Ashdowns Limited

Solvency & Financial Condition Report (SFCR)

31 March 2019

Contents

SUMMARY

This Report refers to the business of Ashdowns Limited ('Ashdowns', 'the Company'), a captive insurer, authorised and supervised by the Prudential Regulation Authority. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 March 2019.

Ashdowns has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company's business strategy is to provide coverage for certain risks of the NSG Group. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which Ashdowns is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Ashdowns can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals.

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over a forward looking three year business planning period. The results of this exercise are used to better inform decision making within the Company.

As at 31 March 2019, the Company had eligible own funds of £17,682k available to meet its Solvency Capital Requirement (SCR) of £14,168k; resulting is a Solvency Ratio of 125% which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

INTRODUCTION

Ashdowns Limited ("Ashdowns" or "the Company") has prepared the below Solvency and Financial Condition Report ("SFCR") in accordance with the regulations set out in Articles 292 –297 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

Ashdowns ceased underwriting new business as at 31st March 1998. As a consequence it has been in 'run-off' since the 1st April 1998 and all of its current insurance provisions relate to liabilities arising from policies that expired on or prior to this date.

There has been no material change to the risk profile of the Company for the period 1 April 2018 to 31 March 2019.

Directors Statement

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations. We are satisfied that:

a) Throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable and;
b) It is reasonable to believe that, at the date of the publication of the SFCR, the insurer continues so to comply, and will continue so to comply in the future.

On Behalf of the Board

Iain Smith
Director
25 June 2019

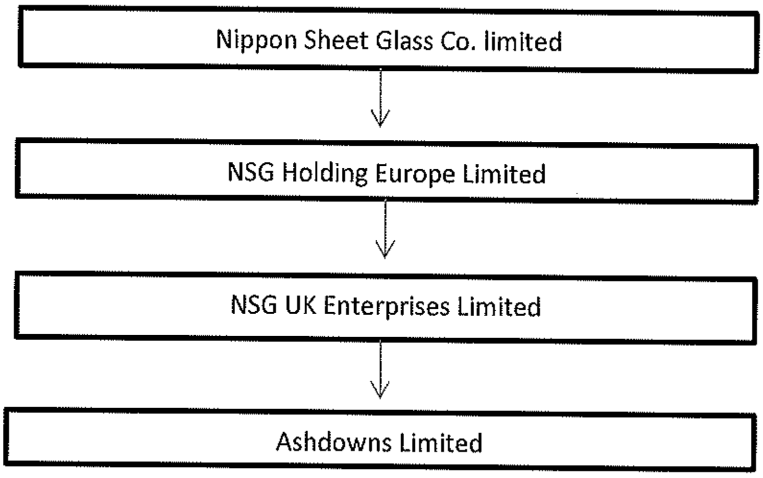
A. BUSINESS & PERFORMANCE

A1. Business

Ashdowns is a private company incorporated in England, limited by shares. The Company's business address and registered office is European Technical Centre, Hall Lane, Lathom, Nr. Ormskirk, Lancashire, England L40 5UF.

The Company is wholly owned by NSG UK Enterprises Limited, a company incorporated in England and Wales and the ultimate controlling party is Nippon Sheet Glass Co Limited, a company incorporated in Japan.

The ownership structure of Ashdowns is as below.



The principal activity of the Company is the run-off of general insurance risk for certain individual members of the NSG Group.

Ashdowns Limited was incorporated as a Company limited by shares on 7 April 1919.

Ashdowns is licensed by the Prudential Regulation Authority of the Bank of England ('PRA') as an insurance undertaking, whose offices are at 20 Moorgate, London, EC2R 6DA. Also regulated by the Financial Conduct Authority and the head office is at 25 The North Colonnade, London, E15 5HS. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

Ashdowns conducts all of its significant business activities, including Board meetings, decision-making, claims reserving & payments from the registered office in England. The day to day operations of the Company are outsourced to Aon Insurance Managers (Dublin) Limited. A further description of outsourced services is available in Section B7.

The Company's external auditor as at 31 March 2019 was Ernst & Young LLP, which is located at 2 St Peter's Square, Manchester, M2 3DF, United Kingdom , who carried out the statutory audit of the financial statements for the year to 31 March 2019.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1 (forms S.05.01.02 – Premiums, claims and expenses by line of business & S.05.02.01 – Premiums, claims and expenses by country).

A2. Underwriting Performance

Ashdowns is in run-off and wrote no premium during the year.

Claims incurred (paid and reserved) across all lines of business totalled £nil.

The underwriting results and the year-end financial position were in line with expectations and considered satisfactory.

All claims incurred (paid and reserved) relates to general insurance business historically written by the company.

After operating expenses and investment Income, the profit on ordinary activities for the year before taxation amounted to £49k.

A3. Investment Performance

The Company holds a simple investment portfolio, consisting only of the below;

Cash and cash equivalents - Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of six months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

Amounts due from fellow group undertakings – This comprises an intercompany loan held with the parent group. It is carried at amortised cost and is repayable on demand. The amortised cost approximates to fair value and market value.

The investment gain for the year amounted to £159k (and is comprised only of interest income for the year ended 31 March 2019).

A4. Performance of Other Activities

There are no other activities.

A5.Other Information

The Company is wholly owned by the shareholder.

There are related party transactions; an intercompany Loan with a value of £18,183k at 31 March 2019 is provided to the immediate parent company.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the system of governance

In order to meet the requirements for sound corporate governance, ensure efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

The Board of the Company acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities.

