65 million. This investment portfolio comprises £8.74 million of short-term deposits, £1.83 million of investments in collective investment undertakings, £8.53 million in bonds and £0.55 million in property. Additionally, the Company holds £10.55 million of cash. This composition is graphically depicted in the charts overleaf.





4. Performance of Other Activities

4.1. During the year the Company entered into several quota reinsurance treaties across several lines of business. Under the terms of the agreements the company is entitled to receive various commissions and fees including placement fees, reinsurance commission and profit commission.

5. Any Other Information

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

B. System of Governance

1. General Information on System of Governance

FHGL

FHGL retains ultimate responsibility for the governance of itself. FHGL takes a risk-based approach to the system of governance it expects to be implemented, depending on the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group. The level of reporting required is also proportionate to these factors.

Governance requirements are largely set by regulatory and legal requirements, however FHGL also considers any additional measures it considers necessary to manage the risk of the subsidiary and will implement these on a case by case basis, for example establishing additional governance meetings or requesting additional reporting to further safeguard AEICL's interests.

There is an FHGL director on the AEICL Board. FHGL has no Committees.

FHGL has no employees. Directors' services are included in the fee paid by AEICL.

There have been no dividends paid to the shareholders during the reporting period.

The FHGL Board of Directors is comprised of two executive directors and four non-executive directors

AEICL

Board and Committee Structure

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

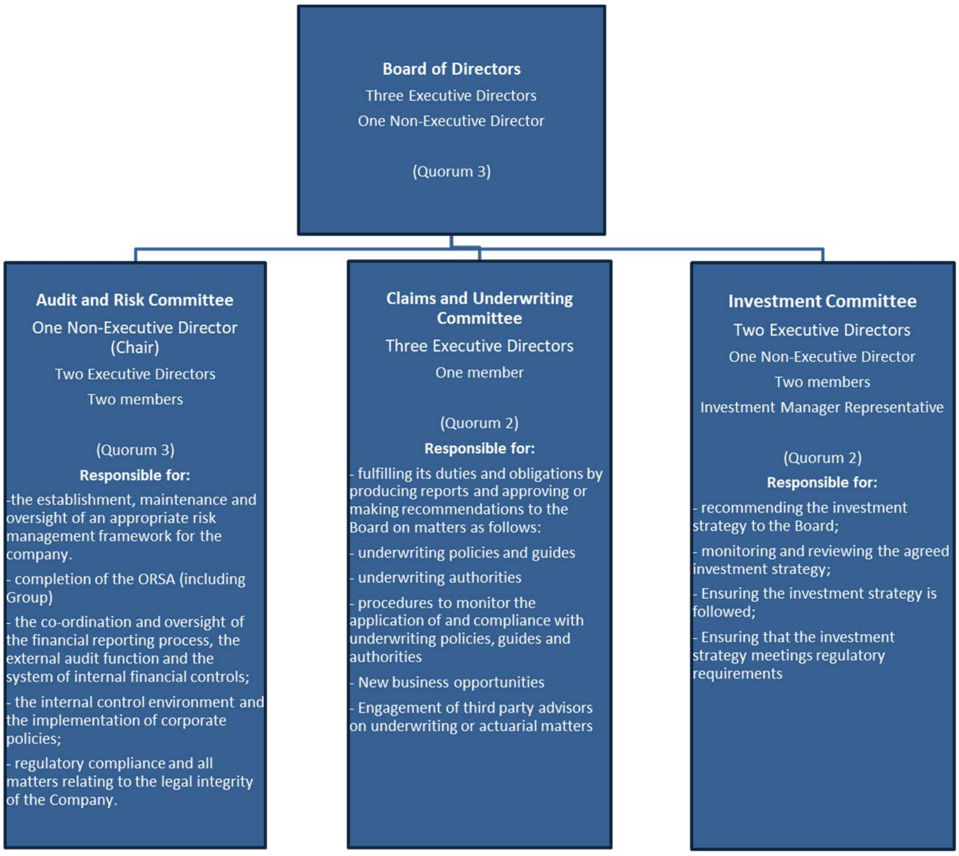
The Directors of AEICL are:

- Keith Wardell - Chief Executive Officer
- David Kearns - Executive Director – (until 9th July 2018)
- Shawn Cawdery - Executive Director - (until 14th September 2018)
- Ruth Mathews - Executive Director
- Michael Christophers - Independent Non-Executive Director
- Andrew Shaw – Executive Director – (from 1st August 2018)

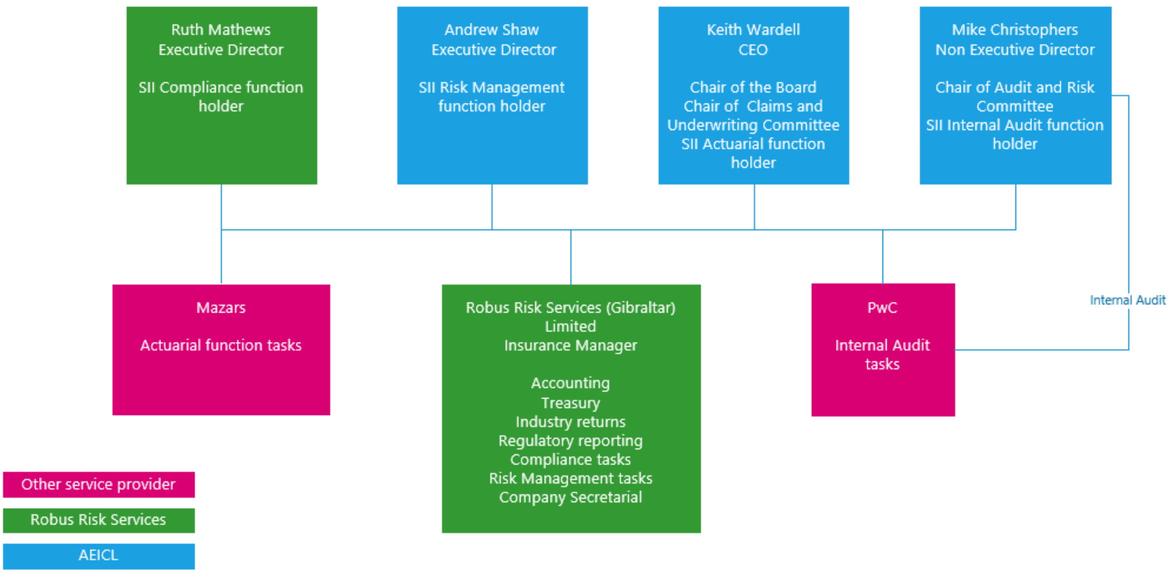
The Company's Board and Committee structure is set out below.

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

Board and committee structure at 31st December 2018



Roles and Responsibilities at 31st December 2018



Material Intra-Group Transactions
During the year the holding Company invested additional capital in the operational insurance company, AEICL, amounting to £5 million. Apart from the capital injection, there have been no other material Intra-Group transactions.

Fit and Proper Requirements

Requirements for skills, knowledge and expertise
It is the responsibility of the Group Boards to ensure that the individuals managing the business or fulfilling key functions have the appropriate knowledge and skills to do so. To achieve this, an assessment takes place prior to appointment to a role and is reviewed annually by the Board. Additionally, the Board will review fitness and propriety on an ad hoc basis when becoming aware of a potential issue.

This assessment will in particular focus on the following areas:

- Understanding of insurance and financial markets;
- Knowledge of business model and strategy;
- Understanding system of governance;
- Financial analysis skills including management information;
- Actuarial analysis;
- Regulatory framework and requirements.

Policies and processes with regard to Fit and Proper requirements
An assessment takes place prior to appointment to a role and is reviewed annually by the Group Boards. Additionally, the Boards will review fitness and propriety on an ad hoc basis when becoming aware of a potential issue. Individuals are required to ensure their skills and knowledge are kept up-to-date.

All individuals carrying out key or significant functions for AEICL are required to demonstrate that they meet the Company's proper requirements with regard to their reputation and character. In order to assess whether this requirement is met the following factors will be considered:

- the individual's character;
- the individual's personal behaviour;
- the individual's business conduct;
- any criminal aspects;
- any financial aspects; and
- any regulatory aspects.

