

First Central Group Limited and First Central Underwriting Limited

Combined Solvency and Financial Condition Report

For year ended 31st December 2024

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INTRODUCTION

This document is the Solvency and Financial Condition Report (**'SFCR'**) of First Central Group Limited (**'FCG'**) and its subsidiary First Central Underwriting Limited (**'1CU'**), as at 31st December 2024, and was prepared with the purpose of satisfying the Solvency II public disclosure requirements under the Financial Services (Insurance Companies) Regulations 2020.

FCG is the holding company of the First Central Group (**the 'Group'**), an insurance and technology group registered in Guernsey, and 1CU is the Group's insurance undertaking registered in Gibraltar.

This report is structured in accordance with regulations 56A to 56E of the Financial Services (Insurance Companies) Regulations 2020, as amended by the Financial Services (Insurance Companies) (Amendment No.2) Regulations 2025, and contains a range of regulatory disclosures that support information presented in the FCG and 1CU Annual Quantitative Reporting Templates (**'AQRTs'**).

This SFCR is compliant with regulation 52 of the Financial Services (Insurance Companies) Regulations 2020.

The report is not intended to provide a comprehensive review of FCG and 1CU's business and the market in which they operate, how the business is managed, or performance of the business during the year. This information is detailed in the 2024 audited Financial Statements.

EXECUTIVE SUMMARY

This document presents the view of FCG and 1CU. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

The sections of the SFCR are briefly summarised below:

Section A – Business and Performance

This section contains an overview of FCG and 1CU's business, underwriting and investment performance. 1CU remained focused on maintaining technical discipline and underwriting performance during 2024.

Market dynamic risks in relation to price movements and the impact on FCG and 1CU's competitive position are monitored on a daily and weekly basis through FCG's Management Governance Framework. 2024 saw market pricing catch up with record burn cost inflation in H2 2022 and 2023. Motor market prices responded with full year softening, however the market remained changeable, driven by external market factors including prevailing regulatory scrutiny (heightened regulator and government focus on topics related to 1CU and the Group's business model, such as Motor Total Loss, Premium Finance and Motor Insurance Pricing), and uncertainty on the increase in the Ogden rate. 1CU took prudent rating action across 2023, which saw the benefits of its disciplined approach earn into 2024, improving financial performance as those insurers that were less responsive continued to 'catch up' with inflation resulting in a loss of market share.

In 2024, the UK Personal Lines Motor market experienced lower claims frequency due to benign weather, lower speed limits, and customers' behaviour. Furthermore, the Personal Injury Discount Rate was confirmed at +0.5% and injury awards increased following the Judicial College Guidelines review.

1CU entered the UK Home Insurance market in April 2024, with the launch of the Buildings and Contents Combined, and the Contents Only products.

FCG's 2024 Full Year Adjusted Earnings Before Interest Taxes Depreciation and Amortisation* ('Adjusted EBITDA') was £111.2m, which was £60.9m or 121% favourable to 2023. 1CU's 2024 Full Year Adjusted EBITDA was £25.5m, which was £2.9m or 13% favourable to 2023. Both of these results were driven by delivery of internal initiatives, which improved Pricing, Underwriting and Claims performance and the earn through of significant price hardening mentioned above. 2024 saw the market cycle turn with claims inflation returning to more 'normal' levels, enabling FCG to reduce prices whilst maintaining appropriate technical prices to offset claims inflation.

1CU's pro forma Combined Operating Ratio (**COR**) (adjusting for the reinsurance arrangements, closely correlated insurance income and insurance related expenses) was 91.6% for 2024 (94.8% for 2023).

FCG's investment and interest income and related expenses in 2024 were £14.5m (2023: £8.5m). 1CU's investment income in 2024 was £9.4m (2023: £4.1m). The year-on-year increase in investment and interest income was driven by a combination of higher average cash balances and investment returns over 2024, compared with 2023, across both FCG and 1CU. Average monthly cash balances were c£80m higher over the year, with investment returns on average 0.5% higher. 1CU also benefited from an increase in realised gains through the sale of its investment in the Aberdeen Short Term Government Bond fund.

** EBITDA adjusted for non-controlling interest, share based payments and any exceptional one-off costs*

Section B – System of Governance

This section describes the roles, functions and responsibilities of the Board and its committees, and the internal control and policy framework. The Own Risk and Solvency Assessment ('**ORSA**') process is explained in detail, as well as how the Internal Control System, Internal Audit function, Actuarial function and outsourcing are implemented.

Section C – Risk Profile

The FCG Board is responsible for determining risk strategy and risk appetite across the Group, and for the Group's system of risk management and internal control. The FCG Board has delegated the development, implementation, and maintenance of the Group's risk management framework to the Group Audit Committee ('**GAC**') for the purposes of reviewing and reporting on the overall effectiveness of this system. The 1CU Board is responsible for setting 1CU's risk appetite, has aligned itself to the framework and has delegated the oversight of the 1CU risk environment to the Audit, Risk and Corporate Governance Committee ('**ARCGC**').

FCG and 1CU's risk profiles identified that the principal risks to the companies include:

- Underwriting risk, inadequate premium and inappropriate reserving.
- An increase in excess of loss reinsurance premium and reinsurance default risk.
- Market risk in relation to investments.
- Credit and liquidity risk.
- Operational risk including outsourcing and information security.

These risks are captured and appropriately controlled, monitored and reported on within the business under a 'Three Lines of Defence' approach.

The FCG and 1CU Boards (the '**Boards**') are satisfied that the business is adequately prepared for, and robust enough to weather, any plausible stress scenarios without material detriment to stakeholders.

Section D – Valuation for Solvency Purposes

This section provides information on the valuation of FCG and 1CU's Assets, Liabilities and Equity on their respective Solvency II balance sheets including detail of the valuation methodologies applied and any adjustments made to convert from a GAAP to Solvency II basis.

Section E – Capital Management

Both FCG and 1CU have continuously complied with the Solvency Capital Requirement ('**SCR**') and Minimum Capital Requirement ('**MCR**') throughout the year.

As at the 31st December 2024, FCG held own funds of £233.8m compared to the SCR of £144.9m, resulting in a SCR coverage of 161.3% (2023: own funds £191.7m, SCR £109.5m and SCR coverage 175.1%). As at the 31st December 2024, 1CU held own funds of £209m compared to the SCR of £128m, resulting in a SCR coverage of 163.3% (2023: own funds £144.8m, SCR £87.8m, and SCR coverage 164.8%).

The FCG and 1CU AQRT extracts are provided in Appendices to this SFCR.

