Solvency and Financial Condition Report

31st December 2018

ADMIRAL EUROPE COMPAÑIA de SEGUROS S.A.U. [AECS]: Legal headquarters in Spain in Sánchez Pacheco, 85, 28002, Madrid. AECS is subject to the management and coordination activity of Admiral Group plc. Register number in Spain C0805 – Shareholder's equity € 9.015.000. The Company is registered in the register of insurance companies before the Dirección General de Seguros y Fondos de Pensiones (DGSFP). The details can be inquired on the DGSFP site (www.dgsfp.mineco.es).

Contents

EXECUTIVE SUMMARY

This report is framed within the requirements established by Law 20/2015, of 14 July, on the management, supervision and solvency of insurance and reinsurance entities, and the Royal Decree 1060/2015, of November 20, on the organization, supervision and solvency of the insurance and reinsurance entities that develops it. Both provisions assume the transposition to the Spanish legal system of Directive 2009/138/CE, of the European Parliament and of the Council, of 25 November 2009, on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive).

Delegated Regulation (EU) 2015/35 completes the aforementioned Directive and regulates the minimum content that the Solvency and Financial Condition Report should include.

Section A. Business Performance

Admiral Europe Compañía de Seguros, SA (AECS or the Company) is a public limited company which is part of Admiral Group Plc (AGp), one of the UK's largest car insurance providers. AECS was established in the context of the Brexit process, obtaining the license to write car and household insurances in Spain on 18th July, 2018. After that, AECS has obtained the passport to write these insurances in Italy and France under Freedom of Services Regime.

AECS will start trading on the 1st January, 2019, the same date it receives the policies transferred from Admiral Insurance Company Limited (AICL) and Admiral Insurance (Gibraltar) Limited (AIGL) from their businesses in Spain, Italy and France. AICL and AIGL are Solvency II regulated solo entities, regulated by the Prudential Regulatory Authority (PRA) and the Gibraltar Financial Services Commission (GFSC) respectively.

Section B. System of Governance

The AECS Board is the principal decision-making forum for AECS, providing entrepreneurial leadership, both directly and through its Committees, and delegating authority to the Executive team.

AECS leverages the existing systems of governance in place in AGp. AGp has a number of permanent Committees to deal with matters in accordance with written Terms of Reference:

- AGp Board Committees (with delegated authority from the AGp Board): Group Risk Committee, Group Audit Committee, Group Nominations and Governance Committee, Group Remuneration Committee.
- AGp Management Committees: Group Investments Committee, Group Reserving Committee and Group Assets and Liabilities Committee. AECS has attendees at each Group Management Committee.

The AECS Board is supported by a number of permanent Committees to deal with matters in accordance with written Terms of Reference:

- AECS Board Committee: AECS Audit Committee
- AECS Management Committee: AECS Governance Management Committee ("AECS GMC")

During 2018, the structure of the System of Governance of AECS has been agreed with the DGSFP and approved by the AECS Board. The AECS Board has also approved the primary policies which will rule the internal processes of the Company after 1st January, 2019.

Section B reports in detail as to how the system of governance works in practice, including a focus on the remuneration policy, the system of internal control and the Solvency II key functions of Risk Management, Compliance, Internal Audit and Actuarial.

Section C. Risk profile

The AECS Board is responsible for determining risk strategy and risk appetite across AECS, and for its system of risk management and internal control, within Admiral Group's Risk Management Framework.

Notwithstanding, the AECS Board align the risk strategy and risk appetite to that used by AGp, which is managed with delegated authority by the GRC on behalf of the Group Board, and the AECS Governance Management Committee will be responsible for its implementation and maintenance. Both the AECS Board and AECS Audit Committee will receive reports from this AECS Management Committee for the purposes of reviewing and reporting on the overall effectiveness of this system.

AECS calculate the Solvency Capital Requirement (SCR) at 31st December 2018 according to the requirements of the methodology established by Solvency II Directive, in application of the Standard Formula.

As AECS did not underwrite insurance in 2018, the primary risk exposures at 31st December 2018 relate to Counterparty risk and Market risk in respect of the cash and investment holdings.

31-Dec-18 ***000s Euros***	**AECS**
Market risk	1,161
Counterparty Risk	1,091
Diversification	(471)
SCR	**1,781**

Section D. Valuation for Solvency Purposes

Section D focuses on the Solvency II balance sheet and the valuation of assets and liabilities. In line with Solvency II rules, assets and liabilities on the Solvency II balance sheet are held at fair value, i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

The material classes in the AECS Solvency II balance sheet at 31st December 2018 are shown in the table below:

Solvency II Balance Sheet, 31-Dec-18 ***000s Euros***	**AECS**
Deferred tax assets	2
Investments excl Participations	79,990
Receivables (trade, not insurance)	3,000
Cash	1,454
Total Assets	**84,446**
Payables (trade, not insurance)	30
Other liabilites	0
Total Liabilities	**30**
Excess of Assets over Liabilities (Available Own Funds)	**84,416**

Section E. Capital Management

AECS will manage its capital to ensure that it is able to continue as a going concern and also to ensure that it meets regulatory requirements with an appropriate margin. Excess capital above these levels within AECS will be paid up to the AGp in the form of dividends.

The Solvency Ratio calculated at 31 December 2018 is inflated due to a capital injection in advance of starting the underwriting activity as at 1st January 2019. As such the 2018 solvency ratio is not indicative of the continuing level of surplus.

31-Dec-18 ***000s Euros***	**AECS**
SCR	**1,781**
Own Funds	84,416
Surplus	79,635
Solvency ratio	**4739,65%**

Statement of Directors' responsibilities

AECS Directors are responsible for ensuring that the SFCR is properly prepared in all material respects in accordance with the Dirección General de Seguros y Fondos de Pensiones (DGSFP) rules and SII Regulations.

AECS have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that AECS must ensure that its SFCR is subject to approval by the Directors.

The content of this SFCR report has beed approved by the Board of Directors of AECS on April 17th 2019 by written and non-session procedure, and had been reviewed by the AECS Director. The content of this SFCR report has beed reviewed by Deloitte, S.L., through a multidisciplinary team including actuarials and accounts auditors in accordance with the (DGSFP) rules (Circular 1/2018 on April 17th).

AECS will publish this document at www.admiraleurope.com

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

General information

AECS was set up in Madrid, 20th December, 2017, under the denomination of “Admiral Europe Compañía de Seguros, S.A.” with the exclusive purpose of the development of private insurance operations authorized in accordance with the legislation of private insurance and other relevant provisions, the preparatory or complementary operations of the previous ones and the activities of prevention of damages linked to the insurance activity. In particular, it includes the coverage of its insured persons, natural or legal persons, of the risks covered and the services provided, in the insurance lines of Accidents, Land vehicles, Civil liability in motor vehicles, Material Damages, Civil liability in general, miscellaneous losses, fire and natural elements, legal defense, assistance, as well as in all those others duly authorized by the DGSFP, in accordance with the procedure stipulated by law.

AECS was born in the context of the Brexit situation, with the aim of continuing the insurance businesses by Admiral Group Plc solo entities AICL and AIGL, which has been writing car insurances within the Spanish, Italian and French markets since 2006.

AECS will start its operations on 1st January, 2019.

The current registered office of AECS is located in Sanchez Pacheco, 85. 28002. Madrid.

Company supervision

Admiral Europe Compañía de Seguros, S.A. is subject to the supervision of the Dirección General de Seguros y Fondos de Pesiones (DGSFP).

The DGSFP is an administrative body that depends on the Secretary of State for Economy and Business Support, attached to the Ministry of Economy, Industry and Competitiveness in accordance with Royal Decree 672/2014, of August 1, that modifies the Royal Decree 345/2012, of February 10, by which develops the structure basic organic of the Ministry.