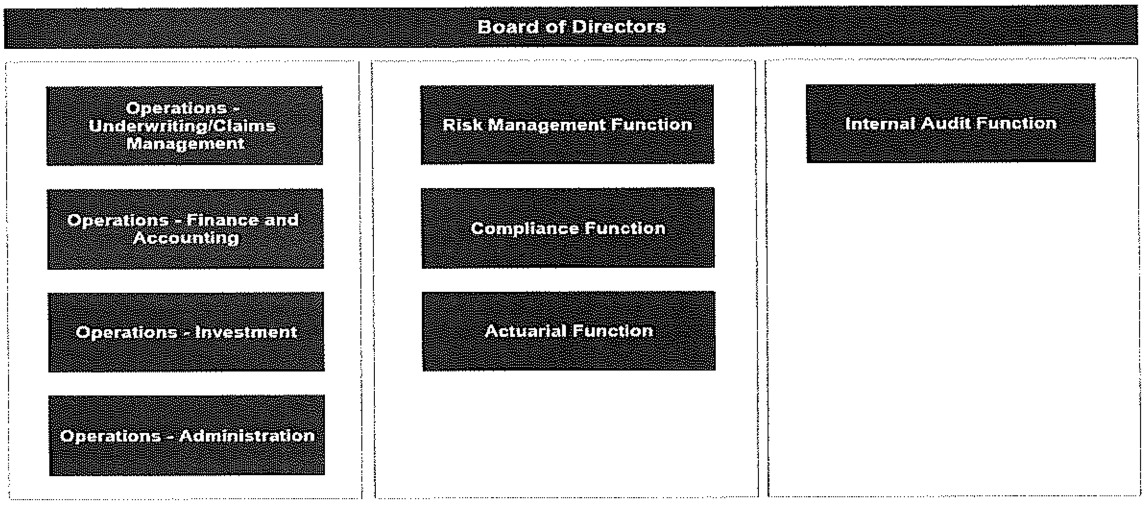
The Governance and Risk Management System of the Company relies on four cornerstones:

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2) Risk Management System which details the Co#mpany's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints, as well as functional identification, mitigation and monitoring processes are documented.
3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure in the period. Ashdowns implemented the above system in advance of the inception of Solvency II.

The Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties.

The chosen governance model is the "three lines of defence" one which leads to the following general governance framework throughout the Company.



1st line of defence	2nd line of defence	3rd line of defence
Risk and control embedded in the business	**The oversight functions**	**Provides independent assurance**
Primary accountability within the context of day-to-day operations. The first line of defence ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the board.	The 2nd line is in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned.	The 3rd line challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Board.

The Board is satisfied that the system of governance in place is adequate for the nature, scale and complexity of the risks of the Company.

The immediate controlling party is NSG UK Enterprises Limited.

Ashdowns continues to manage its historical long tail liabilities to meets its legal obligations in a cost effective manner in line with Group expectations.

B.2 Fit and proper requirement

Ashdowns is satisfied that appointed individuals performing control functions have a suitable level of training and qualification in order to enable them to carry out their respective duties.

Appointed individuals have all been approved by the PRA.

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

Risk Management System

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;

- ensures the risk management framework is implemented in day-to-day business processes;
- reviews regularly, controls and mitigation actions to ensure that they remain relevant and effective.

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Market
- Credit
- Operational Risks
- Reinsurance and Other Risk Mitigation Techniques
- Outsourcing Risks

Own Risk and Solvency Assessment ("ORSA")

The Company performs an ORSA (Own Risk and Solvency Assessment) process to provide its Board of Directors with a forward looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its (re)insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

The ORSA process is performed at least once a year or when any material change arises.

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in both expected and stressed situations. 3 year business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Board of Directors to ensure that these are appropriate for the Company.

Capital and solvency projections are conducted by the Actuarial Function and validated by the Risk Management Function. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

In line with PRA requirements, the Head of Actuarial Function provides an actuarial opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board for review and challenge. Following feedback and approval from the Board, the Company's ORSA report is finalised and results submitted.

The ORSA report provides clarity over projected risk assessments and solvency needs to three different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to solvency capital requirements	Gathers information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that the ORSA is integrated in the Company's decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensure that risk exposures are measured on a regular basis triggering exception reports to the Board.

The capital risk appetite for Ashdowns is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent approach to capital to ensure that Ashdowns is in a comfortable position to meet this obligation.

B.4 Internal control system

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit

	process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

In order to set out how the Internal Control System is implemented the Company's processes and related control activities are documented, monitored and reviewed on a regular basis. These items are approved by the Board of Directors. They are reviewed as often as necessary.

B.5 Internal audit function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent Function that objectively evaluates and recommends improvements to the Board by facilitating an objective and independent assessment.

It assists the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company.

Independence and Impartiality

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

Process

The most recent internal audit of Ashdowns took place for the year ended 31 March 2019. Aon Commercial Services Limited conducted the Internal Audit.

The Internal Audit is carried out in accordance with EIOPA Guideline 37, the key requirements of which are as below:

- To establish, implement and maintain an audit plan setting out the audit work to be undertaken in the upcoming years, taking into account all activities and the complete system of governance of the undertaking
- To take a risk based approach in deciding its priorities
- To report the audit plan to the Board of the undertaking
- To issue a report to the Board based on the result of the work carried out according to the plan, which includes findings and recommendations, plus;
    - The envisaged period of time to remedy the shortcomings
    - The persons responsible for doing so
    - Information on the achievement of audit recommendations
- To submit such report to the Board on at least an annual basis
- To verify compliance with decisions taken by the Board on the basis of those recommendations

B.6 Actuarial function

Ashdowns has in place an Actuarial Function that is outsourced, including a nominated Chief Actuary approved by the Prudential Regulation Authority, that carries out the following key tasks:

- Perform an evaluation of the incurred but not reported ("IBNR"), loss and allocated loss adjustment expense ("ALAE") liabilities together with a provision for unallocated claims handling expenses.

