Willis Towers Watson

Solvency and Financial Condition Report

Kingfisher Insurance Designated Activity Company

Report Dated 31 January 2021

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Summary

This Solvency and Financial Condition Report ("SFCR") has been drafted in line with articles 307 through 311 of the Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended.

The objective of this report is to consolidate all material and key information relating to Kingfisher Insurance Designated Activity Company ("the Company") over the reporting period of 1 February 2020 through 31 January 2021, in respect of the following categories:

- Business and performance
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

The following summarises the information and findings in the subsequent sections of this report:

- The financial performance of the Company was acceptable with a net profit after tax achieved of GBP 5.2M (2020: GBP 2.4M).
- The Company's System of Governance is robust and fit for purpose with the appointed Board of Directors ("the Board") together with the respective Heads of Functions, adequately fulfilling their requirements over the reporting period. During the reporting period, the Company successfully extended its authorisation, converting the Company to a third-party writer. All required adjustments to the Company's System of Governance including audit and risk committee establishment and additional documentation have been approved by the Board and the Company is fully compliant with the Corporate Governance Requirements for Insurance Undertakings 2015.
- The Company applied for, and was granted, an extension of its existing authorisation to include an additional class of non-life insurance business, being Class 14 (Credit). This line of cover, by its nature, will be available to non-Group entities thus converting the Company to a third-party writer. The application was approved by the Central Bank of Ireland ("CBI") on 11 December 2020. With the exception of the additional class of business, the risk profile of the Company has remained materially unchanged from the prior year with all other insurance coverage being provided to Group entities, the only change noted from the prior year is the Company's increased retention on the PDBI line of business.

- As at 31 January 2021 the Company's gross technical provisions, as calculated using Solvency II valuation principles, were GBP 12.6M (2020: GBP 14.2M) compared to GAAP technical provisions of GBP 14.4M (2020: GBP 18.6M), as booked in the audited financial statements.

- The Company has calculated its Solvency Capital Requirement ("SCR"), using the standard formula, to be GBP 8.6M (2020: GBP 9.7M). With eligible capital of GBP 23.2M (2020: GBP 18.5M) in place, the Company achieved SCR coverage of 270.9% (2020: 190.4%) and Minimum Capital Requirement ("MCR") coverage of 695.5% (2020: 580.8%) as at 31 January 2021.

- The figures in the tables in this report are rounded to the nearest GBP 1,000. Consequently, some totals may not be the sum of the individual items due to rounding.

A. Business Performance: Year Ended 31 January 2021

This SFCR has been prepared to allow the Company to comply with the Pillar III reporting requirements specified in articles 307 through 311 of the Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (collectively 'Solvency II Directive'), as amended.

The Company has set a target SCR cover ratio of 120%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland 31 January 1994 and is a wholly owned subsidiary of Kingfisher plc. It is authorised by the CBI to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Kingfisher plc

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 208317

Auditor

Mazars, Chartered Accountants and Statutory Audit Firm, Harcourt Centre, Block 3, Harcourt Road, Dublin 2, Ireland

Risk Profile

The Company is licenced to write the following classes of business

- Class 3: Land Vehicles
- Class 6: Ships
- Class 7: Goods In Transit
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 10: Motor Vehicle Liability
- Class 12: Liability to Ships
- Class 13: General Liability
- Class 14: Credit
- Class 16: Miscellaneous Financial Loss

Material Geographical Areas

- EU/EEA (France, Spain, Poland, Portugal, Romania, and Ireland)
- Non-EU (UK and Channel Islands)

Significant events in the reporting period

In accordance with the Company's Brexit strategy, the Company has engaged with the Prudential Regulation Authority with a view to operating a branch in the UK. As a transitional measure the UK authorities put in place a Temporary Permissions Regime (TPR), to which the Company subscribed effective 31 December 2020. The Company will comply with the applicable UK regulations going forward and in consultation with the regulatory authorities, will undertake the necessary preparations relating to such branch application in line with agreed timelines.

Coronavirus Impact

Since the beginning of 2020, there has been an outbreak of a new virus, the Coronavirus (Covid-19) which is ongoing and is causing significant financial market and social dislocation. The ultimate effects of the pandemic on the Company are uncertain, however, to date there has been no financial impact on

the Company. The Board will continue to closely monitor the evolving situation to evaluate the potential risks to the Company on an ongoing basis and seek to minimise those risks where possible.