In accordance with the guidance provided by the GFSC, we acknowledge in writing our satisfaction that FCG and 1CU have complied in all material respects with all relevant legal requirements throughout the financial year ended 31st December 2024. As at the date of the publication of this report, neither 1CU or FCG are aware of any circumstances that would prevent ongoing compliance in future.

On behalf of the Boards of Directors of First Central Group Limited and First Central Underwriting Limited,



Michael Lee

Group Chief Executive Officer
First Central Group Limited



Alberto Chumillas

Managing Director
First Central Underwriting Limited

Date: 19 May 2025

A - BUSINESS AND PERFORMANCE

A.1 Business

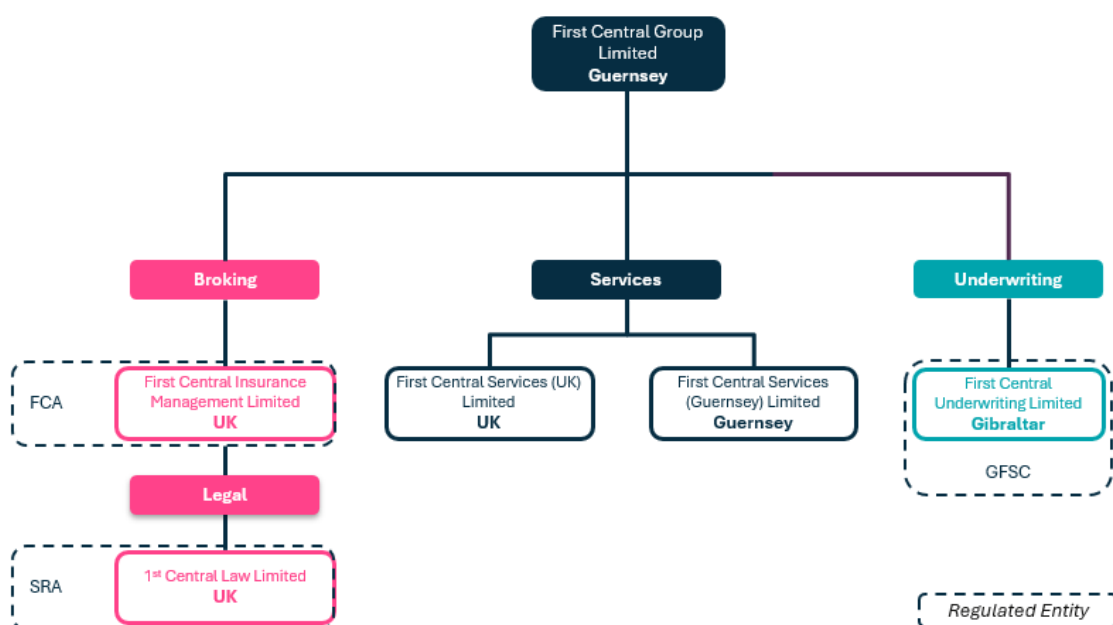
| Name and legal form | |
|--|--|
| First Central Group Limited Park Court, 17 Park Street, St Peter Port, Guernsey, GY1 1EE Registered in Guernsey (number: 48743) | First Central Underwriting Limited 5/5 Crutchett's Ramp, Gibraltar, GX11 1AA Registered in Gibraltar (number: 99263) |
| Contact details of the external auditors | |
| Deloitte LLP Regency Court Glatigny Esplanade St Peter Port Guernsey, GY1 3HW Tel +44 (0)1481 724 011 | Deloitte Limited Floor 3, 120 Irish Town Gibraltar, GX11 1AA Tel: +350 200 41200 www.deloitte.com |
| Contact details of the supervisory authority | |
| Gibraltar Financial Services Commission PO Box 940 Suite 3, Atlantic Suites Gibraltar Tel: +350 200 40283 www.fsc.gi | |
| FCG shareholders with qualifying holdings (>10%) | |
| New Street Trust Limited (as Trustee of The Acott Family Settlement) Patrick Tilley Peter Creed | |

FCG is an unlisted, private limited company based in Guernsey, whose subsidiaries sell and underwrite motor insurance and related products in the UK market. FCG is classified as an insurance holding company under Solvency II and the Group is subject to supervision by the Gibraltar Financial Services Commission ('GFSC').

1CU is a Gibraltar-based insurance undertaking, limited by shares and wholly owned by FCG. 1CU is authorised by the GFSC to underwrite the following insurance classes in the United Kingdom:

| Class | Type of insurance business |
|-------|------------------------------|
| 3 | Land vehicles |
| 7 | Goods in transit |
| 8 | Fire and natural forces |
| 9 | Damage to property |
| 10 | Motor vehicle liability |
| 13 | General liability |
| 16 | Miscellaneous financial loss |
| 17 | Legal expenses |
| 18 | Assistance |

The chart below shows the Group's structure as at 31st December 2024. FCG owns 100% of the entities within the Group.



| Company | Jurisdiction | Function |
|--|--------------|--|
| First Central Group Limited ('FCG') | Guernsey | Group holding company and ultimate parent of all Group subsidiaries. Provides strategic advisory services. It also owns and licenses the core Group intellectual property. |
| First Central Underwriting Limited ('1CU') | Gibraltar | General insurer of the Group's UK general insurance book. |
| First Central Insurance Management Limited ('FCIM') | UK | FCA-authorised general insurance intermediary and provider of premium finance and debt recovery. Provides management of policies of insurance, claims and complaints handling, counter fraud and brand management services. |
| First Central Services (UK) Limited ('FCS (UK)') | UK | Provides back-office support services including HR, legal, risk, compliance, solvency and capital management, financial reporting, financial planning, MI and data, business change and IT services and operations. Management of repair network and vehicle salvage arrangements. |
| First Central Services (Guernsey) Limited ('FCS (Gsy)') | Guernsey | Provides (non-regulated) insurance intermediary services via the insurance platform which collates, uses and analyses data across quotes, broking, claims and provides other development and on-going support in relation to the platform. Also provides instalment collection services. |
| 1st Central Law Limited ('1CL') | UK | A former Alternative Business Structure between FCIM and Horwich Cohan Coghlan, providing First Central policyholders with legal support following an accident. 1CL is no longer trading and is being prepared for liquidation. |

Skyfire Insurance Property Company Limited was successfully dissolved with effect from 3 January 2024.

Significant events during the reporting period

- **Motor Insurance: Low claim frequency and changes to the injury awards**

The UK Personal Lines Motor market saw lower than expected claims frequency throughout 2024, driven by benign weather, lower speed limits in Wales and customers' behaviour on minor damage claims. Furthermore, the Personal Injury Discount Rate was confirmed at +0.5% injury awards increased following the Judicial College Guidelines review.