The contact information is:

Dirección General de Seguros y Fondos de Pensiones
Paseo de la Castellana, 44. 28046 Madrid
Phone: +34 902 19 11 11

External Auditor

Details of the AECS auditor are as follows:

Deloitte, S.L.

Torre Picasso - Plaza Pablo Ruiz Picasso 1, 28020 Madrid, España

Relevant shareholders

AECS is 100% owned by AICL, an AGp company.

Insurance Undertakings

At 31 December 2018, AECS has the license to write car and household insurance businesses in three geographical locations: Spain, Italy and France. As noted previously, AECS did not trade nor intend to trade using these licenses during the year.

The main lines of business that AECS has identified in relation to the licenses held, using the list of lines of business established in the Solvency II regulations in force, are:

Motor Vehicle Liability	Private motor insurance, capturing bodily injury liabilities (including liabilities that may potentially settle by way of Periodic Payment Order in the future) and third-party property damage.
Motor Vehicle Other	Private motor insurance, capturing accident damage liabilities (including fire and theft and windscreen liabilities).

Significant events during the reporting period

AECS license

AECS obtained the license to write insurance business in Spain on 18th July 2018, and the passport to write insurance businesses in Italy and France under the Freedom of Services regime on 8th August 2018.

A.2. UNDERWRITING PERFORMANCE

Not applicable for 2018 as AECS starts trading on 1st January 2019.

A.3. INVESTMENT PERFORMANCE

AECS did not hold a significant level of assets during 2018 and as such earned negligible investment income during the period.

A.4. PERFORMANCE OF OTHER ACTIVITIES

AECS incurred a minimal level of expenses in the year, primarily in relation to salaries and property lease costs. AECS will start trading on 1st January 2019.

A.5. ANY OTHER INFORMATION

None.

B. SYSTEM OF GOVERNANCE

B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

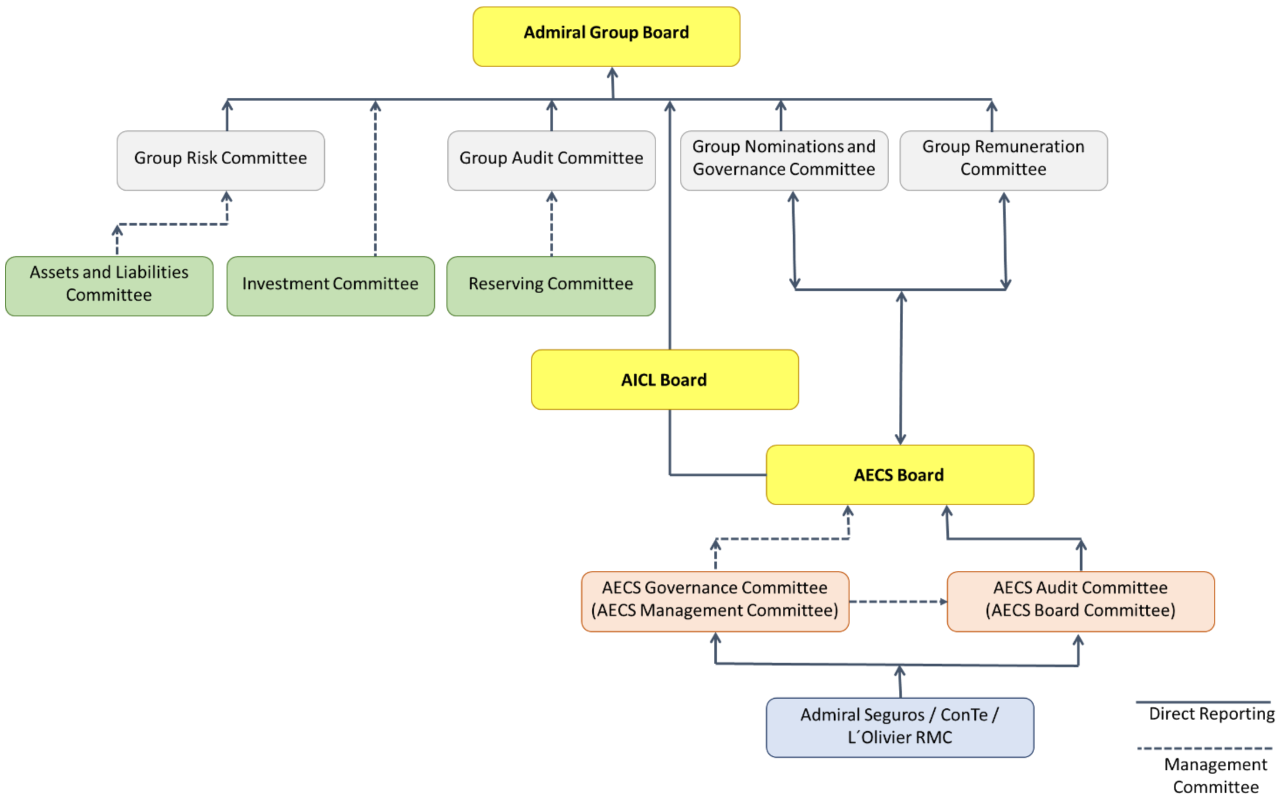
Structure of the administrative, management or supervisory body

AECS relationship with Admiral Group Governance Structure

The AECS Board is the principal decision-making forum for AECS, providing entrepreneurial leadership, both directly and through its Committees, and delegating authority to the Executive team.

AECS leverages the existing systems of governance in place in Admiral Group. Admiral Group has a number of permanent Committees to deal with matters in accordance with written Terms of Reference:

- AGp Board Committees (with delegated authority from Admiral Group Board): Group Risk Committee, Group Audit Committee, Group Nominations and Governance Committee, Group Remuneration Committee.
- AGp Management Committees: Group Investments Committee, Group Reserving Committee and Group Assets and Liabilities Committee. AECS has attendees at each Group Management Committee.



All AGp Board Committees are chaired by an independent Non-Executive Director, except the Nomination and Governance Committee which is chaired by the Chairman of the AGp Board and comprise a majority of independent Non-Executive Directors. Appointments to the Committees are made on the recommendation of the Nomination and Governance Committee and are for a period of up to three years, which may be extended for two further three year periods, provided the Director remains independent.

The Committees are constituted with written Terms of Reference that are reviewed annually to ensure that they remain appropriate and reflect any changes in good practice and governance. These Terms of Reference are available on request from the AGp Secretary and can also be found on the Group's website: www.admiralgroup.co.uk.

Each of the Group Management Committees for Assets and Liabilities, Investments and Reserving are chaired by an approved Senior Manager that is approved to perform the activities pertinent to the Group Management Committee's scope. There will be AECS attendance at Group Management Committees.

AECS Board utilises the Group Nominations and Governance Committee and the Group Remuneration Committee directly, rather than creating AECS specific committees. The AECS Board delegates the following to the Group Nominations and Governance Committee:

- The responsibility to ensure that the governance arrangements of AECS remain appropriate by reference to best practice in corporate governance, having regard to relevant legislation, guidelines and industry practice.
- The responsibility to review and approve all appointments to the AECS Board and fees related thereto, having regard to the overall balance of skills, knowledge, experience and diversity.
- The responsibility to review the directorships and other positions held by the Directors and to consider whether these could impact the Director's independence status or time commitment or give rise to an actual or potential conflict of interest.

AECS Board delegates to the Group Remuneration Committee:

- The determination of the structure and principles of reward for all AECS employees.

AECS escalates appropriately to all Group Board Committees and Group Management Committees for challenge or approval where appropriate. AECS is informed about all matters dealt with in Group Board Committees and Group Management committees relevant to AECS. To assist this process there will be AECS attendance at Group Management Committees.

AECS Governance Structure

The AECS Board is supported by a number of permanent Committees to deal with matters in accordance with written Terms of Reference:

- AECS Board Committee: AECS Audit Committee ("AECS Audit Committee"),
- AECS Management Committee: AECS Governance Management Committee ("AECS GMC")

AECS Board and AECS Audit Committee are chaired by Non Executive Directors.

