redsands
life assurance

Published: 13 April 2026

Solvency & Financial Condition Report

For the year ending 31 December 2025

Red Sands Life Assurance Company (Europe) Limited

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Introduction

This document is a public disclosure of the solvency and financial condition of Red Sands Life Assurance Company (Europe) Limited ("RSL") in accordance with section 52 of the Financial Services (Insurance Companies) Regulations 2020 ("Solvency II Directive"). Following a group restructure, the Gibraltar Financial Services Commission ("GFSC") amended their scope of group regulation in accordance with the Solvency II Directive, with effect from 1 January 2025, now regulates the wider Cert. Group. As a result, a single Solvency and Financial Condition Report (SFCR) has been prepared for Red Sands Life Assurance Company (Europe) Limited for the 2025 reporting period.

The SFCR for the Cert. Group will be available at www.certgroup.com in due course and in accordance with the statutory reporting requirements for group reporting under the Solvency II Directive. The Solvency II reporting currency of this report is Pound Sterling (GBP).

This document has been approved by the Board of Directors of Red Sands Life Assurance Company (Europe) Limited and in doing so, the Directors acknowledge responsibility for the preparation of this document.

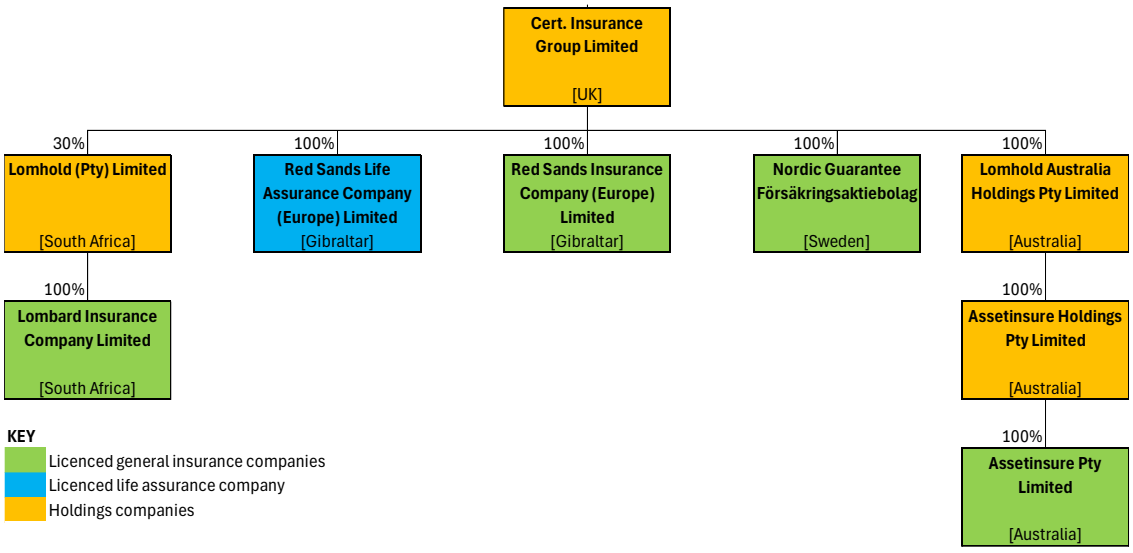
A. Business & Performance

A.1 Business

Red Sands Life Assurance Company (Europe) Limited ("RSL" or "the Company") has historically been a life insurance company selling uncomplicated life assurance policies in Central and Eastern Europe via direct-to-consumer strategies. As a consequence of the UK (and Gibraltar's) decision to leave the European Union and following a commutation of its reinsurance arrangements in June 2024, the Company is now in solvent run-off. The Company had a solvency cover ratio of 277.3% as at 31st December 2025 and total profit after tax of £1.9m for the year then ending.

The Company is part of the Cert. Group. The Cert. Group underwent a restructure during 2025 with a view to corporate simplification.

The group structure is shown below:



Cert. Insurance Group Limited is 100% owned by Cert. Holdings Limited, domiciled in Guernsey, which falls outside the formal scope of group reporting under Solvency II.

The Company is incorporated in Gibraltar and is a company limited by share capital. The Company operates entirely from Gibraltar with the following registered address:

Level 3, Ocean Village Business Centre
23 Ocean Village Promenade
Gibraltar

The supervisory authority responsible for regulatory supervision is:

Gibraltar Financial Services Commission
PO Box 940
Suite 3, Ground Floor
Atlantic Suites
Gibraltar
Telephone: (+350) 200 40 283

The Company's external auditors for the year ended 31 December 2025 are:

EY Limited
Suite 3C, Regal House
Queensway
Gibraltar
Telephone: (+350) 200 13 200

The Company has entered solvent run-off. On 7 January 2025, at the request of the Company, the GFSC issued a direction that the Company must not enter into new contracts of insurance business, including renewals, with immediate effect and gave notice that the Company's Part 7 Permission had been varied to remove the regulated activity of effecting contracts of insurance.

The Company shares a common staff base with Red Sands Insurance Company (Europe) Limited ("RSE") employed by RSE.

A.2 Underwriting Performance

The Company has now entered solvent run-off in all EU territories which it previously conducted business, having commuted its remaining Polish reinsurance business in accordance with a Commutation and Release agreement signed in 2024.

Gross Written Premium in 2025 decreased to £6.0m compared to £13.6m in 2024 with profit after tax for the current year of £1.8m. A breakdown by territory is given below.

Territory	Year ending Dec 25 GBP (000's)	Year ending Dec 24 GBP (000's)
Hungary	2,760	3,002
Slovakia	1,612	1,730
Czech Republic	1,512	1,619
Greece	132	161

Poland	-	7,103
Total	6,016	13,616

The Appendix contains certain quantitative reporting templates. IR.05.03.01 ('Life income and expenditure') on pages 36 and 37 provides quantitative information on the underwriting performance of RSL by material lines of business. IR.05.02.01.04 ('Premiums, claims and expenses by country – Life obligations) on page 35 provide quantitative information on the underwriting performance of RSL by material geographic area.

A.3 Investment Performance

The Company's investment strategy is to buy-and-hold according to a strategic assets allocation which considers capital efficiency and short-and-long term cash flow needs under stressed conditions. As such, investment performance has broadly performed ahead of its benchmark through 2025. Below is a table that summarises the investment performance, after investment management expenses and charges, for the year.

Investment Income	Year ending Dec 25 GBP (000's)	Year ending Dec 24 GBP (000's)
Total	1,419	1,475
Cash and deposits	385	422
Corporate debt securities	300	390
Shares and collective investment funds	797	725
Investment management fees	(63)	(62)

The Company does not have any investments in securitisation and none of the gains or losses from investments have been recognised directly in equity

Through the Investment Committee, the Company continues to proactively manage the risk profile of its investments. The Investment Committees continue to work closely with the team of independent investment consultants in ensuring the portfolio meets the requirements set out within the Board's risk management framework.

A.4 Performance of Other Activities

There is no other material income or associated expenses.

A.5 Any Other Information

A.5.1 Inflationary Pressures

Although inflationary pressures appeared to be easing during 2025, ongoing conflict and heightened geopolitical tensions in the Middle East in early 2026 have contributed to significant volatility in global energy and commodity markets, with knock on effects on inflationary pressures already being experienced. The Company continues to monitor inflation in relation to claims experience given the ongoing macro-economic, geopolitical outlook and heightened economic uncertainty.