  A number of adjustments are applied to this starting point to then calculate the Solvency II technical provisions. Under Solvency II, the best estimate is a probability-weighted average of future cash flows and is discounted for the time value of money.
- Calculate technical provisions on a Solvency II basis.
  - Perform GAAP to Solvency II balance sheet technical provision reconciliations.
  - Report on the impact of changes in assumptions, methods and models.
  - Ensure results of technical provisions can efficiently feed into solvency capital calculations and Quantitative Reporting Templates ("QRTs").
- Support calculation of Solvency II balance sheet
  - Support calculation of SCR
  - Support calculation of MCR
- Support ORSA process
  - Project SCR over planning time horizon
  - Assess ORSA scenario impact

The head of Actuarial Function reports to the Board of Directors and issues a report in writing at least annually documenting all of the material tasks that have been undertaken by the Actuarial Function during the financial year.

B.7 Outsourcing

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business. The Board is responsible for ensuring notification to the PRA is made in a timely manner prior to the outsourcing of critical or important functions or activities, and thereafter where there have been material developments in relation to the service provider.

The objective of Ashdowns' Outsourcing Policy is to ensure that the outsourcing of any critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities. The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The company management is coordinated out of the registered office. The Company engages outsourced service providers in order to access the expertise necessary to manage the specific requirements of a regulated Insurance Company.

Function	Outsourced Service Provider	Jurisdiction
Claims administration	Keogh's	United Kingdom
Finance and Accounting	Aon UK Limited	United Kingdom
Compliance Function	Pilkington Group Limited	United Kingdom
Risk Management Function	Aon UK Limited	United Kingdom
Actuarial Function	BWCI/Aon Global Risk Consulting	Guernsey/United Kingdom
Internal Audit Function	Aon Commercial Services Ltd	United Kingdom
Claims handling	Keogh's	United Kingdom

B.8 Any other information

Ashdowns has no other applicable information.

C. RISK PROFILE

The table below shows the breakdown of the SCR as calculated by the Standard Formula. This details the key risks faced by the Company. Market risk is the key risk faced by the company

	Gross SCR £000's
Market risk	13,014
Counterparty default risk	10
Non-life underwriting risk	2,668
Diversification	(1,766)
Basic Solvency Capital Requirement	13,926
Operational risk	242
SCR	14,168

Further information on the key risks to which the Company is exposed and has also thus set up specific risk mitigations and monitoring for are below:

There have been no changes to the material risks faced by the Company during the financial year.

C1. Underwriting Risk

Reserving risk refers to the risk of loss or of adverse change in the value of insurance liabilities due to inadequate reserving assumptions. This mainly concerns the risk of loss from inadequate reserving to cover reported and/or expected claims.

The Board wants to hold sufficient reserves to meet all future claim payments. At least once a year the technical provisions will be recalculated to check the adequacy of the Company's reserves.

For claims notified to the Company specific reserves are determined by professional loss adjusters or persons with suitable and relevant experience based on the individual circumstances of each claims file.

IBNR reserves are calculated on at least an annual basis and are adjusted in relation to the actual claims experience.

The key metric for the reserve risk is the amount of technical provisions booked in the Company's accounts.

The value of the reserve risk metric will be reported to the Board at each Board meeting.

A breach of the risk appetite tolerance limit or this policy will be reported to the Board as soon as possible following a breach of the risk appetite tolerance level or policy, details of corrective measures and their related implementation plan will be submitted to the Board for approval.

C.2 Market Risk

Market risk is the risk of loss arising from an adverse change or volatility of market prices of the investments and assets held by the Company. It also covers the liquidity, concentration and asset-liability management (ALM) risks that the Company faces relating to its assets.

The Board wants to ensure the Company can meet its cash flow and asset-liability requirements by holding highly liquid cash equivalent assets that can be accessed within one month or less.

In order to minimise the concentration risk to which the Company is exposed, the Board limits the amount the Company invests with a single counterparty in line with NSG Group Credit Limits

All assets are held in Pound Sterling so that Ashdowns is not exposed to currency risk. Ashdowns has no appetite to invest in equities, debt instruments, derivatives or property investments`

The metrics used to assess the risk are:

- Value of cash equivalent investments: the value of assets held that are cash or cash equivalent (i.e. bank deposits or money market placements)
- Value of non-cash equivalent investments: the value of assets held that are not cash or cash equivalent
- Term of cash equivalent investments: the average term of the cash equivalent investments

As soon as possible following a breach of the risk appetite tolerance level or policy, details of corrective measures and their related implementation plan will be submitted to the Board for approval.

C.3 Credit Risk

Counterparty default risk relates to possible losses due to unexpected default, or deterioration in the credit standing, of the counterparties and debtors of the Company.

The intercompany Loan held with NSG is the most significant credit risk to Ashdowns.

Ashdowns invests its assets following the prudent person principle to enable it to:

- place the Company's surplus funds on fixed deposits with high credit rating banks

Assets are only invested with companies that are on the NSG Group list of Authorised Banks and should not exceed the NSG Group Credit Limits.

