

Noble Insurance Company DAC

Solvency & Financial Condition Report (SFCR)

Reporting period ended December 26, 2020

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SUMMARY

This Report refers to the business of Noble Insurance Company DAC (“Noble” or “the Company”), a captive insurer, authorised and supervised by the Central Bank of Ireland. 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 26 December 2020.

Noble has prepared the below Solvency and Financial Condition Report in accordance with the regulations set out in Articles 292 –298 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company’s business strategy is to provide insurance cover to the Kraft Heinz Company, in respect of Property Damage and Business Interruption, UK and Ireland Employer’s Liability Fiduciary Liability Directors & Officers Liability, Pollution Liability, and Malicious Product Tamper (MPT) risks. Provision of insurance coverage to the United Kingdom ceased in 2021 due to United Kingdom exiting the European Union. On certain lines, the impact of insurance risk volatility on the Company’s capital base is mitigated through the purchase of reinsurance from appropriate counterparties.

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. There were no material changes to the Company’s capital management policy during the reporting period.

The Board has identified the key risks to which Noble 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 Noble 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. There were no material changes to the Company’s system of governance during the reporting period.

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 26 December 2020, the Company had eligible own funds of US\$15,326,873 (2019:US\$15,067,536) available to meet its Solvency Capital Requirement (SCR) of US\$4,798,741 (2019:US\$5,299,059); this results in a Solvency Ratio of 319% (2019: 284%) 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.

A.1. Business

The Company's business address and registered office is Third Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

The Company's external auditor is Mazars which is located at Harcourt Centre, Block 3, Harcourt Road, Dublin 2.

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graph TD; A[The Kraft Heinz Company] --> B[Kraft Heinz Intermediate Corporation I]; A --> C[Heinz Noble Inc.]; B --> D[Kraft Heinz Intermediate Corporation II]; D --> E[Kraft Heinz Foods Company]; D --> F[Kraft Heinz Investment Company LLC]; E --> G[HJH Development Corporation]; G --> H[Heinz Foreign Investment Company]; F --> I[H.J. Heinz Global Holding B.V.]; I --> J[Kraft Heinz Amsterdam B.V.]; I --> K[Kraft Heinz NoMA B.V.]; J --> K; K --> L[H.J. Heinz Ireland Holdings Unlimited Company]; L --> M[Noble Insurance Company DAC];
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The organizational chart of The Kraft Heinz Company is structured as follows:

- The Kraft Heinz Company** (Parent)
 - Kraft Heinz Intermediate Corporation I**
 - Kraft Heinz Intermediate Corporation II**
 - Kraft Heinz Foods Company**
 - HJH Development Corporation**
 - Heinz Foreign Investment Company**
 - Kraft Heinz Investment Company LLC**
 - H.J. Heinz Global Holding B.V.**
 - Kraft Heinz Amsterdam B.V.**
 - Kraft Heinz NoMA B.V.**
 - H.J. Heinz Ireland Holdings Unlimited Company**
 - Noble Insurance Company DAC**
- Heinz Noble Inc.** (Direct subsidiary of The Kraft Heinz Company)

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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.

Noble conducts all of its significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland.

The Company's insurance exposure is mitigated by setting limits of liability within its insurance programme.

The Company has no employees and no remuneration was therefore paid.

There have been no other significant events during the reporting period which have had a material impact on the Company.

A.2. Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the directors adopt a prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary.

Noble's strategic objectives are formulated in conjunction with the Kraft Heinz Company as part of its global insurance arrangements. The Group strategy is to limit the retained risk within Noble through the use of outward reinsurance where and to the extent considered appropriate.

The Company's underwriting performance as at 26 December 2020 and 28 December 2019 are as follows:

26 December 2020

| ANALYSIS OF RESULTS
US\$'000 | Property | Liability | Malicious
Product
Tampering | Other | Total |
|---|--------------|--------------|-----------------------------------|----------|--------------|
| Gross Premiums Written | | | | | |
| Risk located in: | | | | | |
| EU | 169 | 1,685 | 496 | - | 2,350 |
| Non-EU | - | - | - | - | - |
| Total | 169 | 1,685 | 496 | - | 2,350 |
| Gross earned premiums | 114 | 1,676 | 495 | - | 2,285 |
| Gross claims incurred | 1,006 | 959 | - | 5 | 1,970 |
| Gross operating expenses | (25) | (247) | (73) | - | (345) |
| Gross result | 1,095 | 2,388 | 422 | 5 | 3,910 |
| Reinsurance balance | | (24) | (275) | | (299) |
| Net result | 1,095 | 2,364 | 147 | 5 | 3,611 |

28 December 2019

| ANALYSIS OF RESULTS
US\$'000 | Property | Liability | Malicious
Product
Tampering | Other | Total |
|---|--------------|--------------|-----------------------------------|-----------|--------------|
| Gross Premiums Written | | | | | |
| Risk located in: | | | | | |
| EU | 403 | 1,745 | 681 | - | 2,829 |
| Non-EU | - | - | - | - | - |
| Total | 403 | 1,745 | 681 | | 2,829 |
| Gross premiums earned | 399 | 1,743 | 678 | - | 2,820 |
| Gross claims incurred | (1,005) | (428) | 341 | 34 | (1,056) |
| Gross operating expenses | (61) | (266) | (104) | - | (431) |
| Gross result | (667) | 1,051 | 915 | 34 | 1,333 |
| Reinsurance balance | | (42) | (602) | | (644) |
| Net result | (667) | 1,009 | 313 | 34 | 689 |

Premiums written relate to business incepted during the financial year.

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers.

Net claims paid during the financial period ended 26 December 2020 totalled US\$0.25m (28 December 2019: US\$0.53m), which relates to liability claims. As at 26 December 2020, the Company held gross claims provisions of US\$7.76m (28 December 2019: US\$9.7m). This comprises Outstanding Loss Reserves (OLR) of US\$2.1m (all relating to Liability) and Incurred But Not Reported (IBNR) reserves of US\$5.67m of which US\$4.87m is Liability, US\$677k is MPT, US\$18k is Foreign Casualty and US\$67k is property. MPT is fully reinsured. Taking into account claims provisions recoverable from reinsurers, the net claims provisions held at 26 December 2020 were US\$7.1m. In order to support these liabilities, the Company holds sufficient financial assets to find obligations arising from these insurance contracts.

A.3. Investment Performance

The Company's investment portfolio consists of cash and cash equivalents and deposit with credit institutions - cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

The investment gain for the year amounted to US\$96k (composed solely of interest income), compared to a gain of US\$443k in the prior period. This decrease was mainly due to the reduction of interest rates on fixed deposits.

A.4. Performance of Other Activities

Noble does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5. Other Information

None.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

B. SYSTEM OF GOVERNANCE

B.1. General Information on the System of Governance

In aiming to meet the requirements for sound corporate governance, ensuring 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.