A.5.2 Brexit

The Company has obtained recognition in all European Union host state territories in which it has risk exposures, in order to ensure that policyholders are not adversely affected by Gibraltar's exit from the European Union.

The Company continues to monitor the implications of the free trade agreement between the United Kingdom and the European Union, and in particular the inflationary pressures on supply chains. The European Union and the United Kingdom have now reached political agreement on a treaty intended to maintain fluidity at the border between Gibraltar and Spain. The treaty is not currently effective but is expected to enter into force shortly. The treaty, once effective, reduces the risk of certain operational stresses, particularly in relation to cross-border workforce mobility.

A.5.3 COVID-19

The Company has active life and health insurance contracts and has been directly impacted by changes in mortality arising from the pandemic. While the immediate impacts of the pandemic have largely passed, the Company continues to monitor the long-term impacts on general population mortality as a result of the significant changes in behaviours during the pandemic.

A.5.4 Group Regulation

The Company forms part of the Cert. group. As a result of a group restructure, the GFSC acts as the group supervisor for the Cert. group with effect from 1 January 2025. The group is therefore subject to group supervision under the Solvency II framework and prepares group regulatory reporting accordingly.

A.5.4 Other

There is no other material information regarding the business and performance of the Company.

B. System of Governance

B.1 General Information on the system of governance

The executive management body of the Company comprises of the roles detailed in the table below.

Roles	Responsibility
Managing Director	Delivery of strategy and budget within risk tolerance levels set by the Board
Finance Director	Responsible for management of finance function, overseeing the preparation and presentation of all financial accounts, monitoring of solvency capital
Head of Underwriting	Responsible for management of the underwriting function
Head of Actuarial Function - Executive Director	Responsible for management of the actuarial function, information security and providing oversight of the RSL's operations
Company Secretary	Administration of corporate matters
Head of Compliance	Regulatory and non-regulatory compliance
Head of Claims	Responsible for overseeing and managing claims processes and performance

The executive management body is accountable to the Board of Directors (the "Boards"). The Board consists of the executive Managing Director, executive Directors, a non-executive Chair, and independent non-executive Directors supported by the Company Secretary.

The Board is collectively responsible for safeguarding the interests of their policyholders and other stakeholders to whom the Board is responsible. This is done by setting the strategic direction of the Company and ensuring that the Company has robust systems of governance, internal controls, and an adequate risk management system in place to reach its strategic goals.

The Board is responsible for ensuring that the Executive Management delivers on the agreed strategic plans, by offering guidance, providing constructive challenge and holding Executive Management to account on the set goals and objectives.

To assist with the discharge of its duties, the Board has delegated its authority to various Committees, each with their own Terms of Reference which sets out the tasks and authorities delegated by the Board, as well as details other functions of the relevant Committee, including such matters as composition, conduct of meetings, reporting lines, frequency of Committee meetings and frequency of reporting to the Boards.

The Boards have established four separate Committee types:

- Audit Committee
- Investment Committee
- Risk Committee
- Underwriting Committee

Audit Committee

The members of the Committee are appointed by the Board of Directors and as at 31 December 2025 comprised two independent Non-Executive Directors and the independent Non-Executive Chair of the Board. The Board of Directors annually considers the independence of its Non-Executive Directors and whether the Committee has access to appropriate financial and audit expertise either within its membership or available to it in an advisory capacity.

The prime functions of the Committee, as evidenced in its TOR's, are:

- Oversee financial reporting and monitor the integrity of the financial statements and any other formal statements relating to its financial performance;
- Review internal financial controls systems;
- Oversee the internal audit function and the relationship with external auditors;
- Assist the Board with any other matter delegated to it by the Board.

The Committee holds a minimum of four scheduled meetings a year and further meetings are held as required. A majority of Committee members need to be present in order for a meeting to be valid and after each Committee meeting, a report is prepared and tabled at the next meeting of the Board of Directors.

Investment Committee

The members of the Committees are appointed by the Board of Directors. The membership of the Committees is not less than four and not more than eight individuals, and requires four members in order to be quorate – including at least one member who must be a Director of the Company and one member from the external Investment Advisor.

The Investment Committee's primary responsibilities, as evidenced in their TOR's, are:

- The management of the assets of the Company such that regulatory solvency requirements and any internal requirements decided upon by the Board from time-to-time are met, while making optimal use of Capital;
- Management of cash flow and liquidity position of the Company; and
- Ensuring that liabilities are backed by assets of a suitable nature and class.

After each Committee meeting, a report is prepared and tabled at the next meeting of the Board, with an update provided to the Audit and Risk Committees as required.

Risk Committee

The members of the Committee are appointed by the relevant Board of Directors and as at 31 December 2025 comprised the Managing Director, three Executive Directors and one Non-Executive Director, being the Chair of the Audit Committee.

The role of the Risk Committee is to oversee the Risk Management Function, which is managed on a day-to-day basis by the Risk Management Function Holder and the executive management team and provide oversight and advice to the Board in relation to current and potential future risk exposures of RSL and the wider distribution group as well as on the risk strategy, taking into account the Board's overall risk appetite. The Risk Committee is also charged with monitoring the exposures

to product risk and reporting the results of the periodic product risk assessments to the Board as well as overseeing compliance with operational resilience requirements.

The Committee's role also includes the oversight and interpretation of assurance from internal and external assurance providers regarding the effectiveness of the risk management process and works with the executive to address any recommendations that relate to improvements to the risk management framework.

A report is prepared and tabled at every meeting of the Board detailing the activities of the Risk Committee, with an update also provided at Audit Committee meetings as required.

As noted in section B.3, the existence of a Risk Committee does not mean that it is responsible for the management of the Company's risk. Risk management is a collective responsibility of all individuals and remains the responsibility of the Board and Senior Management, managed primarily via the safeguarding of exceptional culture and values throughout the organisation, as well as through the operation of an appropriate control environment. However, the Risk Committee has a role alongside the Board and Senior Management in promoting a risk awareness culture and alignment of actions with values within the Company and within its distribution partner.

Underwriting Committee

The members of the Committee are appointed by the Board of Directors and as at 31 December 2025 comprised the Managing Director, an Executive Director, the Head of Claims and the Head of Underwriting.

The overarching role of the Underwriting Committee, as evidenced in its TOR's, is to review the strategy of, and provide oversight of, the company's underwriting and claims operations. In performing this role, the Committee considers the ongoing monitoring and management of the post Brexit European run-off portfolio, risk appetite, risk aggregation, underwriting and claim management, current and potential outwards reinsurance and retrocession strategies, current and historic performance based upon Value in Force and underwriting performance.

A report is prepared and tabled at every meeting of the Board detailing the activities of the Committee, with an update also provided to the Audit and Risk Committees as required.

Remuneration, Performance & Pension

The non-executive directors are paid a fixed fee for their services which is bench-marked to standard market rates. Executive directors and members of staff are paid through RSE on a fixed remuneration basis plus an annual bonus based on profitability, performance and conduct focus areas.

No share equity schemes or supplementary pension schemes are in operation by the Company.

Material Transactions

There are no material transactions with shareholders; persons with significant influence on the Company nor members of the executive management body or the Board.