With regards to the Property Damage and Business Interruption ("PDBI") policy the Board note that the policy excludes the coverage of any infectious disease which has been declared as a pandemic by the World Health Organisation. The Board are therefore satisfied that there will be no impact on the Company's PDBI line as a result of COVID-19.

At the time of writing the report there have been no direct COVID-19 related claims reported to the Company. The Board however are aware of the potential exposure to such claims under the combined liability programme and continues to monitor the claims statistics closely. Furthermore, the Company will maintain it's prudent reserving approach by using actuarial assessments to assist in the Company's pricing and reserving of this risk.

A.2 Underwriting Performance

All amounts in thousands of Pounds Sterling (GBP'000)

Gross Premium Written: 2021	PDBI	Liability	Financial Loss	Total
Risks located in EU countries	2,636	585	-	3,221
Risks Located outside EU	1,983	2,863	209	5,005
Total	**4,619**	**3,448**	**209**	**8,276**

Gross Premium Written: 2020	PDBI	Liability	Financial Loss	Total
Risks located in EU countries	4,563	3,448	209	8,220
Risks Located outside EU	-	-	-	-
Total	**4,563**	**3,448**	**209**	**8,220**

Technical Result: 2021	PDBI	Liability	Financial Loss	Total
Gross earned premium	4,619	3,448	209	8,276
Gross incurred claims	2,042	289	519	2,850
Gross operating expenses	(203)	(151)	(9)	(363)
Allocated investment return	57	43	2	102
Reinsurance balance	(4,884)	(238)	-	(5,122)
Net technical result	**1,631**	**3,391**	**721**	**5,743**

Technical Result: 2020	PDBI	Liability	Financial Loss	Total

Gross earned premium	4,563	3,448	209	8,220
Gross incurred claims	(2,015)	(271)	(168)	(2,454)
Gross operating expenses & allocated investment return	(183)	(138)	(9)	(330)
Allocated investment return	78	59	4	141
Reinsurance balance	(2,560)	(245)	-	(2,805)
Net technical result	**(117)**	**2,853**	**36**	**2,772**

A.3 Financial Performance

	2021 GBP'000	2020 GBP'000
Gross premiums written	8,276	8,220
Outward reinsurance premiums	(2,681)	(2,663)
Net premiums written	**5,595**	**5,557**
Earned premiums, net of reinsurance	**5,595**	**5,557**
Allocated investment return transferred from the non-technical account	102	141
Claims paid – Gross Amount	(1,356)	(2,074)
Claims Paid – Reinsurers' Share	4	1,104
Claims Paid – Net of Reinsurance	(1,352)	(970)
Change in provision for claims – Gross Amount	4,206	(380)
Change in provision for claims – Reinsurers' Share	(2,445)	(1,246)
Change in provision for claims – Net of Reinsurance	1,761	(1,626)
Claims incurred, net of reinsurance	**409**	**(2,596)**
Net operating expenses	(363)	(330)
Balance on the technical account for non-life business	**5,743**	**2,772**
Investment income	153	211
Investment income allocated to technical account	(102)	(141)
Other income	-	48
Foreign exchange gains/(losses)	136	(205)
Profit on ordinary activities before taxation	**5,930**	**2,685**
Taxation charge	(737)	(330)