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual. The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

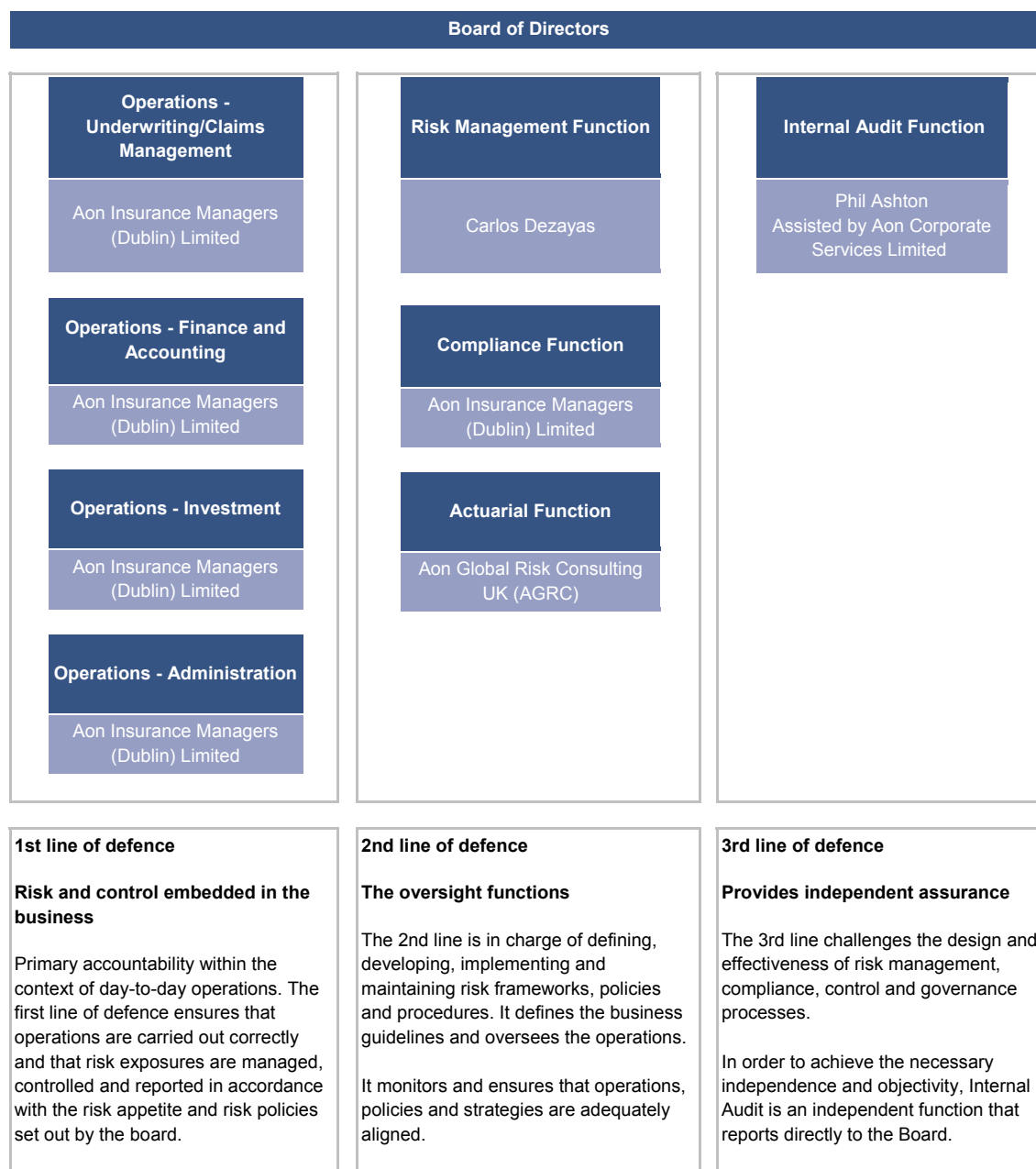
- 1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
- 2) Risk Management System which details the Company's strategic objectives in documented 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 since the prior reporting period. Noble implemented the above framework in advance of the inception of Solvency II.

In order to achieve the Company's objectives, the Board has established a system of governance with the following core components:

- 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;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

- According to these principles, the chosen governance model is one of "three lines of defence" which is illustrated as follows:



Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

Remuneration and material transactions

The members of the Board of Directors receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid.

A management fee is paid by the Company to the appointed management company, Aon Insurance Managers (Dublin) Ltd. for the provision of outsourced management services under an outsourced service agreement.

As a captive insurer, all Noble's inward premium flows and claims payments relate to insured risks of the shareholder group. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2. Fit & Proper Requirements

The 'Fit and Proper' requirement is the standard required by the Central Bank of Ireland when appointing pre-approved controlled function holders. Noble has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Noble is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance function adopts appropriate controls in the registration of individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

B.3. Risk Management System including the Own Risk and Solvency Assessment

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; and
- regularly reviews 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
- Asset Liability Management ("ALM")
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic

In addition to these, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been determined.

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') annually in order 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 insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of the ORSA process,, the Company selects the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to ensure target solvency levels are maintained. Any remaining solvency gap will be covered through a relevant

capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report will bring clarity over projected risk assessments and solvency needs to 3 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 ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

In line with CBI requirements the Head of Actuarial Function (HoAF) provides an Actuarial Opinion to the Board of Directors in respect of the ORSA as part of its annual Actuarial Function Report to the Board.

The capital risk appetite for Noble is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. It is not the intent to maintain a significant capital buffer in the Noble balance sheet.

The Kraft Heinz Company would take prompt corrective action to replenish capital to an appropriate level in Noble so that SCR compliance can be demonstrated should this be required. The Kraft Heinz Company is expected to continue to have ample capacity to provide this support to Noble.

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 preventative, detective or corrective control actions embedded in its daily operations. |

Detailed Processes and Embedded Control Activities

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 and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company has outsourced its Compliance Function to its Insurance Managers. The Insurance Managers have appointed a Head of Compliance who is responsible for overseeing all compliance activities and ensuring the Compliance Function of the Company is adequately resourced. The Compliance Function reports to the Board at each and every Board meeting on its activities.

The mission of the Compliance Function is:

Assisting in ensuring the long-term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Corporate Governance Framework document.
- The Compliance Function will identify and communicate throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function will seek to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.
- The Compliance Function will maintain a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.

- Any violation of relevant law by the Company will be investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function will consider possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function will present an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function will promote a culture of compliance throughout the Company.

The Company has a Compliance Charter and Compliance Plan in place for the 2020 period which was reviewed and approved by the Board.

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 Company's Internal Control System by facilitating an objective and independent assessment.

It assists the Company 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.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational Functions and the Board of Directors.

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.

B.6. Actuarial Function

The Company has established an effective Actuarial Function, including a nominated Head of Actuarial Function ('HoAF') approved by the CBI, which carries out the following key tasks:

Role and Responsibility of the Actuarial Function include:

- Coordination of the calculation of technical provisions;
- identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;

- assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- take into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion;
- report in writing at least annually to the Board of Directors. The report should document all material tasks that have been undertaken by the Actuarial Function, and include:
 - i. Details of the Technical Provisions
 - ii. Methodologies & assumptions
 - iii. Data sufficiency & quality
 - iv. Experience analysis
 - v. Report to the Board on reliability & adequacy
 - vi. Opinion on the Technical Provisions
 - vii. Opinion on Underwriting policy
 - viii. Opinion on the ORSA
 - ix. Opinion on Reinsurance arrangements.

Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- contribute to the effective implementation of the Risk Management System in particular:
 - i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
 - ii. the ORSA process.
- think critically and organize the execution of actuarial approaches.

Responsibility

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

The Head of Actuarial Function is a pre-approval controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Head of Actuarial Function reports to the Board on an annual basis.

B.7. Outsourcing

All functions and activities of the Company are eligible to be outsourced provided that specific criteria are satisfied in each instance.