B.2 Fit and proper requirements

The Company's 'fit and proper' policy requires employees of RSE providing services to the Company and members of the Board to individually be fit and proper, having insight into the following where relevant (for the role);

- Insurance and financial markets;
- Strategy development and implementation;
- Corporate governance and risk management requirements;
- Financial, analytical and/or actuarial skills;
- Underwriting skills;
- Understanding of the regulatory framework and requirements.

The process for assessing the fitness and proprietary of each individual is carried out during the recruitment process and includes the following;

- ID verification (with photo ID);
- Candidate permitted to work in Gibraltar (where required);
- Qualifications Verified;
- Criminal Convictions check (as appropriate);
- References checked with previous employer(s) (as deemed necessary).

Additionally, all Board and Committee members complete both a fitness and propriety self-assessment questionnaire and skills gap analysis on an annual basis or more frequently as may be required.

B.3 Key Functions

In accordance with the requirements of the Solvency II Directive, the Company has established the following key functions:

- Risk Management Function
- Compliance Function
- Internal Audit Function
- Actuarial Function

Each function operates independently and reports regularly to the Board or relevant committee.

B.4 Risk management system including the own risk and solvency assessment

Risk Management System

Risk management is a collective responsibility of all individuals and remains the responsibility of the Board with certain authorities delegated to the Risk Committee and Senior Management. The Risk Management Function is managed on a day-to-day basis by the Risk Management Function Holder and the executive management team and the Committee have responsibility for providing oversight of current and potential risk exposures and the controls in place to mitigate risks, as evidenced in the preparation, review and maintenance of the Risk Register and Systems of Governance Manual.

The view of the Board and the Risk Committee is that risk management is not limited to one function and as such the below is a table which maps areas of risk management to the relevant operational functions responsible.

At all times ultimate oversight is the responsibility of the Board.

Areas of Risk Management	Function to which the Board has delegated authority to manage the relevant risk
Underwriting, Claims, Complaints & Reserving Risk	Operations – Underwriting Committee
Investment Risk	Investment Committee
Liquidity & Concentration Risk	Executive Management Body (oversight by Investment Committee)
Operational Risk	Executive Management Body
Conduct Risk	Executive Management Body (oversight by Underwriting Committee)
Asset-Liability Management Risk	Operations – Finance & Accounting (oversight by Investment Committee)
Reinsurance Risk	Operations – Underwriting Committee
Strategic & Reputational Risk	Executive Management Body
Cyber/ I.T. Risk	Executive Management Body
Overall Responsibility for Risk Management	Board of Directors

Risk Management Function

The Risk Management Function is responsible for overseeing the effective operation of the Company's risk management system and providing assurance that the Company operates within the risk appetite and tolerances approved by the Board.

The Risk Management Function's responsibilities include:

- identification, assessment, monitoring and reporting of risks
- oversight of risk controls and mitigation measures
- ensuring that the Company operates within its approved risk appetite
- oversight of risks arising from outsourcing and third-party arrangements
- supporting the Company's governance and regulatory obligations under Solvency II, including coordination of the Own Risk and Solvency Assessment (ORSA)
- contributing to the development of the Company's operational resilience framework

The Risk Management Function holder reports to the Risk Committee and to the Board.

Own Risk and Solvency Assessment

The Company maintains a Risk Register and a register of stress and scenario tests that is updated and reviewed internally. The Register is reviewed in full by the Risk Committee at least annually and key risks are monitored on a regular basis by the Risk Committee and at least annually by the Boards.

When a new risk is raised or an existing risk changes materially, and the associated impact will affect either the solvency capital requirement or the available capital, a new Solvency Capital Requirement calculation is performed. New Solvency Capital Requirement calculations are also performed when key business decisions are being considered including appropriate stress testing as required. Key business decisions include significant changes to the investment portfolio.

The outputs of the above analysis are captured in the Own Risk and Solvency Assessment ("ORSA") report. The ORSA process and report demonstrates and evidences Board and Committee engagements in business planning, economic capital consideration and capital planning, risk management and risk appetite, stress testing, governance and the overall review of the Company's business. The ORSA process is an ongoing one, and stress tests in particular are undertaken throughout the year when circumstances require.

B.5 Internal control system

The Company's compliance team, led by the Head of Compliance monitors regulatory and non-regulatory compliance as set out in Red Sands policies and procedures.

It is noted that the Head of Compliance has direct access to the Audit Committee and to the Board of Directors. For any issue, the Head of Compliance may approach the Chair directly and the Chair will then liaise with the rest of the members of the Board as deemed necessary.

The Head of Compliance is invited to attend all relevant committee meetings, regulatory and industry body meetings and liaises with outsourced functions.

The Compliance Function monitors compliance with applicable laws, regulations and administrative provisions, and reports to the Board.

B.6 Internal audit function

Internal Audit is the third line of defence in the Risk Management System providing an objective and independent oversight of the system of governance. The responsibility and oversight of the internal audit function has been delegated by the Board to the Audit Committee, having its own Terms of Reference as approved by the Board. The membership and experience of the Audit Committee is considered in section B.1.

The operational internal audit function is performed by the Internal Auditor. The Internal Auditor reports directly to the Internal Audit Function Holder who is also the independent Chair of the Audit Committee. This governance structure supports the independence and objectivity of the internal audit function. The Internal Auditor was also tasked with preparing the three-year Internal Audit Plan which was approved by the Audit Committee. The Audit Plan encompasses a risk-based approach to the assessment of Key Risks and related internal controls and ensures that there is an appropriate frequency of independent assurance applied to the review of the control environments of any significant risks. The Internal Auditor is responsible for either carrying out the audits directly or co-sourcing internal audit activities with external independent consultants, and reporting any

findings to the Audit Committee. The Internal Auditor may report directly to the Chair of the Audit Committee and the Chair of the Board of Directors if deemed necessary. After the completion of each audit, the findings, recommendations, and management's comments are reported by the Internal Auditor to the Audit Committee.

The Internal Auditor has complete autonomy and access to any resource within the Company to assist with any audit as required, which includes internal audits on the companies themselves, audits on the company's distribution partners, and other outsourced service providers as required.

B.7 Actuarial function

The Actuarial Function is comprised of members of the Underwriting Committee, finance function and experienced actuaries. The Actuarial Function co-ordinates the calculation of technical provisions, performs experience analysis, provides opinions on underwriting policy and the adequacy of reinsurance arrangements, and contributes to the operation of the risk management system by supporting the modelling of risks underlying the SCR and ORSA..

The Company uses the services of an independent reviewing actuarial firm to review the calculation of the technical provisions on a regular basis and ensure that the technical provisions are calculated in accordance with best practice and the relevant regulations.

B.8 Compliance function

The Compliance Function is responsible for advising the Board and senior management on compliance with applicable laws, regulations and regulatory requirements including compliance with anti-money laundering requirements in conjunction with the Money Laundering Reporting Officer.

The function also assesses the potential impact of regulatory changes and monitors the effectiveness of the Company's compliance framework.

The Head of Compliance reports directly to the Board.

B.9 Outsourcing

The following key functions are outsourced:

- Policy administration – Hungary, Slovakia and Czech Republic
- Claims handling – Hungary, Slovakia and Czech Republic
- Actuarial, finance, internal audit, IT, underwriting – Gibraltar and United Kingdom

The Board has established an Outsourcing Policy which sets out the framework for the identification, approval and ongoing management of outsourcing arrangements. The policy also defines the characteristics of organisations with which the Company may not engage.