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

2 Risk Management System including ORSA

Risk Management System Overview

Risks identified are categorised, analysed, evaluated, and then treatment of the risk is determined (control, avoid or accept). These stages are recorded on the risk register which is then also utilised to monitor and review risks by the Audit and Risk Committee ('ARC').
The business classifies its risks into the following categories:

- Underwriting Risk
- Reserving Risk
- Lapse Risk
- Regulatory/Legal Risk
- Investment Risk
- Liquidity Risk
- Credit Risk
- Concentration Risk
- Operational Risk
- Reputational Risk
- Strategic Risk
- Capital Risk

The Company identified the following as its key risks in the most recent ORSA.

1. Underwriting Risk
2. Investment Risk
3. Reserving Risk
4. Reputation Risk
5. Regulatory Risk

Risk Management Strategies, Objectives, Processes and Reporting

Governance arrangements position the AEICL Board at the apex of the risk management process, suitably supported by the ARC and risk management key function holder. The Board, the ARC, the key function holder, and executive management have the following accountabilities in regard to risk management:

- The Board approves and confirms that defined risks are complete and reflect the full range of business risks to which AEICL is exposed by reviewing the entire risk register on a six-monthly basis and the top ten risks at each quarterly board meeting;
- The overall risk appetite is set by the Board and informed by its strategic objectives. The Board regularly looks at possible scenarios and examines their positive/adverse effects to ensure the continued suitability of the risk appetite; and
- The ARC considers risk reports, including the results of stress tests and other management information, in order to support the Board in its decision making on risk related issues. The Committee also makes recommendations to the Board regarding additions /modifications to the register as appropriate. In addition, the Committee uses the risk register to produce a summary of the principal risks facing the business which is reviewed and approved by the Board on a quarterly basis.

The Board is responsible for the day-to-day operations of AEICL's risk management processes and the production of management information that allows for timely and relevant decision making on risk related matters.

The Company sets risk appetite and tolerance limits for each category of risk and monitors performance on a quarterly basis.

Identification, Measurement, Monitoring, Management and Reporting of Risks

The Board retains responsibility for the identification and monitoring of the material risks inherent in the business. However, the compliance function will report to the ARC which in turn reports to the Board on a regular basis, with regard to the most material risks as identified in the risk register.

The internal audit function will report to the Board as set out in its role and responsibilities. In addition, as set out above, individuals have a duty to inform the Board of any weaknesses or failures.

The ARC meets regularly to discuss and review emerging risk and report on any risk events in the period. The Committee uses a risk register to document the risks faced by the company. All risks identified are recorded and assessed as to their impact that the likelihood of their occurrence, both on an inherent basis (before controls and mitigations) and on a residual basis (after taking account of appropriate controls and mitigations).

Implementation of Risk Management Function

The risk management key function holder is responsible for the risk management function, reporting into the ARC. Risk management tasks are outsourced to the Company's insurance manager. The key function holder is responsible for the outsourced relationship and for reviewing and challenging performance. The function holder is an Executive Director who ensures that risk management is fully integrated into AEICL's business and decision-making process.

The AEICL risk management process is described above. Day-to-day responsibility for risk management rests with the Board. The ARC has oversight of the Company's risk process and is responsible for advising the Board on risk issues including the Company's risk appetite and strategy. The Board retains ultimate responsibility for risk management. Regular reporting to the Board and board discussions on risk policies and issues ensures that the Board:

- understands and approves the full range of risks to the business;
- can consider the most significant risks facing the business on an on-going basis;
- understands risk developments, the key issues arising, and any regulatory changes which may affect these risks;
- understands the possible effects on shareholder value of deviations to expected performance;
- knows how the business will manage a crisis; and
- knows whether the risk management process is working.

The outputs from the Company's risk process have formed a key input into the production of the ORSA including the Company's documented strategy, risk appetite and the risk register. In addition, the Company's outsourcing policy and management and compliance information received from its intermediaries were also key inputs.

The Company undertakes a business planning process before the start of each financial year, producing a detailed budget for the coming year and a three-year forecast. These, along with the business assumptions from the plan, market trends, expenses budgets, economic considerations and legislative and regulatory developments, all feed into the ORSA.

In the event of a material change in the business' risk profile during the year the ARC will consider whether an ORSA is required to be conducted.

Relationship between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company's capital needs over the planning horizon. The ORSA is carried out taking due account of AEICL's specific risk profile. This includes risks explicitly captured in the Solvency II 'standard formula' as well as risks which are not adequately represented, or excluded from, the standard formula.

The capital management policy has been established to ensure that the Company has in place the appropriate levels and quality of both economic (ORSA) and regulatory (SCR) capital. The policy aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term future and that all items of own funds comply with the relevant rules, regulations and legislation.

The risk management function takes due account of the available capital, the risk profile, future business plans and the outcome of the ORSA in an iterative cycle.

3 Internal Control System

FHGL

FHGL Board is responsible for the Group Internal Control System. Internal controls are implemented within each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group.

As a minimum, all companies will have sound reporting and accounting procedures to enable the respective Boards to adequately monitor their business. The companies are subject to statutory audit which independently reviews their internal control systems.

AEICL

The Company's internal controls are the first line of defence in the 'three lines of defence' model the Company has implemented.

The Company has implemented policies which describe the Board's approach to key areas of the business, and procedures, where appropriate, which describe how the Board fulfils its policies. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by senior managers. Assurance is provided by the compliance key function holder. In practice, the ARC, other Directors and key role holders also necessarily participate in the management of the system.

All Company policies are reviewed at least annually to make certain that they are still fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up-to-date and reflect how the business operates.

There is a risk-based Compliance Monitoring Programme ('CMP') in place to check that AEICL fulfils all its legislative and regulatory requirements. This is completed on a quarterly basis and forms part of the compliance report to the ARC.

Compliance Function
The compliance key function holder is responsible for the completion of compliance tasks although the tasks may be outsourced to the Company's insurance manager. The key function holder is also the Compliance Officer and has direct access to both the Board and the ARC.

The compliance function is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficacy through the CMP. The key function holder reports to the ARC at each meeting and will provide advice to the business when requested.

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

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

4 Internal Audit Function

Internal audit exists to provide the Company with independent assessments of the quality of internal controls and administrative processes and provide recommendations and suggestions for continuous improvement. It provides advisory services to management, will conduct investigations on an ad hoc basis as requested by management, and has responsibility for assisting in the development and operation of the risk management framework. It will also audit providers of material services to ensure that the agreements governing these relationships are being adhered to.

The Board appointed internal audit key function holder has responsibility for the internal audit function and reports into the ARC. Internal audit tasks are outsourced to a third-party provider selected by the ARC. PwC have been engaged as internal auditors for AEICL. The results of these audits are reviewed by the ARC. The key function holder also has responsibility for co-ordinating this outsourcing and challenging the results.

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

Audit reports are produced after each internal audit and provided to the ARC for review with management responses. Any actions coming out of the audits are monitored to completion by the ARC.

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

To carry out its work effectively and to retain integrity of the function, internal audit acts independently of line management. The internal audit function holder is responsible to the ARC for the planning, management and performance of internal audit. The ARC consists of three executive directors and is chaired by the NED.

The ARC provides a quarterly report to the Board.

Internal audit reports may be requested by appointed external auditors. These requests are considered by the ARC for approval.

5 Actuarial Function

The Board has appointed the CEO as the actuarial key function holder. Tasks of the function are outsourced to Mazars LLP who report directly to the Board.

The actuarial function is responsible for:
a) Coordination of the calculation of technical provisions;
b) ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c) assessing the sufficiency and quality of the data used in the calculation of technical provisions;
d) comparing best estimates against experience;
e) informing the Board of the reliability and adequacy of the calculation of technical provisions;
f) expressing an opinion on the overall underwriting policy;
g) expressing an opinion on the adequacy of reinsurance arrangements;
h) contributing to the effective implementation of the risk-management system.