The Board is responsible for the approval and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions relating to 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

CBI 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 objectives of Noble's Outsourcing Policy are to ensure that the outsourcing of 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, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

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 must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities 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 Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

| Critical or important function | Outsourced Service Provider | Jurisdiction |
|--------------------------------|--|----------------|
| Underwriting administration | Aon Insurance Managers (Dublin) Limited ("AIMD") | Ireland |
| Claims administration | AIMD | Ireland |
| Finance and accounting | AIMD | Ireland |
| Compliance Function | AIMD | Ireland |
| Risk Management Function | Kraft Heinz Group Risk Manager | United States |
| Actuarial Function | Aon Global Risk Consulting | United Kingdom |
| Internal Audit Function | Aon Commercial Services Ireland Limited | Ireland |
| Claims handling | Crawford and Company | United Kingdom |

B.8. Other Information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

Noble has no other information to report in relation to System of Governance.

C. RISK PROFILE

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the Company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1. Underwriting Risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation and recording process and to detail the Company's approach to the calculation of technical provisions.

Annual support and certification is provided by an Actuarial Function. The Company additionally manages its insurance risk exposures through the purchase of reinsurance cover and/ or the imposition of annual aggregate limits. This will continue to be a feature of the Company's risk profile over the business planning period.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Subsequent to the period, the Brexit transition period ended. As a result, the United Kingdom became a third country for insurance supervision purposes. Noble did not write insurance coverage to the United Kingdom effective 01 January 2021 however the Group is seeking ways to utilise the Company for its United Kingdom risk.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in in the claims reserves. The resultant impact on Gross and Net claims reserves and Profit before Tax (PBT) for the financial period is shown below:

| | Adjusted gross
claims reserve
US\$'000 | Adjusted net
claims reserve
US\$'000 | Impact on PBT
US\$'000 |
|--|--|--|---------------------------|
| 26 December 2020 | | | |
| Increase in claims provision by 10% | 8,534 | 7,800 | (709) |
| Decrease in claims provision by 10% | 6,982 | 6,382 | 709 |
| 28 December 2019 | | | |
| Increase in claims provision by 10% | 10,625 | 9,891 | (899) |
| Decrease in claims provision by 10% | 8,693 | 8,083 | 899 |

C.2. Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. The Company diversifies its portfolio to reduce the exposure to market fluctuations and market risk concentrations.

The Company is exposed to currency risk to the extent its assets and liabilities are denominated in a currency different from its functional currency.

Noble has an investment strategy in place in line with its Risk Appetite Framework and has applied the 'Prudent Person' Principle in relation to investing its assets. The Company's investment objective is capital preservation and the Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

The Company's invested assets at the end of current reporting period were as follows:

| Asset Type | Counterparty | Solvency II
Value (US\$) |
|-------------------------|--------------------------|-------------------------------------|
| AIB/USD/Call | AIB Banks PLC | 1,266,563 |
| AIB/GBP/Call | AIB Banks PLC | 239,225 |
| AIB/EUR/Call | AIB Banks PLC | 84,789 |
| Citi/EUR/Call | Citibank Europe PLC | 29,881 |
| HSBC/USD/Deposit | HSBC Bank PLC | 12,628,498 |
| Handelsbank/GBP/Deposit | Svenska Handelsbanken AB | 6,900,182 |
| Handelsbank/USD/Deposit | Svenska Handelsbanken AB | 1,721,670 |
| | | 22,870,808 |

The sensitivity of the price of fixed income securities is impacted by its duration. The greater a security's duration, the greater its percentage price volatility. The sensitivity analysis of net income to fluctuation in interest rate is shown below:

| 12-month period | Estimated approximate effects on net income and equity | |
|-----------------------------|---|--|
| Sensitivity test | 26 December 2020
(US\$'000) | 28 December 2019
(US\$'000) |
| Shift up 100 basis points | 176 | 173 |
| Shift down 100 basis points | (176) | (173) |

Interest rate risk arises on the Company's fixed income portfolio. The fair value of the fixed income portfolio is generally inversely correlated to movements in market interest rates. If market interest rates fall, the fair value of the Company's fixed income investments would tend to rise and vice versa. The Company is exposed to currency risk to the extent its assets and liabilities are denominated in a currency different from its functional currency. The Company seeks to mitigate currency risk by matching the assets and liabilities which arise in different currencies. The ultimate settlement of loss reserves may be in currencies other than the USD. The Company's exposure to foreign exchange risk arises with respect to GBP and the Company accordingly holds assets in this currency to seek to hedge against potential currency risks arising from loss reserves.

Noble manages its market risk by only investing in fixed short-term deposits.

C.3. Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents;
- Deposits with credit institutions;
- Reinsurers' share of technical provisions; and
- Debtors arising out of insurance operations.

Investments and deposits are managed under the Investment strategy (market risk). The Company utilises financial institutions deemed to be of high credit quality to hold its financial assets. For cash and cash equivalents and deposits with credit institutions, the Company has limits in place in relation to the amount of cash which can be held by any one financial institution.

The Company recognises the credit risks associated with its reinsurance arrangements. The Company manages its reinsurance risks by establishing a reinsurance strategy and this strategy sets out the minimum requirements for any reinsurance counterparty. The purchase of reinsurance does not relieve the Company of its obligation to its policyholders and accordingly a credit risk exists to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance agreements. The Company mitigates this credit risk by reinsuring with counterparties who are considered appropriately credit worthy. Reinsurers that are not rated or do not fall within the pre-defined rating categories are approved on a case by case basis. The credit-worthiness of reinsurers is monitored on a regular basis.

C.4. Liquidity and Concentration Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost.

Liquidity risk is managed by investing primarily in highly rated deposits which the Company deems to be very liquid.

Concentration risk is managed by having a number of financial institutions with which the Company has invested or deposited assets. For cash and cash equivalents and deposits with credit institutions, the Company has limits in place in relation to the amount of cash which can be held by any one financial institution.

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 have 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, staff education, and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk.

In addition, Noble is subject to Internal and External Audit review.

Noble maintains a regulatory dialogue with the Central Bank of Ireland to mitigate the risk of any potential sanction or compliance breach as well as using expert and industry leading service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, Noble puts in place service level agreements as well as regularly reviewing the performance of outsourced service providers.

C.6. Other Material Risk

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 is also identified.
- Ensure the Company Strategy is implemented correctly including approval, review and monitoring of agreed Key Performance Indicators for the Company; and
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

Sensitivity Risk

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.

No other material risks have been identified.

C.7. Any other information

There are no other material items to report in this section.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. Assets

The recognition and valuation basis are in accordance with Solvency II Directives. The Company prepares its financial statements on a going concern basis in compliance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (hereafter referred to as “Irish GAAP”) and FRS 103, Insurance Contracts, issued by the Financial Reporting Council and promulgated for use by the Institute of Chartered Accountants Ireland. The Company is also subject to the requirements of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements (Amendment) Regulations, 2016).

There are a number of differences between the financial statement basis and the Solvency II valuation rules. Most of these differences are driven by the requirement for all assets and liabilities to be valued on a market consistent fair value basis under Solvency II.

At the end of the year, Noble has total assets valued at US\$ 24.1m (2019: US\$ 22.3m) for Solvency II purposes. This total comprises the following categories of assets:

- Deposits with credit institutions and Accrued Interest – US\$ 21.3m (2019: US\$9.9m)

This amount represents short term deposits with an original maturity of three months or less, the withdrawal of which are subject to time restrictions. It is stated at market value for both solvency and financial statement purposes, the only difference being the inclusion of accrued interest in the above balance. Accrued interest is disclosed as a separate line item in the financial statements.