Appropriate due diligence is performed prior to entering into outsourcing arrangements. Service level agreements are in place with all outsourced service providers and are subject to annual review to ensure that services continue to meet the Company's operational and regulatory requirements.

The Board retains ultimate responsibility for all outsourced functions and ensures that appropriate oversight and monitoring arrangements are in place.

B.10 Any other information

The system of governance ensures the following;

- Compliance with all relevant regulation
- Compliance with all relevant corporate governance
- Compliance with risk tolerance levels set by the Board
- Compliance with capital adequacy requirements
- Compliance with all fit and proper requirements as set by the Board

Through the use of non-executive directors along with suitably resourced committees reporting directly to the Board, the Company feels the system of governance is adequate for the size, nature and complexity of the businesses.

C. Risk Profile

C.1 Underwriting risk

The Company is in solvent run-off from June 2024 with no new business being written either directly or indirectly. On 7 January 2025, at the request of the Company, the GFSC issued a direction that the Company must not enter into new contracts of insurance business, including renewals, with immediate effect and gave notice that the the Company's Part 7 Permission had been varied to remove the regulated activity of effecting contracts of insurance.

Material risks

Key underwriting risks are lapse risk, expense risk and mortality risk which comprise 39.3%, 34.0% and 25.5% of the undiversified underwriting risk charge respectively. Lapse risk arises from a higher than expected lapse rate on existing policies. Lapse risk is managed by the measurement and monitoring of lapse rates at least monthly, and by close working with our distribution partners. Expense risk is the risk that the costs associated with running the business of the company are higher than expected, including the expected total costs of the solvent run-off. Mortality risk arises from policyholders passing away before their expected lifespans, and the Company monitors mortality experience against expectation at least monthly. These risks generally offset each other, given that an increase in expenses will typically reduce future profitability and therefore reduce the lapse risk, and an increase in mortality risk will shorten the expected run off exposure. Both the Underwriting Committee and the Risk Committee share the responsibility of managing and monitoring the technical performance, alongside the finance function charged with managing the expense base of the Company against Board set budgets.

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

Assessment measures

The measures used to monitor, assess and control the underwriting risks include:

- Monthly performance reporting highlights performance of key underwriting metrics.
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

- Experience investigations are conducted annually.

Risk mitigation techniques

In general, the Company's run-off business covers low value sums insured where traditional risk reinsurance is not required. However, the Company historically has made use of reinsurance capacity to provide capital support and to reduce its exposure to potentially higher value risks under products where it has less experience, and continues to manage these in solvent run off.

The Company does not make use of special purpose vehicles to mitigate or transfer risk.

Risk sensitivity

A number of different stress tests were conducted as part of the ORSA process to test the sensitivity to material changes in mortality rates, overhead costs, exchange rates and investment losses.

The latest ORSA highlighted the following material risks:

- A material change in actual mortality experience compared to the underwriting assumptions
- Significant and unforeseen deteriorations in the capital markets.
- A material overrun in costs of running off the licence.
- A material change in the GBP rate, given the Company trades in multiple currencies
- Long-term inflation remaining above expectations

C.2 Market risk

C.2.1 Material risks

The key market risk exposure is currency risks (48.3% of the undiversified market risk charge).

C.2.2 Prudent Person Principle

The Investment Committee, being a committee of the Board, is charged with the responsibility of measuring, reporting on, monitoring of, control and managing the performance of all investable assets. The Investment Committee has engaged the services of external experts to assist with this activity. The Investment Committee's terms of reference details Board imposed limits and controls on the quality, liquidity, asset class, nature, duration and security of investments and investment assets.

Although the Company has a broad range of investments, the Board has a conservative approach with respect to the volatility in the returns – preferring lower, consistent returns over volatility in order to protect available assets. This prudent approach and the short tail nature of the investment portfolios also provides protection against current inflationary pressures.

In the context of the prudent person principle it is critical to look at each asset not in isolation, but together at the portfolio level. Each asset class is going to have favourable and unfavourable periods however, if the portfolios are constructed on a balanced and diversified basis across all the risk categories, with specific focus on managing correlations between asset classes, then drawdowns at the portfolio level are likely to be less severe in times of market stress.

The Company does not have any unit-linked policies where the investment risk is borne by the policyholders.

C.2.3 Assessment Measures

The measures used to monitor, assess and control the market risks include:

- A comprehensive set of performance indicators is assessed on a monthly basis and reviewed in detail at every Investment Committee meeting.
- Compliance with Board imposed limits and constraints such as asset class limits, liquidity constraints, and quality constraints is controlled by means of regular measurement and reporting.

C.2.4 Risk Mitigation Techniques

The techniques used to mitigate against market risk include:

- Material foreign currency exposures on the statutory account balance sheet are hedged back to the reporting currency.
- Maintaining a portfolio of diversified investments with respect to asset class, fund manager, historical volatility, counterparty but whilst maintaining a high level of liquidity and quality of assets.
- Material exposures to equity investments are held in a fund of collective investment undertakings that provides a downside protection guarantee.
- Any investment is subject to a rigorous due diligence process. This encompasses both investment due diligence, and operational due diligence. The investment due diligence includes evaluating the following aspects of the investment institution and investment fund: investment strategy, personnel, portfolio construction, risk management, instruments and a quantitative analysis. The operational due diligence includes evaluating the following aspects of the investment institution and investment fund: trade processes, financing, liquidity & cash controls, pricing policies, counterparties, review of financial statements, corporate organisational structure, capacity management and investor base, personnel organisational structure, legal & compliance, technology and business continuity.

C.2.5 Risk Sensitivity

A material stress test was conducted as part of the ORSA process to test the sensitivity of the investment portfolio to a stress equal to the equivalent of a 1 in 200-year shock, which may arise from a material drawdown in values, a material increase or decrease in interest rates, a material increase and decrease in foreign exchange rates, or any combination. For each stress tests that breached the solvency coverage, an appropriate recovery and resolution plan was detailed.

C.3 Credit risk

Material risks

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Counterparty default risk forms 3.2% of the undiversified basic SCR.

The material risk that the Company has relates to one banking counterparties as at 31 December 2025 which has a credit quality step of 2.

The net amount due from reinsurers is negative due to reinsurance being used to provide capital support (that is the net expected future cash flow from the Company to the reinsurer).

Prudent person principle

Counterparties are selected by taking the credit rating and reputation of each entity into account. Where appropriate, the Company uses multiple counterparties to avoid concentration risk. The Company does not rely on credit ratings alone when selecting an entity, but will also conduct appropriate due diligence.

Assessment measures

Assessment measures include quarterly review of the credit ratings of the counterparties, and the assessment of independent investment advisors on the future prospects of these counterparties.

Risk mitigation techniques

Risk mitigation techniques for credit risks include banking with more than one counterparty and performing due diligence on the counterparty before placing assets with them.

Risk sensitivity

A collective downgrade in the credit quality step of the banking counterparty would not result in a breach of the statutory solvency capital requirement being breached.

C.4 Liquidity risk

Material risks

The Company considers liquidity risk to be low. Furthermore, a significant cash and cash equivalents buffer is held above that expected to be required for near-term claims and operational purposes. The Investment Committee Terms of Reference requires 60% of investment assets to either be cash or short-term deposits directly with depositaries or other assets that may be liquidated within 30 days.

Prudent person principle

Liquidity is a key consideration when investing assets. This is reflected by a very high percentage of the assets being invested in highly liquid investments.