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

6 Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the Company. The third party to whom an activity is outsourced is a 'service provider'.

Each Board shall ensure that an outsourcing arrangement shall not diminish the Company's ability to fulfil its obligations to customers or its regulator, nor impede effective supervision by its regulator (should it be regulated).

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

The respective Boards consider outsourcing where they believe that there is an advantage to the Company and customer by using a service provider e.g. access to specialist resource, provision of services in the same jurisdiction as the customer, cost benefits.

FHGL
FHGL is a holding company and has little operational activity. The company's management is outsourced to RRS, primarily consisting of the provision of the accounting function and Company Secretarial services.

AEICL

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

The key outsourced service providers used by AEICL are: -

Material Service Providers in the Reporting Period:

Service Provider	Service Provided	Jurisdiction Located
Acasta Europe Limited (AEL)	Data analysis and support Underwriting support Claims control and oversight Operational auditing Debtor control Sales and marketing and monitoring of performance	United Kingdom
Robus Risk Services (Gibraltar) Limited	Insurance Management (compliance tasks, risk management tasks, accounting, banking & investments, regulatory reporting, company secretarial)	Gibraltar
CTC Limited	Provides, hosts and develops the policy administration system	United Kingdom
Pecometer	Hosts and develops the PELT and CRM system	United Kingdom
Mazars LLP	Internal actuarial function tasks	Gibraltar
PwC Gibraltar Limited	Internal audit	Gibraltar
Lombard Odier Darier Hentsch	Investment management	Gibraltar
Various	Claims handling and policy administration outsourced under Terms of Business Agreements to local agents.	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK
Fiscal representatives	Local tax collection/reporting within a jurisdiction.	Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Luxembourg, Poland, Slovakia, Spain, UK

7 Adequacy of the System of Governance

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

Internal audits and external audits provide independent evaluation of the group's and individual company's system of governance. Recommendations from these audits are considered by the relevant Boards and implemented proportionate to the risks within each business.

C. Risk Profile

1. Underwriting Risk

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

Underwriting risk is a key risk to AEICL. In 2018 the Company wrote a mix of business across a number of European jurisdictions. The core lines are Motor Warranty, After the Event Legal Expenses (ATE) and Commercial ATE, Brown & White Goods, Furniture Warranty, GAP, Surety and Latent Defects.

The Company placed quota share reinsurance to mitigate its underwriting risk and reduce its solvency requirement. This consisted of 100% quota share reinsurance from 1st January 2017 to 31st December 2017 and from 1st January 2018 to 31st December 2018, across the whole book except the Surety, Staff Absence, French construction and Rental Guarantee classes, as well as 100% quota share reinsurance on all years of the French construction business back to inception. The reinsurer is Ocean Re, which is A- rated (AM Best).

The Surety business written in the UK and Ireland is subject to a 90% quota share reinsurance from A Rated Builders Re. The Surety business written in Spain is subject to an 80% quota share reinsurance led by A rated Munich Re / Swiss Re.

The very small travel insurance account is subject to a 100% quota share reinsurance agreement with a BBB rated reinsurer.

Underwriting risk is monitored by the Claims and Underwriting Committee ('CUC') which reports to the Board at least quarterly, and by the ARC and risk management key function holder, via the risk management processes. It is assessed and monitored using key indicators such as written premium, claims reserves, loss ratio and large loss claims details.

The Company sells its insurance through intermediaries who have been granted limited delegated authority by the Board, under strict guidelines set by the CUC. Intermediaries are monitored by the CUC based on management information and are also subject to cover holder audits conducted by AEL on behalf of AEICL, to ensure adherence to contractual requirements including delegated underwriting authority parameters. These audits are conducted on a risk assessed basis. The results are reported to the CUC which may make underwriting decisions based on the results, and the ARC, and are escalated to the Board if necessary.

There has been no change to the methodology for identifying, assessing, managing and reporting on underwriting risk over the reporting period.

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

2. Market Risk

FHGL

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

AEICL

The IC is responsible for reviewing and monitoring market risk and maximising investment returns within the Company's risk appetites and tolerances. The Company engages an investment manager, Lombard Odier Darier Hentsch ('LODH'), to provide specialist knowledge, detailed investment analysis and make recommendations to the IC. LODH operates under an investment policy and within agreed guidelines.

AEICL pursues a conservative investment strategy, focussed on the preservation of capital. As a result, the Company has no investments in equities, only limited investment in property, and aims to hedge any currency risk within agreed parameters.

Currency

The Company collects premiums mainly in Sterling and Euros with some payments in Polish Zloty and Czech Koruna. Investments are held in GBP and EUR. The Company holds a Euro cash account for Euro premium funds and claims payments to minimise the number of currency exchanges necessary, however it is exposed to currency risk as its accounting currency is GBP and the exchange rate affects the value of transactions and balances.

RRS monitors the EUR:GBP exchange rate on a quarterly basis or more regularly where there are significant movements in the currency pair, assesses the currency risk on behalf of AEICL, and will make recommendations via consultation with the IC regarding when to make foreign exchange transactions to mitigate the risk. The IC evaluates the efficacy of the mitigating measures in place and will evaluate other mitigating options if necessary.

The currency risk has fluctuated considerably over the reporting period due to the economic conditions in the EU and the UK.

Property

The Company has one property in Gibraltar whose value is not material to the risk profile. It therefore has minimal exposure to property risk.

The material risks presented by the property portfolio have not significantly changed over the reporting period

Interest rate

Interest rate risk arises as a result of the impact of interest yield curves on future payments to be made in respect of claims and receipts from the Company's investments. The interest yield curves in the UK have decreased in the reporting period which reflects the decreases in base rates applied by the Bank of England. Continuing economic uncertainty in the UK and Europe around Brexit negotiations continue to keep rate expectations low in the UK.

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

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

Concentration

The IC reviews the investment portfolio and assesses the concentration risk that the Company is exposed to, to ensure that it is within the risk appetite. The concentration exposure arises in respect of positions taken in the Company's bond portfolio, property exposure and counterparties in respect of its cash holdings and reinsurance recoveries. Concentration exposure is assessed in respect to exposure to any single name. In respect to properties, concentration exposure is considered where the individual properties are part of the same building. Concentration exposure is calculated based on the proportion of the single name exposure (or grouped property exposure) relative to the investment assets as a whole.

Concentration risk has not materially changed over the reporting period as the investment profile has remained consistent.

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

The Company is exposed to concentration risk in respect of loans with other Group companies and to other related parties. Management monitors such exposures carefully and, where appropriate, obtain security via registered charges over assets.

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

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

Spread

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

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

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

3. Credit Risk

FHGL

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

AEICL

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

- Reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts held with banks and other financial institutions;
- amounts due from insurance intermediaries.

Reinsurance and Financial Institutions

All reinsurance and financial counterparties used have a credit rating of at least 'A-' bar the travel reinsurer which is BBB rated. The Company partners with a limited number of counterparties, reducing exposure and mitigating contagion risk.

Reinsurer credit ratings on the current and historic programmes are monitored on a quarterly basis and reported to the ARC. Any material deterioration is escalated to the Board.

The Board recognises the concentration risk exposure to Ocean International Reinsurance Company Limited ('OceanRe'), which has underwritten the whole book and French construction quota share reinsurance entered into in 2018. However, OceanRe is rated A- and the Board considers the exposure to be acceptable. Its rating is monitored as described above.

Amounts due from insurance intermediaries

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

Intermediary credit risk is mitigated by all intermediary relationships being governed by contractual agreements which specify payment terms. The Executive Directors review amounts owed closely, and use these to monitor and manage intermediaries' performance, escalating to the Board where necessary. Relationships with intermediaries are subject to coverholder audit and can be terminated if contractual payment terms are not met.

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

4. Prudent Person Principle

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

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

The assets of the Company are distributed as disclosed in Section A 3 and transitions based on underlying exposure are detailed in Section D 1. There are no material other financial instruments held by other companies in the Group.