Profit on ordinary activities after taxation	**5,193**	**2,355**

A.4 Investment Performance

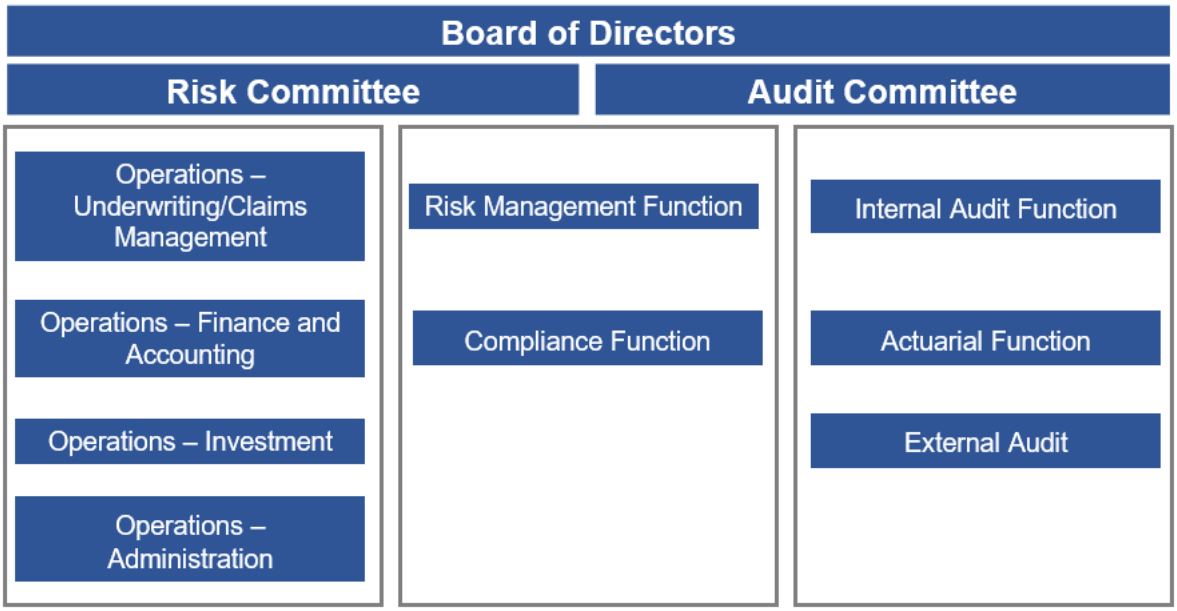
Total investment income for the financial year ended 31 January 2021 was equal to GBP 153k (2020: GBP 211k). The table below outlines a breakdown of the investment performance by asset class:

Asset Class	GBP'000
Investment income- cash	150
Investment income – intercompany interest	3
Total	153

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board as at 31 January 2021 comprised as follows:

Name	Pre-Approval Controlled Functions ("PCF")	Date Appointed by the Board	Date Resigned
Graham McCarthy	Executive Director (PCF1)	11 January 2017	N/A
	Chief Executive (PCF8)	11 December 2020	N/A
Gaylene Kendall	Non-Executive Director (PCF2)	23 August 2018	06 March 2020
Darren Pidwell	Non-Executive Director (PCF2)	06 June 2005	N/A
	Chair of the Board (PCF3)	29 December 2016	N/A
Michael Frazer	Non-Executive Director (PCF2)	19 December 2016	N/A

Michael Stalley	Non-Executive Director (PCF2)	11 December 2020	N/A
	Chair of Audit Committee (PCF4)	Pending – CBI approval obtained	N/A
Julian Smith	Non-Executive Director (PCF2)	11 December 2020	N/A

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company
- Setting the business strategy for the Company
- Establishing Banking mandate/s
- Determining Investment Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including Reinsurance)
- Insurance pricing
- Loss Reserve strategy
- Appointment of Reinsurers
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Head of Actuarial Function
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors/Compliance Officer

- Removal of the Head of a Control Function and consequent notification of such decision to CBI within 5 working days
- Dividend Recommendations
- Setting the Risk Appetite of the Company
- Overall Responsibility for the Company's Risk
- Establishing and maintaining the Company's Internal Control Framework
- Identification and appointment of the Key Functions within the Company
- Own Risk and Solvency Assessment ("ORSA") and related activities
- ORSA approval procedures
- Review of the Company's Policies and Procedures (annually)
- Establishment of required Committees and related delegation of duties
- Fit and Proper Procedures and approval process

Information on Remuneration Policies and Practices

All director positions are held either by Group employees, members of outsourced service providers or independent Non-Executive Directors individually remunerated for the role as director and the Company did not have any employees at any time during the year.

Overview of Year Ended 31 January 2021

Two Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 30 April 2020
- 11 December 2020

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Darren Pidwell, Non-Executive Director as the designated person, with the overall responsibility for the outsourced functions. Mr. Pidwell has sufficient

knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

Risk Management Function

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited ("WTWMDL"), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board will review the composition of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is Mr. Trevor Madden of WTWMDL, who replaced Mr. Graham McCarthy in this role effective 11 December 2020.

Compliance Function

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is Ms. Jennie-Louise Hope of WTWMDL who fulfils the role in line with the terms and conditions of the Management Services Agreement.

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson ("WTW"), formerly known as Towers Watson.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the CBI's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48). This function holder is Mr. Keith Morrison of WTW who replaced Mr. Tom Donlon in this role effective 11 December 2020.

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the ORSA and SCR calculations.
- Co-ordinating the calculation of the Technical Provisions.
- Provision of an opinion on the underwriting and reinsurance policy of the Company
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.
- Assess the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparison of best estimates against experience.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an outsourced service provided by a third-party audit firm. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to the Audit Committee and the Board at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13). This function holder was fulfilled by Mr. Shane McDonald of PricewaterhouseCoopers ("PwC") during the reporting period. A replacement for this role, Mr.