Assessment measures

Measures used to assess liquidity risk include a medium-term cash forecast that is updated weekly, and a long-term cash forecast that is updated for each Investment Committee meeting.

Risk mitigation techniques

A material percentage of assets are held as cash in bank accounts and as short-term, high quality assets in collective investment undertakings with daily liquidity. This is to ensure that there is sufficient cash available to meet short term requirements.

Risk sensitivity

Given that liquidity is not a material risk, no specific liquidity risk sensitivity is undertaken.

C.5 Operational risk

Material risks

The material operational risks that the Company faces and continues to manage include:

- Conduct – our people's and our partners behaviours and governance processes.
- Operational systems – the risk of failure of an operational system resulting in loss of availability, or temporary loss of data.
- Outsourcing – the risk of failure or non-performance of an outsourcing partner.
- People – the risk of failure of management practices and internal controls resulting in mis-management such as fraud.
- Cyber/I.T Risk – the risk of a major systems failure or cyber-attack either internally or an outsourcing partner resulting in corrupted or lost data theft and ransom costs.

Assessment measures

Measures used to assess operational risks include regular review of open risks and their associated risk mitigations by the Risk Committee, and regular audits of internal process and outsourced partners.

Risk mitigation techniques

Risk mitigation techniques employed are specific to each risk. The risk mitigation will seek to reduce, transfer, accept or eliminate the risk, and any residual risk is then signed off by the Risk Committee.

Sensitivity to operational risks has been stress tested by materially increasing the overhead expenses. After a material increase in overheads the 3-year forecasted solvency coverage remains above the 100% once recovery and resolution steps have been applied.

C.6 Other material risks

C.6.1 Brexit

As mentioned in section A.5, the Company has secured that policyholders are not adversely affected by Gibraltar's exit from the European Union. In the absence of EU Freedom of Services, the Company has a heightened level of regulatory/compliance risk in running off these exposures and continues to engage with the relevant regulatory authorities as required.

Other material risks

No other material risks are documented.

C.7 Any other information

The Company does not hold any off-balance sheet positions.

No significant risk concentrations have been identified.

D. Valuation for Solvency Purposes

D.1 Assets

The valuation for solvency purposes of material asset classes is described below.

Corporate and Government Bonds

As at 31 December 2025, the Company does not directly hold any corporate or government bonds.

Collective Investment Undertakings

As at 31 December 2025, the Company had £21.7m invested in collective investment undertakings.

All collective investment undertakings are traded in active markets for identical assets Article 10(2) of the Financial Services (Solvency 2) (Technical Standards) Regulations 2025 ("Technical Standards") effective January 2025. As these are actively traded securities, the market price represents fair value under Solvency II.

The value of all collective investment undertakings in the financial statements is the same as for Solvency II.

The methods and main assumptions in deriving their value for these separate purposes are the same. No changes have been made to the recognition and valuation bases during the reporting period.

Cash and Cash Equivalents

As at 31 December 2025, the Company had £3.2m in cash and cash equivalents.

Cash and cash equivalents are valued at face value in the reporting currency. Any currencies not in the reporting currency are valued at the spot exchange rate on the last day of trading of the reporting period. There are no differences in the valuation of the assets for solvency purposes and those used for the valuation in financial statements. The methods and main assumptions in deriving their value for these separate purposes are the same. No changes have been made to the recognition and valuation bases during the reporting period.

Reinsurance Recoverable

As at 31 December 2025, the Company had -£1.2m in reinsurance recoverables.

Reinsurance recoverables are valued in line with the terms and conditions of the associated re-insurance contract. The calculation of reinsurance recoverables assumes future management action to recapture generations of policies when permitted to do so and in line with past practice. The methods and main assumptions in deriving their value for these separate purposes are the same. No changes have been made to the recognition and valuation bases during the reporting period.

D.2 Technical provisions

The Company's primary line of business has historically been that of life insurance, including stand alone and complementary accident and sickness policies, although the Company entered solvent run off in June 2024. The accident and sickness policies are treated as similar to life products for the purposes of the technical provisions and therefore the life and the accident and sickness policies

are considered together. The value of best estimate and risk margin is given in the Appendix (IR.12.01.01 – 'Life Technical Provisions' on page 38).

Best Estimate Key Assumptions

The key assumptions underlying the calculation of technical provisions are as follows:

1. Policy and premium persistency

   The policy persistency rates are expressed as monthly lapse rates and reflect the likelihood of a policy no longer being "on risk" due to active withdrawal or lapse, i.e. the Company is no longer liable to pay out any claims on the policies. Premium persistency assumptions reflect the likelihood of active policies paying their premiums.

   The above assumptions are derived based on analysis of actual experience and are revised annually where necessary.

2. Mortality

   The mortality assumptions are split by broad product group as follows:

   - Non-underwritten Whole of Life Products
     The base mortality table used is population mortality from a specific year, either from the relevant local national statistics database and other publicly available sources, or from Eurostat (where the local national statistics database does not provide mortality tables). These tables are reshaped based on current realistic estimates of expected mortality levels reflecting policy duration, policyholder age, gender and premium payment method.

   - Simplified underwriting Whole of Life Products
     The base mortality tables used are the reinsurer risk rates provided for the relevant product lines. Where the product is not currently reinsured, quoted reinsurer risk rates are used. A flat adjustment is applied to the base table (if appropriate) to reflect current realistic estimates of expected mortality levels.

   - Term Life Products (non-underwritten and simplified underwriting)
     The base mortality table used is the same population mortality table as for the non-underwritten Whole of Life product in the same territory. A flat adjustment is applied to this mortality table to reflect current realistic estimates of expected mortality levels.

The above assumptions are derived based on analysis of actual experience and are revised annually where necessary.

3. Morbidity

This assumption reflects the likelihood of claims on the cancer product:

- Simplified Underwriting Cancer Products

Cancer incidence is based on the data collected on the relevant territories by the World Health Organisation, adjusted for specifics of the covered cancers, for the general population. As pre-existing conditions are excluded and those who have previously had cancer would not be eligible for insurance, it is reasonable to assume that experience will be in line with that of the general population.

The above assumptions are derived based on analysis of actual experience and are revised annually where necessary.

4. Expenses & Commission

The Company outsources the servicing of run off business and this is reflected with the expense assumptions. The expense assumptions in relation to reinsurance business reflects the Company's share of the primary insurer's expense assumptions. Expenses can be split into:

- Policy administration - a fixed amount per policy set out in the Service Level Agreements between the Company and its distributors.
- Claims administration - a fixed amount per claim set out in the Service Level Agreements between the Company and its distributors.
- Overhead expenses (including investment expenses) - these are set at £300,000 p.a. for 2026, £200,000 p.a. for 2027, reaching a long term level of £180,000 p.a. from 2028. Post 2073 the assumption reverts to a 4% of premium overhead assumption.

The expense inflation rate is country-specific and is set to reflect the target inflation rate as determined by the monetary policy in each country.

Given that the Company is in solvent run off, the commissions relate to ongoing commission, being a set percentage of a month's worth of premiums set out in Service Level Agreements between the Company and its main distributors, where this is relevant.

The commission clawback period is specified in the Service Level Agreements between the Company and its main distributors.