- Cash and cash equivalents – US\$1.6m (2019:US\$8.3m)

Cash and cash equivalents comprise cash at banks. Carrying amounts approximate fair value due to the liquid nature of the assets. There are no valuation adjustments for solvency purposes.

- Receivables (trade, not insurance) – US\$ Nil (2019: US\$2.8m)

This amount represents intercompany balances receivable and other debtors.

- Reinsurers’ share of technical provisions – US\$1.1m (2019:US\$1.4m)

On a Solvency II valuation basis, there is no concept of accruals, but instead all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation.

The statutory balance sheet includes assets for unpaid inwards earned premiums. These amounts are treated as premium not yet due and are included in technical provisions together with the reinsurance receivables on the Statutory Financial Statements under Solvency II.

These amounts are dealt with in Section D2 below as part of the explanation on the valuation of technical provisions.

- Deferred tax asset – US\$2k (2019: Deferred tax liability of US\$433k)

This is due to the tax adjustment in relation to the recognised loss when restating the balance sheet from financial statements valuation to Solvency II valuation.

The Solvency II Balance Sheet takes into account a deferred tax liability of US\$ Nil (2019:US\$433k) which occurs as the Company has recognised more Solvency II funds than Own Funds on the Irish GAAP Balance Sheet as a result of higher technical provisions. The corporation tax rate of 12.5% is applied to the difference between Solvency II Funds and Shareholders' Equity on the Irish GAAP balance sheet. Amounts due from reinsurers are held at the lower of cost or market value/realizable value.

- Any Other Assets – US\$127k (2019: US\$123k)

Any other assets relate to prepaid expenses and escrow fund. Prepaid expenses of US\$15k is not admissible under Solvency II valuation.

The Prudent Person principle has been applied in assessing investment of the Company's assets. Information on how the Company invests its assets and manages risk in this area, including how it achieves compliance with the 'prudent person principle', is set out in Sections C2 – C4 above. Operational risks relating to the Company's assets are managed according to the control framework described in Section B4 above.

D.2. Technical Provisions

The table below shows the gross and net Technical Provisions as at 26 December 2020.

Solvency II gross technical provisions (\$'000)

| SII Line of Business | Claim Provision | Premium Provision | Best Estimate | Risk Margin | Total Technical Provisions |
|----------------------|-----------------|-------------------|---------------|-------------|----------------------------|
| Property | 87 | 36 | 123 | 14 | 136 |
| Liability | 5,685 | (6) | 5,679 | 887 | 6,567 |
| Credit | - | - | - | - | - |
| Assistance | - | - | - | - | - |
| Misc. Financial Loss | 829 | 633 | 1,462 | 23 | 1,486 |
| Total | 6,602 | 663 | 7,264 | 924 | 8,189 |

Solvency II net technical provisions (\$'000)

| SII Line of Business | Claim Provision | Premium Provision | Best Estimate | Risk Margin | Total Technical Provisions |
|----------------------|-----------------|-------------------|---------------|-------------|----------------------------|
| Property | 87 | 36 | 123 | 14 | 136 |
| Liability | 5,685 | (19) | 5,666 | 887 | 6,553 |
| Credit | - | - | - | - | - |
| Assistance | - | - | - | - | - |
| Misc. Financial Loss | 148 | 253 | 401 | 23 | 424 |
| Total | 5,920 | 270 | 6,190 | 924 | 7,114 |

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of an independent actuary. The reserves include estimates for both case reserves and losses incurred but not reported ("IBNR").

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Claims outstanding comprise provisions for the estimated cost of settling all claims incurred up to but not paid at the balance sheet date whether reported or not, together with all related claims handling expenses. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. In estimating the cost of claims notified but not paid, the Company has regard to claims circumstances as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in the previous period. Provisions for losses incurred but not reported are established by reference to loss ratio methodologies.

In determining the technical provisions, Noble's actuaries use the following methodologies:

The Chain Ladder ("CL") method estimates the ratio by which cumulative claims to date will increase (or decrease) at annual intervals from the date of policy inception. The 12 to 24 month ratio (for example) is estimated by taking the average ratio observed in policies 24 months or more from their date of inception. This approach assumes the earliest year of origin to experience no future movement. We do not adjust the claims experience for past inflation.

The selected factor for a particular development period can be subjectively adjusted from a crude average by the removal of outlying data points or by smoothing between selected factors in neighbouring development periods. In determining Chain Ladder development ratios Noble's claims data and also benchmark development data have been examined. The factors were applied to the total ground up paid and incurred claims to arrive at the estimated ultimate claim. The Chain Ladder method in isolation can be particularly unstable for recent, less-developed policy periods.

The Chain Ladder method can be performed on two bases: Paid Chain Ladder ("PCL") and Incurred Chain Ladder ("ICL").

The Loss Ratio Method is an exposure based expected loss approach that often applies the average ultimate loss ratio for earlier years of the portfolio to more recent exposures (e.g. turnover). It is sometimes referred to as the Initial Expected Loss Ratio ("IELR") method.

The Incurred Bornhuetter-Ferguson ("IBF") method is a blended method of claims development where estimates of ultimate claims derived using a loss development (or Chain Ladder) method are blended with the estimates derived using alternative methods. It is often blended with estimates using the IELR

method. A blended approach is preferred for recent, less-developed policy periods because using the chain ladder method in isolation can be particularly unstable. In addition, the use of a blended approach helps provide a smooth and consistent transition from past policy periods to partially complete and future periods.

The Generalised Cape Cod ("GCC") method is a Bornhuetter-Ferguson methodology in which the exposure based ultimate claims estimates are derived by considering the ratios of the Chain Ladder ultimates to exposure measures. An expected ratio is calculated for each policy period based on a weighted average adjusted for any significant trend, using a decay factor of 75%. The weights used reflect the exposure, the claims development and the proximity to the policy period in question. The proportions developed (Bornhuetter-Ferguson weights) are used to blend the Chain Ladder estimated ultimate claims with the exposure-based estimates.

The Exposure method estimates the ultimate value of claims in a given underwriting or accident year in proportion to the exposure measure in that year (e.g. premium or sum insured) compared to other similar years. This is most commonly done by applying an average of the ultimate loss ratio observed in earlier years. This approach gives no recognition to the current level of claims reported in the year under consideration. It is influenced only by claims experience and exposure levels in neighbouring years.

Relevant external factors that are not reflected in the exposure measure may also influence the selected expected ratio and may be incorporated into the Bornhuetter-Ferguson or Generalised Cape Cod methods in a subjective manner. Both methods may be performed on the basis of paid or incurred Chain Ladder projections.

EL (UK) Disease makes up a large proportion of the overall reserves held at year-end. Industrial disease claims associated with the EL UK (Accident) are extracted from this class and incorporated into the EL Disease data. For disease claims it is difficult to identify the date at which injury can be said to occur and claims are often divided between employers and insurance policy years in proportion to duration of employment of the claimant. Allocation is further complicated by the long latency period between injury and the onset of symptoms. For this reason, disease claims are grouped according to the date they were reported.

Each relevant type of disease is considered individually to allow for differing patterns of emergence and differing levels of settlements. Each disease is defined as Deafness or Asbestos, with Asbestos further divided into those claims arising from Asbestosis and those from Mesothelioma. The Deafness category included Tinnitus. Following the House of Lords ruling that Pleural Plaques claims are no longer compensable in England and Wales these are not included in our analysis.

Projected claim payments have been inflated for Mesothelioma and Asbestosis using benchmark inflation rates. Those payments have been projected on an annual basis with an assumption that the payments occur at the end of a year. These payments are not discounted for reserve setting within the Statutory Financial Statements.