The metrics used to assess these risks are as detailed in the risk appetite statements:

- Investments with NSG Group companies: Japan Credit Rating Agency credit rating
- Investments with non-NSG Group companies: S&P, Fitch, or Moody's counterparty credit rating
- Counterparty exposure: the total value of assets held by each counterparty

The value of the above metrics will be reported to the Board at each Board meeting.

A breach of the risk appetite tolerance limit or this policy will be reported to the Board as soon as possible.

As soon as possible following a breach of the risk appetite tolerance level or policy, details of corrective measures and their related implementation plan will be submitted to the Board for approval.

C.4 Liquidity risk

The Company is exposed to calls on its available cash resources mainly from claims arising from historical insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due. The Company does not believe it is subject to significant liquidity risk as some of its cash and cash equivalents are invested in available-on-demand deposits. The risk of the Company not having the resources to pay obligations when they become due is considered low. The Company does not have any liquidity gaps. The total statutory assets exceed the total liabilities by £22,164k (£17,682k on an SII valuation basis). All the financial assets are have a maturity date of a year or less. The only liabilities that have a maturity date of more than a year are the provision for outstanding claims and IBNR. With the exception of claims reserves the recovery or settlement of financial assets and liabilities are expected to be within twelve months from the statement of financial position date. Claims provisions are expected to be settled over a 10 to 30 year time horizon.

Due to the fact that the company is in run off, the expected profit included in future premium ("EPIFP") as at 31 March 2019 is nil.

The Company performs an ORSA annually. This identifies stress scenarios and analyses their effect on the Company's excess of assets over liabilities on a SII valuation basis.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss. The Company has a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures and assessment processes. Outsourced activities are monitored and managed in line with the NSG Group outsourcing requirements.

C.6 Other Material Risks

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

C.7 Sensitivity

The Actuarial Function assesses, at least bi-annually, the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations. No other material risks have been identified.

Further quantitative detail on the risk is assessed and outlined in the Annual QRT's appended to this report (S25.01.21 – Solvency Capital Requirement - for undertakings on Standard Formula)

D. VALUATION FOR SOLVENCY PURPOSES

Restatement of the Balance Sheet (£'000)

Balance Sheet Items	Financial Statements	Solvency II	Movement
Other Financial Investments	9,004	9,027	23
Cash and cash equivalents	100	100	-
Loans	18,183	18,183	-
Insurance & intermediaries receivables	-	-	-
Any other assets	52-	28	(23)
Assets	**27,343**	**27,339**	**(5)**
Technical Provisions	5,147	9,625	4,478
Best Estimate		*8,084*	
Risk margin		*1,541*	
Other Liabilities	32	32	-
Liabilities	**5,179**	**9,657**	**4,478**
Paid up share capital	250	250	-
Retained earnings including profits from the year	21,914	21,914	-
Reconciliation Reserve		(4,482)	(4,482)
Basic Own Funds	**22,164**	**17,682**	**(4,482)**

Notes

- Accrued bank Interest has been reallocated to deposits.
- No adjustment required, Cash and cash equivalents and Loans are reported at market value under the Statutory Financial Statement basis.
-

The gross technical provisions increase by £4.5m due to the following adjustments (refer to Section D.2):

1. Adjustment to reflect best estimates reserve (£1.2m increase)
3. Change of expense basis (£2.5m increase)
4. Allowance for Events Not in Data (£0.2m increase)
5. Discounting of cashflows (£0.9m reduction)
6. Risk margin (£1.5m increase)

D.1 Assets

The financial statements have been prepared on a going concern basis, and in accordance with Financial Reporting Standards 102 & 103 (FRS 102 & 103) issued by the Financial Reporting Council and Schedule 3 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations (the Regulations) and with other requirements in force at 31 March 2019. The financial statements have also been prepared in accordance with the Companies Act 2014 and the European Union (Insurance Undertakings Financial Statements) Regulations 2015.

Ashdowns uses the historical cost convention (with the exception of the Intercompany Loan, which is at amortised cost) on a statutory basis and market value on an SII basis. It has 3 classes of assets.

- Deposits other than cash equivalents
- Cash and cash equivalents
- Loans and mortgages

Please see appended QRTs for further information on assets (form S.02.01.02 – Balance sheet).

Cash and cash equivalents consist of balances with banks. There are no valuation adjustments for solvency purposes.

Deposits other than cash equivalents relate to seven separate deposits of £1,000k and one of £2,000k each held by the company (2018: nine separate bank bills of £1,000k each. There are no valuation adjustments for solvency purposes.

Loans and mortgages comprise an intercompany loan held with the parent group. It is carried at amortised cost and is repayable on demand. The amortised cost approximates to fair value and therefore market value.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

The only material difference in the valuation of these assets between the financial statements and the Solvency II annual Quantitative Reporting Templates ("QRT's") relate to accrued interest on the cash and equivalents and the investments and deposits, which is shown separately in the Financial Statements.

On a Solvency II valuation basis all assets and liabilities are held at a market consistent value for expected future cash flows.

The Company has no deferred tax assets or liabilities on either a GAAP or Solvency II basis.

The Prudent person principle has been applied in assessing investment in the Company's assets.

There have been no changes made to the recognition and valuation bases used or to estimations during the reporting period.

D.2 Technical Provisions

The starting point for the calculation of the Solvency II technical provisions is the best estimate reserves from the statutory reserving basis.