- **Home Insurance: market entry**

1CU entered the UK Home Insurance market in April 2024, with the launch of the Buildings and Contents Combined, and the Contents Only products.

A.2 Underwriting Performance

1CU premium, written in the UK from Gibraltar, was £788m for the year ended 31st December 2024 (2023: £641m).

1CU has traded well, maintained underwriting discipline, displayed change agility and delivered in line with the 2024 Business Plan. Having continued to invest heavily in colleagues, data and technology to deliver an effortless customer experience, operational improvements and enhanced capabilities that ensure the rigorous running of the business, the Boards are confident in 1CU's ability to continue to deliver the sustainable growth and profitability targeted in the Business Plan.

Inflationary conditions, both on indemnity spend and the general cost base, have returned to more 'normal' levels compared to the exceptional levels experienced in 2023. 1CU has benefitted from being quick to react to observed claims severity increases in 2023, allowing 1CU to build adequate margin in 2024 as the market turned and prices began to soften.

Market softening was first reported by the ABI in Q2 2024, following the significant price corrections observed in 2023 as players looked to price for exceptional inflation. The Group acted prudently in putting through FCIM retail rate reductions and where appropriate 1CU technical reductions, whilst ensuring inflation was adequately priced for and the right balance of competitiveness and margin was retained.

FCG's 2024 Full Year Adjusted Earnings Before Interest Taxes Depreciation and Amortisation* ('Adjusted EBITDA') was £111.2m, which was £60.9m or 121% favourable to 2023. 1CU's 2024 Full Year Adjusted EBITDA was £25.5m, which was £2.9m or 13% favourable to 2023. Both of these were driven by delivery of internal initiatives, which improved Pricing, Underwriting and Claims performance, and the earn through of significant price hardening from 2023.

1CU's best estimate reserves for accident years 2023 and prior saw adverse development over the course of 2024. This arose primarily because of inflationary pressure on bodily injury costs although we have also seen increases on damage-related claims, particularly third-party damage.

The loss ratio for the 2024 accident year is lower than 2023 due to significant reduction in both claims inflationary pressures and reduced frequency levels.

Overall Performance of FCG and 1CU

Below is a table outlining the profitability of FCG split by technical and non-technical elements.

| Statement of Comprehensive Income | FCG Year ended 31 st Dec 2024 | FCG Year ended 31 st Dec 2023 |
|---|---|---|
| Net earned premiums | 59.8 | 56.2 |
| Commissions, fees, and expense contributions | 445.3 | 356.7 |
| Investment income and related expenses | 14.5 | 8.5 |
| Total revenue | 459.8 | 365.2 |
| Total technical income | 519.7 | 421.4 |
| Claims incurred, net of reinsurance | (161.4) | (153.1) |
| Operating expenses | (247.1) | (218.0) |
| Adjusted EBITDA | 111.2 | 50.3 |
| Amortisation, depreciation and non-operating expenses | (31.8) | (24.6) |
| Finance costs | (6.1) | (6.3) |
| Profit before tax | 73.3 | 19.4 |
| Tax | (13.1) | 6.2 |
| Profit after tax | 60.2 | 25.6 |

Below is a table outlining the profitability of 1CU split by technical and non-technical elements.

| Statement of Comprehensive Income | 1CU Year ended 31 st Dec 2024 | 1CU Year ended 31 st Dec 2023 |
|--|---|--|
| Earned premiums, net of reinsurance | 40.8 | 73.3 |
| Other technical income | 148.5 | 155.4 |
| Claims incurred, net of reinsurance | (162.1) | (161.7) |
| Net operating expenses | (11.1) | (49.1) |
| Technical result | 16.1 | 17.8 |
| Investment income | 9.6 | 4.3 |
| Investment expenses and charges | 0.2 | (0.2) |
| Profit before tax | 25.5 | 21.9 |
| Tax | (3.9) | (1.8) |
| Profit after tax | 21.6 | 20.1 |

Included within the technical result was 1CU's share of FCIM's income as part of the Group's transfer pricing arrangements.

1CU's pro forma COR (adjusting for the reinsurance arrangements, closely correlated insurance income and insurance related expenses) was 91.6% for 2024 (99.7% for 2023). Closely correlated income includes Premium Finance, Fee Income and Claims Income. Insurance related expenses (such as Acquisition, Claims Handling and Regulatory Fees).

A.3 Investment Performance

FCG's investment and interest income and related expenses in 2024 were £14.5m (2023: £8.5m). 1CU's investment income in 2024 was £9.4m (2023: £4.1m). The year-on-year increase in investment and interest income was driven by a combination of higher average cash balances and investment returns over 2024 as compared with 2023, across both FCG and 1CU. Average monthly cash balances were c£80m higher over the year, with investment returns on average 0.5% higher. 1CU also benefited from an increase in realised gains through the sale of its investment in the Aberdeen Short Term Government Bond fund.

The table below shows the consolidated breakdown of FCG and 1CU Investment Income and Related Expenses.

| | FCG | FCG | 1CU | 1CU |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended | Year ended | Year ended | Year ended |
| | 31 st Dec 2024 | 31 st Dec 2023 | 31 st Dec 2024 | 31 st Dec 2023 |
| | (£m) | (£m) | (£m) | (£m) |
| Loan interest income | 0.1 | 0.1 | 2.9 | 0.0 |
| Interest income | 11.5 | 8.0 | 4.2 | 3.3 |
| Realised gain/(loss) on investments | 0.5 | 0.0 | 0.5 | (1.0) |
| Unrealised gain on investments | 1.4 | 0.6 | 0.3 | 0.6 |
| Profit/(loss) on derivative financial instruments | - | - | 1.7 | 1.2 |
| Investment management fees | (0.3) | (0.2) | (0.2) | (0.2) |
| Investment income and related expenses | 14.5 | 8.5 | 9.4 | 4.1 |

A.4 Performance of Other Activities

Nothing to report.

A.5 Any Other Information

Nothing to report.

B - SYSTEM OF GOVERNANCE

B.1. General Information on the System of Governance

The FCG Board is responsible for ensuring the long-term, sustainable success of the Group and is the principal decision-making body for the Group. To achieve this, the Board oversees governance arrangements across the Group which are set out through FCG's Corporate Policies. The 1CU and FCIM Boards have responsibility for the governance of 1CU and FCIM respectively, which must align with minimum expectations set by the FCG Board.