5. Liquidity Risk

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

FHGL

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

AEICL

The IC is responsible for monitoring and managing liquidity risk, ensuring that AEICL has liquidity available to meet both immediate and foreseeable cash flow requirements. The Company's insurance manager is responsible for day-to-day operational liquidity management. The business is cash flow positive which means that premium income will normally more than offset claims outflows. The investment portfolios do not therefore tend to be called upon to meet claims.

The expected technical profit included in future premiums at the current expected loss ratios is £4,453k (2017: £3,806k).

6 Operational Risk

FHGL

FHGL is exposed to a low level of operational risk, being a holding company which outsources its operational functions to a company manager, RRS. This risk is mitigated by RRS having a comprehensive Business Continuity Plan in place. It is also exposed to a low level of crime risk, which is mitigated through the operational procedures RRS has in place around the finance function (e.g. two authorisers on payments) which are reviewed as part of FHGL's external audit.

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

AEICL

AEICL's key operational risks are:

- External and internal fraud: AEICL carries out few operational processes itself, being reliant on outsourced service providers for these. This risk is controlled by having robust due diligence and monitoring procedures in place which encompass both employees/officers of the Company and external service providers. Internally a four-eyes policy is implemented to ensure that all transactions are verified and approved before sending. The Company also has a bribery policy. Nearly all material service providers are regulated companies in their respective jurisdictions. Internal controls are evaluated and improved via the internal audit process.
- Regulatory breach: This risk is controlled by ensuring that the Board meets fit and proper requirements, having a robust corporate governance system in place, and nurturing a compliance culture within the Company. Specifically, the compliance monitoring programme checks adherence to the main regulatory requirements on a quarterly basis and reports to the ARC.

- Inadequate procedures: The Company reviews and updates procedures on at least an annual basis to ensure that they are kept up-to-date and fit for purpose. The business is responsible for adherence to procedures which the compliance function monitors. Internal and external audit review the effectiveness of procedures and make recommendations in a process of continuous improvement.
- Failure of or poor performance by a material service provider: The Company is reliant on its service providers and therefore is heavily exposed to this risk. A failure could incur significant cost and result in an inability to meet policyholder and regulatory requirements. It is mitigated by selecting service providers very carefully, including having robust due diligence processes, and by continuous monitoring. This will include reviewing the financial status of the service provider to identify any emerging risks. Service providers' performance is regularly monitored and any issues raised and resolved. Acasta Europe Ltd (AEL) is the largest service provider which manages policy processing, sales, marketing, administration and claims handling on behalf of AEICL. AEL is directly authorised by the FCA and there are 2 common directors between Acasta and AEL which means that interests are completely aligned.
- Failure to record new business and claims correctly and on time: Management information is key for the business to be able to control its liabilities and make appropriate decisions. Intermediaries submit business and claims information via regular electronic bordereaux which are reviewed for accuracy. This information could be submitted manually if required. RRS provides regular financial management information based on the bordereaux supplied. This data is reviewed by the Executive Directors on an ongoing basis, and the CUC and Board on a quarterly basis.
- Failure to attract additional or new distribution channels: This risk could result in an inability to meet the business plan sales volumes and is mitigated by being able to increase marketing if required.

Operational risk within AEICL is identified, assessed and monitored through the risk management processes which are overseen by the ARC.

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

7 Other Material Risks

'Brexit'

At the time of writing the draft transitional arrangements for the UK's exit from the EU have been published. The UK and Gibraltar governments have confirmed that trade terms between the two jurisdictions will continue until 2020 and in the meantime a new framework to enable trade to continue after this date will be developed and implemented. Spain has the right of veto over whether the wider EU transitional arrangements for the UK will also apply to Gibraltar. Talks between Spain and the UK continue.

The Company recognises the importance of being proactive to ensure that service to policyholders is maintained and EU facing business can continue. Therefore, despite the ongoing uncertainty, it is progressing mitigating actions including obtaining a licence in a jurisdiction which will continue to be in the EU and has also entered into negotiations to co-operate with and EU 27 insurer.

D. Valuation for Solvency Purposes

1. Assets

1.1 As at 31 December 2018 the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	33			(33)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of unearned premiums	34,807		(15,557)	(19,250)		1.2.6
Reinsurer's share of claims outstanding	5,746		(2,742)	10,369	13,373	1.2.6
Debtors arising out of insurance operations	17,934		(17,934)			1.2.10
Debtors arising out of reinsurance operations	17,393		(17,393)			1.2.10
Related party receivables						1.2.5
Deferred acquisition costs	160			(160)		
Other debtors	108		(80)	(8)	20	1.2.10
Cash and cash equivalents	856		9,696		10,552	1.2.7
Deposits other than cash equivalents	16,245		(7,502)		8,743	1.2.7
Collective investment undertakings	1,830				1,830	1.2.4
Derivatives	2,212		5,907		8,119	
Financial investments - corporate bonds	8,447		80		8,527	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation						-
TOTAL	**106,316**		**(45,525)**	**(9,082)**	**51,709**	

As at 31 December 2018 the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	33			(33)		1.2.1
Investments in properties	545				545	1.2.2
Investment in group undertakings						-
Reinsurer's share of unearned premiums	34,807		(15,557)	(19,250)		1.2.6
Reinsurer's share of claims outstanding	5,746		(2,742)	10,369	13,373	1.2.6
Debtors arising out of insurance operations	17,934		(17,934)			1.2.10
Debtors arising out of reinsurance operations	17,393		(17,393)			1.2.10
Related party receivables						1.2.5
Deferred acquisition costs	160			(160)		
Other debtors	149		(80)	(8)	61	1.2.10
Cash and cash equivalents	856		9,696		10,552	1.2.7
Deposits other than cash equivalents	16,245		(7,502)		8,743	1.2.7
Collective investment undertakings	1,830				1,830	1.2.4
Derivatives	2,212		5,907		8,119	
Financial investments - corporate bonds	8,447		80		8,527	1.2.3
Financial investments - government bonds						1.2.3
Deferred taxation						-
TOTAL	**106,357**		**(45,525)**	**(9,082)**	**51,750**	

As at 31 December 2017 the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Reclassification for Solvency purposes (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible fixed assets	46	-	(46)	-	-	1.2.1
Investments in properties	500	-	-	-	500	1.2.2
Reinsurer's share of unearned premiums	676	-	-	(676)	-	1.2.6
Reinsurer's share of claims outstanding	278	-	(87)	347	538	1.2.6
Debtors arising out of insurance operations	16,361	-	(16,361)	-	-	1.2.10
Debtors arising out of reinsurance operations	1,327	-	(1327)	-	-	1.2.10
Related party receivables	36	(36)	-	-	-	1.2.5
Other debtors	1,180	(91)	(714)	-	375	1.2.10
Cash and cash equivalents	3,172	808	714	-	4,694	1.2.7
Deposits other than cash equivalents	-	12,841	-	-	12,841	1.2.7
Collective investment undertakings	-	1,121	-	-	1,121	1.2.4
Financial investments - corporate bonds	23,489	(14,757)	-	-	8,732	1.2.3
Financial investments - government bonds	-	91	-	-	91	1.2.3
TOTAL	**47,065**	**(23)**	**(17,821)**	**(329)**	**28,892**	

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

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

- 1.2.1 Tangible and intangible assets - these are not recognised on the Solvency II balance sheet as they do not meet the valuation principles in Article 12 of the Commission Delegated Regulation (EU) 2015/35.
- 1.2.2 Property - property transactions which display debt-like features and are secured on underlying properties have been looked-through and considered with bonds and secured loans on the Solvency II balance sheet.
- 1.2.3 Bonds and secured loans - financial instruments displaying debt-like features have been looked through on the Solvency II balance sheet and recorded as bonds and

secured loans. Further, the valuation has been adjusted to include accrued interest, which is included within accrued income in the GAAP balance sheet.

1.2.4 Collective investment schemes - investments in financial instruments for which a full look-through has been unavailable have been reclassified to collective investment schemes.