The methods that are generally used by actuaries to determine claims reserves assume that future claims will emerge in line with historical development patterns. This may not properly allow for the potential impact of industrial related disease claims as claims may emerge for many years after the original exposure. Therefore, in order to determine an appropriate total loss reserve to allow for the future emergence of such claims (allowing for claims inflation in each future year) the Company has considered alternative methods as described below. Due to the nature of these types of claims, subjective judgement has been applied to determine the final total loss reserves. The assessed ultimate loss is the sum of the total loss reserve plus reported paid claims.

A summary of the methods used to determine the total loss reserves is given below. There have been no material changes in the relevant assumptions used in the calculation of technical provisions compared to the previous reporting period.

Asbestos Related Disease Claims

The Company's actuaries have determined the total loss reserve by projecting the expected total claim amounts payable in each future year, allowing for inflation. Our annual amount for financial year 2018/19 has been estimated from Ashdowns' experience. The assumed future claims emergence pattern has been based on general industry experience. The IBNR reserve has been determined as the difference between the total loss reserve and the outstanding claims reserve. In effect the Company's actuaries have assumed that reported outstanding claims will form part of the claims projected for the total loss reserve.

Non Asbestos Related Disease Claims

Non asbestos related disease claims include Noise Induced Hearing Loss ("NIHL"), Vibration White Finger ("VWF")/Hand Arm Vibration Syndrome ("HAVS") and other. The total loss reserve has been determined using the same approach adopted for asbestos related disease claims above modified to reflect the differences in the nature of the relevant diseases. In particular there has been consideration of the annual amount of claims for 2018/19 and the period over which claims may emerge. For NIHL, the IBNR reserve has been determined as the difference between the total loss reserve and the outstanding claims reserve. In effect the Company's actuaries have assumed that reported outstanding claims will form part of the claims projected for the total loss reserve. For VWF/HAVS and other claims the Company's actuaries have projected relatively few future claims. In these cases we have added the current outstanding claims reserve to the projections to provide the total loss reserve.

Range of Possible Outcomes

Due to the significant volatility in past claims experience and the uncertainty associated with the future emergence of claims, the Company's actuaries have taken a pragmatic approach to illustrating the range of possible outcomes.

The IBNR setting for diseases exposures contains significant uncertainty. IBNR accounts for development (positive or negative) in the current incurred position arising from both the reporting of new claims and the revision in case estimates for existing claims. Ashdowns' reserving actuaries have provided an IBNR range, which seeks to allow for the uncertainty inherent in actuarial modelling including, but not limited to, random error, model error and parameter error.

For all types of industrial related disease claims there is an assumed 50% increase or decrease in the total loss reserve. This illustrates a reasonable range of best estimate.

The Actuarial Function assesses annually the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations.

Solvency II Technical Provisions

Ashdowns has valued the technical provisions on the latest Solvency II Technical Specifications published by the European Union on 17 January 2015, Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("Delegated Acts").

There have been no material changes in the relevant assumptions used in the calculation of Solvency II technical provisions compared to the previous reporting period.

Solvency II requires undertakings to hold technical provisions which correspond to the amount they would have to pay to transfer their (re)insurance obligations immediately to another undertaking. This value comprises a best estimate and a risk margin, intended to represent a market consistent valuation. The technical provisions take account of the time value of money by discounting using a risk-free interest rate term structure.

The best estimate is calculated separately for gross exposures and consists of a claim provision.

The claims provision is the discounted best estimate of all future cash flows relating to claim events prior to the valuation date.

Under the Solvency II basis, all claim estimates are on a best estimate basis, with no allowance for prudence.

The technical provisions of Ashdowns as at 31 March 2019 comply in all material respects with all relevant Solvency II requirements.

The technical provisions of Ashdowns comprise the following Solvency II lines of business;

- General Liability Insurance

Please see appended QRTs for further quantitative information (form S.17.01.02 – Non Life technical provisions) on this line of business.

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities and a Risk Margin.

Best Estimate of Liabilities

The best estimate is calculated by considering all future cash inflows and outflows required to settle the existing (re)insurance obligations over their lifetime. It represents the mean outcome of all possible scenarios, taking account of how likely they are to occur and their potential variability. In this regard, the best estimate is a probability-weighted average of future cash flows. The best estimate should also allow for the time value of money.

The Solvency II best estimate is calculated gross with any recoverables calculated separately.

The gross best estimate is made up of a claim provision relating to past exposures. As Ashdowns is in run off, there is no premium provision.

The Solvency II claims provision is equivalent to the expected net present value of the best estimate claims reserve, with additional allowances for a number of (re)insurance related cash flows, which are discussed in more detail below.

The estimates are "best estimates" in the sense that they are the average of all possible outcomes. Ashdowns has employed techniques and assumptions that are appropriate for the purpose. The actual amounts required to meet future claim payments may differ from our estimates for a number of reasons, such as model specification error, parameter error and random error inherent uncertainty in insurance. External environment risk factors may cause material deviations in the Company's actuaries estimates of technical provisions, including persistent negative interest rates, Inflation.

Risk Margin

The technical provisions consist of the best estimate and risk margin, which will bring the best estimate provisions into line with a market consistent valuation. The risk margin covers the discounted cost of capital that would be needed to support the full run-off of the liabilities, and is intended to represent the 'market premium' that would need to be paid in order to transfer the portfolio of liabilities to another party. It is determined using a cost-of-capital approach, where the cost-of-capital rate is the annual rate to be applied to the SCR in each period necessary to support the obligations over their lifetime. The risk margin was calculated in accordance with the EIOPA guidelines to be £1,511k.