Christopher Rogers of Grant Thornton ("GT") had been in process of CBI approval subsequent to the date of this report and was due to be presented for Board appointment in April 2021.

B.2 Fit and Proper Requirements

The Company deems the following personnel to hold PCFs and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards ("The Standards"):

- The Board of Directors
- The Chief Risk Officer
- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance

Fitness:

The members of the Board collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;
- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- Generally, to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with The Standards.

Probity:

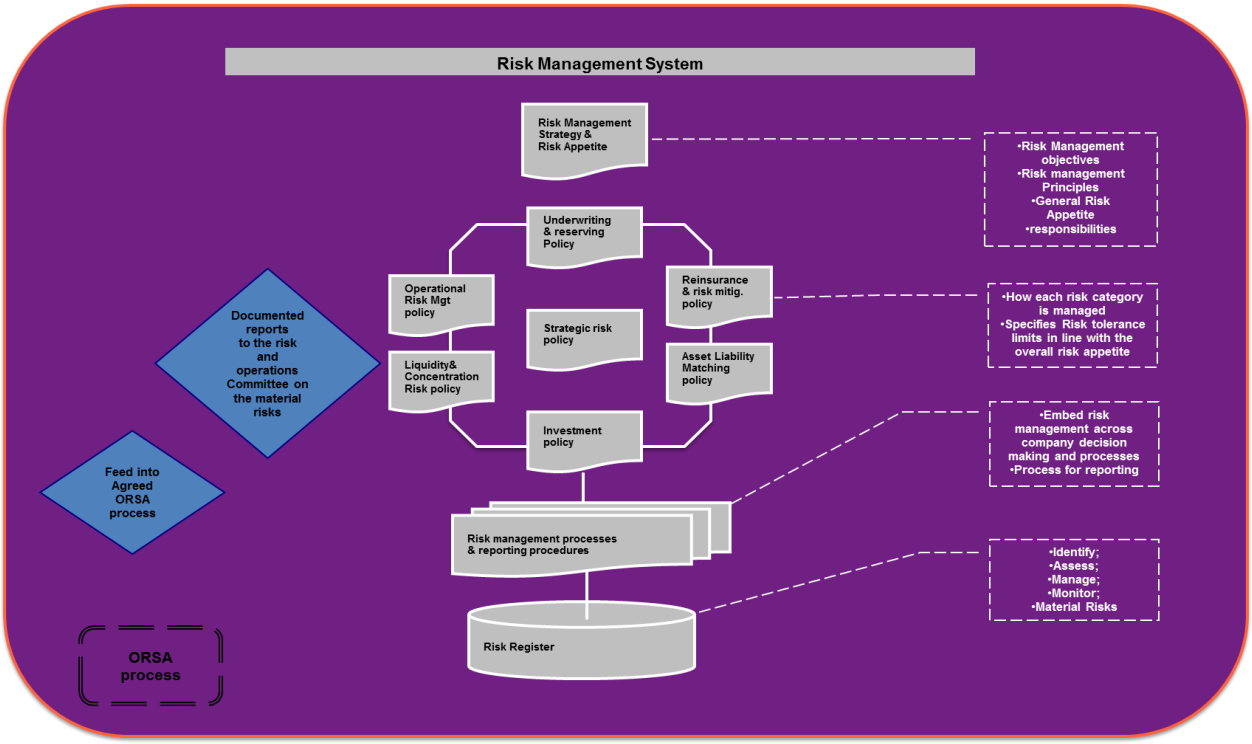
The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

In line with The Standards, the Company submits a PCF Confirmation to the CBI on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements;

- Risk Appetite Statement ("RAS")
- Risk Register
- Formal Policy Documents for all key risks
- ORSA
- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision-making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors;

Nature:

The majority of the Company's risk is confined within the Kingfisher Group with third party policy holders limited to credit coverage only and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

Complexity:

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Management Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to WTWMDL in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement.

Risk Categories & Key Risks

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the RAS.