1.2.5 Intermediary receivables - these have been reclassified to technical provisions.

1.2.6 Reinsurance share of unearned premiums and other technical provisions - these are not recognised on the Solvency II balance sheet as they are non-cash settled balances. Instead, the expected claims payable on unearned premiums are recorded within reinsurance share of technical provisions.

1.2.7 Cash and cash equivalents - financial instruments displaying features like debt or equity have been looked through on the Solvency II balance sheet and removed from cash and cash equivalents. The value of cash and cash equivalents has been adjusted to reflect accrued income.

1.2.8 Prepayments and accrued income - prepayments are not recognised on the Solvency II balance sheet as they are non-cash settled balances, whereas accrued income on cash and bonds have been reversed and included in the valuation of the underlying asset.

1.2.9 Deferred acquisition costs - these are not recognised on the Solvency II balance sheet as they are non-cash settled balances.

1.2.10 Other assets - other assets have been moved to technical provisions where they are technical in nature.

1.2.11 Deferred tax asset - valued based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.

2. Technical Provisions

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

2.2 The technical provisions by line of business as at 31 December 2018 are as follows:

Line of business	**Technical provisions (excluding risk margin) (£'000)**	**Risk margin (£'000)**	**Technical provisions (£'000)**
Fire and other damage to property insurance	3,281	253	3,534
General liability insurance	5,457	355	5,812
Credit and suretyship insurance	1,310	125	1,435
Legal expenses insurance	-2,437	171	-2,266
Assistance	2	1	3
Miscellaneous financial loss insurance	8,862	857	9,719
Total	**16,475**	**1,761**	**18,236**

As at 31 December 2017 these were:

Line of business	Technical provisions (excluding risk margin) (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Fire and other damage to property insurance	2,546	1,397	3,943
General liability insurance	2,486	1,064	3,550
Credit and suretyship insurance	343	17	360
Legal expenses insurance	-4,023	154	-3,869
Assistance	14	0	14
Miscellaneous financial loss insurance	11,232	1,229	12,461
Total	**12,598**	**3,861**	**16,459**

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

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

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

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

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

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

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

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

2.3.7 Risk margin - the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run off expenses provision considered at [2.3.6], as well as the inherent uncertainties around forecasting future solvency capital requirements.

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

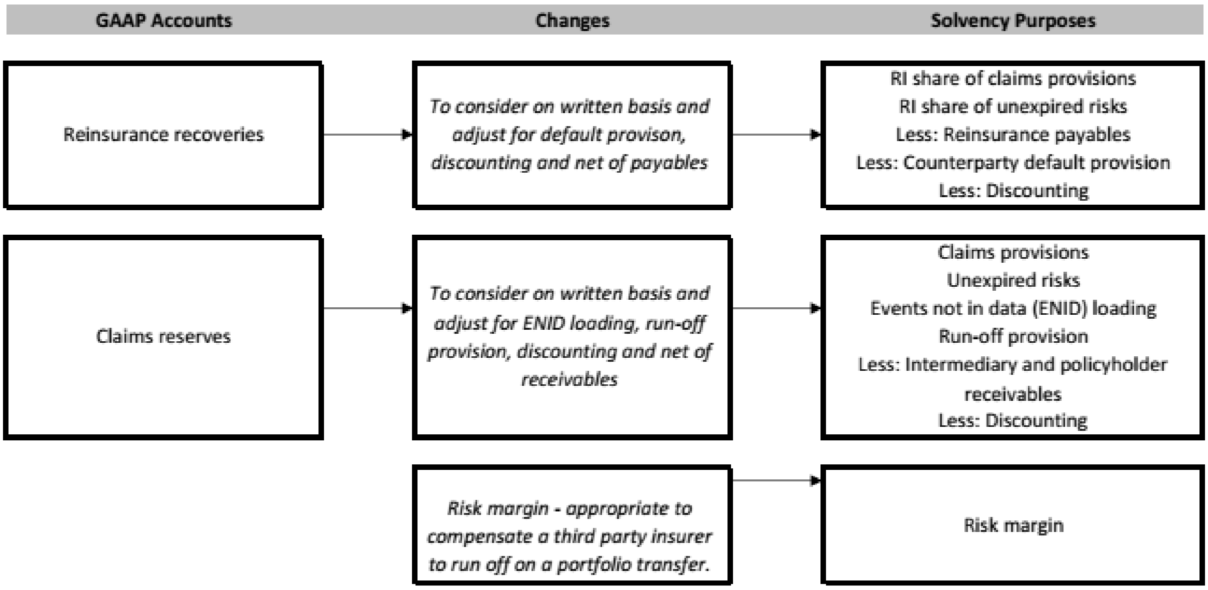
2.4.1 Ongoing monitoring of claims including regular reviews of claims handling functions.

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

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

2.4.4 Regular external actuarial reviews.

2.5 The changes required to transition from GAAP accounts to technical provisions for solvency purposes are consistent and are noted below:



We shall consider each of these adjustments to transition from GAAP accounts to solvency technical provisions.

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

The Company has also amended the GAAP reserves to provide for a recovery in respect of overpaid claims and insufficient premiums by one of its brokers. Proceedings have been issued and the Company's QC has advised that he considers chances of success to be 70%. The matter will not be heard in court until 2020 although we are hopeful of early mediation. The amount provided for is £2.8m, taking into account the chance of success and the cost of the legal action.

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

2.5.3 Unexpired risks - The Group and Company has estimated the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions. The premium provision as at 31 December 2018 is £25,929,062, (31 December 2017, £18,062,781). Therefore, the unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency II balance sheet.

2.5.4 Reinsurance share of unexpired risks - The Group and Company has estimated the amounts recoverable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions. The reinsurance share of premium provisions as at 31 December 2018 is £9,877,276 (31 December 2017, £351,547). Therefore, the reinsurance share of the unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency balance sheet.

2.5.5 Intermediary and policyholder receivables - Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes. There are no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes. The insurance receivables as at 31 December 2018 is £17,933,968, (31 December 2017, £17,688,046).

2.5.6 Other receivables and payables in technical provisions - Other receivables and payables, notably claims funds held by intermediaries and commissions payable to intermediaries, are netted off the technical provisions for solvency purposes. The Company has estimated the other receivables and payables which will be payable on premium provisions and added these to those recorded in the GAAP accounts in respect of the claims provisions. The net receivables as at 31 December 2018 were £nil, (31 December 2017, £nil).

2.5.7 Reinsurance payables - Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes. The reinsurance payables as at 31 December 2018 are £4,481,877, (31 December 2017, £87,370).

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

The Group and Company has undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events. As such, the ENID loading applied by the Group and Company as at 31 December 2018 was £115,937 (31 December 2017, £128,021), driven primarily by dommages ouvrage and warranty books.

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

The Group and Company has calculated the weighted average probability of default of reinsurers as 0.10%, and thus the counterparty default adjustment is £37,601.

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

The Group and Company has considered a run-off period of seven years to cover the longest running part of the book and estimated the level of future expenses based on the current level of expenses, considering the decrease in activity in the period, underlying expense inflation and an estimated minimum level of costs which would be incurred in any one year. The run-off provision applied by the Group and Company as at 31 December 2018 was £2,932,685, (31 December 2017, £3,940,397).