During 2018 the AECS Board was incepted, with the following members appointed by the AGp Nomination and Governance Committee to the AECS Board:

- Alastair David Lyons, Non-Executive Director, was appointed Chairman of the Board with effect from 02 February 2018.
- Milena Mondini De Focatiis joined with AECS Board with effect from 02 February 2018.
- James Hamilton Armstrong joined with AECS Board with effect from 02 February 2018.

- Maria Dolores Pescador Castillo joined with AECS Board as Non-Executive Director with effect from 17 July 2018.
    - Maria Dolores Pescador Castillo was appointed member of the AECS Audit Committee with effect from 1 January 2019.
- Julian López Zaballos joined with AECS Board as Non-Executive Director with effect from 17 July 2018.
    - Julian López Zaballos was appointed Chairman of the AECS Audit Committee with effect from 1 January 2019.

The AECS GMC and Audit Committee will share the information escalated from the Admiral Seguros, ConTe and L'olivier GMCs (hereafter "local GMCs") with the AECS Board along with other Boards and/or Committees as it deems appropriate.

- The local GMCs will escalate to the AECS GMC and Audit Committee relevant information on the matters outlined in the GMC 'Scope'. The local GMCs will be able to raise to the AECS GMC and Audit Committee and Board any matters that it deems relevant, in addition to those specifically noted. Local GMCs are responsible for the management of risks within their business, adherence to AECS and Group requirements and the reporting of Risk information.

- AECS is responsible for oversight, monitoring, co-ordination, consolidation and escalation, challenging and advising.

Remuneration policy

AECS as part of AGp is committed to the primary objective of maximizing shareholder value over time and ensuring that there is a strong link between performance, risk and reward. This is reflected in the approach of paying competitive, performance-linked and shareholder-aligned remuneration packages comprising basic salaries coupled with participation in performance-based share schemes to generate competitive total reward packages.

AECS Remuneration Policy sets out the objective to supplement the Group Remuneration Policy, and to ensure members of management are provided with appropriate reward that maximise the performance of AECS and are compliant with AECS´ risk management and internal control systems.

Fixed remuneration at AECS comprises base salaries and benefits. In line with the principles outlined above, base salaries are fixed and reflect the individual's responsibilities, role, job size and performance. Market and economic conditions and developments in governance are also considered when setting base salaries and determining the appropriate benefits and pension provisions.

The balance between fixed and variable remuneration ensures that an element of overall reward is linked to longer-term AECS Strategy and risk management as well as to shareholder and customer value.

Material related party transactions

Not applicable.

B.2. FIT AND PROPER REQUIREMENTS

The Admiral Group Nominations Committee owns and approves the AGp Fit and Proper Policy. The AECS Board has adhered to this Group Policy.

The policy aims to ensure that all senior individuals who represent the organization meet the fit and proper requirements in terms of qualifications, capability, honesty and integrity. As per the Policy, all prospective senior management appointments shall fill out a checklist prior to an offer being made. The checklist includes details of the candidate's knowledge, competence and experience to perform the role, and a declaration from the senior manager responsible for the recruitment to confirm the assessment of the candidate's fitness and propriety was carried out in line with this Policy. In addition, the candidate will be subject to interviews with appropriate members of staff, who will help complete the assessment of the candidate's fitness and propriety in relation to that role.

The AECS Fit and Proper document includes for the purposes of articles 4.1.f) and 18 of Royal Decree 1060/2015, of November 20th, on the organization, supervision and solvency of insurance and reinsurance entities, AECS will inform the DGSFP: (i) the appointments of persons who will hold positions of effective management in AECS; and (ii) the appointments of persons who are going to be holders of key functions that integrate the system of government of said entities.

B.3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

AECS, in line with AGp, has a 'three lines of defence' approach to Risk Management. The "first line of defense" describes the controls in place to deal with the day-to-day business. Controls, which are designed to appropriately mitigate risk, are managed by the business unit and overseen by the business unit Governance Management Committees who ensure compliance and review control breakdowns, inadequacy of process and unexpected events.

The "second line of defence" describes the Committees and functions that are in place to provide an oversight of the effective operation of the internal control framework. These committees review the management of risk in relation to the particular risk appetite of the business, as determined by the AECS Board. The 'second line' is reinforced by the advisory and monitoring functions of Risk and Compliance. Risk defines and prescribes risk assessment processes for the business, maintains risk registers and undertakes regular reviews of these risks and controls in conjunction with line management. Compliance provides advice on all areas of regulatory principles, rules and guidance, including reviewing any changes, and undertakes monitoring activity on key areas of regulatory risk and policy adherence.

The "third line of defense" describes the independent assurance provided by the AECS Audit Committee and the Internal Audit function that reports to that committee. Internal Audit undertakes a programme of risk based audits covering all aspects of both the first and second lines of defense.

The findings from these audits are reported to all three lines, i.e. line management, the executive and oversight committees and the AECS Audit Committee.

Own Risk and Solvency Assessment (ORSA)

AECS's Risk Strategy is directly linked to its business plan. The approach is embedded in the ORSA and links to the business planning process.

The Risk Function defines and prescribes the financial and operational risk assessment processes for the business; performs second line reviews, including reserving and capital modeling processes; maintains the risk registers; undertakes regular reviews of these risks in conjunction with line management; delivers the ORSA Report; and records any actual losses or near misses that occur as a consequence of the realisation of risk.

The AECS Head of Risk has responsibility for ensuring that managers are aware of their risk management obligations, providing them with support and advice, and ensuring that the risk management strategy is properly communicated. Reports are produced showing the most significant risks identified and the controls in place. The Internal Audit Function uses the risk registers to plan and inform their programme of audits around the most significant risks to ensure that the prescribed controls are in place and are operating effectively.

On an annual basis, or following significant changes in the risk profile of the business, the Risk Function will produce an Own Risk and Solvency Assessment (ORSA) Report, in line with the ORSA Policy and Solvency II regulations. The report is reviewed and challenged at the Group Risk Committee prior to submission to the AECS Board and to the AGp Board.

The report is also submitted to the DGSFP as part of AECS´ Solvency II requirements.

Determination of Solvency Requirements

Within the ORSA, the Solvency Capital Requirement is calculated on two bases: Regulatory and Economic (ultimate). The ORSA considers both bases in order to provide a quantification of the differences between the two viewpoints. In addition, analyses of the key drivers of economic (ultimate) capital needs and regulatory capital requirements are also considered.

AECS's regulatory capital requirement is based on the Solvency II Standard Formula.

B.4. INTERNAL CONTROL SYSTEM

AECS adopts the Admiral Group Internal Control Policy that documents the procedures in place to ensure there is an effective internal control system operating. The internal control system is managed through both the effective operation of the systems of governance in place within AECS, as well as through the three lines of defense strategy adopted by AECS.

The Internal Control framework is broadly defined as continually operating processes, effected by the Board of Directors, management and all levels of personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations in view of its risks and objectives.
- Availability and reliability of financial and non-financial information.
- Compliance with applicable laws, regulations and administrative provisions.

Internal control consists of four interrelated components:

- Control environment: sets the tone of an organisation through the business plan, risk appetite and risk profile.
- Control activities: policies and procedures that help ensure necessary actions are taken to address risks to achieve the business' objectives.
- Information and Communication: Pertinent information must be identified, captured and communicated in a form and timeframe that allows relevant individuals to carry out their responsibilities.
- Monitoring: Internal control systems need to be monitored to assess the quality of the internal control system over time. This is accomplished through ongoing monitoring activities, with deficiencies in the internal control framework reported to senior management and the AECS Board.