There are no material changes in the relevant assumptions made in the calculation of technical provisions compared to the previous reporting period.

Solvency II Technical Provisions

Solvency II technical provisions are made up of the best estimate and a risk margin.

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 following the same methodology. The gross best estimate is made up of a claim provision and a premium provision, relating to past and future exposures respectively.

The Solvency II claims provision is equivalent to the expected net present value of the best estimate claims reserve calculated, with additional allowances for a number of (re)insurance related cash flows, which are discussed in more detail below. The claims provision should also include all unpaid premium relating to earned exposures that are within payment terms.

Under the Solvency II contract boundary definition, any policies which have been bound, even if unaccepted as at the valuation date, must be considered in the premium provision. The Solvency II premium provision is therefore equivalent to the expected net present value of the following cash inflows and outflows, relating to unearned exposure from accepted contracts and exposure from unaccepted contracts bound as at the valuation date:

- Cash flows from future premiums in relation to future claims;
- Cash flows arising from future claim events (e.g. claims payments);
- Cash flows arising from Allocated loss adjustment expenses and Unallocated loss adjustment expenses in respect of claims events occurring after the valuation date;
- Cash flows arising from the ongoing administration of policies in-force as at the valuation date; and
- Cash flows arising from salvage and subrogation.

For profit making business, the best estimate of premium provisions may be negative.

Estimates are “best estimates” in the sense that they are intended to be a probability-weighted average of all possible outcomes. Noble has employed techniques and assumptions that are appropriate for the purpose of calculating its Solvency II technical provisions. The actual amounts required to meet future claim payments may differ from estimates for a number of reasons, such as model specification error, parameter error and random error due to the inherent uncertainty in insurance. External environment risk factors may cause material deviations in estimates of technical provisions, including persistent negative interest rates, inflation and currency exchange rate fluctuations.

The Solvency II risk margin is intended to represent an amount that Noble would be required to pay, in excess of the best estimate of the liabilities, for a third party to assume the risk of running of the existing liabilities. The actuarial calculation of the risk margin is consistent with the Solvency II regulations, applying a 6% cost of capital to the amount of capital required at the beginning of each

year to support the run-off of the insurance obligations. These future costs of capital are then discounted to the valuation date and summed to calculate the amount of risk margin required.

The resultant differences between the value of net technical provisions for solvency purposes and the financial statements at 26 December 2020 are shown below:

| | | Net |
|--|--|-----------------|
| | | US\$'000 |
| Net technical provisions on financial statement basis | | 7,013 |
| Removal of prudence in earned claims reserve | | (2,364) |
| Restatement of unearned premium reserve to best estimates | | (360) |
| Inclusion of Bound but not Incepted cashflows | | 293 |
| Inclusion of premium inwards | | 104 |
| Change of expense basis | | 1,493 |
| Allowance for Binary Events | | 118 |
| Discounting Credit | | (108) |
| RI default | | 1 |
| Risk Margin | | 924 |
| Solvency II Technical Provisions | | 7,114 |
| | | |

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

The Company is satisfied that it has access to sufficient claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Noble has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3. Other Liabilities

Aside from Technical provisions, the valuation of which is detailed above, Noble has 2 other principal classes of other liabilities;

- Payables (trade, not insurance) – US\$431k (2019: US\$328k)

This amount relates to accrued expenses, tax payable and other creditors. There was a small adjustment due to discounting under Solvency II valuation.

D.4. Alternative Methods of Valuation

No alternative methods were used.

D.5. Any Other Information

There is no other information to report

E. CAPITAL MANAGEMENT

E.1. Own Funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

As part of the annual review of the medium-term capital plan, the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). A 3 year forward looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the Shareholder.

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

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted on a quarterly basis to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period. During the year, Noble paid a dividend of US\$ Nil (2019: US\$6m) to its sole shareholder.

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:

| | 2020
US\$ | 2019
US\$ |
|---|-------------------|-------------------|
| Ordinary paid up share capital | 8,000,000 | 8,000,000 |
| Reconciliation reserve | 7,451,850 | 7,187,657 |
| 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 | (126,569) | (120,121) |
| Amount equivalent to value of net deferred tax assets | 1,592 | - |
| Total Tier 1 capital | 15,326,873 | 15,067,536 |

The movement in basic own funds during the reporting period reflects the profitability 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. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

At the end of the current reporting period eligible own funds available to meet the Company's SCR and MCR is US\$15,326,873, comprised solely of Tier 1 capital.

The equity position as shown in the Company's 2020 period-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

| | 2020 |
|---|--------------------|
| | US\$ ('000) |
| Equity per the Company's financial statements | 15,464 |
| Reconciliation Reserve | (11) |
| Expected profit in future premiums | - |
| Own funds (excess of assets over liabilities for solvency purposes) | 15,453 |

The key adjustments on the Company's Solvency II balance sheet principally relates to technical provisions, and the related deferred tax impact. These adjustments are made to reflect a market consistent fair value basis under Solvency II and are set out in Section D of this report. A deferred tax asset is recognised due to the decrease in the available capital between the financial statements and the regulatory own funds.

Noble has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2. Solvency Capital Requirement & Minimum Capital Requirement

At the end of the current reporting period, Noble's SCR and MCR have been calculated as US\$ 4.8m (2019:US\$ 5.3m) and US\$4.5m (2019: US\$4.1m) respectively.

The SCR is intended to correspond to the capital the Company needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur less than once in every 200 years. The SCR calculated at the end of the current reporting period, relates to the capital required to support the business over the prospective 12 months; covering both existing liabilities and business written during 2020/2020. Based on the Company's eligible own funds of US\$15,327k, the Company has a MCR ratio at 26 December 2020 of 338%.

The SCR has been calculated using the standard formula and without the application of any undertaking specific parameters.

The split of SCR by risk modules is shown below, together with the prior year comparative:

| Risk Charge | 2020
US\$'000 | 2019
US\$'000 | Change
US\$'000 |
|-----------------------------------|--------------------------|--------------------------|----------------------------|
| Premium/Reserve Risk | 2,286 | 2,241 | 45 |
| Catastrophe Risk | 1,115 | 2,848 | (1,733) |
| Lapse Risk | - | 477 | (477) |
| <i>Diversification Benefit</i> | (618) | (1,497) | 879 |
| Non-Life Underwriting Risk | 2,783 | 4,069 | (1,286) |
| Counterparty Default Risk | 410 | 2,215 | (1,805) |
| Interest Rate Risk | 32 | 92 | (60) |
| Spread Risk | 272 | 109 | 163 |
| Currency FX Risk | 381 | 310 | 71 |
| Concentration Risk | 2,694 | 918 | 1,776 |
| <i>Diversification Benefit</i> | (633) | (429) | (204) |
| Market Risk | 2,747 | 1,000 | 1,747 |
| <i>Diversification Benefit</i> | (1,359) | (1,401) | 42 |
| BSCR | 4,581 | 5,884 | (1,303) |
| Operational Risk | 218 | 172 | 46 |
| Tax Adjustments | - | (757) | 757 |
| SCR | 4,799 | 5,299 | (500) |
| Available Capital | 15,327 | 15,067 | |
| Surplus/Deficit | 10,528 | 9,768 | 760 |
| Solvency Ratio | 319% | 284% | 35% |

The movement on the SCR from the prior year is mainly driven by decrease in the non-life underwriting risk and the counterparty default risk modules which was somewhat offset by an increase in market risk.