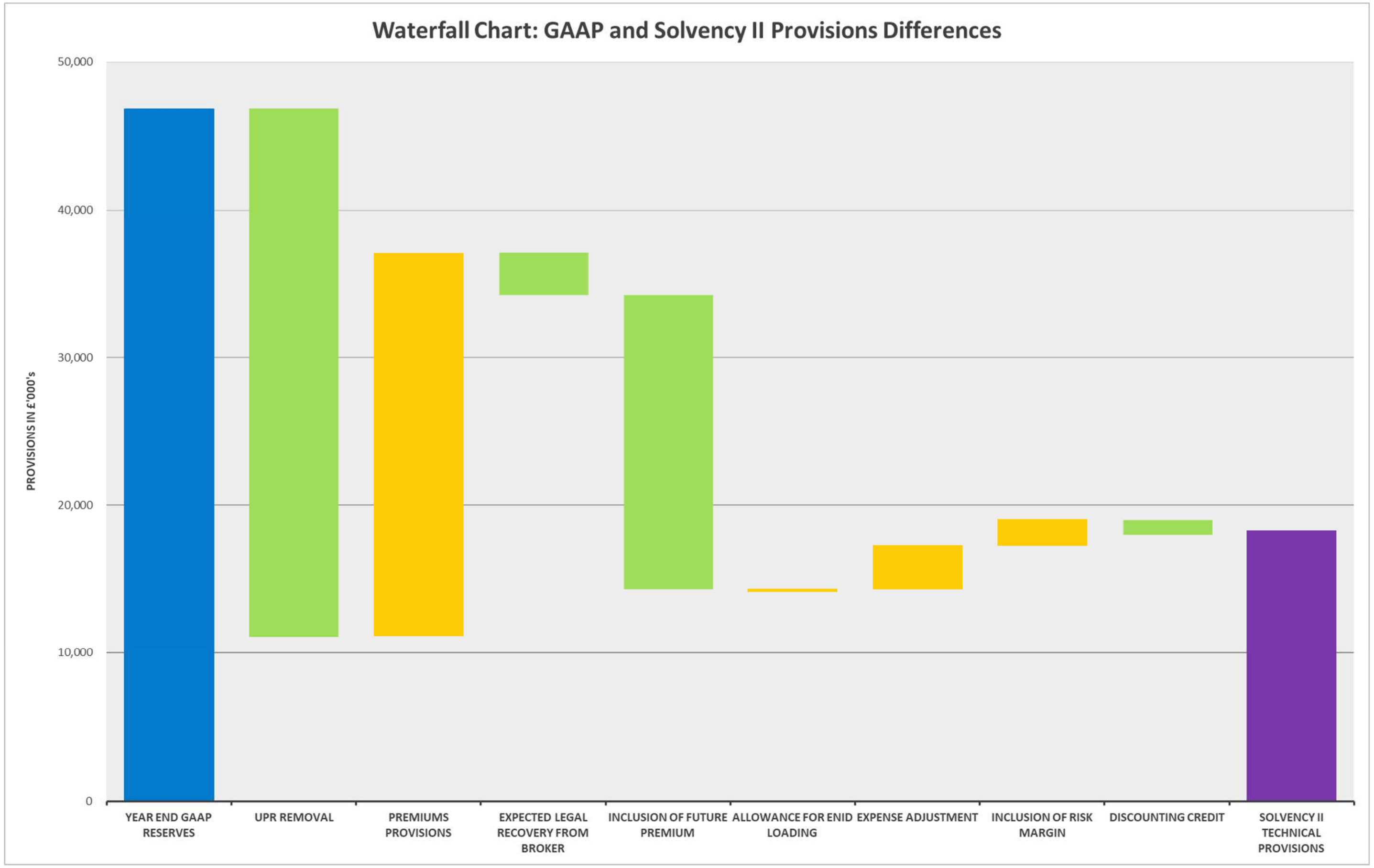
2.5.11 Discounting - Discounting has been applied in the technical provisions based on a weighted average of the yield curves as at 31 December 2018 as issued by the European Insurance and Occupational Pensions Authority ('EIOPA'). The impact of discounting on the technical provisions is £995,800, and on the reinsurance share of technical provisions the impact of discounting is £696,070.

2.5.12 Risk Margin - The risk margin has been considered to ensure that the value of the technical provisions is equivalent to the amount that would be expected to have to be paid to a third-party insurance Company in order to take over and meet the insurance obligations of the Company. The risk margin has been calculated based on the estimated capital requirements to run off the Company's obligations and applying a cost of capital of 6%.

The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and reinsurance counterparty risk. This results in a risk margin of £1,761,394.

2.6 Neither the Group nor the Company have applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its technical provisions.

2.7 The changes to technical provisions highlighted above are reflected in the waterfall diagram below:



2.8 The key reinsurance arrangements in place at 31st December 2018 are as follows:

Class of Business	Territory	Reinsurer	Type	Share	Period of Cover (Start)	Period of Cover (End)
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01 April 2011	31 March 2012
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01 April 2012	31 March 2013
Commercial ATE	England and Wales	AmTrust International Insurance Ltd	Quota Share	50%	01 April 2013	31 March 2014
Commercial ATE	United Kingdom	WR Berkley Insurance (Europe) Ltd	Quota Share	50%	01 August 2014	31 July 2015
Commercial ATE	United Kingdom	WR Berkley Insurance (Europe) Ltd	Quota Share	50%	01 August 2015	31 July 2016
Travel	Worldwide	GBG Insurance Limited	Quota Share	100%	01 November 2016	Effective
Surety Bonds	United Kingdom and Ireland	Builders Reinsurance Company SA	Quota Share	90%	01 January 2017	Effective
Insurance Bonds	Open	Barents Re Reinsurance Company Inc.	Quota Share	100%	01 October 2016	Effective
Surety Bonds	Spain	Swiss Reinsurance Company Munich Reinsurance Company DEVK Reinsurance Company Trans Re	Quota Share	80%	01 October 2017	31 January 2019
French DO & DC	France	Ocean International Reinsurance Company Ltd	Quota Share	100%	All years	All years
Whole account (except bonds, teacher sickness, rental guarantee and French construction books)	Worldwide	Ocean International Reinsurance Company Ltd	Quote Share	100% 100%	01 January 2017 01 January 2018	31 December 2017 31 December 2018
Pet Dogs	Germany and Austria	Builders Reinsurance Company SA	Stop loss Reinsurance	100%	01 December 2018	30 November 2019

3. Other Liabilities

3.1 As at 31 December 2018 the Group recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated debt	0	0	Not applicable
Accruals and deferred income	91	91	Not applicable
Reinsurance accounts payable	87	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.6])
Other creditors, including corporation tax and IPT	8,543	8,543	Not applicable

There have been no valuation adjustments for solvency purposes.

As at 31 December 2017 these were:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated debt	0	-	Reclassified to tier 2 capital. See section E.
Accruals and deferred income	1,171	1,171	Not applicable
Reinsurance accounts payable	4,482	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.6])
Other creditors, including corporation tax and IPT	5,842	6,251	Deferred tax adjustment

3.2 As at 31 December 2018 the Company recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated debt	0	-	Reclassified to tier 2 capital. See section E.
Accruals and deferred income	1,164	1,164	Not applicable
Reinsurance accounts payable	4,482	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.6])
Other creditors, including corporation tax and IPT	5,842	6,251	Deferred tax adjustment

There have been no valuation adjustments for solvency purposes.

As at 31 December 2017 these were:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated debt	0	0	Reclassified to tier 2 capital. See section E.
Accruals and deferred income	91	91	Not applicable
Reinsurance accounts payable	87	0	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.6])
Other creditors, including corporation tax and IPT	8,543	8,543	Not applicable

There have been no valuation adjustments for solvency purposes.

4. Alternative Methods for Valuation

Not applicable for the Group or Company.

5. Any Other Information

Not applicable for the Group or Company.

E. Capital Management

1. Own Funds

1.1. The Group and the Company undertake an ORSA exercise at least annually or when the risk profile of the Group or Company changes. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon. There have been no significant changes in the reporting period.

1.2. The Company and Group classifies its own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The Group's own funds are as follows.

Own fund item	Tier	£'000	%
Ordinary share capital (gross of own shares)	1	61	0.34%
Share premium account related to ordinary share capital	1	9,187	51.23%
Reconciliation reserve	1	8,685	48.43%
		17,933	100%

The Company's own funds are as follows.

Own fund item	Tier	£'000	%
Ordinary share capital (gross of own shares)	1	44	0.24%
Share premium account related to ordinary share capital	1	8,414	46.75%
Reconciliation reserve	1	9,540	53.01%
		17,998	100%

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

1.3. The eligible capital which may be used towards meeting the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') of the Company are as follows:

Own fund item	Tier	Eligible capital for the SCR 2018 (£'000)	Eligible capital for the MCR 2018 (£'000	Eligible capital for the SCR 2017 (£'000)	Eligible capital for the MCR 2017 (£'000)
Ordinary share capital (gross of own shares)	1	61	61	26	26
Share premium account related to ordinary share capital	1	9,187	9,187	3,432	3,432
Reconciliation reserve	1	9,540	9,540	92	92
		17,988	17,998	3,550	3,550

Reported own funds for the company at 31st December 2018 were £17,988k (all tier 1 and eligible capital).