The AECS's control environment is determined by the AECS Board, being supervised by the AGp Board, supported by a number of Committees who set the tone of the organisation through the Admiral culture, principles, business plan and risk appetite. These will be approved and embedded in AECS during 2019.

Key control activities are mapped to primary risks held within the AECS's risk universe.

Line 1 (operational functions) are responsible for monitoring all the risks facing their operation, whether this be through Call monitoring, file reviews or audit reviews. Results on monitoring activities are provided to operation managers, and subsequently reported on through the AECS Governance structure.

Line 2 (Risk, Compliance & Data Protection and Actuarial functions) are responsible for the oversight of the Line 1 monitoring. This is done through:

- Risk reviews: business unit risk and controls discussed at Local GMCs with material risks and KRIs presented to AECS Governance Management Committee and escalated to AECS Board in the Consolidated Risk Report.
- Compliance Advice and Compliance Monitoring Reviews presented to AECS Governance Management Committee and to the AECS Board.
- Actuarial and validation reviews.

Line 3 (Internal Audit) are responsible for conducting an objective and independent appraisal of all the AECS's activities, financial and otherwise, through a risk-based plan, approved annually by the AECS Audit Committee and supervised by the Group Audit Committee.

External Reviewers provide oversight of specific processes within AECS, depending on the scope of the review they are required to undertake.

B.5. COMPLIANCE FUNCTION

The AECS Compliance Function sets the strategic direction for the business on Compliance matters and provides oversight and assurance to the Board over the effectiveness of the 1st line areas in delivering its regulatory responsibilities and adherence to relevant regulation.

The AECS Compliance Function is responsible for the implementation, monitoring, and review of the Group's Conduct Risk Management Framework as well as the identification and communication of any new requirements arising from changes in regulation. The Function, alongside AECS Risk, oversees the Line 1 processes for identifying, owning and ongoing management of Conduct Risk, including the implementation of new regulatory requirements. The Head of AECS Compliance provides regular reports to the AECS Governance Management Committee who monitor Conduct risk in relation to the Conduct Risk appetite approved by the AECS Board.

The AECS Compliance Function works with the AECS Risk Function to provide advice and resolution to risk events as they arise. Management of customer outcome risk events is completed in line with the Group Risk Management Policy.

B.6. INTERNAL AUDIT FUNCTION

The Internal Audit Function is responsible for conducting an objective and independent appraisal of the AECS's activities and controls, financial and otherwise, through a risk based plan, approved annually by the AECS Audit Committee and Group Audit Committee. It is responsible for evaluating and reporting to the AECS Board, AECS Audit Committee and Group Audit Committee, and thereby providing them with assurance on the operating effectiveness of controls that management has put in place.

Internal Audit is also responsible for providing assurance over the arrangements for risk management, control and governance, compliance with internal policies, procedures and controls, and value for money. The Internal Audit Function shall report to the relevant Board/Committee the findings and recommendations from their review, including the time period envisaged to remedy any shortcomings, and follow up on any recommendations made on a timely basis. It remains the duty of management to operate these arrangements, to determine whether or not to accept audit recommendations and to recognise and accept the risks of not taking action.

Management need to provide an appropriate level of justification and where applicable supporting documentation to justify their reasoning, when choosing to accept the given risk, or decline a recommendation.

The Annual Audit Plan is based on a methodical risk analysis, taking into account all activities and the complete system of governance, as well as expected developments of activities and innovations. Significant areas of risk, identified as Tier One risks, per the Risk Register, are considered for inclusion in the Annual Audit Plan each year. Any audits graded red in colour are reviewed within a 12 month period until they are in a non-red status. Outside of these, a plan, extending over four years, is in place.

Independence and Objectivity of the Internal Audit Function

The internal audit policy states that the Internal Audit department and all of its employees must be functionally and organisationally independent of the business processes, events and transactions of the company. The Internal Audit department will carry out its assignments with impartiality and is free to express its opinions in their reports. Amongst many matters, the Internal Audit department must have direct access to the AECS Board of Directors, Audit Committee and the General Manager and be able to report directly to these levels when they deem this necessary. Such independent structure should enable the internal auditor to render impartial and unbiased judgment, essential to the proper conduct of their work.

Internal Audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results.

An Internal Auditor will not perform an audit review in an area where they had a consultancy/operational role in the previous twelve months.

Where practical, areas under review are rotated amongst the staff in Internal Audit to avoid any potential conflict of interest.

B.7. ACTUARIAL FUNCTION

The Actuarial Function has a number of responsibilities in the area of Technical provisions and also in providing an opinion on the adequacy of re-insurance and underwriting.

Solvency II requirements state that the Actuarial Function shall be carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business, and who are able to demonstrate their relevant experience with applicable professional and other standards. The Actuarial Function should be free from influences that may compromise its ability to undertake its duties in an objective, fair and independent manner.

As AECS had no customers in 2018, an Actuarial Function Report was not completed in 2018 for AECS. The first Actuarial Function Report for AECS will be completed in 2019. The Actuarial Function produces a written report (“The Actuarial Function Report”) which is submitted to the AECS Board, at least annually, documenting all tasks undertaken, identifying deficiencies and making recommendations to remedy these deficiencies. The report is designed to include the calculation of technical provisions, an opinion on overall underwriting policy and an opinion on the adequacy of reinsurance arrangements.

The Actuarial Function Report include the contribution to the effective implementation of the risk management systems, in particular with respect to the risk modelling underlying the calculation of the capital requirements.

The responsibilities that fall under the remit of the Actuarial Function are segregated from other business activities to allow independent review and challenge, allowing the Actuarial Function to provide an independent opinion of the areas of Technical Provisions, Reinsurance and Underwriting.

The review and challenge is carried out by the 2nd line Risk Function which enables clearer separation of activities and strengthens the independence. The Actuarial Function is made up of suitably qualified actuaries who have the skills and knowledge to make the decisions without the influence of others.

B.8. OUTSOURCING

Admiral Group´s Procurement and Outsourcing Policy ensures that any third-party arrangement entered into by AECS does not lead to impairment of either the AECS's systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

AECS does not outsource any critical functions outside of the Group.

Material intra-group outsourcing arrangements include the provision of insurance services by the Group's insurance intermediary Admiral Insurance Service, S.A. to AECS.

B.9. ANY OTHER INFORMATION

There is no other relevant information to be disclosed.

C. RISK PROFILE

Risk assessment and risk management

The AECS Board is responsible for determining risk strategy and risk appetite of the company, and for its system of risk management and internal control. The AECS Board has delegated the development, implementation and maintenance of the risk management framework to the AECS Governance Committee, which reports its activities to the AECS Boards for matters affecting the AECS activities, for the purposes of reviewing and reporting on the overall effectiveness of this system.

Risk management is a continuous process which forms an essential part of AECS's business operations with successful risk taking required to achieve its business objectives in the short, medium and long term. Admiral has always sought to protect its downside and this is characterised by: the reinsurance model; a prudent approach to claims reserving; an organic growth strategy; a test and learn approach of taking measured steps before investing further; and a conservative approach to investment management.

The Enterprise Risk Management Framework (ERMF) is designed to identify, evaluate and manage the risks to which AECS is exposed. Risk appetite is a central element of the ERMF – this seeks to determine the level of risk the Group Board deem appropriate for the business to accept, net of controls and mitigating factors such as reinsurance and other management actions.

As AECS had no customers in 2018, an AECS Risk Appetite was not completed in 2018, but the business operated within Admiral Group Risk appetite. AECS Risk Appetite will be approved in 2019 and will operate within Admiral Group Risk Appetite.