The decrease in Non-Life Underwriting Risk by US\$1.3m was due to the Employer Liability policy not renewed in 2021. The man-made catastrophe charge is a function of the earned premium in the prospective year (ie 2021), and so the Employer Liability not being renewed results in a significant reduction to this charge. There is no longer a lapse risk charge as the Employer Liability business drove the expected profits in the unexpired business.

The counterparty default risk has also decreased by a reduction in the level of cash held, which was reduced from US\$8.5m to US\$1.7m.

The increase in Market Risk is driven by an increase in Concentration Risk, which reflects that Noble has increased the level of short term deposit holdings relative to the prior year. The total market value of short term deposit held with Handelsbanken has increased from \$7.7m to \$8.6m, while that held with HSBC has increased significantly from \$2.2m to \$12.6m.

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.

The following table provides the information on the inputs used to calculate the MCR:

| | December 26, 2020 |
|------------------------------------|-------------------|
| | US\$'000 |
| Linear MCR | 925 |
| SCR | 4,799 |
| Combined MCR | 1,200 |
| Minimum Capital Requirement | 4,540 |

Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of Noble, as a non-life captive insurer writing liability business, this absolute floor is EUR 3,700,000. Having carried out the calculations and applied the relevant limits, the resultant MCR for the Company is US\$4,540k (equivalent of the absolute floor translated at the period-end exchange rate). The movement in MCR from the prior year reflects the change in EUR/USD exchange

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

There was no use of duration-based equity risk sub module in the calculation of the SCR

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

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

E.5. Non-Compliance with Minimum Capital Requirement and Solvency Capital Requirement

There are no issues with non-compliance with the MCR and SCR

E.6. Any Other Information

There is no other information to report.

In respect of relevant quantitative information for this report please see Annual QRT extract in Appendix 1.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial

APPENDIX 1 - QUANTITATIVE REPORTING TEMPLATES

The following quantitative data has been added to Appendix 1.

S.02.01.02 – Balance sheet*

S.05.01 – Premiums, claims and expenses by line of business

S.05.02 – Premiums, claims and expenses by line of business

S.17.01.02 – Non-Life technical provisions*

S.19.01.21 – Claims Developments*

S23.01.01 – Own Funds*

S25.01.21 – SCR using standard formula*

S28.01.01 – MCR*

*templates subject to external audit.

Amounts are in \$'000.

ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.05.01.02 - Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claim development triangles

S.23.01.01 - Own funds

S.25.01.21 - SCR using standard formula

S.28.01.01 - MCR

S.02.01.02 - Balance Sheet (In thousands of USD)

| | | C0010 |
|--------|--|-------------------|
| | | Solvency II value |
| Assets | | |
| R0030 | Intangible assets | |
| R0040 | Deferred tax assets | 2 |
| R0050 | Pension benefit surplus | |
| R0060 | Property, plant & equipment held for own use | |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 21,250 |
| R0080 | Property (other than for own use) | |
| R0090 | Holdings in related undertakings, including participations | |
| R0100 | Equities | 0 |
| R0110 | Equities - listed | |
| R0120 | Equities - unlisted | |
| R0130 | Bonds | 0 |
| R0140 | Government Bonds | |
| R0150 | Corporate Bonds | |
| R0160 | Structured notes | |
| R0170 | Collateralised securities | |
| R0180 | Collective Investments Undertakings | |
| R0190 | Derivatives | |
| R0200 | Deposits other than cash equivalents | 21,250 |
| R0210 | Other investments | |
| R0220 | Assets held for index-linked and unit-linked contracts | |
| R0230 | Loans and mortgages | 0 |
| R0240 | Loans on policies | |
| R0250 | Loans and mortgages to individuals | |
| R0260 | Other loans and mortgages | |
| R0270 | Reinsurance recoverables from: | 1,075 |
| R0280 | Non-life and health similar to non-life | 1,075 |
| R0290 | Non-life excluding health | 1,075 |
| R0300 | Health similar to non-life | |
| R0310 | Life and health similar to life, excluding health and index-linked and unit-linked | 0 |
| R0320 | Health similar to life | |
| R0330 | Life excluding health and index-linked and unit-linked | |
| R0340 | Life index-linked and unit-linked | |
| R0350 | Deposits to cedants | |
| R0360 | Insurance and intermediaries receivables | |
| R0370 | Reinsurance receivables | |
| R0380 | Receivables (trade, not insurance) | |
| R0390 | Own shares (held directly) | |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | |
| R0410 | Cash and cash equivalents | 1,620 |
| R0420 | Any other assets, not elsewhere shown | 127 |
| R0500 | Total assets | 24,074 |

S.02.01.02 - Balance Sheet (In thousands of USD)

| | | C0010
Solvency II value |
|--------------------|---|----------------------------|
| Liabilities | | |
| R0510 | Technical provisions – non-life | 8,189 |
| R0520 | Technical provisions – non-life (excluding health) | 8,189 |
| R0530 | Technical provisions calculated as a whole | |
| R0540 | Best Estimate | 7,265 |
| R0550 | Risk margin | 924 |
| R0560 | Technical provisions - health (similar to non-life) | 0 |
| R0570 | Technical provisions calculated as a whole | |
| R0580 | Best Estimate | |
| R0590 | Risk margin | |
| R0600 | Technical provisions - life (excluding index-linked and unit-linked) | 0 |
| R0610 | Technical provisions - health (similar to life) | 0 |
| R0620 | Technical provisions calculated as a whole | |
| R0630 | Best Estimate | |
| R0640 | Risk margin | |
| R0650 | Technical provisions – life (excluding health and index-linked and unit-linked) | 0 |
| R0660 | Technical provisions calculated as a whole | |
| R0670 | Best Estimate | |
| R0680 | Risk margin | |
| R0690 | Technical provisions – index-linked and unit-linked | 0 |
| R0700 | Technical provisions calculated as a whole | |
| R0710 | Best Estimate | |
| R0720 | Risk margin | |
| R0730 | Other technical provisions | |
| R0740 | Contingent liabilities | |
| R0750 | Provisions other than technical provisions | |
| R0760 | Pension benefit obligations | |
| R0770 | Deposits from reinsurers | |
| R0780 | Deferred tax liabilities | |
| R0790 | Derivatives | |
| R0800 | Debts owed to credit institutions | |
| R0810 | Financial liabilities other than debts owed to credit institutions | |
| R0820 | Insurance & intermediaries payables | |
| R0830 | Reinsurance payables | |
| R0840 | Payables (trade, not insurance) | 431 |
| R0850 | Subordinated liabilities | 0 |
| R0860 | Subordinated liabilities not in Basic Own Funds | |
| R0870 | Subordinated liabilities in Basic Own Funds | |
| R0880 | Any other liabilities, not elsewhere shown | |
| R0900 | Total liabilities | 8,620 |
| R1000 | Excess of assets over liabilities | 15,453 |