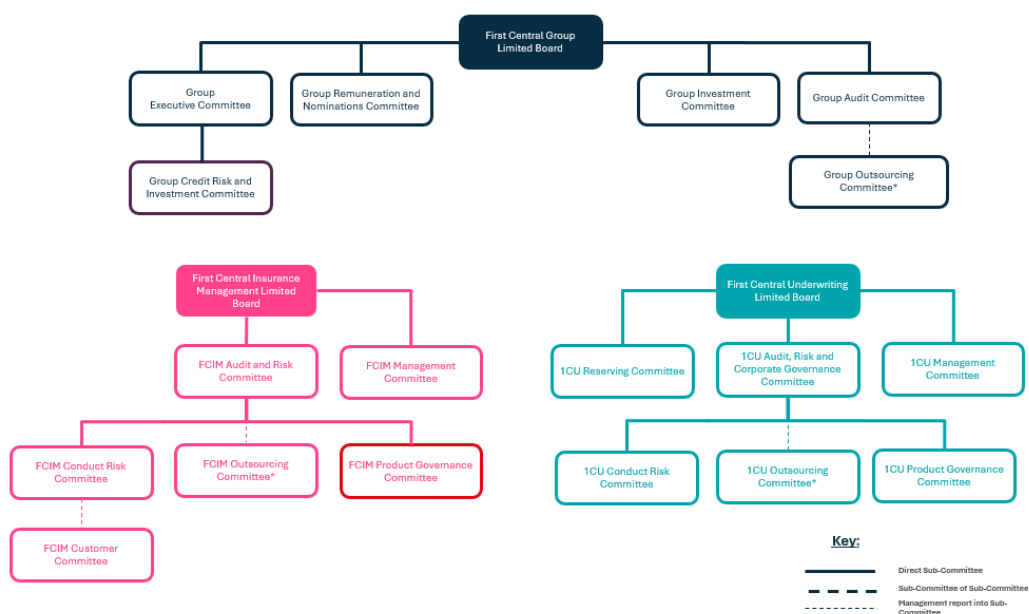
The Boards have established several Committees with authority to oversee the governance of key risk areas of the Group, in accordance with approved Terms of Reference.

FCG's principal committees are: the Group Remuneration and Nominations Committee ('**RemNomCo**'), Group Investment Committee ('**GIC**'), Group Audit Committee ('**GAC**') and Group Executive Committee ('**ExCo**').

1CU's principal committees are: the Audit, Risk, and Corporate Governance Committee ('**ARCGC**'), 1CU Management Committee ('**1CU ManCo**') and 1CU Reserves Committee ('**1CU RC**'). There are also a number of management committees established (namely, the Conduct Risk Committee, Outsourcing Committee and Product Governance Committee) which report to the ARCGC, whose principal focus is to oversee compliance of a number of material regulatory responsibilities.

FCG monitors 1CU's adherence to the oversight of governance of key risk areas of the Group through GAC, which also has responsibility for overseeing the performance of the ARCGC.

FCG Governance Structure



The main responsibilities of the Boards, Committees, meetings and forums are as follows:

FCG Board and Sub-Committees

FCG Board

The purpose of the FCG Board is to provide leadership and oversight to the Group, within a framework of prudent and effective controls which enables risks and commercial opportunities to be assessed and managed. The Board is collectively responsible for the long-term success of the Group and the delivery of sustainable value to shareholders.

The main areas of responsibility of the FCG Board are:

- Setting the strategic business plan and overseeing performance
- Corporate governance, capital and risk
- Board composition and delegated authority
- Engagement with founder shareholders on reserved matters

Group Audit Committee ('GAC')

GAC's core responsibilities include, but are not limited to:

- Monitoring and reporting on the level of assurance provided by the Group's risk, internal audit and control environment
- Reviewing and recommending for approval the Group's annual financial statements and financial reporting processes
- Reviewing and recommending for approval the ORSA
- Engaging with external auditors and advisors where appropriate
- Overseeing the Group's compliance with applicable laws and regulations

Group Investment Committee ('GIC')

GIC oversees and monitors the overall performance of investments made on the Group's behalf, in line with the investment guidelines. GIC also monitors the:

- Investment policies of individual subsidiaries to ensure they comply with the Group Investment Policy
- Performance and adherence of investments against agreed investment risk appetite
- Performance of the investment portfolio manager
- Amount, purpose and terms of intra-group loans
- Performance of the strategic asset allocation

Group Remuneration and Nominations Committee ('RemNomCo')

RemNomCo has delegated authority from the FCG, 1CU and FCIM Boards to review and consider the composition of Boards and Board Committees and the nomination of members thereto. The Committee also has delegated authority to review and consider the Group's remuneration framework and advise on specific remuneration structures of Executive Directors, nominated senior members (grade 9 and above) of the management team (collectively the "**Senior Management**") as well as all employees of the Group collectively.

Subsidiary Boards and Sub-Committees

First Central Underwriting Limited Board ('1CU Board')

The 1CU Board is responsible for overseeing the performance of the insurance undertaking and for compliance with legal and regulatory requirements. The main responsibilities of the 1CU Board are:

- Strategy and performance management
- Risks and controls, regulatory solvency and conduct
- Approval of the annual Own Risk and Solvency Assessment (ORSA)
- Approval of the Company's reserving/technical provisions and associated financial bookings, following recommendation from the 1CU Reserves Committee
- Board composition and delegated authority
- Engagement with FCG Board on reserved matters

1CU Audit, Risk and Corporate Governance Committee ('ARCGC')

ARCGC's core responsibilities include, but are not limited to:

- Monitoring and reporting on the level of assurance provided by 1CU's risk, internal audit and control environment
- Reviewing financial reporting and recommending for approval the annual 1CU financial statements
- Reviewing and recommending for approval the ORSA
- Assessing internal and external audit reports prepared in respect of 1CU
- Engaging with external auditors where appropriate
- Overseeing 1CU's compliance with applicable laws and regulations

1CU Reserves Committee ('1CU RC')

1CU RC is responsible for reviewing 1CU's claims experience and developing patterns to consider appropriate ultimate reserving provisions for payment of future claims liabilities in conjunction with the reviews by internal and external actuaries. 1CU RC's main responsibilities are to:

- Consider reports from the internal and external actuaries

- Recommend to the Board an appropriate ULR, on both a gross and net basis on an accident year and underwriting year basis, and therefore recommend the level of ultimate reserving provisions for the payment of future claims liabilities
- Consider and recommend an appropriate level of management margin to be held above the best estimate, reflecting its view of the level of uncertainty in the reserves
- Consider and recommend any other relevant technical matters in relation to underwriting premiums and resulting ULRs
- Monitor reserving risks and escalate to the 1CU Board and ARCGC as appropriate
- Recommend the appointment, and monitor the effectiveness of, the external actuary

1CU Conduct Risk Committee ('1CU CRC')

The purpose of the Conduct Risk Committee (CRC) is to:

- Oversee the 1CU approach to ensuring that it meets the needs of customers with good conduct outcomes
- Ensure that resources, policies and procedures enable the achievement of good outcomes for customers, as set out by the FCA's Consumer Duty and Financial Services (Core Principles and Consumer Duty) Regulations 2024.
- Ensure, where reasonably practicable, that risks to good outcomes are managed appropriately

1CU Product Governance Committee ('1CU PGC')

1CU PGC has been established to provide strategic reviews, performance monitoring and due consideration as to the suitability of insurance products offered by 1CU. 1CU PGC provides oversight of 1CU products during their lifecycle, with specific regard given to the interests of its customers, in line with GIPP, Consumer Duty and Product Governance procedures. Where insurance products by other manufacturers are combined or sold alongside 1CU products, 1CU PGC maintains oversight of fair value of the package as a whole.