A global expense reserve has been established given the Company is in run-off to provide for a minimum level of overhead expense to support the business over a projected period of fifty years from 2023. This is denoted in GBP as it is independent of country specific expenses. The GBP expense inflation rate applies to this cashflow.

5. Interest rates

The risk-free interest rate term structures used within the model are those published by EIOPA at the valuation date for each relevant currencies.

The relevant risk-free interest rate term structures are:

- Hungarian Forint
- Czech Koruna
- Euro (for Slovakia and Greece)
- United Kingdom Sterling – for the calculation of the risk margin.

6. Exchange rates

For the 31 December 2025 calculation of the technical provisions, cashflows are converted to GBP using the same year-end exchange rates used for the management accounts, which is the spot exchange rate on the last day of trading of the reporting period.

The above assumptions have been reviewed by an independent reviewing actuarial firm who have confirmed that they are satisfied that the assumptions used within the calculation of the technical provisions are appropriate taking into account the quality and credibility of the latest available data and that the assumptions are sufficient and appropriate to the business being modelled.

Best Estimate Methodology

The appropriateness of the methods and models used for the calculation of the technical provisions was assessed during the development phase prior to the implementation of Solvency II with reference to the main risk drivers and the line of business. The cashflow projections use standard recognised actuarial techniques, and relevant product features have been allowed for, taking into account the materiality of each feature and product line, and availability of data.

The calculation of the technical provisions has been carried out consistently with the requirements set out in the Solvency II Directive. No unusual or non-standard methods have been used in the calculation of technical provisions. Additionally, no approximate methods are used in the calculation of the technical provisions in response to the lack of availability of sufficient data of appropriate quality.

The methodologies used have been reviewed by an independent reviewing actuarial firm, who have confirmed that they consider the methods and models used in the calculation of the technical provisions to be consistent with the cashflows that are used to determine a best estimate of the liabilities arising from business sold by the Company and the requirements of Solvency II.

A description of the methodologies used in calculating each component of the technical provisions are noted below.

- Best estimate – Main Benefit
  Cashflow projections are carried out via actuarial software Prophet, using standard actuarial techniques. These models reflect the key features of each product, including the key assumptions noted above.

  The best estimate is calculated using realistic assumptions and industry accepted actuarial methods for the projection of future cashflows, discounted at the relevant risk-free interest rate term structure provided by EIOPA as at the valuation date. The present values of net future cashflows (i.e. allowing for both expected income and outgo) are output grouped by product and country, in the local currency. These amounts are converted to GBP using the same month end exchange rates as used for management accounts as at the valuation date.

  Outstanding claims amounts (i.e. pending claim settlements), any premium debtors and any incurred but not reported claims reserve (IBNR) as of the valuation date are added to the

initial best estimate. These amounts are usually small relative to the size of the initial best estimate.

- Best estimate – Riders
  Cashflows associated with riders attaching to the main benefit are calculated in a similar manner to above and include: Double/Triple/Quadruple Accidental Death (DAD/TAD/QAD), Funeral Comforter, Parent Cover, Premium Waiver, Permanent Disability Rider and Cancer Rider.

Risk Margin

The risk margin is calculated separately, using Method 1 detailed in the Solvency II Guidelines (Approximate individual risks/sub-risks within some or all modules/sub-modules) for projecting future Solvency Capital Requirements. This method projects each relevant component part of the SCR calculation when assuming existing business is in run off. The main components projected are:

- Life underwriting risk module.
- Health underwriting risk module.
- Default risk module (assuming all assets are held as cash at bank and current reinsurance arrangements continue but no new reinsurance is taken out).
- Market risk module (needs to be minimised therefore assuming all assets are held as cash means that the only relevant risk that needs to be projected is the currency risk component).
- Operational risk module (standard formula based on projected premiums).

Options & Guarantees

There are no complicated or unusual options and guarantees on any of the Company's products.

Level of uncertainty associated with the value of technical provisions

As with all projections, there is uncertainty within the selected best estimates where judgements need to be made. The areas of uncertainty/judgment for each of the key assumptions are detailed below.

1. Persistency

The main uncertainties associated with the persistency assumptions are the shape of the policy persistency and long-term premium persistency rates.

2. Mortality

Non-underwritten Whole of Life & All Term Life Products

The main uncertainties associated with this assumption are the level of insured mortality relative to population mortality during the initial "selection" period.

Simplified underwriting Whole of Life Products

The main uncertainty associated with this assumption is whether the reinsurer risk rates are a true reflection of the actual mortality of the specific insured portfolio.

The Actuarial Function has performed sensitivity tests over the course of the year in order to quantitatively analyse the sensitivity of Technical Provisions to these best estimate assumptions.

Valuation in Financial Statements

The method adopted for the valuation is a gross premium valuation method which explicitly allows for the expected future cash-flows arising from the policies in-force at the valuation date. Policies are valued on an individual basis and are not grouped. Any rider benefits are valued as part of the host policy and not on a standalone basis. Furthermore, as per regulation 30 referred to above, no policy is treated as an asset and negative reserves are eliminated at the policy level.

Figures in GBP (000's)	Hungary	Czech Republic	Slovakia	Greece	Total	Impact
LTBP - Gross of Reinsurance	**2,218**	**508**	**1,242**	**280**	**4,248**	
Removal of negative reserve constraint	2,218	508	1,242	280	4,248	0
Removal of margins in mortality and morbidity assumptions	362	(372)	105	237	332	(3,917)
Removal of margins in expense assumptions	(526)	(953)	(635)	222	(1,892)	(2,224)
Removal of margins in lapse assumptions	(576)	(937)	(674)	210	(1,977)	(85)
Removal of margins in interest rate assumptions	(901)	(1,213)	(977)	200	(2,891)	(914)
Addition of outstanding claims reserve	(820)	(1,201)	(977)	200	(2,799)	93
Addition of insurance & intermediary receivables	(921)	(1,228)	(1,031)	193	(2,987)	(188)
Solvency II BEL	**(921)**	**(1,228)**	**(1,031)**	**193**	**(2,987)**	

Other Adjustments and Assumptions

The matching adjustment referred to in Article 68 of the Solvency II Directive has not been applied.

The volatility adjustment referred to in Article 70 of the Solvency II Directive has not been used.

The transitional risk-free interest rate-term structure referred to in section 2 of Schedule 1 of the Solvency II Directive has not been applied.

The transitional deduction referred to in section 3 of Schedule 1 of the Solvency II Directive has not been applied.

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

D.3 Other liabilities

The valuation for solvency purposes of material liability classes is described below.

Net Deferred Tax Liability

The net deferred tax liability is calculated as the net of the deferred tax liability and the deferred tax asset.

The deferred tax asset is calculated as the applicable tax rate multiplied by the difference between the sum of "technical liabilities", "reinsurance payables", and "any other liabilities" on the Solvency 2 balance sheet and the GAAP balance sheet.

The deferred tax liability is calculated as the applicable tax rate multiplied by the difference between the sum of "reinsurance assets", "insurance, loans & other receivables", and "any other assets" on the Solvency II balance sheet and the GAAP balance sheet.

No net deferred tax liability or asset is included on the GAAP balance sheet. A deferred tax liability of £0.6m is included on the Solvency II balance sheet. No changes have been made to the recognition and valuation bases during the reporting period.

Reinsurance Payables

Reinsurance payables are valued in line with the terms and conditions of the associated re-insurance contract. There are no differences in the valuation of the liability for solvency purposes and those used for the valuation in financial statements. The methods and main assumptions in deriving their value for these separate purposes are the same. No changes have been made to the recognition and valuation bases during the reporting period.