Statement of Financial Position at 31 March 2019

GAAP Technical Provisions ('000)

Incurred but not Reported	Outstanding Loss Reserve	Total Technical Provisions
£3,725	£1,422	£5,147

Technical provisions at 31 March 2019

Solvency II Technical Provisions ('000)

Best Estimate	Risk Margin	Technical Provisions
£8,084	£1,541	£9,625

The adjustments are as shown below.

Adjustments from booked reserve to SII TP (£'000) Movements	
YE Booked Reserve	**5,147**
Adjustment to best estimate claims reserves	1,178
Allowance for expenses	2,542
Allowance for ENID	158
Discounting	(941)
Addition of risk margin	1,541
Solvency II Provisions	**9,625**

Technical Provisions are expected to allow for future expenses that would be incurred in running-off the existing business. Under Solvency II these expense provisions would include additional items such as an allocation of investment manager's costs and other overheads; it is therefore expected that expense provisions will be higher under Solvency II than under the current technical provision basis.

Solvency II technical provisions should be the best estimate of all future possible outcomes. An adjustment must therefore be made to allow for items not captured within the undertaking's data, e.g. latent claims or extremely high severity, low probability events. These items have been termed 'Events Not in Data' ("ENID").

The provisions are calculated using discounted expected cash flows. Ashdowns has used risk free yield curves as at 31 March 2019, published by EIOPA, to discount the cash flows to the valuation date.

D3. Other Liabilities

Aside from Technical Provisions, the valuations of which are detailed above, Ashdowns had an accrued expense of £50k. There are no valuation adjustments for solvency purposes. The financial statement value is considered consistent with Solvency II market valuation. There have been no changes made to the recognition and valuation bases used or to estimations during the reporting period.

Ashdowns has no material contingent liability as at 31 March 2019.

D4. Alternative Methods of Valuation

Aside from the Loan in place, which is measured at amortised cost, no other alternative methods were used.

D5. Any Other Information

The firm has not adopted any transitional arrangement with respect to technical provisions.

In respect of relevant quantitative information for this report please see Annual QRT (forms S.02.01.02 – Balance sheet, S.17.01.02 – Non Life technical provisions & S23.01.01 – Own Funds) extracts in Appendix 1.

A more detailed breakdown of the variance between the Solvency II and statutory balance sheet is included at the beginning of section D.

E. CAPITAL MANAGEMENT

E.1 Own Funds

The Company is required to ensure that 'Own fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the Company's capital management policy are to ensure that the Company; has own fund items available to meet the capital requirements; and developed processes to ensure the appropriateness of the own fund items.

As part of the annual review of the medium-term capital plan, the Company review the own fund items to ensure they meet the requirements of the applicable capital and distribution regime and are classified correctly.

The Company's own funds consist of the following items:

- Issued Share Capital;

- Reconciliation Reserve

Any change to the share capital requires the approval of the Shareholder and the Board.

Ashdowns has no restrictions on the transfer of capital.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2019 GBP'000	**2018 GBP'000**
Ordinary paid up share capital	250	250
Reconciliation reserve	17,432	17,811
Total Tier 1 capital	17,682	18,061
Net deferred tax asset – Tier 3 capital	-	-
Total basic own funds	17,682	18,061

The movement in basic own funds during the reporting period reflects the loss of the Company as adjusted for the differences on valuation of assets and liabilities under Solvency II. The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principles.

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is £17,682k. This is comprised solely of Tier 1 capital. There have been no significant changes in the Solvency II eligible own funds since 31 March 2018. The variance is due to an increase in the SII technical provisions during the year.

Ashdowns has no ancillary own funds.

The shareholders' funds as shown in Ashdowns' Financial Statements total £22,164k. In order to arrive at the Solvency II own funds figure, a number of adjustments are applied. The variance between Statutory own funds and Solvency II own funds is, in all material aspects, related to the movement in technical provisions (see table "Adjustments from booked reserve to SII TP (£'000) Movements" in section D.2).

The Company has no plans to issue a dividend at this time, however were that to change; Ashdowns would be required to notify the PRA of their intention.

There is no restriction on the transfer of own funds. The company does not have a dividend cancellation policy in place. However, as outlined in the articles of association, the Company shall have first and paramount lien on all dividends. As such, the retained earnings are entirely tier 1 capital.

Please see section D and the appended QRTs for further quantitative information in relation to own funds (form S23.01.01 – Own Funds).

E.2 Solvency Capital Requirement & Minimum Capital Requirement

The Solvency Capital Requirement (SCR) corresponds to the economic capital a (re)insurance undertaking needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur once in every 200 cases. The Company must have sufficient "own funds" to cover the SCR. Ashdowns carries out the Solvency Capital Requirement & Minimum Capital Requirement calculations using the standard formula model, based on the "Commission Delegated Regulation (EU) 2015/35 of 10 October 2014" released by the European Commission and related guidelines.

The SCR & MCR calculation consists of:

- Restatement of the balance sheet under Solvency II basis:
- Re-evaluation of assets at their market values;
- Calculation of the best estimate of technical reserves with the addition of the risk margin;
- Determination of Available and Eligible Capital on the basis of the restated Balance Sheet;
- Determination of the Basic Solvency Capital Requirement (BSCR), based on a (sub-)risk module approach;
- Calculation of the SCR derived from the BSCR and Operational risk.
- The Actuarial Function has provided the gross technical provision as required as an input into the MCR calculation.

Under the standard formula, the MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, the Solvency II Directive states the MCR must have a minimum value of €1.2m, €2.5m, €3.6m or €3.7m. The minimum MCR for non-life insurance undertakings is €3.7m but is reduced to €2.5m if risk classes 10 to 15.