Material risks

It is important to note that AECS had no customers in 2018, therefore the Material or Key Risks to AECS listed below represent the key risks from January 1st 2019 onwards following the successful completion of the portfolio transfer and the underwriting of insurance policies. Risks are mapped to the main categories of risk within the Solvency II Solvency Capital Requirement (SCR):

Key Risk	Risk Overview
Insurance or Underwriting Risk	Uncertainty over the occurrence, amount or timing of claims arising on insurance contracts issued by AECS.
Market Risk	Fluctuations in the value of market prices of the AECS's investment assets and liabilities, or in the income and expenses generated from these assets and liabilities.
Counterparty, or Credit Risk	The risk that counterparties (primarily either reinsurers or banks or other investment counterparties) default on obligations.
Operational Risk	Risks arising through operational processes and procedures. These include risks related to people, processes, IT systems, information security, business continuity and customer outcomes.

As a General Insurer, it is expected that insurance or underwriting risk will comprise the higher risk concentration for AECS.

The process of identifying material risks aims to ensure that all relevant risks to which AECS are exposed are correctly identified. To this end, AECS has a set of continuous processes for identification of the risks that are developed, among others, in the Internal Control Policies, Operational Risk, Compliance and ORSA.

The first level of analysis identifies all the risks included in the calculation of the SCR being its measurement and monitoring mandatory. A second level of analysis identifies all the risks associated with the processes that affect the company's operations. In addition, at least once a year, a global risk self-assessment process is carried out in order to guarantee that all relevant risks are duly identified. This process is part of the ORSA process.

The capital charge of the exposure to the risks subject to the calculation of the SCR is determined by the Standard Formula which includes aggregation mechanisms allowing an integral measurement of these risks.

To complement this, the Group has run a number of forward-looking stress tests and scenario analysis to give comfort to the Board and regulators that AECS is adequately capitalised and considers potential downside risks impacting the business in the future. This was done specifically as part of the portfolio transfer process in 2018 and will be incorporated into the AECS ORSA process in 2019.

Under the majority of stress and scenarios tests considered, the AECS solvency ratio remains above 100%.

C.1. UNDERWRITING RISK

As AECS started trading on the 1st January, 2019, AECS's underwriting risk is not applicable to 2018 fiscal year. However, as stated above, underwriting risk will be assessed from the next year onward and will consist of Non-life and Life components. The material concentration of risk will be within Non-life underwriting risk, given the AECS's focus on general insurance lines of business. Life underwriting risk just will arise through the possibility of the settlement of claims on a Periodic Payment Order (PPO) basis in the French operation, where annual index-linked settlements to claimants exposes AECS to life risks such as the claimant's life expectancy (longevity) and inflation.

Non-life underwriting risks

Non-life underwriting risk will consist of the following components of risk:

- Non-life premium risk
- Non-life reserve risk
- Lapse risk
- Catastrophe risk

The valuation of non-life underwriting risk will be driven by the premium and reserve risk component, with small contributions made by lapse and catastrophe risk.

Non-life Reserve risk will be driven by adverse development in the valuation of the liabilities which is mainly related to longer tailed bodily injury claims, arising from the Motor business, which have greater uncertainty associated with the ultimate cost of claims than, for example, property damage claims. These claims can develop over a number of years so the reserve risk figure will relate to several underwriting years.

As part of the portfolio transfer to AECS, the existing co-insurance and reinsurance arrangements transferred will continue to act as a risk mitigation tool for which credit is taken under the Standard Formula.

Premium risk is the risk that AECS incurs losses on risks arising in the 12 months after the valuation date. Premium risk will consist of a lower proportion of bodily injury exposure, and therefore will have a higher proportion of property damage in future claims experience which will increase the diversification between claim types compared to reserve risk. This is due to premium risk considering the future occurrence and severity of claims, rather than the development of existing claims, of which property damage claims generally settle quickly.

Life underwriting risks

Life underwriting risk just arises through the possibility of the settlement of claims on a Periodic Payment Order (PPO) basis in the French operation, where annual index-linked settlements to claimants exposes AECS to life risks such as the claimant's life expectancy (longevity) and inflation.

Risk mitigation

A key part of the AECS's risk mitigation strategy with respect to underwriting risk will be the use of co-insurance and reinsurance (both proportional quota share reinsurance and non-proportional excess of loss reinsurance).

C.2. MARKET RISK

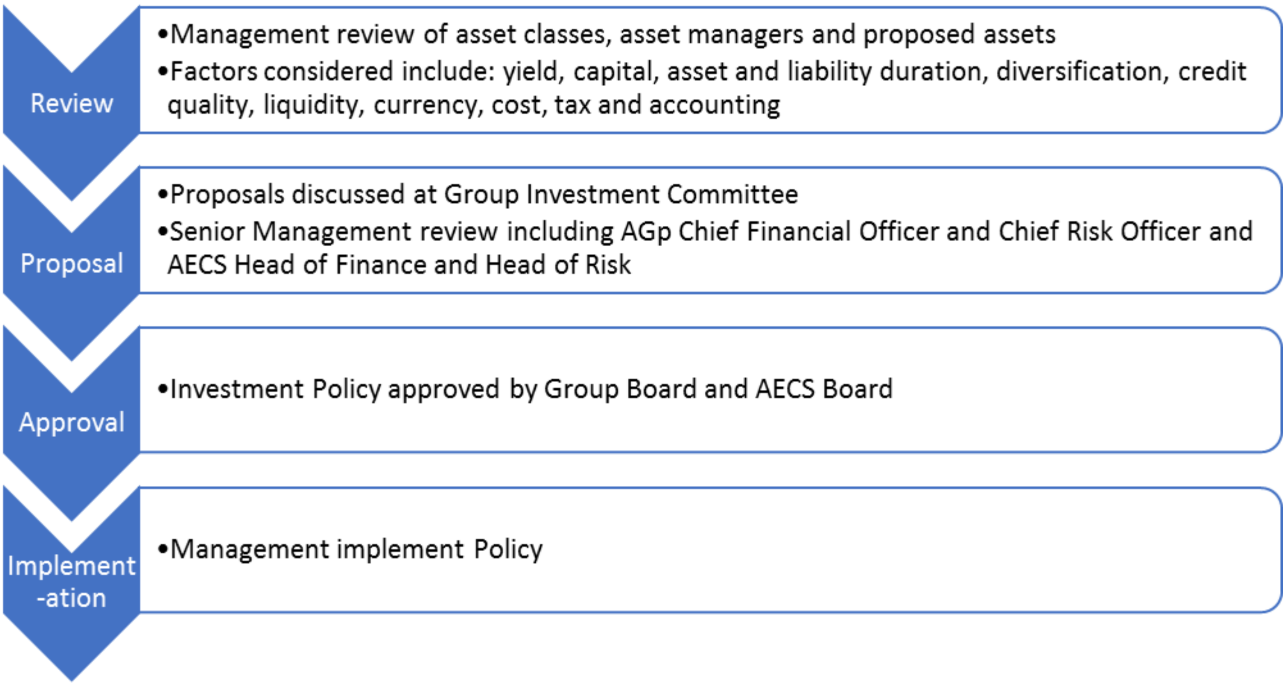
In line with AGp, the AECS's investment strategy is primarily focused on capital preservation with additional priorities being low volatility of returns and high levels of liquidity. At year-end 2018, AECS primarily held investments in money market funds.

Prudent person principle

Solvency II has introduced the Prudent Person Principle for managing investments.

The Prudent Person Principle seeks to ensure that the industry understands and is capable of managing its investment risks. Specifically, insurers must be able to demonstrate that they can properly identify measure, monitor, manage, control and report on their investment risks and not place reliance upon information provided by third parties.

AECS's risk management and strategic decision-making process in respect of asset investment is governed by AGp's Investment Committee. The Investment Committee is a Management committee that includes AGp Non-Executive and AECS management representation. The governance process for material asset investment decisions can be summarised as follows:



At each stage of the process the proposal is subject to review by senior management independent of the proposal. Implementation of an investment decision is performed only once all stages of approval have been achieved. The quantitative analysis is considered but also the experience of the senior management allows for a material qualitative judgement.