Reinsurance payables total £0.9m on the GAAP balance sheet and on the Solvency II balance sheet.

Any Other Liabilities

The material liabilities included under any other liabilities are intercompany payables, accruals, and creditors arising from insurance operations. There are no differences in the valuation of the liability for solvency purposes and those used for the valuation in financial statements. The methods and main assumptions in deriving their value for these separate purposes are the same. No changes have been made to the recognition and valuation bases during the reporting period.

Other liabilities total £0.2m on the GAAP balance sheet and on the Solvency II balance sheet.

Other

No liabilities are subject to financial or operating leases.

There are no liabilities associated with material employee benefits.

D.4 Alternative methods for valuation

No alternative valuation methods have been applied.

D.5 Any other information

No additional information to disclose.

E. Capital Management

E.1 Own funds

Objective & Process

The Company has a Board stated objective to maintain own funds at a certain level in excess of the Solvency Capital Requirement to match the Board's risk appetite.

The Board will recommend any dividends for approval by the shareholder and dividends will not be approved or paid if this results in the forecasted solvency coverage breaching the Board's risk appetite over the planning horizon of three years.

Any additional own funds raised by issuing of shares or raising of debt requires approval of the Board and prior authorisation from the Gibraltar Financial Services Commission, unless they comply with Articles 69, 72 or 76 of the Technical Standards.

Own Funds

The Company only has one class of share, namely Tier 1 ordinary shares. No new shares have been issued by the company over the reporting period.

All own capital in excess of the ordinary shares and associated share premium account are accounted for in the reconciliation reserve.

The table below summarises the overall own funds position for the current and previous reporting period.

Own Fund Item	2025 GBP (000's)	2024 GBP (000's)	Tier
Share Capital	3,502	3,502	Tier 1
Share Premium	1,499	1,499	Tier 1
Reconciliation Reserve	18,955	16,753	Tier 1
Total	**23,955**	**21,752**	

Material Changes

The material change over the reporting period is an increase in own funds of £2.2m. The main driver of this change is GAAP profits of £1.9m.

The material differences between equity as shown in the undertaking's financial statements and the excess of assets over liabilities as calculated for solvency purposes are:

- The difference in basis for the calculation of the best estimate liabilities and reinsurance recoverable in RSL between the financial statements and Solvency II.
- The exclusion of margin from the Solvency II best estimates.

	2025 GBP (000's)
Equity per financial statements	
Share Capital	3,502
Share Premium	1,499
Capital Redemption Reserve	4
Profit and loss account	15,659
Total Equity	20,663
Adjustments for SII	
Net LTBP	4,063
Deferred Tax	(581)
Other SII Adjustments	(189)
Total SII Adjustments	3,292
Solvency II value of excess of assets over liabilities	23,955

Capital Requirement

The eligible amount of own funds to cover the Solvency Capital Requirement and Minimum Capital Requirement, classified by tiers, is provided in the Appendix (IR.23.01.01 – 'Own Funds' on pages 39 and 40). The same quantitative reporting templates also provide the solvency ratios, calculated as eligible own funds as a percentage of the Solvency Capital Requirement.

Other

No basic own-fund items are subject to transitional arrangements.

There exist no options or warrants on the own funds.

There are no ancillary own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement at the end of the reporting period, split by risk module, is provided in the Appendix (IR.25.04.01.01 – 'Solvency Capital Requirement' on pages 41 and 42).

The Minimum Capital Requirement at the end of the reporting period is provided in the Appendix (IR.28.01.01.01 – 'Minimum Capital Requirement – Only life or only non-life activity' on page 43).

The standard model is used to calculate the Capital Requirement.

Loss absorbing capacity of deferred taxes

The Company recognises a deferred tax liability of £0.6 as at 31 December 2025. Deferred tax assets and deferred tax liabilities are calculated based on the future taxable profits recognised within available capital, taken at the prevailing tax rates at the balance sheet date.

The loss absorbing capacity of deferred tax has been assessed and a reduction taken in the solvency capital requirement of £0.6m.

Simplified Calculations

No simplified calculations are used.

Material Changes

The Solvency Capital Requirement decreased by £0.1m over the reporting period.

The Minimum Capital Requirement has moved in line with the Solvency Capital Requirements of the company.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

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

E.4 Differences between the standard formula and any internal model used

The Company has not used any internal model in the calculation of the Solvency Capital Requirement.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Company's own capital is and has been compliant with the Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period.

E.6 Any other information

No additional information to disclose.

Appendix – Quantitative Reporting Templates

IR.02.01.01.01

All monetary amounts presented in £'000

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	21,730
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	21,729
Derivatives	**R0190**	1
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	(1,152)
Non-life and health similar to non-life	**R0280**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0315**	(1,152)
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	202
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	3,188
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	**23,968**

IR.02.01.01.01
Balance sheet

All monetary amounts presented in £'000

		Solvency II value
Liabilities		**C0010**
Technical provisions - total	**R0505**	(1,594)
Technical provisions - non-life	**R0510**	0
Technical provisions - life	**R0515**	(1,594)
Best estimate - total	**R0542**	(2,987)
Best estimate - non-life	**R0544**	0
Best estimate - life	**R0546**	(2,987)
Risk margin - total	**R0552**	1,392
Risk margin - non-life	**R0554**	0
Risk margin - life	**R0556**	1,392
Transitional (TMTP) - life	**R0565**	0
Other technical provisions	**R0730**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	581
Derivatives	**R0790**	23
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	783
Payables (trade, not insurance)	**R0840**	221
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	**13**
Excess of assets over liabilities	**R1000**	**23,955**

IR.05.02.01.04

All monetary amounts presented in £'000

Premiums, claims and expenses by country

Life obligations

		Home country	Top 5 countries (by amount of gross premiums written) - life obligations					Total top 5 countries and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		HU	SK	CZ	GR	0	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	0	2,760	1,612	1,512	132	0	6,016
Reinsurers' share	R1420	0	206	266	356	0	0	827
Net	R1500	0	2,554	1,347	1,155	132	0	5,189
Premiums earned								
Gross	R1510	0	2,760	1,612	1,512	132	0	6,016
Reinsurers' share	R1520	0	206	266	356	0	0	827
Net	R1600	0	2,554	1,347	1,155	132	0	5,189
Claims incurred								
Gross	R1610	(3,315)	3,466	2,000	1,133	337	0	3,622
Reinsurers' share	R1620	0	101	164	205	0	0	470
Net	R1700	(3,315)	3,365	1,836	928	337	0	3,151
Net expenses incurred	R1900	308	495	284	273	39	0	1,399