Ashdowns' Solvency II recognized own funds totalling £17,682k is sufficient to meet its SCR and results in a Solvency Ratio of 125%.

Ashdowns' Solvency Capital Requirement ("SCR") as at 31 March 2019 totals £14,168k (2018: £14,424k). Ashdowns' Minimum Capital Requirement ("MCR") as at 31 March 2019 totals £3,542k (2018: £3,606k). Section C

	£ '000	£ '000
Risk charge	**31 March 2019**	**31 March 2018**
BSCR	13,926	14,183
Operational Risk	243	242
SCR	14,168	14,424
Available Capital	17,682	18,061
Surplus/Deficit	3,514	3,637
Solvency Ratio	125%	125%

No simplifications were used in the calculation of the SCR.

No undertaking specific parameters were used in the calculation of the SCR.

A further breakdown of the SCR by risk model and the MCR is available in section C and the QRTs appended to this report (forms S25.01.21 – Solvency Capital Requirement - for undertakings on Standard Formula and S28.01.01 – Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity). The SCR is subject to supervisory assessment.

SCR is subject to regulatory supervision but not subject to regulatory "add on."

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

There was no use of duration based equity risk sub model in the calculation of the SCR.

E.4 Differences between the Standard Model & Any Internal Model

Ashdowns used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with MCR and SCR

There are no incidences of non-compliance with the MCR and SCR

Appendices

Appendix 1

The following public Quantitative Reporting Templates have been added to Appendix 1.

S.02.01.02 – Balance sheet

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

S.05.02.01 – Premiums, claims and expenses by country

S.17.01.02 – Non Life technical provisions

S.19.01.21 – Non-life insurance claims information

S23.01.01 – Own Funds

S25.01.21 – Solvency Capital Requirement - for undertakings on Standard Formula

S28.01.01 – Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	-
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	9,027
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	-
Government Bonds	**R0140**	-
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	-
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	9,027
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	-
Loans and mortgages	**R0230**	18,183
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	18,183
Reinsurance recoverables from:	**R0270**	-
Non-life and health similar to non-life	**R0280**	-
Non-life excluding health	**R0290**	-
Health similar to non-life	**R0300**	-
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	-
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	-
Reinsurance receivables	**R0370**	-
Receivables (trade, not insurance)	**R0380**	-
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	100
Any other assets, not elsewhere shown	**R0420**	28
Total assets	**R0500**	27,338

Annex I
S.02.01.02
Balance sheet

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	9,625
Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	-
Best Estimate	**R0540**	8,084
Risk margin	**R0550**	1,541
Technical provisions - health (similar to non-life)	**R0560**	-
TP calculated as a whole	**R0570**	-
Best Estimate	**R0580**	-
Risk margin	**R0590**	-
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	-
Technical provisions - health (similar to life)	**R0610**	-
TP calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	-
TP calculated as a whole	**R0660**	-
Best Estimate	**R0670**	-
Risk margin	**R0680**	-
Technical provisions – index-linked and unit-linked	**R0690**	-
TP calculated as a whole	**R0700**	-
Best Estimate	**R0710**	-
Risk margin	**R0720**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	-
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	-
Reinsurance payables	**R0830**	-
Payables (trade, not insurance)	**R0840**	-
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	32
Total liabilities	**R0900**	9,656
Excess of assets over liabilities	**R1000**	17,682

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		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
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**					0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0120**					0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**					0	0	0	0	0
Net	**R0200**					0	0	0	0	0
Premiums earned										
Gross - Direct Business	**R0210**					0	0	0		0
Gross - Proportional reinsurance accepted	**R0220**					0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**					0	0	0	0	0
Net	**R0300**					0	0	0	0	0
Claims incurred										
Gross - Direct Business	**R0310**					0	0	0	-	0
Gross - Proportional reinsurance accepted	**R0320**					0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**					0	0	0	0	0
Net	**R0400**					0	0	0	0	0
Changes in other technical provisions										
Gross - Direct Business	**R0410**									
Gross - Proportional reinsurance accepted	**R0420**									
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**									
Net	**R0500**									
Expenses incurred	**R0550**					0	0	0	110	0
Other expenses	**R1200**									
Total expenses	**R1300**									

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	0	0	0					
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**	0	0	0					
Net	**R0200**	0	0	0					
Premiums earned									
Gross - Direct Business	**R0210**	0	0	0					
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**	0	0	0					
Net	**R0300**	0	0	0					
Claims incurred									
Gross - Direct Business	**R0310**	0	0	0					
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**	0	0	0					
Net	**R0400**	0	0	0					
Changes in other technical provisions									
Gross - Direct Business	**R0410**								
Gross - Proportional reinsurance accepted	**R0420**								
Gross - Non- proportional reinsurance accepted	**R0430**								
Reinsurers'share	**R0440**								
Net	**R0500**								
Expenses incurred	**R0550**	0	0	0					110
Other expenses	**R1200**								
Total expenses	**R1300**								110