First Central Insurance Management Board ('FCIM Board')

The FCIM Board is responsible for the successful performance of the insurance intermediary and for compliance with legal and regulatory requirements. The main responsibilities of the FCIM Board are:

- Strategy and Performance management
- Risks, Controls and Conduct
- Board Composition and delegated authority engagement with FCG Board on reserved matters.

FCIM Audit and Risk Committee ('ARC')

ARC's core responsibilities include, but are not limited to:

- Monitoring and reporting on the level of assurance provided by FCIM's risk, internal audit and control environment
- Reviewing financial reporting and recommending for approval the FCIM annual financial statements
- Assessing internal and external audit reports prepared in respect of FCIM
- Engaging with external auditors where appropriate
- Overseeing FCIM's compliance with applicable laws and regulations

FCIM Product Governance Committee ('FCIM PGC')

FCIM PGC has been established to provide strategic reviews, performance monitoring and due consideration as to the suitability of insurance products, or any relevant ancillary service offered by FCIM. FCIM PGC provides oversight of FCIM products during their lifecycle, and how they meet the needs of its customers on a quarterly basis, in line with GIPP, Consumer Duty and Product Governance procedures.

FCIM Conduct Risk Committee ('FCIM CRC')

The Purpose of the FCIM Conduct Risk Committee (CRC) is to:

- Oversee the FCIM approach to ensuring that it meets the needs of customers with good conduct outcomes
- Ensure, where reasonably practicable, that resources, policies and procedures enable the achievement of good outcomes for customers as set out by the FCA's Consumer Duty
- Ensure, where reasonably practicable, that risks to good outcomes are managed appropriately

FCIM Customer Committee ('FCIM CC')

The purpose of FCIM Customer Committee is to:

- Provide oversight, governance and assurance regarding decisions and priorities relevant to Customers to ensure the customer is at the heart of the business and its decision making
- Ensure that the business provides good customer outcomes as set out by the FCA's Consumer Duty
- Monitor any potential customer impacts relating to the changing regulatory landscapes

First Central Services (Guernsey) Board ('FCS (Gsy) Board')

The FCS (Gsy) Board's core responsibilities include, but are not limited to:

- Overseeing the alignment of FCS (Gsy)'s business performance to that of the Group's Business Plan
- Reviewing and overseeing the principal activities of the company (i.e., the provision of technology services to other Group companies)
- Reviewing and evaluating adherence to core processes, controls and policies in effect across the business

The Company also collects instalment payments from policyholders through the "Focus Finance" system on behalf of FCIM.

First Central Services (UK) Board ('FCS (UK)' Board')

The FCS (UK) Board's core responsibilities include, but are not limited to:

- Overseeing the alignment of FCS (UK)'s business performance to that of the Group's Business Plan
- Reviewing and overseeing the principal activities of the company (i.e. providing non-regulated HR, management and financial reporting, financial planning, MI & Data, business change and IT services to other Group companies)
- Reviewing and evaluating appropriate adherence to core

processes, controls and policies in effect across the business.

The Company is also the provider of the Group's repair work, designed to optimise software and data providers within the claims and repair journey process in order to enhance and improve the customers' experience.

Executive and Senior Management Groups and Forums

Executive Committee ('ExCo')

To manage the day-to-day execution of the Business Plan, ExCo meets on a frequent (typically weekly) basis to guide and monitor the implementation of objectives, deliverables, policies and other key processes. A more formal monthly ExCo meeting is also held to monitor the Group's performance against the Business Plan through the KPIs set under each of the five strategic drivers.

ExCo is responsible for the delivery of Group corporate objectives, KPIs and business metrics and is the principal executive forum to oversee the performance of the Group.

ExCo reviews proposals from across the business in line with Group Delegated Authority Policy and acts as the formal escalation route of the business to Group Boards and Committees.

Group Credit Risk, Investment Oversight Committee ('CRIOC')

ExCo has established a formal sub-committee, the Credit Risk & Investment Oversight Committee ("CRIOC"), to manage the credit risk exposures of the Group, comprising reinsurance, investment and customer exposures, and to consider capital adequacy and the levels of exposure as well as the creditworthiness of counterparties.

Group Outsourcing Committee ('OsCo')

The primary purpose of OsCo is to ensure that Group's outsourcing arrangements are effectively monitored and reviewed and remain fit for purpose, and have oversight of outsourced activities, through monitoring of the service quality review process, in line with the agreed SLAs

1CU Management Committee ('1CU ManCo')

The Board of First Central Underwriting Limited ("1CU") has established a 1CU Management Committee ("ManCo") to manage and formalise the collective decision making between the Regulated Individuals' Management Team.

1CU Outsourcing Committee ('1CU OsCo')

The primary purpose of 1CU OsCo is to ensure that 1CU's outsourcing arrangements are effectively monitored and reviewed and remain fit for purpose, and have oversight of outsourced activities, through monitoring of the service quality review process, in line with the agreed SLAs.

FCIM Management Committee ('FCIM ManCo')

In order to establish good corporate governance at an FCIM entity level, the FCIM ManCo has been mobilised to demonstrate a strong oversight, governance and assurance regarding decisions and priorities specifically relevant to FCIM.

FCIM Outsourcing Committee ('FCIM OsCo')

The primary purpose of FCIM OsCo is to ensure that 1CU's outsourcing arrangements are effectively monitored and reviewed and remain fit for purpose, and have oversight of outsourced activities, through monitoring of the service quality review process, in line with the agreed SLAs.

The ‘Three Lines of Defence Model’

As part of the Risk Management Framework and the implementation of its Internal Control Policy, the FCG Board has implemented a Three Lines of Defence Model throughout the Group. The responsibilities of the Three Lines are as follows:

First Line of Defence: Management (‘First Line’)

The First Line is accountable for the day-to-day management of risk and is responsible for identifying and managing controls as part of its accountability for achieving objectives. This is achieved through implementing the risk management and internal control management system.