IR.05.03.01.01

All monetary amounts presented in £'000

Life income and expenditure

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Income								
Premiums written								
Gross direct business	R0010	0	0	0	0	5,989	27	6,016
Gross reinsurance accepted	R0020	0	0	0	0	0	0	0
Gross	R0030	0	0	0	0	5,989	27	6,016
Reinsurers' share	R0040	0	0	0	0	827	0	827
Net	R0050	0	0	0	0	5,161	27	5,189
Investments and other income								
Investment income	R0060		0					587
Realised and unrealised gains / (losses)	R0070		0					895
Other income	R0080							12
Total income	R0090							6,683
Expenditure								
Claims incurred								
Gross direct business	R0110	0	0	0	0	3,611	10	3,622
Gross reinsurance accepted	R0120	0	0	0	0	0	0	0
Gross	R0130	0	0	0	0	3,611	10	3,622
Reinsurers' share	R0140	0	0	0	0	470	0	470
Net	R0150	0	0	0	0	3,141	10	3,151
Expenses incurred								
Gross direct business	R0160	0	0	0	0	1,075	16	1,091
Gross reinsurance accepted	R0170	0	0	0	0	0	0	0
Gross	R0180	0	0	0	0	1,075	16	1,091
Reinsurers' share	R0190	0	0	0	0	0	0	0
Net	R0200	0	0	0	0	1,075	16	1,091

IR.05.03.01.01

Life income and expenditure

All monetary amounts presented in £'000

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Analysis of gross expenses incurred								
Acquisition commission	R0210	0	0	0	0	7	8	15
Acquisition costs - other	R0220	0	0	0	0	0	0	0
Renewal commission	R0230	0	0	0	0	0	0	0
Administrative expenses	R0240	0	0	0	0	739	7	746
Investment management expenses	R0250	0	0	0	0	0	0	0
Claims management expenses	R0260	0	0	0	0	97	1	98
Overhead expenses	R0270	0	0	0	0	232	0	232
Interest payable	R0280	0	0	0	0	0	0	0
Taxation	R0290							7
Other expenses	R0300							561
Total expenditure	R0310							4,810
Transfers and dividends								
Business transfers-in	R0410							0
Business transfers-out	R0420							0
Transfers to(from) other funds	R0430							0
Dividends paid	R0440							0

IR.12.01.01.01

Life technical provisions

		Other life insurance	Health insurance	Total life and health
		C0050	C0060	C0070
Best Estimate				
Gross Best Estimate	R0030	(2,987)	0	(2,987)
Gross Best Estimate (direct business)	R0025	(2,987)	0	(2,987)
Gross Best Estimate (reinsurance accepted)	R0026	0	0	0
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0040	(1,152)	0	(1,152)
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050	(1,152)	0	(1,152)
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0060	0	0	0
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0070	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	(1,152)	0	(1,152)
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	(1,835)	0	(1,835)
Risk Margin	R0100	1,392	0	1,392
Amount of the transitional on Technical Provisions				
Transitional Measure on Technical Provisions	R0180	0	0	0
TMTP - risk margin	R0140	0	0	0
TMTP - best estimate dynamic component	R0150	0	0	0
TMTP - best estimate non-dynamic component	R0160	0	0	0
TMTP - amortisation adjustment	R0170	0	0	0
Technical provisions - total	R0200	(1,594)	0	(1,594)
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0210	(442)	0	(442)
Surrender value	R0300	0	0	0
Nominal value of units	R0302	0	0	0
Matching value of units	R0304	0	0	0
Best estimate subject to transitional of the interest rate	R0310	0	0	0
Technical provisions without transitional on interest rate	R0320	0	0	0
Best estimate subject to volatility adjustment	R0330	0	0	0
Technical provisions without volatility adjustment and without other transitional measures	R0340	0	0	0
Best estimate subject to matching adjustment	R0350	0	0	0
Technical provisions without matching adjustment and without all the others	R0360	0	0	0

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All monetary amounts presented in £'000

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	3,502	3,502		0	
Share premium account related to ordinary share capital	R0030	1,499	1,499		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	18,955	18,955			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
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				
Total basic own funds	R0290	23,955	23,955	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees	R0340	0			0	
Letters of credit and guarantees other	R0350	0			0	0
Supplementary members calls	R0360	0			0	
Supplementary members calls - other	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0

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All monetary amounts presented in £'000

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	**C0020**	**C0030**	**C0040**	**C0050**
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	23,955	23,955	0	0	0
Total available own funds to meet the MCR	**R0510**	23,955	23,955	0	0	
Total eligible own funds to meet the SCR	**R0540**	23,955	23,955	0	0	0
Total eligible own funds to meet the MCR	**R0550**	23,955	23,955	0	0	
SCR	**R0580**	8,637				
MCR	**R0600**	3,500				
Ratio of Eligible own funds to SCR	**R0620**	2.7735				
Ratio of Eligible own funds to MCR	**R0640**	6.8443				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	23,955
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Deductions for participations in financial and credit institutions	**R0725**	0
Other basic own fund items	**R0730**	5,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	18,955

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Solvency Capital Requirement

		Gross solvency capital requirement
Net of loss-absorbing capacity of technical provisions		**C0110**
Market risk	**R0140**	**2,417**
Interest rate risk	**R0070**	236
Equity risk	**R0080**	1,075
Property risk	**R0090**	0
Spread risk	**R0100**	336
Concentration risk	**R0110**	0
Currency risk	**R0120**	1,541
Diversification within market risk	**R0130**	(771)
Counterparty default risk	**R0180**	**348**
Type 1 exposures	**R0150**	328
Type 2 exposures	**R0160**	26
Diversification within counterparty default risk	**R0170**	(6)
Life underwriting risk	**R0270**	**7,943**
Mortality risk	**R0190**	2,815
Longevity risk	**R0200**	44
Life-expense risk	**R0220**	3,755
Lapse risk	**R0240**	4,340
Life catastrophe risk	**R0250**	94
Diversification within life underwriting risk	**R0260**	(3,106)
Total health underwriting risk	**R0320**	**0**
Health SLT risk	**R0280**	0
Health catastrophe risk	**R0300**	0
Diversification within health underwriting risk	**R0310**	0
Non-life underwriting risk	**R0370**	**84**
Non-life catastrophe risk	**R0340**	84
Diversification within non-life underwriting risk	**R0360**	0
Intangible asset risk	**R0400**	**0**
Operational and other risks	**R0430**	**241**
Operational risk	**R0422**	241
Other risks	**R0424**	0
Total before all diversification	**R0432**	**14,916**
Total before diversification between risk modules	R0434	11,034
Diversification between risk modules	R0436	(1,815)
Total after diversification	**R0438**	**9,218**

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Solvency Capital Requirement

		Gross solvency capital requirement
Net of loss-absorbing capacity of technical provisions		**C0110**
Loss-absorbing capacity of technical provisions	**R0440**	0
Loss-absorbing capacity of deferred taxes	**R0450**	(581)
Other adjustments	**R0455**	0
Solvency capital requirement including undisclosed capital add-on	**R0460**	8,637
Disclosed capital add-on - excluding residual model limitation	**R0472**	0
Disclosed capital add-on - residual model limitation	**R0474**	0
Solvency capital requirement including capital add-on	**R0480**	8,637
Undisclosed capital add-on - residual model limitation	**R0482**	0
Capital add-on	**R0484**	0
Biting interest rate scenario	**R0490**	0
Biting life lapse scenario	**R0495**	0

IR.28.01.01.01

All monetary amounts presented in £'000

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

Minimum Capital Requirement - Only life or only non-life activity - Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	0

		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	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations		C0040
MCR_{NL} Result	R0200	0

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		39,253

Overall MCR calculation		C0070
Linear MCR	R0300	0
SCR	R0310	8,637
MCR cap	R0320	3,887
MCR floor	R0330	2,159
Combined MCR	R0340	2,159
Absolute floor of the MCR	R0350	3,500
Minimum Capital Requirement	R0400	3,500