Once the purchase has occurred the asset is then part of the ongoing valuation, income and capital process. The AGp Investment Committee meets on a quarterly basis and reviews detailed Management Information presented on a look-through basis that covers the security, quality, liquidity and profitability of the portfolio.

Market risk components

AECS investments at 31 December 2018 are primarily held in Money Market Funds which generate limited Market risk through spread risk and interest rate risk due to the low duration of the funds. This accounts for 52% of the pre-diversification SCR at 31 December 2018.

AECS has limited currency risk as assets and liabilities are in Euros, however it introduces currency risk to the Group when consolidated into Group accounts, which are presented in pounds sterling.

C.3. COUNTERPARTY DEFAULT RISK

Credit or Counterparty risk represents the risk of default by reinsurance partners and investment counterparties holding the AECS's cash balances, in line with the Standard Formula approach. This accounts for 48% of the pre-diversification SCR at 31 December 2018.

At 2018, as ACES had no activity, only cash holdings have been considered in the Counterparty Default Risk calculation. However, it is expected to be a relatively small component of risk for next year because AECS only enters into reinsurance arrangements with counterparties of appropriate credit ratings (A- or higher) in line with the Reinsurance Policy.

C.4. LIQUIDITY RISK

Liquidity risk is not expected to be a key risk for AECS, as the Motor Insurance portfolio generates significant cash in-flows of income in advance of claims and expenses being paid, which are expected to be less than the total premiums received. This reduces the risk of a liquidity strain.

As noted in section C2 above, one of the AECS's strategic considerations when determining investment strategy is liquidity and a significant proportion of the funds invested sit in instant access money market funds.

C.5. OPERATIONAL RISK

The operational risk capital requirement is calculated using the Standard Formula but was not applicable at 31 December 2018 as AECS didn't undertake insurance activity during the year.

Operational risk will arise within all areas of the business. AECS, through its ERMF, implements, maintains and monitors a series of internal controls that aim to mitigate the range of operational risks that AECS will face.

C.6. OTHER MATERIAL RISKS

None.

C.7. ANY OTHER INFORMATION

Loss absorbing capacity of deferred taxes (LACDT)

Not applicable to 2018 fiscal year, as AECS didn't have any activity. For 2019 onwards, an analysis of the deferred taxes will be made in order to reflect the possibility of absorbing future loses.

Risk sensitivity

At 31 December 2018, no sensitivity analysis is presented on materiality grounds.

From 2019 AECS will establish processes to undertake stress and scenario testing on an ongoing basis, with testing undertaken at least annually. In 2018 this process was performed by Admiral Group as AECS had no activity. The stress testing processes will operate in collaboration with the Corporate Governance Committees and involve a number of members of senior and operational management. The results of the tests undertaken are aimed to improve the AECS Board understanding of risk, influence business decisions and form a key part of the Enterprise Risk Management Framework.

In addition, solvency ratio sensitivities will be reported to the AECS Board and to the Group Board and its Committees on a regular basis.

D. VALUATION FOR SOLVENCY PURPOSES

AECS did not trade during the year and as such the statutory and Solvency II balance sheets at 31 December 2018 are relatively minimal. The transfer of the liabilities and associated assets of the Group's European businesses from AICL and AIGL to AECS were enacted on 1 January 2019 and as a result significant changes will occur during 2019.

Solvency II Balance Sheet, 31-Dec-18 ***000s Euros***	**AECS**
Deferred tax assets	2
Investments excl. participations	79,990
Receivables (trade, not insurance)	3,000
Cash	1,454
Total Assets	**84,446**

Payables (trade, not insurance)	30
Other liabilities	0
Total Liabilities	**30**
Excess of Assets over Liabilities	**84,416**

D.1. ASSETS

At 31 December 2018 AECS' assets were composed of money market funds, other receivables, deferred tax assets and cash.

The table below shows the valuation rules that have been followed at 31 December 2018. It is noted that, due to the nature of assets held, there were no differences between the statutory and Solvency II balance sheet at year end 2018:

Class	
Investments and Cash	AECS follows AGp policy for the valuation of financial assets and liabilities. Financial assets and liabilities will be held at Fair Value where level 1 inputs can been obtained. Level 1 refers to the first level of the Fair Value hierarchy which categorises valuation inputs into three levels. The hierarchy gives the highest priority (Level 1) to quoted prices in an active market, and the lowest priority to unobservable inputs (Level 3). In line with the Group, AECS categorises its valuation of investments in money market funds as Level 1. Level 1 valuations for money market funds reflect the fair value (the amount a third party would pay for the asset on the valuation date), and are obtained externally from observable market information. This valuation is consistent with the statutory valuation. Cash is held at amortised cost which is materially consistent with as fair value. This is in line with the statutory valuation. **Level 1 inputs** Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. **Level 2 inputs** Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: • quoted prices for similar assets or liabilities in active markets • quoted prices for identical or similar assets or liabilities in markets

	that are not active
	• inputs other than quoted prices that are observable for the asset or liability, for example
	  ○ interest rates and yield curves observable at commonly quoted intervals
	  ○ implied volatilities
	  ○ credit spreads
	• inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Deferred tax assets	The deferred tax asset in the Solvency II balance sheet reflects the deferred tax asset on a Solvency II basis using the valuation rules within IAS 12. As there were no revaluations made between statutory and Solvency II in the other balance sheet line items, there is no revaluation of the deferred tax asset in the Solvency II balance sheet. The statutory deferred tax balance is a net deferred tax asset arising from minor operating losses incurred in the year.
Receivables and other assets	The fair value of receivables will be based on the amortised cost valuation, in line with Level 2 of the fair value hierarchy noted above. This amortised cost valuation approximates to fair value and therefore there are no valuation differences between statutory and SII valuation.

At year end 2019 AECS anticipates holding the following additional categories of asset in relation to and will follow AGp valuation methodology unless not applicable:

- DAC and intangible assets
- Property, plant and equipment
- Reinsurance recoverables

D.2. LIABILITIES

At year-end 2018 AECS held total liabilities of €30k, with valuation consistent between statutory valuation and Solvency II as follows:

Class	
Other payables and liabilities	Other payables and liabilities are valued on an amortised cost basis which is materially consistent with fair value; this valuation is the same as the statutory valuation.

At year end 2019 AECS anticipates holding the following additional categories of asset in relation to and will follow AGp valuation methodology unless not applicable:

- Technical provisions – best estimate
- Technical provisions – risk margin
- Deposits from reinsurers

D.3. TECHNICAL PROVISIONS

AECS had no technical provisions at the end of 2018 because the portfolio transfer had not been made. As this will be a key feature of the balance sheet from 1 January 2019 some consideration is given below to Group Technical Provisions Methodology, which will be applied in 2019:

Technical provisions – bases, methods and assumptions

Best estimate technical provisions are comprised of a claims provision and premium provision. The claims and premium provision combined give the expected cost of settling all future claims arising from business that AGp subsidiaries are contractually obliged to cover. This includes an allowance for the expenses of both running the company and of servicing claims such as claims handling staff costs.

Any allowance for future income is based on business already written, as well as business that has not yet incepted, but where AGp subsidiaries are obliged to offer cover i.e. renewals already offered (Bound But Not Incepted – BBNI)

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

Technical provisions – Reinsurance Recoverables

Reinsurance recoveries are a significant element within AGp's technical provisions. The reinsurance premium paid out, and recoveries received for both claims and expenses are required to be captured within the technical provisions, along with the possibility of default of the reinsurers leading to a reduction in potential recoveries.

The reinsurance recoverables within AGp subsidiaries' Technical Provisions reflect the contractual reinsurance arrangements in place. For AECS in 2019 these will be:

- Excess of loss reinsurance
- Quota share reinsurance

Technical provisions – Risk Margin

The risk margin is defined within Article 77 of the Directive as:

The risk margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations.