Second Line of Defence: Risk Management and Compliance (‘Second Line’)

The Second Line is formed of the Risk Management and Compliance functions, who specialise in the management of risk and provide the policies, frameworks, tools, techniques, and support to facilitate the effective management of risk by the First Line. It is also responsible for providing internal assurance that the risk management and internal control system are operating effectively and provide an advisory service to the First Line on risk and compliance matters.

Third Line of Defence: Internal Audit (‘Third Line’)

The Third Line provides independent assurance to the Boards regarding the effectiveness and adequacy of governance, risk management and internal control in the Group, across both First and Second lines.

Material changes in the system of governance

A programme to enhance the overall Risk and Control environment and culture of the Group was launched in 2024 with particular focus on control automation and an end to end review of Core Processes. The program is expected to continue into 2025 and H1 2026.

Remuneration Policy

RemNomCo has responsibility for reviewing and approving specific remuneration and advising on the specific remuneration structures of all FCG, 1CU and FCIM Executive Directors, nominated senior members of the management team, as well as all employees collectively so as to:

- a) ensure that all colleagues are fairly rewarded for their individual performance and contribution to the Group’s overall performance (based upon its objectives); and
- b) demonstrate that the pay of Executive members is objectively reviewed by a committee chaired by an iNED.

Remuneration includes salary, incentives (including share incentive plans), bonus, pension, benefits, terms and conditions and contract of employment, discretionary payments, compensatory or settlement terms on loss of office or payments to be made on retirement or resignation.

The remuneration of all Executive Directors and NEDs is considered and approved by RemNomCo as appropriate.

Pension and Early Retirement Schemes

FCG did not operate any enhanced pension arrangements or early retirement schemes during the reporting period.

Material Related Party Transactions

On 23rd December 2020, Cell Charles Street, a cell within Skyfire Property Holdings PCC Limited, was converted to a standalone company, Charles Street Investment Limited, and was deconsolidated from the Group during 2021, with liquidation of the company commencing in 2024.

In November 2024, New Street Trust Limited as Trustee of The Acott Family Settlement acquired 32.31% of shares in FCG, which were previously owned by Kenneth Acott. The acquisition was approved by the GFSC and the FCA.

B.2 Fit and Proper Requirements

FCG has adopted similar principles to those of the FCA's Senior Managers and Certification Regime ('**SM&CR**') applicable to FCIM, and the GFSC's Regulated Individuals Regime ('**RIR**') applicable to 1CU and has clearly documented accountabilities in line with good practice.

Whilst there is no formal definition of what constitutes 'Fit and Proper', the following criteria are used when undertaking Fit and Proper assessments:

- Honesty, integrity and reputation (e.g. prudent approach to business, good reputation, no convictions for fraud or dishonesty, no regulatory sanctions, regulatory approval);
- Competence, ability to conduct business and organisation (e.g. experience, knowledge, no conflicts of interest that cannot be reasonably mitigated); and
- Financial position (e.g. no history of personal bankruptcy, no history of association with corporate bankruptcy).

Process for assessing fitness and propriety

The Boards ensure that all Board members, and other key function holders / RIR Function Holders are assessed to ensure that they fulfil fit and proper requirements upon appointment and annually thereafter.

Upon appointment, this includes reviewing the curriculum vitae of the candidate, an in-depth interview, obtaining references (both personal and professional), and carrying out due diligence checks. Due diligence checks include verification of identification and address, and searches on due diligence databases. The candidate is also asked to declare any interests so the relevant Board can review whether they conflict with FCG's and / or 1CU's interests. All conflicts of interest identified are recorded on the Conflicts Register and reviewed by the Board on an annual basis. The disclosure of any new conflicts is requested at each Board meeting.

B.3 Risk Management System

FCG and 1CU have implemented a 'Three Lines of Defence' approach to Risk Management and recognise the importance of managing risks faced in the pursuit of its business objectives. The definition of risk adopted by the Group is "*the effect of uncertainty on objectives*", which is a derivation of the ISO 31000 Risk Management standard definition of risk. FCG and 1CU apply the Group's Risk Management Framework ('**RM Framework**'), along with supporting policies and procedures. The Group Risk and Compliance Director and Chief Governance Officer are responsible for ensuring that the RM Framework is implemented and embedded appropriately, and to provide support and training. 1CU also applies the RM Framework along with supporting policies and procedures tailored for 1CU. The Group Risk and Compliance Director liaises with the 1CU Risk Management Function Holder regularly to ensure that the RM Framework is implemented appropriately and to provide support and training.

The purpose of the RM Framework is to provide a systematic approach to risk identification and management. It is reviewed from time to time to take account of the changing environment in which FCG and 1CU operate. The RM Framework revolves around the Risk Registers, which contain details of all risks and controls identified for FCG and 1CU, and the RM Framework includes a process for monitoring the implementation and efficacy of the controls.

Risk Management Process

The risk management process is consistent with ISO 31000 and is comprised of five elements:

- 1) **Identification;**
- 2) **Assessment;**
- 3) **Response;**
- 4) **Monitoring; and**
- 5) **Reporting.**

Risks are assessed on a pre-control (inherent) and post-control (residual) basis using a matrix of impact ('I') and likelihood ('L') scores to arrive at a Critical, High, Moderate or Low rating. The amount of risk the Boards will tolerate in the business, which is defined in the Group Risk Appetite Statement, is also considered in the target rating which is arrived at using the same matrix.

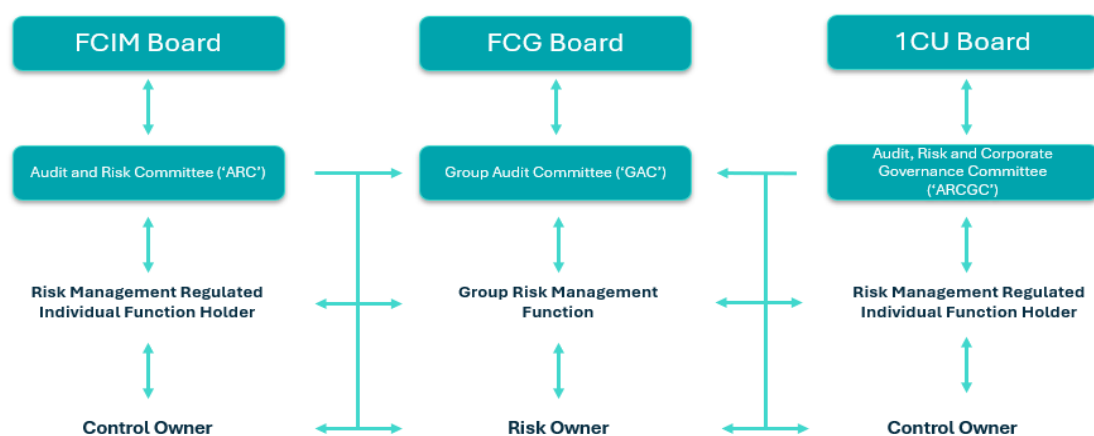
During the reporting period 1CU's solo and Group's solvency calculations were completed and ARCGC, GAC and Boards were engaged as necessary to ensure that the solo and Group SCR were continuously met. 1CU ensures that risks to its solvency are monitored and managed through the risk management process.