S.05.01.02 - Premiums, claims and expenses (In thousands of USD)

| | | 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 | |
| Premiums written | | | | | | | | | |
| Gross - Direct Business | R0110 | | | 496 | | | | | 2,181 |
| Gross - Prop reinsurance accepted | R0120 | | | | | | | | 169 |
| Gross - Non-Prop reinsurance accepted | R0130 | | | | | | | | 0 |
| Reinsurers' share | R0140 | | | 273 | | | | | 317 |
| Net | R0200 | 0 | 0 | 223 | 0 | 0 | 0 | 0 | 2,033 |
| Premiums earned | | | | | | | | | |
| Gross - Direct Business | R0210 | | | 495 | | | | | 2,171 |
| Gross - Prop reinsurance accepted | R0220 | | | | | | | | 114 |
| Gross - Non-Prop reinsurance accepted | R0230 | | | | | | | | 0 |
| Reinsurers' share | R0240 | | | 275 | | | | | 299 |
| Net | R0300 | 0 | 0 | 220 | 0 | 0 | 0 | 0 | 1,986 |
| Claims incurred | | | | | | | | | |
| Gross - Direct Business | R0310 | | -6 | 0 | | | | | -965 |
| Gross - Prop reinsurance accepted | R0320 | | | | | | | | -1,006 |
| Gross - Non-Prop reinsurance accepted | R0330 | | | | | | | | 0 |
| Reinsurers' share | R0340 | | | | | | | | 0 |
| Net | R0400 | 0 | -6 | 0 | 0 | 0 | 0 | 0 | -1,970 |
| Changes in other technical provisions | | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | | 0 |
| Gross - Prop reinsurance accepted | R0420 | | | | | | | | 0 |
| Gross - Non-Prop reinsurance accepted | R0430 | | | | | | | | 0 |
| Reinsurers' share | R0440 | | | | | | | | 0 |
| Net | R0500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses incurred | R0550 | | | 1 | | | | | 270 |
| Other expenses | R1200 | | | | | | | | |
| Total expenses | R1300 | | | | | | | | 270 |

S.05.02.01 - Premiums, claims and expenses by country (In thousands of USD)

| | | Home country | Country
(by amount of GWP) | | | | | Total for top 5 countries and
home country |
|---|-------|--------------|-------------------------------|-------|-------|-------|--------|---|
| | | | IT | NL | PL | GB | US | |
| | | C0080 | C0090 | C0090 | C0090 | C0090 | C0090 | C0140 |
| Premiums written | | | | | | | | |
| Gross - Direct Business | R0110 | 2 | 75 | 54 | 54 | 1,846 | | 2,031 |
| Gross - Proportional reinsurance accepted | R0120 | | | | | | 169 | 169 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | 0 |
| Reinsurers' share | R0140 | 0 | 10 | 7 | 7 | 249 | 23 | 297 |
| Net | R0200 | 2 | 65 | 47 | 47 | 1,597 | 146 | 1,903 |
| Premiums earned | | | | | | | | |
| Gross - Direct Business | R0210 | 2 | 69 | 50 | 50 | 1,706 | | 1,877 |
| Gross - Proportional reinsurance accepted | R0220 | | | | | | 114 | 114 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | 0 |
| Reinsurers' share | R0240 | 0 | 10 | 7 | 7 | 235 | 22 | 280 |
| Net | R0300 | 2 | 60 | 43 | 43 | 1,471 | 93 | 1,711 |
| Claims incurred | | | | | | | | |
| Gross - Direct Business | R0310 | -1 | -31 | -22 | -22 | -758 | | -834 |
| Gross - Proportional reinsurance accepted | R0320 | | | | | | -1,006 | -1,006 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | 0 |
| Reinsurers' share | R0340 | | | | | | | 0 |
| Net | R0400 | -1 | -31 | -22 | -22 | -758 | -1,006 | -1,840 |
| Changes in other technical provisions | | | | | | | | |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses incurred | R0550 | 0 | 9 | 6 | 6 | 213 | 19 | 253 |
| Other expenses | R1200 | | | | | | | |
| Total expenses | R1300 | | | | | | | 253 |

S.17.01.02 - Non Life technical provisions (In thousands of USD)

| | | Direct business and accepted proportional reinsurance | | | | | | | | | | | |
|---|-------|---|-----------------------------------|--|--|--------------------------|---|---|-----------------------------------|---------------------------------------|--------------------------------|------------|------------------------------------|
| | | Medical
expense
insurance | Income
protection
insurance | Workers'
compensatio
n 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 |
| | | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 |
| 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 calculated as a whole | R0050 | | | | | | | | | | | | |
| Technical provisions calculated as a sum of BE and RM | | | | | | | | | | | | | |
| Best estimate | | | | | | | | | | | | | |
| Premium provisions | | | | | | | | | | | | | |
| Gross | R0060 | | | | | | | 36 | -6 | | | | 633 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | | | | | | | 13 | | | | 380 |
| Net Best Estimate of Premium Provisions | R0150 | 0 | 0 | 0 | 0 | 0 | 0 | 36 | -19 | 0 | 0 | 0 | 253 |
| Claims provisions | | | | | | | | | | | | | |
| Gross | R0160 | | | | | | | 87 | 5,685 | | | | 829 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | | | | | | | | | | | 682 |
| Net Best Estimate of Claims Provisions | R0250 | 0 | 0 | 0 | 0 | 0 | 0 | 87 | 5,685 | 0 | 0 | 0 | 148 |
| Total Best estimate - gross | R0260 | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 5,679 | 0 | 0 | 0 | 1,463 |
| Total Best estimate - net | R0270 | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 5,666 | 0 | 0 | 0 | 401 |
| Risk margin | R0280 | | | | | | | 14 | 887 | | | | 23 |
| Amount of the transitional on Technical Provisions | | | | | | | | | | | | | |
| Technical Provisions calculated as a whole | R0290 | | | | | | | | | | | | |
| Best estimate | R0300 | | | | | | | | | | | | |
| Risk margin | R0310 | | | | | | | | | | | | |
| Technical provisions - total | | | | | | | | | | | | | |
| Technical provisions - total | R0320 | 0 | 0 | 0 | 0 | 0 | 0 | 136 | 6,567 | 0 | 0 | 0 | 1,486 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | R0330 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 1,061 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | R0340 | 0 | 0 | 0 | 0 | 0 | 0 | 136 | 6,553 | 0 | 0 | 0 | 424 |

S.17.01.02 - Non Life technical provisions (In thousands of USD)

| | | Accepted non-proportional reinsurance | | | | TOTAL |
|---|-------|---------------------------------------|---------------------------------------|---|---------------------------------------|-------|
| | | Non-proportional health reinsurance | Non-proportional casualty reinsurance | Non-proportional marine, aviation and transport reinsurance | Non-proportional property reinsurance | |
| | | C0140 | C0150 | C0160 | C0170 | C0180 |
| Technical provisions calculated as a whole | R0010 | | | | | 0 |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | R0050 | | | | | 0 |
| Technical provisions calculated as a sum of BE and RM | | | | | | |
| Best estimate | | | | | | |
| <u>Premium provisions</u> | | | | | | |
| Gross | R0060 | | | | | 663 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | | | | 393 |
| Net Best Estimate of Premium Provisions | R0150 | 0 | 0 | 0 | 0 | 270 |
| <u>Claims provisions</u> | | | | | | |
| Gross | R0160 | | | | | 6,602 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | | | | 682 |
| Net Best Estimate of Claims Provisions | R0250 | 0 | 0 | 0 | 0 | 5,920 |
| Total Best estimate - gross | R0260 | 0 | 0 | 0 | 0 | 7,265 |
| Total Best estimate - net | R0270 | 0 | 0 | 0 | 0 | 6,190 |
| Risk margin | R0280 | | | | | 924 |
| Amount of the transitional on Technical Provisions | | | | | | |
| Technical Provisions calculated as a whole | R0290 | | | | | 0 |
| Best estimate | R0300 | | | | | 0 |
| Risk margin | R0310 | | | | | 0 |
| Technical provisions - total | | | | | | |
| Technical provisions - total | R0320 | 0 | 0 | 0 | 0 | 8,189 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | R0330 | 0 | 0 | 0 | 0 | 1,075 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | R0340 | 0 | 0 | 0 | 0 | 7,114 |