The AGp risk margin calculation uses the first simplification within the delegated acts, which is applied as follows:

- The one-year SCR is run off in line with the level of claims and premium provisions expected to remain at each year-end position,
- The prescribed cost of capital of 6% is applied to each SCR

The SCRs are then discounted to the valuation date using the prescribed EIOPA yield curve.

D.4. ALTERNATIVE METHODS OF VALUATION

No alternative methods for valuation have been applied.

D.5. ANY OTHER INFORMATION

None.

E. CAPITAL MANAGEMENT

AECS solvency will be calculated as the ratio of Eligible Own Funds to the AECS Regulatory Solvency Capital Requirement.

E.1. OWN FUNDS

Capital management objectives

AECS manages its capital to ensure that it is able to continue as a going concern and also to ensure that it meets regulatory requirements with an appropriate margin.

Forward looking assessments of Capital will be performed over a three-year planning horizon and will be reported with the AECS annual ORSA process.

Classification of own funds by tier

The classification of Own Funds for AECS at 31 December 2018 is as follows:

31-Dec-18 ***000s Euros***	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital	9,015	9,015	-	-	-
Initial funds	75,493	75,493	-	-	-

Reconciliation reserve	(94)	(94)	-	-	-
Net deferred tax assets	2	-	-	-	2
Total basic own funds after deductions	**84,416**	**84,414**	**-**	**-**	**2**
Available and eligible own funds					
Total available own funds to meet the SCR	84,416	84,414	-	-	2
Total available own funds to meet the MCR	84,414	84,414	-	-	-
Total eligible own funds to meet the SCR	**84,416**	**84,414**	**-**	**-**	**2**
Total eligible own funds to meet the MCR	**84,414**	**84,414**	**-**	**-**	**-**
SCR	1,781				
MCR	3,700				
Ratio of Eligible own funds to SCR	**4739,65%**				
Ratio of Eligible own funds to MCR	**2281,46%**				

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Calculation of the AECS solvency capital requirement

The AECS Capital Requirement is calculated on the basis of the standard formula, in line with risks applicable at the end of 2018. The reported Solvency Capital Requirement as at 31 December 2018 is as follows:

31-Dec-18 ***000s Euros***	**AECS**
Market risk	1,161
Counterparty Risk	1,091
Life Underwriting risk	-
Non – life underwriting risk	-
Diversification	(471)
Basic SCR	**1,781**
Operational risk	-
Loss absorbing capacity of deferred taxes	-
SCR	**1,781**

Solvency Ratio

When combined with the Eligible Own Funds, the resulting reported solvency positions are as follows:

31-Dec-18 *000s Euros*	AECS
SCR	1,781
Eligible own funds	84,416
Surplus	82,635
Solvency ratio	**4739,65%**

As a consequence of AECS starting trading on 1st January 2019 and the capital injection, the regulatory solvency ratio is higher than the risk appetite capital buffer applicable to AECS in 2018.

Calculation of the minimum capital requirement

The Minimum Capital Requirement for AECS is calculated as per Article 129 of the Directive.

The coverage of eligible own funds to MCR at 31 December 2018 is as follows:

31-Dec-18 *000s Euros*	AECS
MCR	3,700
Eligible own funds	84,414
Surplus	80,714
Solvency ratio	**2281,46%**

E.3. USE OF THE DURATION-BASED EQUITY SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The duration-based equity sub-module has not been used in the calculation of the Solvency Capital Requirement.

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

Not applicable – no internal model has been used during the reporting period.

E.5. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

There have been no instances of non-compliance with the Minimum Capital Requirement or the Solvency Capital Requirement during the period.

E.6. ANY OTHER INFORMATION

Not applicable.

APPENDIX 1. GLOSSARY

Term	Definition
Actuarial best estimate	The probability-weighted average of all future claims and cost scenarios calculated using historical data, actuarial methods and judgement.
Claims reserves	A monetary amount set aside for the future payment of incurred claims that have not yet been settled, thus representing a balance sheet liability.
Co-insurance	An arrangement in which two or more insurance companies agree to underwrite insurance business on a specified portfolio in specified proportions. Each co-insurer is directly liable to the policyholder for their proportional share.
Net claims	The cost of claims incurred in the period, less any claims costs recovered under reinsurance contracts. It includes both claims payments and movements in claims reserves.
Net insurance premium revenue	Also referred to as net earned premium. The element of premium, less reinsurance premium, earned in the period.
Periodic Payment Order (PPO)	A compensation award as part of a claims settlement that involves making a series of annual payments to a claimant over their remaining life to cover the costs of the care they will require.
Premium	A series of payments are made by the policyholder, typically monthly or annually, for part of or all of the duration of the contract. Written premium refers to the total amount the policyholder has contracted for, whereas earned premium refers to the recognition of this premium over the life of the contract.
Reinsurance	Contractual arrangements whereby the Group transfers part or all of the insurance risk accepted to another insurer. This can be on a quota share basis (a percentage share of premiums, claims and expenses) or an excess of loss basis (full reinsurance for claims over an agreed value).
Ultimate loss ratio	The projected ratio for a particular accident year or underwriting year, often used in the calculation of underwriting profit and profit commission.
Underwriting year	The year in which the policy was incepted.
Written/Earned basis	A policy can be written in one calendar year but earned over a subsequent calendar year.

APPENDIX 2 – QUANTITATIVE REPORTING TEMPLATES

AECS, under the status of a new constitution company, is required to disclose just the following templates for 2018:

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 - Only SF
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
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0,00
Deferred tax assets	R0040	2.451,24
Pension benefit surplus	R0050	0,00
Property, plant & equipment held for own use	R0060	0,00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	79.990.295,00
Property (other than for own use)	R0080	0,00
Holdings in related undertakings, including participations	R0090	0,00
Equities	R0100	0,00
Equities – listed	R0110	0,00
Equities – unlisted	R0120	0,00
Bonds	R0130	0,00
Government Bonds	R0140	0,00
Corporate Bonds	R0150	0,00
Structured notes	R0160	0,00
Collateralised securities	R0170	0,00
Collective Investments Undertakings	R0180	79.990.295,00
Derivatives	R0190	0,00
Deposits other than cash equivalents	R0200	0,00
Other investments	R0210	0,00
Assets held for index-linked and unit-linked contracts	R0220	0,00
Loans and mortgages	R0230	0,00
Loans on policies	R0240	0,00
Loans and mortgages to individuals	R0250	0,00
Other loans and mortgages	R0260	0,00
Reinsurance recoverables from:	R0270	0,00
Non-life and health similar to non-life	R0280	0,00
Non-life excluding health	R0290	0,00
Health similar to non-life	R0300	0,00
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0,00
Health similar to life	R0320	0,00
Life excluding health and index-linked and unit-linked	R0330	0,00
Life index-linked and unit-linked	R0340	0,00
Deposits to cedants	R0350	0,00
Insurance and intermediaries receivables	R0360	0,00
Reinsurance receivables	R0370	0,00
Receivables (trade, not insurance)	R0380	3.000.000,00
Own shares (held directly)	R0390	0,00
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0,00