All key risks are documented in the RAS and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are;

- Underwriting and Reserving Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least;

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business

- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a RAS. The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision-making processes of the Company. The Board, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the CBI.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an ORSA at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following approach provides a summary of the approach taken in 2020:

- The Board reviewed the objectives, business strategy and risk profile of the Company and considered all unaltered
- The Board reviewed the Risk Register and RAS and duly approved such documentation
- The Board solicited views of the Actuarial Function in regard to Scenario analysis
- The Board met to agree the Risk Register and RAS and to approve the new ORSA framework and related items including stressed scenarios for analysis
- The Board approved the ORSA Report before 31 December 2020

The Board always provide substantial input and discuss in detail the various aspects of the ORSA and adjust as and when considered necessary. This is documented in the minutes of the Board meetings where the ORSA process is an Agenda item.

Own Risk Assessment

The first element of the ORSA process was to review the Company's Risk Management Framework as a method of identifying its material risks in the context of its Risk Profile, Risk Register and RAS. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk ("VAR") for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Claims reserving
- Claims settlement
- Management accounts preparation
- General bank payments
- Bank reconciliations
- Compliance

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Quarterly Financial reporting to Group
- Detailed bi-annual reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise not achieve on a standalone basis, or

where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ("SLA"). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers is formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies noted.

C. Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable

As its primary insurance activity, the Company assumes risks relating to PDBI coverage, Miscellaneous Financial Loss ("MFL") coverage and Combined General / Employers Liability ("GL/EL") coverage relating to the Group's retail facilities in the UK, Ireland, France, Spain, Germany, Romania, Portugal, Channel Islands and Poland. The Company applied for, and was granted, an extension of its existing authorisation to include an additional class of non-life insurance business, being Class 14 (Credit). This line of cover, by its nature, will be available to non-Group entities thus converting the Company to a third-party writer. The application was approved by the CBI on 11 December 2020.

The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverable that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The Company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board.

The Company seeks to spread investments across a number of institutions to reduce concentration risk.

The Company and the Board will annually review the amount of funds invested with any one institution.

The Company has little appetite for counterparty default risk in relation to investments and seek to invest in institutions of the greatest strength and stability.

All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company’s Investment Policy is pursued and seeks to minimise credit default risk.

Counterparty Default Risk

The Company utilises reinsurance to manage efficiently its insurance risk. The Company is therefore exposed to the failure of these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a minimum credit rating of A- with S&P, as documented in the Company’s Reinsurance Policy.

C.4 Liquidity Risk

The Company’s Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when policyholder obligations will and could fall due given the nature and scale of the Company. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Other Material Risks

The Company considers that there are no other material risks to be considered at this time.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive with the valuation and recognition for material classes as follows:

Intangible Assets

Intangible assets are recognised under Financial Reporting Standard 101 ("FRS 101") on the basis that the expected future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. The Company holds no intangible asset and thus no recognition and valuation methodology were applied in respect of this category.

Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Under Solvency II which recognises unrealised gains and respective tax, deferred tax is recognised, and no adjustments were considered applicable to the valuation.

Investments

Investments are recognised under FRS 101 on the basis that the Company becomes a party to the contractual provisions of the instrument.

Interest income is recognised when earned and investment management and other related expense are recognised when incurred.

Material Differences in the above used for valuation in Financial Statements

Assets (GBP'000)	2021	
	Current Accounting Bases	SII Valuation Principles
Total investments	15,833	15,833
Deposits other than cash equivalents	15,833	15,833
Total reinsurance recoverables	1,674	820
Reinsurance share of TP - non-life excluding health	1,674	820
Insurance & intermediaries' receivables	901	901
Cash & cash equivalents	18,514	18,514
Any other assets, not elsewhere shown	86	86
Total assets	**37,008**	**36,154**

Assets (GBP'000)	2020	
	Current Accounting Bases	SII Valuation Principles
Total investments	1,156	1,156
Deposits other than cash equivalents	1,156	1,156
Total mortgages & loans made	17,000	17,000
Other mortgages & loans	17,000	17,000
Total reinsurance recoverables	4,119	1,159
Reinsurance share of TP - non-life excluding health	4,119	1,159
Insurance & intermediaries' receivables	883	883
Cash & cash equivalents	12,735	12,735
Any other assets, not elsewhere shown	97	97
Total assets	**35,990**	**33,030**

Overview of any assets not regularly traded in Financial Markets

The Company has no assets that are not regularly traded in financial markets.

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a "best estimate" discounted cash flow basis. This leads to differences in claims provision between financial statements and Solvency II.

The table below sets out the results of the Technical provision calculations on the financial statements and Solvency II basis.