S.19.01.21 - Claim development triangles (In thousands of USD)

Gross Claims Paid (non cumulative absolute amount)

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ | Current year | All years |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|-----------|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0170 | C0180 |
| Prior | R0100 | | | | | | | | | | | 20 | 20 | 20 |
| N-9 | R0160 | 2,604 | | 108 | 146 | 489 | 50 | 2 | 1,543 | 323 | | | 0 | 5,263 |
| N-8 | R0170 | 1 | | 61 | 325 | 87 | 71 | 1 | | | | | 0 | 545 |
| N-7 | R0180 | | | 74 | 121 | 187 | 104 | 1 | | | | | 0 | 487 |
| N-6 | R0190 | | 28 | 77 | 38 | 93 | 29 | 74 | | | | | 74 | 338 |
| N-5 | R0200 | | 9 | 6 | 135 | 24 | 36 | | | | | | 36 | 209 |
| N-4 | R0210 | 6 | 33 | 48 | 103 | 12 | | | | | | | 12 | 203 |
| N-3 | R0220 | | | 24 | 86 | | | | | | | | 86 | 110 |
| N-2 | R0230 | | 6 | 18 | | | | | | | | | 18 | 25 |
| N-1 | R0240 | | 3 | | | | | | | | | | 3 | 3 |
| N | R0250 | | | | | | | | | | | | 0 | 0 |
| Total | | | | | | | | | | | | | 249 | 7,203 |

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

| | | 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 | |
| Prior | R0100 | | | | | | | | | | | 17 | |
| N-9 | R0160 | | | | | | 1,765 | 2,178 | 364 | | | | |
| N-8 | R0170 | | | | | 221 | 10 | 14 | | | | | |
| N-7 | R0180 | | | | 309 | 124 | 15 | | | | | | |
| N-6 | R0190 | | | 510 | 279 | 876 | 800 | 818 | | | | | 818 |
| N-5 | R0200 | | 147 | 84 | 56 | 21 | | | | | | | |
| N-4 | R0210 | 5,167 | 527 | 207 | 166 | 154 | | | | | | | 154 |
| N-3 | R0220 | 4,303 | 214 | 44 | 115 | | | | | | | | 115 |
| N-2 | R0230 | 4,763 | 247 | 121 | | | | | | | | | 121 |
| N-1 | R0240 | 5,415 | 541 | | | | | | | | | | 541 |
| N | R0250 | 4,944 | | | | | | | | | | | 4,835 |
| Total | | | | | | | | | | | | | 6,602 |

S.23.01.01 - Own funds (In thousands of USD)

| | | 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 2015/35 | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 8,000 | 8,000 | | | |
| Share premium account related to ordinary share capital | R0030 | 0 | | | | |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | | | | |
| Subordinated mutual member accounts | R0050 | 0 | | | | |
| Surplus funds | R0070 | 0 | | | | |
| Preference shares | R0090 | 0 | | | | |
| Share premium account related to preference shares | R0110 | 0 | | | | |
| Reconciliation reserve | R0130 | 7,452 | 7,452 | | | |
| Subordinated liabilities | R0140 | 0 | | | | |
| An amount equal to the value of net deferred tax assets | R0160 | 2 | | | | 2 |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 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 | | | | | | |
| 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 | 127 | | | | |
| Deductions | | | | | | |
| Deductions for participations in financial and credit institutions | R0230 | 0 | | | | |
| Total basic own funds after deductions | R0290 | 15,327 | 15,325 | 0 | 0 | 2 |
| Ancillary own funds | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | | | | |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | | | | |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | | | | |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | 0 | | | | |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | 0 | | | | |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0360 | 0 | | | | |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0370 | 0 | | | | |
| Other ancillary own funds | R0390 | 0 | | | | |
| Total ancillary own funds | R0400 | 0 | | | 0 | 0 |

S.23.01.01 - Own funds (In thousands of USD)

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|-------|-------------|-----------------------|---------------------|--------|--------|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| Available and eligible own funds | | | | | | |
| Total available own funds to meet the SCR | R0500 | 15,327 | 15,325 | 0 | 0 | 2 |
| Total available own funds to meet the MCR | R0510 | 15,325 | 15,325 | 0 | 0 | |
| Total eligible own funds to meet the SCR | R0540 | 15,327 | 15,325 | 0 | 0 | 2 |
| Total eligible own funds to meet the MCR | R0550 | 15,325 | 15,325 | 0 | 0 | |
| SCR | R0580 | 4,799 | | | | |
| MCR | R0600 | 4,540 | | | | |
| Ratio of Eligible own funds to SCR | R0620 | 3.193936285 | | | | |
| Ratio of Eligible own funds to MCR | R0640 | 3.375411815 | | | | |

Reconciliation reserve

| | | C0060 |
|---|-------|--------|
| Reconciliation reserve | | |
| Excess of assets over liabilities | R0700 | 15,453 |
| Own shares (held directly and indirectly) | R0710 | |
| Foreseeable dividends, distributions and charges | R0720 | |
| Other basic own fund items | R0730 | 8,002 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Reconciliation reserve | R0760 | 7,452 |
| 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 |

S.25.01.21 - SCR using standard formula (In thousands of USD)

Basic Solvency Capital Requirement

| | | Gross solvency capital requirement | USP | Simplifications |
|------------------------------------|-------|------------------------------------|-------|-----------------|
| | | C0040 | C0090 | C0100 |
| Market risk | R0010 | 2,747 | | |
| Counterparty default risk | R0020 | 410 | | |
| Life underwriting risk | R0030 | | | |
| Health underwriting risk | R0040 | | | |
| Non-life underwriting risk | R0050 | 2,783 | | |
| Diversification | R0060 | -1,359 | | |
| Intangible asset risk | R0070 | | | |
| Basic Solvency Capital Requirement | R0100 | 4,581 | | |

Calculation of Solvency Capital Requirement

| | | Value |
|---|-------|-------|
| | | C0100 |
| Operational risk | R0130 | 218 |
| 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 | 4,799 |
| Capital add-on already set | R0210 | |
| Solvency capital requirement | R0220 | 4,799 |
| Other information on SCR | | |
| Capital requirement for duration-based equity risk sub-module | R0400 | |
| Total amount of Notional Solvency Capital Requirements for remaining part | R0410 | |
| Total amount of Notional Solvency Capital Requirements for ring fenced funds | R0420 | |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | R0430 | |
| Diversification effects due to RFF nSCR aggregation for article 304 | R0440 | |

S.28.01.01 - MCR (In thousands of USD)

| Linear formula component for non-life insurance and reinsurance obligations | | MCR components |
|---|-------|----------------|
| | | C0010 |
| MCRNL Result | R0010 | 925 |

| Background information | | Background information | |
|--|-------|---|---|
| | | 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 | 123 | 169 |
| General liability insurance and proportional reinsurance | R0090 | 5,666 | 1,641 |
| 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 | 401 | 223 |
| 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 |
|---|-------|-------|
| MCRL Result | R0200 | 0 |

| Total capital at risk for all life (re)insurance obligations | | 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 | 925 |
| SCR | R0310 | 4,799 |
| MCR cap | R0320 | 2,159 |
| MCR floor | R0330 | 1,200 |
| Combined MCR | R0340 | 1,200 |
| Absolute floor of the MCR | R0350 | 4,540 |
| Minimum Capital Requirement | R0400 | 4,540 |