Risk Management ('RM') Roles and Responsibilities

| FORUM | RESPONSIBILITIES |
|-------------------|--|
| FCG Board | Ultimate responsibility for Group RM and business risks Sets Group RM culture Sets Group RM policy Sets Group risk appetites and tolerances |
| 1CU Board | Responsibility for 1CU RM and business risks Sets RM culture Sets RM policy Sets risk appetites and tolerances |
| FCIM Board | Responsibility for FCIM RM and business risks Sets RM culture Sets RM policy Sets risk appetites and tolerances |
| GAC | Responsibility for RM across the Group Oversee RM culture Oversee Group RM policy Monitors Group risk appetites and tolerances Escalates risk to the FCG Board where necessary |
| ARCGC | Delegated oversight of RM from 1CU Board Reviews business risk profile Monitors risk appetites and tolerances Escalates risk to the 1CU Board where necessary |
| ARC | Delegated oversight of RM from FCIM Board Reviews business risk profile Monitors risk appetites and tolerances Escalates risk to the FCIM Board where necessary |

| | |
|---|--|
| Group Risk Management Function | <p>Oversight and challenge of risk management activity across the Group</p> <p>Ensures consistent application of the RM Framework across all entities</p> <p>Reports on the effectiveness of the RM Framework to GAC</p> <p>Advises on RM best practice</p> <p>Design and implementation of RM training</p> |
| Risk Management Regulated Individual Function Holder | <p>Ensures the Risk Registers are maintained, including challenging or removing risks</p> <p>Confirms emerging risks are relevant and appropriate</p> <p>Ensures appropriate actions are taken if a breach has occurred, or is likely to occur</p> <p>Monitors Risk Owner activity</p> |
| Risk Owners | <p>Regularly assess their risks, considering control environment, any incidents and progress on any mitigating actions, ensuring that both impact and likelihood are up to date</p> <p>Identify, manage, and monitor emerging risks</p> <p>Maintain risks within risk appetite and act if a breach has occurred, or is likely to occur</p> <p>Monitor control owners' activity</p> |
| Control Owners | <p>Review controls to ensure they reflect current processes and any changes</p> <p>Assess and provide evidence of control efficacy</p> |
| Control Testers | <p>Undertake assurance testing independently from the Control Owner, discussing output with Control Owner to determine improvements and recommendations.</p> |

Risk Management interactions are shown in the diagram below:



B.4 Own Risk Solvency Assessment ('ORSA' or 'the Assessment')

The GFSC undertakes supervision at the ultimate holding-company level and thus both FCG and 1CU are responsible for completing the combined ORSA, which is an internal process covering the view of the consolidated Group as well as 1CU, as the insurance company subject to Solvency II.

The ORSA's main purpose is to ensure that FCG and 1CU assess all the risks inherent to their businesses and determine the corresponding capital needs or identify other means needed to mitigate these risks.

In particular, the ORSA considers situations in which FCG and 1CU may be stressed. This is to examine whether the capital needs and mitigation measures necessary in these scenarios are sufficient to ensure that the business is prepared for, and robust enough to withstand, adverse conditions without material detriment to stakeholders. The capital need identified to run FCG and 1CU is assessed by management using its own internal models, which are deemed to be prudent, and is termed the Economic Capital Requirement ('ECR').

While the Risk Registers focus on risks from a bottom-up perspective, the ORSA takes a top-down approach, linking business objectives, business risks, risk appetites and tolerances, business planning and capital planning together. The results of the ORSA also feed back into the risk management process, ensuring that all risks identified are incorporated into the assessment, management, monitoring and reporting cycle.

An ORSA is carried out at least annually on the assumption that the solvency needs and capital position are not volatile, and the business' risk profile is stable. However, in line with the ORSA Policy the Boards will consider undertaking a revised ORSA in specific circumstances.

The ORSA is embedded into the business and capital planning processes. The Business Plan, or latest available reforecast, is used to calculate the regulatory capital requirement (from the SCR calculation) and the ECR (from the ORSA), both of which are considered by the relevant Board alongside the Business Plan. The ORSA report containing the results and conclusions of the ORSA process is approved by the Boards, ARCGC and GAC, ahead of submission to the GFSC.

B.5 Internal Control System

The Internal Control Policy documents the procedures within the Group, to ensure there is an effective internal control framework in place. The internal control system is managed through both the effective operation of the systems of governance in place within the Group, as well as through the 'Three Lines of Defence' model implemented by the Group.

The internal control framework is broadly defined as the processes effected by the Board which are designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations in view of FCG's and 1CU's risks and objectives;

- Availability and reliability of financial and non-financial information; and
- Compliance with applicable laws, regulations, and administrative provisions.

Internal control consists of five interrelated components:

- **Control environment:** sets the tone of an organisation through the Business Plan, risk appetite and risk profile;
- **Risk assessment:** understanding the assessment of the risks which exist which would impact on FCG's and/ or 1CU's ability to achieve their objectives;
- **Control activities:** policies and procedures that help FCG and 1CU ensure necessary actions are taken to address risks to achieve their 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; and
- **Monitoring:** internal control systems need to be monitored to assess their effectiveness over time. This is accomplished through ongoing monitoring activities, with deficiencies in the internal control framework reported to senior management and the Boards.

These components work to establish the foundation for sound internal control through directed leadership, shared values and a culture that emphasises accountability for control.

The Group's control environment is determined by the FCG Board, supported by the System of Governance framework described in B.1 above and the Committees which have set the tone of the organisation through the culture, principles, business planning and risk appetite. 1CU follows the standards set by the Group.

Key control activities are mapped to the risks held within the Risk Registers.

Compliance Function

The Group Compliance function is responsible for the design, implementation, monitoring, and review of the Group's Compliance processes as well as the identification and communication of any new requirements arising from changes in regulation. Group Compliance, along with Group Risk, oversees the First Line processes for identifying, owning and ongoing management of Conduct Risk, including the implementation of new regulatory requirements.