Liabilities (GBP'000)	2021	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (excluding health)	14,397	12,575
TP calculated as a whole (Best estimate + Risk margin)	14,397	
Best estimate	-	11,807
Risk margin	-	768
Deferred tax liabilities	-	121
Reinsurance payables	83	83
Any other liabilities, not elsewhere shown	162	162
Total liabilities	**14,642**	**12,941**

Liabilities (GBP'000)	2020	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	18,604	14,211
TP calculated as a whole (Best estimate + Risk margin)	18,604	-
Best estimate	-	13,397
Risk margin	-	814
Deferred tax liabilities	-	191
Reinsurance payables	95	-
Any other liabilities, not elsewhere shown	118	118
Total liabilities	**18,817**	**14,520**

The Solvency II Directive regulation requires the inclusion of “run-off” expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

Claims Provision

As at reporting date, the Company’s FRS 101 claims provisions comprised case reserves in respect of known losses together with a provision for Incurred But Not Reported (“IBNR”) activity.

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

The Company utilises the standard formula for the calculation of its SCR. Simplification method one is used for calculation of the Risk margin element of the Solvency II Technical Provisions.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Settlement period:** Most of the risks being underwritten are long tailed with the exception of the MFL coverage. Settlement patterns of a range of 8 to 16 years for General Liability have been applied with 2 years for MFL. Although a settlement pattern of 16 years has been applied for PDBI, the risk underwritten is generally considered short tailed in nature. The Company assumes 91% of any one PDBI claim would be settled in year 3.

- **Discount rate:** Current yields are negative or very low across all relevant currencies (GBP, EUR, PLN), which means that almost no discounting is applied to the Technical Provisions under the defined settlement pattern.

- **Expenses:** The total expenses involved in the operation of the Company are relatively small when compared to other elements in the calculation of the technical provisions.

- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

The above assumptions are consistent with the previous Actuarial Function Report therefore there have been no material changes in technical provisions due to underlying changes in the assumptions.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by GBP 820K (2020: GBP 1.2M).

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and RAS.

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels". The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

It is also noted that, the Kingfisher Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

LIABILITIES	2021
	GBP'000
Reinsurance payables	83
Any other liabilities, not elsewhere shown	162
Total	**245**

LIABILITIES	2020
	GBP'000
Reinsurance payables	95
Any other liabilities, not elsewhere shown	118
Total	**213**

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under FRS 101 financial statements and Solvency II valuation.

D.4 Alternative methods for valuation

No alternative methods for valuation are utilised.

E. Capital Management

E.1 Own Funds

Objectives, Policies and Processes for Management of Own Funds

The Own Funds are managed in accordance with the Company's Capital Management Policy and the main objective is continuously maintaining the SCR coverage using a time horizon of three years in accordance with the ORSA. There have been no material changes to the Capital Management Policy, its main objective or the length of the business planning period, over the course of the reporting period. Any change in the policy is reserved for the Board.

Structure, Amount and Quality of Own Funds

The Company has the following components of own funds: Tier 1 basic own funds.

The Company's ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The table below sets out the Company's Pillar I capital position as at the current and prior financial year-end:

Composition	2021 GBP'000		2020 GBP'000	
	Available Capital	Eligible Capital	Available Capital	Eligible Capital
Tier 1 unrestricted	23,213	23,213	18,510	18,510
Tier 1 restricted	-	-	-	-
Tier 2 basic	-	-	-	-
Tier 2 ancillary	-	-	-	-
Tier 3	-	-	-	-
Total	**23,213**	**23,213**	**18,510**	**18,510**

SCR and MCR Cover

The Company's targeted SCR coverage is currently set at a minimum of 120% of the Pillar 1 SCR. On an annual basis and having regard to the results of stress tests applied to projections over the three-year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target or if an intercompany loan should be incepted.

At the reporting date, no dividends have been declared or paid to Group and no intercompany loans have been affected.

The following tables depict the SCR and MCR coverage for the current and prior reporting periods:

2021				
Solvency	Capital Requirement GBP'000	Eligible Capital GBP'000	Solvency Ratio	MCR as % SCR
SCR	8,568	23,213	270.9%	39.0%
MCR	3,338	23,213	695.5%	

2020				
Solvency	Capital Requirement GBP'000	Eligible Capital GBP'000	Solvency Ratio	MCR as % SCR
SCR	9,722	18,510	190.4%	32.8%
MCR	3,187	18,510	580.8%	

Shareholder's Equity versus Excess of Assets Over Liabilities

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities as calculated for solvency purposes is:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- deferred tax adjustment in relation to the above differences

Reconciliation of Basic Own Funds to Equity as per financial statements as at 31 January 2021	2021 GBP'000	2020 GBP'000
Solvency II - Basic Own Funds	23,213	18,510
Total equity as per financial statements	22,366	17,173
Difference:	**847**	**1,337**
Represented by:		
Difference between net technical provisions and best estimate	(2,730)	(2,247)
Risk margin	768	814
Removal of premium receivable on unexpired policies	1,231	-
Removal of reinsurance payable on unexpired policies	(237)	(95)
Adjustment to deferred tax	121	191
Difference:	**(847)**	**(1,337)**

Transitional Arrangements

None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b (9) and 308b (10) of Directive 2009/138/EC.