2. Solvency Capital Requirements & Minimum Capital Requirements

2.1. The SCR of the Group as at 31 December 2018 was £10,955k. The MCR of the Group as at 31 December 2018 was £3,288k.

2.2. The SCR of the Company as at 31 December 2018 was £10,950k. The MCR of the Company as at 31 December 2018 was £3,288k.

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

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

	2018		2017	
MARKET RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Interest rate risk	200,959	122,859	380,392	356,978
Spread risk	1,179,619	1,179,619	788,146	788,146
Equity risk				
Currency risk	2,115,106	2,115,106	1,056,873	913,627
Property risk	136,250	136,250	125,000	125,000
Concentration risk	203,777	203,777	116,274	109,864
Market risk diversification	(1,055,334)	(967,579)	(722,718)	(676,297)
MARKET RISK TOTAL	**2,780,377**	**2,790,032**	**1,743,967**	**1,617,318**

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

	2018		2017	
COUNTERPARTY RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Type 1 risk	962,794	962,794	425,787	484,297
Type 2 risk	1,046,455	1,046,455	-	1,634,477
Market risk diversification	(129,536)	(129,536)	-	(95,555)
COUNTERPARTY RISK TOTAL	**1,879,713**	**1,879,713**	**425,787**	**2,023,220**

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

	2018		2017	
NON-LIFE UNDERWRITING RISK	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Premium and reserve risk	6,954,086	6,954,086	12,184,292	9,316,880
Lapse risk	2,321,713	2,321,713	2,129,642	2,290,934
Catastrophe Risk	2,118,924	2,118,924	1,551,464	540,855
Non-life diversification	(3,294,902)	(3,294,902)	(3,025,961)	(2,408,818)
NON-LIFE UNDERWRITING RISK TOTAL	8,099,820	8,099,820	12,839,440	9,739,851

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

	2018		2017	
SOLVENCY CAPITAL REQUIREMENT	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Market risks	2,780,377	2,790,032	1,743,967	1,617,318
Counterparty risks	1,879,713	1,879,713	425,787	2,023,220
Non-life underwriting risks	8,099,820	8,099,820	12,839,440	9,739,851
Basic SCR diversification	(2,465,753)	(2,470,457)	(1,403,759)	(1,943,956)
Operational risks	656,156	656,156	592,864	491,879
SOLVENCY CAPITAL REQUIREMENT	**10,950,313**	**10,955,264**	**14,198,299**	**11,928,313**

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

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

Line of business	**Net (of reinsurance) best estimate and technical provisions calculated as a whole (£'000)**	**Net (of reinsurance) written premiums in the last 12 months (£'000)**
Accident		
Sickness		
Fire and natural forces		
Damage to Property		
General Liability		
Suretyship		181,314
Miscellaneous Financial Loss	8,688,676	
Legal expenses		
Assistance	2,105	

2.6 This is the third period in which the Solvency Capital Requirement and Minimum Capital Requirement have been reported.

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

3.1 The Company has not maintained capital sufficient to meet its minimum capital requirement or solvency capital requirement throughout the period covered by this report.

3.2 However, a remediation plan was adopted. The remediation plan consists of a whole book quota share from 1st January 2017 to 31st December 2018, 100% quota share of all years of the French construction book, withdrawal from the French construction and rental guarantee markets, and £5m of capital injected by the shareholders. The effects of these actions were that the Company reported a SCR solvency ratio of 164.36%, and an MCR ratio of 547.34%, at 31 December 2018. While the Group reported a SCR solvency ratio of 163.69% and an MCR ratio of 545.35%.

4. Any Other Information

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

F. Quantitative Reporting Templates

FOCUS HOLDINGS (GIBRALTAR) LIMITED

Annual QRTS 2018

G.02.01.02 - Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	27,764
R0080	Property (other than for own use)	545
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	8,527
R0140	Government Bonds	0
R0150	Corporate Bonds	8,527
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	1,830
R0190	Derivatives	8,119
R0200	Deposits other than cash equivalents	8,743
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	13,373
R0280	Non-life and health similar to non-life	13,373
R0290	Non-life excluding health	13,373
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	10,552
R0420	Any other assets, not elsewhere shown	20
R0500	**Total assets**	51,709

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	18,236
R0520	Technical provisions – non-life (excluding health)	18,236
R0530	TP calculated as a whole	0
R0540	Best Estimate	16,475
R0550	Risk margin	1,761
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	409
R0790	Derivatives	10,313
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	4,801
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	18
R0900	**Total liabilities**	33,777
R1000	**Excess of assets over liabilities**	17,933

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for:accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	0	0	0	0	0	5,739	5,887	2,544	588	26	21,709					36,493
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0130	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0140	Reinsurers' share	0	0	0	0	0	0	10,464	9,174	2,363	8,328	36	30,632	0	0	0	0	60,996
R0200	Net	0	0	0	0	0	0	-4,725	-3,287	181	-7,740	-10	-8,923	0	0	0	0	-24,504
	Premiums earned																	
R0210	Gross - Direct Business	0	0	0	0	0	0	2,301	1,667	1,548	588	18	15,749					21,872
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0230	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0240	Reinsurers' share	0	0	0	0	0	0	1,882	1,647	1,415	8,328	24	13,570	0	0	0	0	26,866
R0300	Net	0	0	0	0	0	0	419	20	134	-7,740	-5	2,179	0	0	0	0	-4,994
	Claims incurred																	
R0310	Gross - Direct Business	0	0	0	0	0	0	870	1,064	1,468	1,476	3	13,404					18,284
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0330	Gross - Non-proportional reinsurance accepted													0	0	0	0	0
R0340	Reinsurers' share	0	0	0	0	0	0	1,182	1,438	1,164	2,995	10	9,924	0	0	0	0	16,713
R0400	Net	0	0	0	0	0	0	-312	-374	303	-1,519	-7	3,480	0	0	0	0	1,571
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0	0	0	0	0	0	0	0	0	0	-601					-601
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non- proportional reinsurance accepted													0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0	0	0	0	0	-601	0	0	0	0	-601
R0550	**Expenses incurred**	0	0	0	0	0	0	383	393	170	-4,722	2	1,529	0	0	0	0	-2,245
R1200	**Other expenses**																	0
R1300	**Total expenses**																	-2,245

G.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	DE	AT	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	13,834	17,058	2,126	879	1,150	35,048
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	26,152	25,460	3,166	1,600	2,238	58,617
R0200	Net	0	-12,318	-8,402	-1,040	-721	-1,088	-23,569
	Premiums earned							
R0210	Gross - Direct Business	0	9,717	8,790	1,498	807	709	21,522
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	15,636	7,241	1,840	1,025	831	26,572
R0300	Net	0	-5,918	1,550	-342	-217	-122	-5,049
	Claims incurred							
R0310	Gross - Direct Business	0	9,554	5,929	1,346	607	340	17,776
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	8,114	4,979	1,490	869	683	16,136
R0400	Net	0	1,440	950	-145	-262	-344	1,640
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	-601	0	0	0	0	-601
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	-601	0	0	0	0	-601
R0550	**Expenses incurred**	0	439	0	0	0	0	439
R1200	**Other expenses**							0
R1300	**Total expenses**							439

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

G.23.01.22 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector					
R0010	Ordinary share capital (gross of own shares)	61	61		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	9,187	9,187		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	8,685	8,685			
R0140	Subordinated liabilities	0		0	0	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activit	0	0	0	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	17,933	17,933	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	17,933	17,933	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	17,933	17,933	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	17,933	17,933	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR	17,933	17,933	0	0	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,288				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	5.4535				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	17,933	17,933	0	0	0
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	10,955				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.6369				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	17,933
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	9,248
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	8,685
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	2,790		
R0020	Counterparty default risk	1,880		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	8,100		
R0060	Diversification	-2,470		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	10,299		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	656
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**	10,955
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	10,955
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	3,288
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	10,955