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

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

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**							0
Gross - Proportional reinsurance accepted	**R0120**							0
Gross - Non-proportional reinsurance accepted	**R0130**							0
Reinsurers' share	**R0140**							0
Net	**R0200**							0
Premiums earned								0
Gross - Direct Business	**R0210**							0
Gross - Proportional reinsurance accepted	**R0220**							0
Gross - Non-proportional reinsurance accepted	**R0230**							0
Reinsurers' share	**R0240**							0
Net	**R0300**							0
Claims incurred								0
Gross - Direct Business	**R0310**	0						0
Gross - Proportional reinsurance accepted	**R0320**							0
Gross - Non-proportional reinsurance accepted	**R0330**							0
Reinsurers' share	**R0340**							0
Net	**R0400**							0
Changes in other technical provisions								0
Gross - Direct Business	**R0410**							0
Gross - Proportional reinsurance accepted	**R0420**							0
Gross - Non- proportional reinsurance accepted	**R0430**							0
Reinsurers'share	**R0440**							0
Net	**R0500**							0
Expenses incurred	**R0550**	110						110
Other expenses	**R1200**							0
Total expenses	**R1300**							110

Annex I

S.05.02.01

Premiums, claims and expenses by country

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

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions calculated as a whole	**R0010**									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**									-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**									
Net Best Estimate of Premium Provisions	**R0150**									
Claims provisions										
Gross	**R0160**								8,084	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**								-	
Net Best Estimate of Claims Provisions	**R0250**								8,084	
Total Best estimate - gross	**R0260**								8,084	
Total Best estimate - net	**R0270**								8,084	
Risk margin	**R0280**								1,541	
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**								-	
Best estimate	**R0300**								-	
Risk margin	**R0310**								-	

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions - total										
Technical provisions - total	**R0320**								9,625	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**								-	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**								9,625	

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060								-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								-
Net Best Estimate of Premium Provisions	R0150								-
Claims provisions									
Gross	R0160								8,084
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								-
Net Best Estimate of Claims Provisions	R0250								8,084
Total Best estimate - gross	R0260								8,084
Total Best estimate - net	R0270								8,084
Risk margin	R0280								1,541
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								-
Best estimate	R0300								-
Risk margin	R0310								-

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320								9,625
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340								9,625

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	AY

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

		Development year										
	Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											374
N-9	**R0160**											
N-8	**R0170**											
N-7	**R0180**											
N-6	**R0190**											
N-5	**R0200**											
N-4	**R0210**											
N-3	**R0220**											
N-2	**R0230**											
N-1	**R0240**											
N	**R0250**											

		In Current year	**Sum of years (cumulative)**
		C0170	**C0180**
	R0100	374	374
	R0160		
	R0170		
	R0180		
	R0190		
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	**R0260**	374	374

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											9,025
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190											
N-5	R0200											
N-4	R0210											
N-3	R0220											
N-2	R0230											
N-1	R0240											
N	R0250											

		Year end (discounted
		C0360
	R0100	8,084
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	R0260	8,084

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	250	250			
Share premium account related to ordinary share capital	**R0030**	-				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	-				
Subordinated mutual member accounts	**R0050**	-				
Surplus funds	**R0070**	-				
Preference shares	**R0090**	-				
Share premium account related to preference shares	**R0110**	-				
Reconciliation reserve	**R0130**	17,432	17,432			
Subordinated liabilities	**R0140**	-				
An amount equal to the value of net deferred tax assets	**R0160**	-				
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	-				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	17,682	17,682			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	-				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	-				
Unpaid and uncalled preference shares callable on demand	**R0320**	-				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	-				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	-				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	-				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	-				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	-				
Other ancillary own funds	**R0390**	-				
Total ancillary own funds	**R0400**					

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	17,682	17,682			
Total available own funds to meet the MCR	**R0510**	17,682	17,682			
Total eligible own funds to meet the SCR	**R0540**	17,682	17,682			
Total eligible own funds to meet the MCR	**R0550**	17,682	17,682			
SCR	**R0580**	14,168				
MCR	**R0600**	3,542				
Ratio of Eligible own funds to SCR	**R0620**	125%				
Ratio of Eligible own funds to MCR	**R0640**	499%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	17,682	
Own shares (held directly and indirectly)	**R0710**	-	
Foreseeable dividends, distributions and charges	**R0720**	-	
Other basic own fund items	**R0730**	250	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	-	
Reconciliation reserve	**R0760**	17,432	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	-	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	-	
Total Expected profits included in future premiums (EPIFP)	**R0790**	0	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	13,014		
Counterparty default risk	R0020	10		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	2,658		
Diversification	R0060	- 1,766		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	13,926		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	243
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	14,168
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	14,168
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	830

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	-	-
Income protection insurance and proportional reinsurance	**R0030**	-	-
Workers' compensation insurance and proportional reinsurance	**R0040**	-	-
Motor vehicle liability insurance and proportional reinsurance	**R0050**	-	-
Other motor insurance and proportional reinsurance	**R0060**	-	-
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	-	-
Fire and other damage to property insurance and proportional reinsurance	**R0080**	-	-
General liability insurance and proportional reinsurance	**R0090**	8,084	-
Credit and suretyship insurance and proportional reinsurance	**R0100**	-	-
Legal expenses insurance and proportional reinsurance	**R0110**	-	-
Assistance and proportional reinsurance	**R0120**	-	-
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	-	-
Non-proportional health reinsurance	**R0140**	-	-
Non-proportional casualty reinsurance	**R0150**	-	-
Non-proportional marine, aviation and transport reinsurance	**R0160**	-	-
Non-proportional property reinsurance	**R0170**	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

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

Overall MCR calculation

		C0070
Linear MCR	**R0300**	833
SCR	**R0310**	14,168
MCR cap	**R0320**	6,376
MCR floor	**R0330**	3,542
Combined MCR	**R0340**	3,542
Absolute floor of the MCR	**R0350**	3,176
		C0070
Minimum Capital Requirement	**R0400**	3,542