Ancillary Own Funds

There are no ancillary own funds items.

Deductions and Restrictions

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability.

Deferred Taxes

A deferred tax liability in the amount of GBP 121k (2020: GBP 191k) has been calculated as a result of the revaluation of the Company's assets and liabilities applying Solvency II valuation principles. The full deferred tax liability has been recognised on the Company's Solvency II balance sheet for the current reporting period.

The Company is not carrying any deferred tax assets at the valuation date.

The table below sets out the Company's pillar 1 capital position as at 31 January 2021.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

Requirements for the Reporting Period

The MCR and SCR are calculated using the standard formula.

The Company has achieved SCR coverage of 270.9% (2020: 190.4%) and MCR coverage of 695.5% (2020: 580.8%) as at 31 January 2021.

SCR Risk Modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 January 2021:

SCR Overview	2021 GBP'000	2020 GBP'000
Market Risk	2,168	4,548
Default Risk	1,379	985
Non-Life Underwriting Risk	6,936	7,162
Diversification	(1,922)	(2,769)
Basic SCR	8,561	9,926
Operational Risk	354	402
Loss Absorbing Capacity of Deferred Taxes	(348)	(607)
SCR	**8,568**	**9,722**

Simplifications

Simplified calculations are not used for any of the risk modules or sub-modules.

Undertaking-Specific Parameters

The Company does not use undertaking specific parameters in its computation.

MCR Inputs

The MCR is calculated using the Standard Formula specifications.

The table below shows the inputs into the MCR calculation as at the current and prior reporting period:

MCR Overview	2021 GBP'000	2020 GBP'000
Linear MCR	1,734	1,861
SCR	8,568	9,722
MCR cap	3,855	4,375
MCR floor	2,142	2,430
Combined MCR	2,142	2,430
Absolute floor of the MCR	3,338	3,187
MCR	**3,338**	**3,187**

Material Changes to SCR and MCR

The observed changes to the SCR and to the MCR over the reporting period are not material.

Loss-Absorbing Capacity of Deferred Taxes ("LACDT")

The SCR has been adjusted for LACDT in the amount of GBP 348k (2020: GBP 607k).

The Company has determined a level of probable future taxable profits aligned to its ORSA, which demonstrates future utilisation of the proportion of LACDT being applied.

As a proportion of the instantaneous loss, as defined in Article 207(1), the Company's LACDT represents 3.9% and as such is deemed not material.

E.3 Use of duration-based equity risk Sub module in SCR calculation

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4 Internal Model Information

The Company applies the Standard Formula model and does not use an internal model to calculate the SCR.

E.5 Non-Compliance with MCR and SCR during the period

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

Kingfisher Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 January

2021

(Monetary amounts in GBP thousands)

General information

Undertaking name	Kingfisher Insurance DAC
Undertaking identification code	213800BCO4XPXCFY7498
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 January 2021
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	15,833
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	15,833
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	820
R0280	*Non-life and health similar to non-life*	820
R0290	*Non-life excluding health*	820
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding 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	0
R0360	Insurance and intermediaries receivables	901
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	18,514
R0420	Any other assets, not elsewhere shown	86
R0500	**Total assets**	36,155

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	12,575
R0520	*Technical provisions - non-life (excluding health)*	12,575
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	11,807
R0550	*Risk margin*	768
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	121
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	83
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	162
R0900	**Total liabilities**	12,942
R1000	**Excess of assets over liabilities**	23,213

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business							4,619	3,448				209					8,276
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share							2,443	237				0					2,681
R0200	Net							2,175	3,211				209					5,595
	Premiums earned																	
R0210	Gross - Direct Business							4,619	3,448				209					8,276
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share							2,443	237				0					2,681
R0300	Net							2,175	3,211				209					5,595
	Claims incurred																	
R0310	Gross - Direct Business							-2,042	-289				-519					-2,850
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share							-2,441	1				0					-2,441
R0400	Net							400	-290				-519					-409
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net							0	0				0					0
R0550	**Expenses incurred**							203	152				9					364
R1200	**Other expenses**																	
R1300	**Total expenses**																	364