G.32.01.22 - Undertakings in the scope of the group

C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0180**	**C0190**	**C0200**	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**
GB	213800HEGZ3KK1RYWY69	LEI	Acasta European Insurance Company Limited	2	limited company	2	Gibraltar Financial Services Commission	100.0000	100.0000	100.0000		1	100.0000	1		1
GB	213800SAP8UHYTUNVU18	LEI	Focus Holdings (Gibraltar) Limited	5	limited company	2								1		1

ACASTA EUROPEAN INSURANCE COMPANY LIMITED

Annual QRTS 2018

P.02.01.02 - Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	27,764
R0080	Property (other than for own use)	545
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	8,527
R0140	Government Bonds	0
R0150	Corporate Bonds	8,527
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	1,830
R0190	Derivatives	8,119
R0200	Deposits other than cash equivalents	8,743
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	13,373
R0280	Non-life and health similar to non-life	13,373
R0290	Non-life excluding health	13,373
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	10,552
R0420	Any other assets, not elsewhere shown	61
R0500	**Total assets**	51,750

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	18,236
R0520	Technical provisions – non-life (excluding health)	18,236
R0530	TP calculated as a whole	0
R0540	Best Estimate	16,475
R0550	Risk margin	1,761
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	409
R0790	Derivatives	10,313
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	4,794
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	33,752
R1000	**Excess of assets over liabilities**	17,998

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0070	C0080	C0090	C0100	C0110	C0120	C0200
	Premiums written							
R0110	Gross - Direct Business	5,739	5,887	2,544	588	26	21,709	36,493
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	10,464	9,174	2,363	8,328	36	30,632	60,996
R0200	Net	-4,725	-3,287	181	-7,740	-10	-8,923	-24,504
	Premiums earned							
R0210	Gross - Direct Business	2,301	1,667	1,548	588	18	15,749	21,872
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	1,882	1,647	1,415	8,328	24	13,570	26,866
R0300	Net	419	20	134	-7,740	-5	2,179	-4,994
	Claims incurred							
R0310	Gross - Direct Business	870	1,064	1,468	1,476	3	13,404	18,284
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	1,182	1,438	1,164	2,995	10	9,924	16,713
R0400	Net	-312	-374	303	-1,519	-7	3,480	1,571
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	0	0	0	-601	-601
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted							0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	0	0	0	0	-601	-601
R0550	**Expenses incurred**	383	393	170	-4,722	2	1,529	-2,245
R1200	**Other expenses**							0
R1300	**Total expenses**							-2,245

P.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	DE	AT	CZ	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	13,834	17,058	2,126	879	1,150	35,048
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	26,152	25,460	3,166	#NAME?	#NAME?	#NAME?
R0200	Net	0	-12,318	-8,402	-1,040	#NAME?	#NAME?	#NAME?
	Premiums earned							
R0210	Gross - Direct Business	0	9,717	8,790	1,498	807	709	21,522
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	15,636	7,241	1,840	#NAME?	#NAME?	#NAME?
R0300	Net	0	-5,918	1,550	-342	#NAME?	#NAME?	#NAME?
	Claims incurred							
R0310	Gross - Direct Business	0	9,554	5,929	1,346	607	340	17,776
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	8,114	4,979	1,490	#NAME?	#NAME?	#NAME?
R0400	Net	0	1,440	950	-145	#NAME?	#NAME?	#NAME?
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	-601	0	0	0	0	-601
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	-601	0	0	0	0	-601
R0550	**Expenses incurred**	0	439	0	0	0	0	439
R1200	**Other expenses**							0
R1300	**Total expenses**							439

P.17.01.02 - Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total Non-Life obligation
		C0080	C0090	C0100	C0110	C0120	C0130	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM							
	Best estimate							
	Premium provisions							
R0060	Gross	3,012	3,970	377	-5,931	-9	6,371	7,790
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	4,125	4,777	1,372	159	0	44	10,477
R0150	Net Best Estimate of Premium Provisions	-1,113	-808	-994	-6,090	-9	6,327	-2,686
	Claims provisions							
R0160	Gross	269	1,487	932	3,495	11	2,491	8,684
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	107	1,209	853	598	0	130	2,897
R0250	Net Best Estimate of Claims Provisions	162	278	79	2,897	11	2,361	5,788
R0260	**Total Best estimate - gross**	3,281	5,457	1,310	-2,437	2	8,862	16,475
R0270	**Total Best estimate - net**	-951	-530	-915	-3,193	2	8,689	3,101
R0280	**Risk margin**	253	355	125	171	1	857	1,761
	Amount of the transitional on Technical Provisions							
R0290	Technical Provisions calculated as a whole	0	0	0	0	0	0	0
R0300	Best estimate	0	0	0	0	0	0	0
R0310	Risk margin	0	0	0	0	0	0	0
	Technical provisions - total							
R0320	Technical provisions - total	3,534	5,812	1,435	-2,266	3	9,719	18,236
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	4,232	5,987	2,225	756	0	173	13,373
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	-698	-175	-790	-3,022	3	9,546	4,863

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

Total Non-Life Business

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

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											0	0	0
R0160	**N-9**	4	20	21	169	24	5	13	0	0	0		0	255
R0170	**N-8**	2	46	45	41	10	21	-5	0	0			0	159
R0180	**N-7**	11	20	42	1	21	-8	6	-10				-10	83
R0190	**N-6**	3	179	101	130	-26	97	30					30	513
R0200	**N-5**	57	187	672	445	520	133						133	2,014
R0210	**N-4**	598	696	948	907	401							401	3,550
R0220	**N-3**	2,102	2,539	2,106	1,034								1,034	7,781
R0230	**N-2**	2,256	6,277	3,064									3,064	11,597
R0240	**N-1**	2,799	11,512										11,512	14,311
R0250	**N**	3,930											3,930	3,930
R0260												**Total**	20,094	44,193

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											2	2
R0160	**N-9**	0	0	0	0	0	0	0	5	29	0		0
R0170	**N-8**	0	0	0	0	0	0	2	43	0			0
R0180	**N-7**	0	0	0	0	0	25	5	40				39
R0190	**N-6**	0	0	0	0	146	122	160					159
R0200	**N-5**	0	0	0	543	889	245						244
R0210	**N-4**	0	0	-955	206	41							44
R0220	**N-3**	0	2,118	393	613								610
R0230	**N-2**	4,461	3,263	1,961									1,936
R0240	**N-1**	7,269	4,688										4,611
R0250	**N**	559											1,039
R0260												**Total**	8,684

P.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of					
R0010	Ordinary share capital (gross of own shares)	44	44		0	
R0030	Share premium account related to ordinary share capital	8,414	8,414		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type	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	9,541	9,541			
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
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	17,998	17,998	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	17,998	17,998	0	0	0
R0510	Total available own funds to meet the MCR	17,998	17,998	0	0	
R0540	Total eligible own funds to meet the SCR	17,998	17,998	0	0	0
R0550	Total eligible own funds to meet the MCR	17,998	17,998	0	0	
R0580	**SCR**	10,950				
R0600	**MCR**	3,288				
R0620	**Ratio of Eligible own funds to SCR**	1.6436				
R0640	**Ratio of Eligible own funds to MCR**	5.4734				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	17,998
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	8,458
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	9,541
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	2,780		
R0020	Counterparty default risk	1,880		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	8,100		
R0060	Diversification	-2,466		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	10,294		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	656
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**	10,950
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	10,950
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	1,637

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	181
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	2	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	8,689	0
R0140	*Non-proportional health reinsurance*	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	1,637
R0310	SCR	10,950
R0320	MCR cap	4,928
R0330	MCR floor	2,738
R0340	Combined MCR	2,738
R0350	Absolute floor of the MCR	3,288

		C0070
R0400	**Minimum Capital Requirement**	3,288