Cash and cash equivalents	R0410	1.453.443,00
Any other assets, not elsewhere shown	R0420	0,00
Total assets	**R0500**	84.446.189,24
Liabilities		
Technical provisions – non-life	R0510	0,00
Technical provisions – non-life (excluding health)	R0520	0,00
Technical provisions calculated as a whole	R0530	0,00
Best Estimate	R0540	0,00
Risk margin	R0550	0,00
Technical provisions - health (similar to non-life)	R0560	0,00
Technical provisions calculated as a whole	R0570	0,00
Best Estimate	R0580	0,00
Risk margin	R0590	0,00
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0,00
Technical provisions - health (similar to life)	R0610	0,00
Technical provisions calculated as a whole	R0620	0,00
Best Estimate	R0630	0,00
Risk margin	R0640	0,00
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0,00
Technical provisions calculated as a whole	R0660	0,00
Best Estimate	R0670	0,00
Risk margin	R0680	0,00
Technical provisions – index-linked and unit-linked	R0690	0,00
Technical provisions calculated as a whole	R0700	0,00
Best Estimate	R0710	0,00
Risk margin	R0720	0,00
Other technical provisions	R0730	
Contingent liabilities	R0740	0,00
Provisions other than technical provisions	R0750	0,00
Pension benefit obligations	R0760	0,00
Deposits from reinsurers	R0770	0,00
Deferred tax liabilities	R0780	0,00
Derivatives	R0790	0,00
Debts owed to credit institutions	R0800	0,00
Financial liabilities other than debts owed to credit institutions	R0810	0,00
Insurance & intermediaries payables	R0820	0,00
Reinsurance payables	R0830	0,00
Payables (trade, not insurance)	R0840	29.789,00
Subordinated liabilities	R0850	0,00
Subordinated liabilities not in Basic Own Funds	R0860	0,00
Subordinated liabilities in Basic Own Funds	R0870	0,00
Any other liabilities, not elsewhere shown	R0880	10,00
Total liabilities	**R0900**	29.799,00
Excess of assets over liabilities	**R1000**	84.416.390,24

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

		Motor vehicle liability insurance	Other motor insurance	Total
		C0040	C0050	C0200
Premiums written				
Gross - Direct Business	R0110			
Gross - Proportional reinsurance accepted	R0120			
Gross - Non-proportional reinsurance accepted	R0130			
Reinsurers' share	R0140			
Net	R0200			
Premiums earned				
Gross - Direct Business	R0210			
Gross - Proportional reinsurance accepted	R0220			
Gross - Non-proportional reinsurance accepted	R0230			
Reinsurers' share	R0240			
Net	R0300			
Claims incurred				
Gross - Direct Business	R0310			
Gross - Proportional reinsurance accepted	R0320			
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340			
Net	R0400			
Changes in other technical provisions				
Gross - Direct Business	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non-proportional reinsurance accepted	R0430			
Reinsurers' share	R0440			
Net	R0500			
Expenses incurred	R0550	77.318,00		77.318,00
Other expenses	R1200			13.792,00
Total expenses	R1300			91.110,00

S.05.02.01
Premiums, claims and expenses by country

		Home country	Country (by amount of gross premiums written) - non-life obligations	Total Top 5 and home country
		C0080	C0090	C0140
Premiums written				
Gross - Direct Business	R0110			
Gross - Proportional reinsurance accepted	R0120			
Gross - Non-proportional reinsurance accepted	R0130			
Reinsurers' share	R0140			
Net	R0200			
Premiums earned				
Gross - Direct Business	R0210			
Gross - Proportional reinsurance accepted	R0220			
Gross - Non-proportional reinsurance accepted	R0230			
Reinsurers' share	R0240			
Net	R0300			
Claims incurred				
Gross - Direct Business	R0310			
Gross - Proportional reinsurance accepted	R0320			
Gross - Non-proportional reinsurance accepted	R0330			
Reinsurers' share	R0340			
Net	R0400			
Changes in other technical provisions				
Gross - Direct Business	R0410			
Gross - Proportional reinsurance accepted	R0420			
Gross - Non-proportional reinsurance accepted	R0430			
Reinsurers' share	R0440			
Net	R0500			
Expenses incurred	R0550	77.318,00		77.318,00
Other expenses	R1200			13.792,00
Total expenses	R1300			91.110,00

S.17.01.02
Non-Life Technical Provisions

		Motor vehicle liability insurance	Other motor insurance	**Total Non-Life obligation**
		C0050	C0060	C0180
Technical provisions calculated as a whole	R0010			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050			
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	R0060			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140			
Net Best Estimate of Premium Provisions	R0150			
Claims provisions				
Gross	R0160			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240			
Net Best Estimate of Claims Provisions	R0250			
Total Best estimate - gross	R0260			
Total Best estimate - net	R0270			
Risk margin	R0280			
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			
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330			
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340			

S.19.01.21
Non-life insurance claims

Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business

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

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life Business

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-9	R0160		
N-8	R0170		
N-7	R0180		
N-6	R0190		
N-5	R0200		
N-4	R0210		
N-3	R0220		
N-2	R0230		
N-1	R0240		
N	R0250		

Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business

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

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative). Total Non-Life Business

		Year end (discounted data)
		C0170
Prior	R0100	
N-9	R0160	
N-8	R0170	
N-7	R0180	
N-6	R0190	
N-5	R0200	
N-4	R0210	
N-3	R0220	
N-2	R0230	
N-1	R0240	
N	R0250	

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	9.015.000,00	9.015.000,00		0,00	
Share premium account related to ordinary share capital	R0030	0,00	0,00		0,00	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	75.492.500,00	75.492.500,00		0,00	
Subordinated mutual member accounts	R0050	0,00		0,00	0,00	0,00
Surplus funds	R0070	0,00	0,00			
Preference shares	R0090	0,00		0,00	0,00	0,00
Share premium account related to preference shares	R0110	0,00		0,00	0,00	0,00
Reconciliation reserve	R0130	-93.561,00	-93.561,00			
Subordinated liabilities	R0140	0,00		0,00	0,00	0,00
An amount equal to the value of net deferred tax assets	R0160	2.451,24				2.451,24
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
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	0,00				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0,00	0,00	0,00	0,00	0,00
Total basic own funds after deductions	R0290	84.416.390,24	84.413.939,00	0,00	0,00	2.451,24
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0,00			0,00	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0,00			0,00	
Unpaid and uncalled preference shares callable on demand	R0320	0,00			0,00	0,00
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0,00			0,00	0,00
Letters of credit and guarantees under Article 96(2) of the Directive	R0340	0,00			0,00	

2009/138/EC						
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0,00			0,00	0,00
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0,00			0,00	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0,00			0,00	0,00
Other ancillary own funds	R0390	0,00			0,00	0,00
Total ancillary own funds	R0400	0,00			0,00	0,00
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	84.416.390,24	84.413.939,00	0,00	0,00	2.451,24
Total available own funds to meet the MCR	R0510	84.413.939,00	84.413.939,00	0,00	0,00	
Total eligible own funds to meet the SCR	R0540	84.416.390,24	84.413.939,00	0,00	0,00	2.451,24
Total eligible own funds to meet the MCR	R0550	84.413.939,00	84.413.939,00	0,00	0,00	
SCR	R0580	1.781.069,00				
MCR	R0600	3.700.000,00				
Ratio of Eligible own funds to SCR	R0620	47,3965				
Ratio of Eligible own funds to MCR	R0640	22,8146				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	1.160.947,31	
Counterparty default risk	R0020	1.091.300,55	
Life underwriting risk	R0030	0,00	
Health underwriting risk	R0040	0,00	
Non-life underwriting risk	R0050	0,00	
Diversification	R0060	-471.178,86	
Intangible asset risk	R0070	0,00	
Basic Solvency Capital Requirement	R0100	1.781.069,00	

		Value
		C0100
Operational risk	R0130	0,00
Loss-absorbing capacity of technical provisions	R0140	0,00
Loss-absorbing capacity of deferred taxes	R0150	0,00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0,00
Solvency Capital Requirement excluding capital add-on	R0200	1.781.069,00
Capital add-on already set	R0210	0,00
Solvency capital requirement	R0220	1.781.069,00
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0,00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0,00
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0,00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	

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		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	

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	0,00
SCR	R0310	1.781.069,00
MCR cap	R0320	801.481,05
MCR floor	R0330	445.267,25
Combined MCR	R0340	445.267,25
Absolute floor of the MCR	R0350	3.700.000,00
Minimum Capital Requirement	R0400	3.700.000,00