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			GB	FR	PL	ES	RO	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	85	5,065	2,349	611	92	66	8,268
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	12	1,168	1,140	284	43	30	2,677
R0200	Net	73	3,897	1,209	327	49	35	5,591
	Premiums earned							
R0210	Gross - Direct Business	85	5,065	2,349	611	92	66	8,268
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	12	1,168	1,140	284	43	30	2,677
R0300	Net	73	3,897	1,209	327	49	35	5,591
	Claims incurred							
R0310	Gross - Direct Business	155	-2,170	-421	-515	143	-27	-2,836
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share		911	1,097	382	-20	25	2,394
R0400	Net	155	-3,081	-1,518	-897	163	-52	-5,230
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	364						364
R1200	**Other expenses**							
R1300	**Total expenses**							364

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Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross							0	-455				0					-455
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							0	-238				0					-238
R0150	**Net Best Estimate of Premium Provisions**							0	-218				0					-218
	Claims provisions																	
R0160	Gross							3,338	8,755				170					12,262
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							1,057	1				0					1,058
R0250	**Net Best Estimate of Claims Provisions**							2,280	8,754				170					11,204
R0260	**Total best estimate - gross**							3,338	8,300				170					11,807
R0270	**Total best estimate - net**							2,280	8,537				170					10,987
R0280	**Risk margin**							169	574				25					768
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**							3,506	8,874				195					12,575
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**							1,057	-237				0					820
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**							2,449	9,111				195					11,755

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Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	**Development year**											**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											15	15	15
R0160	2012	13	193	441	884	997	341	160	8	20	16		16	3,073
R0170	2013	193	248	774	976	683	387	119	28	17			17	3,425
R0180	2014	68	132	393	574	602	393	296	146				146	2,605
R0190	2015	0	188	322	455	457	132	40					40	1,594
R0200	2016	800	131	824	501	228	260						260	2,744
R0210	2017	0	574	595	173	128							128	1,470
R0220	2018	0	13	32	200								200	245
R0230	2019	0	1,151	77									77	1,228
R0240	2020	0	299										299	299
R0250	2021	156											156	156
R0260												**Total**	1,356	16,855

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	**Development year**											**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											413	415
R0160	2012	0	0	0	0	0	620	330	136	139	140		140
R0170	2013	0	0	0	0	1,132	730	464	274	280			281
R0180	2014	0	0	0	2,158	1,563	1,102	820	778				782
R0190	2015	0	0	3,247	1,484	992	671	466					469
R0200	2016	0	4,987	3,384	1,596	902	640						643
R0210	2017	5,746	3,849	1,864	1,191	1,129							1,135
R0220	2018	4,481	2,000	1,793	1,098								1,104
R0230	2019	6,271	2,787	2,207									2,218
R0240	2020	4,567	1,228										1,235
R0250	2021	3,823											3,840
R0260												**Total**	12,262

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	3,250	3,250		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	19,963	19,963			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	23,213	23,213	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	23,213	23,213	0	0	0
R0510	Total available own funds to meet the MCR	23,213	23,213	0	0	
R0540	Total eligible own funds to meet the SCR	23,213	23,213	0	0	0
R0550	Total eligible own funds to meet the MCR	23,213	23,213	0	0	
R0580	**SCR**	8,568				
R0600	**MCR**	3,338				
R0620	**Ratio of Eligible own funds to SCR**	270.94%				
R0640	**Ratio of Eligible own funds to MCR**	695.48%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	23,213				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	3,250				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	19,963				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	2,168		
R0020	Counterparty default risk	1,379		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	6,936		
R0060	Diversification	-1,922		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	8,561		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	354
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-348
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	8,568
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	8,568
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	Yes

	Calculation of loss absorbing capacity of deferred taxes	**LAC DT**
		C0130
R0640	LAC DT	-348
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	-348
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	-1,114

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	1,734

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	2,280	2,175
R0090	General liability insurance and proportional reinsurance	8,537	3,211
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	170	209
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	1,734
R0310	SCR	8,568
R0320	MCR cap	3,855
R0330	MCR floor	2,142
R0340	Combined MCR	2,142
R0350	Absolute floor of the MCR	3,338
R0400	**Minimum Capital Requirement**	3,338