The Group Risk and Compliance Director and the 1CU Head of Compliance provide regular reports to GAC, ARCGC and ARC, advising on Compliance matters and providing oversight and assurance over the effectiveness of the first line areas in delivering its regulatory responsibilities and adherence to the rules and guidelines set by the GFSC, FCA and other regulatory bodies as applicable.

The Group Compliance function works with the Group Risk function to provide advice and resolution to risk incidents as they arise. Management of incidents is completed in line with the Group Risk Management Policy.

B.6 Internal Audit Function

The primary role of Internal Audit is to independently and objectively assess the level of assurance that can be obtained from risk management, governance, and management's controls by evaluating whether the frameworks are operating effectively and agree recommended actions to be taken where issues are identified. Its secondary role is to provide advice to management in developing such frameworks. FCG has implemented its Group Internal Audit Charter ('GIAC') which outlines requirements and how the function will be performed.

The Internal Audit Director holds the Solvency II Internal Audit Function for 1CU.

The fulfilment of the internal audit programme relied in part on co-sourced services provided by an external provider across the Group during 2024.

The core principles of the GIAC and the outsource model are:

- **Independence**

Internal Audit acts independently of management and has a direct reporting line to GAC, ARCGC and ARC to raise any issues identified.

GAC is composed of two independent NEDs, a NED and the CEO; ARCGC and ARC are composed primarily of iNEDs.

- **Annual Plan**

The Internal Audit Director prepares an annual plan, which is presented to, and approved by, GAC, ARCGC and ARC. This outlines the audits to be performed in the forthcoming year. The scope and frequency of audits included within the annual plan takes previous year audit results into consideration, along with a risk assessment of business activities, materiality and the adequacy of systems of internal control. The annual plan aims to include specific coverage of Claims, Underwriting, Finance, Operational Departments, Information Technology and Special Projects (at the request of GAC, ARCGC and ARC).

The overall performance of the closure of actions is monitored by the FCG, 1CU and FCIM Boards through the Company Objectives' KPIs, which are used to track adherence throughout the year. The KPIs are the focus point to address strategic objectives, delivery of the Business Plan and tracking of the key levers to the success of FCG, 1CU and FCIM, and are provided to respective ManCos each month and to the Boards each quarter.

- **Audit Recommendations Log**

Internal Audit maintains a log of all internal audit recommendations raised during audits completed. This log records the priority of the recommendations, the assigned owners and agreed completion dates. The log is maintained to ensure all actions are addressed in a timely manner and provide quarterly progress reports to GAC, ARCGC and ARC.

- **Reporting**

The reports produced for each internal audit assignment are provided directly to GAC, ARCGC or ARC, as appropriate. ExCo receive copies of reports for audits with adverse opinions. The reports contain details of the audit work that has been performed, explanations of the issues or gaps identified, with proportional and appropriate recommendations, together with the relevant manager's comments. All recommendations are fully discussed with the relevant process and action owner, with target completion dates agreed.

A quarterly report is provided to GAC, ARCGC and ARC, and a monthly report is provided to 1CU & FCIM ManCos detailing work undertaken during that period against the agreed Internal Audit plan, and progress against the logged target dates for the actions identified.

B.7 Actuarial Function

1CU's Actuarial Function holds the responsibility for ensuring actuarial services are effectively and efficiently carried out. 1CU's Head of Reserving, the Actuarial Function Holder ('**AFH**'), provides regular reports to the 1CU RC, and an AFH report directly to the 1CU Board on an annual basis.

The Actuarial Function is responsible for:

- Calculation of technical provisions;
- Ensuring appropriate methodologies and underlying models are used, as well as verifying the assumptions made in the calculation of technical provisions are appropriate and proportionate;
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- Comparing best estimates against experience;
- Informing the Board of the reliability and adequacy of the calculation of technical provisions;
- Expressing an opinion on the overall underwriting policy;
- Expressing an opinion on the adequacy of reinsurance arrangements; and
- Contributing to the effective implementation of the risk management system.

Each of these activities is undertaken at least annually, and the outcome reported to the 1CU Board in the AFH report.

The 1CU Actuarial Function also supports Group activity where required, for example the Group solvency calculation and ORSA process. A third-party actuarial service provider, is engaged to provide an independent estimate of 1CU's reserves quarterly, as well as to provide ad-hoc support on matters to inform the opinion taken by the Actuarial Function and 1CU RC.

Since 2022 1CU has been using the external independent Actuarial Best Estimate ('**ABE**') in the calculation of its capital position, as agreed with the GFSC. A quarterly external actuarial review is carried out with the 1CU RC reviewing both the internal and external ABE, in order to recommend the level of reserves to be held.

B.8 Outsourcing

All outsourcing arrangements within the Group are monitored by the appropriate business area, with support from the Group Procurement and Supplier Management function. FCG and 1CU view outsourcing as being the use of a third party (either an affiliated entity within the same Group or an external entity) to perform activities on a continuing basis that could be undertaken within 1CU or other entities within the Group.

FCG and 1CU consider outsourcing where they see particular advantages in doing so, for example access to specialist resource, provision of services in the same jurisdiction as the customer, or cost benefits. However, fundamental responsibilities such as the setting of strategies and policies, the oversight of the operation of the Group's processes, and the final responsibility for customers, are never outsourced.

FCG, 1CU and FCIM have each established an outsourcing committee to provide enhanced oversight of all outsourced arrangements, including intercompany arrangements.

The table below summarises the material services outsourced during the reporting period:

| Material Outsourced Services or Activities | Jurisdiction |
|--|---------------------|
| Claims Handling | UK |
| Debt Collection | UK |
| Investment Management | UK |
| Payroll | Gibraltar |
| Policy Sales and Administration | UK and South Africa |
| Telecommunications | South Africa |
| Vehicle salvage services | UK |

Additional services are provided by the other Group companies, as outlined in section A.1 of this report.

B.9 Assessment of the Adequacy of the System of Governance

FCG and 1CU aim to continuously improve the system of governance by reviewing, evaluating, and recommending enhancements to the Board at least annually. These improvements cover enhancing and developing the systems, including the outcomes from compliance monitoring programme, root cause analysis from complaints, breaches and incidents, and incremental development as the systems mature. It considers relevant industry advice and guidelines, implementing these as appropriate for the size and complexity of the Group.

Internal and external audits provide independent evaluation of the system of governance. Recommendations from these audits are considered by GAC, ARCGC and ARC, as well as the Boards of FCG, 1CU and FCIM, and are implemented in a manner proportionate to risk profile.

The FCG and 1CU Boards and principal committees undertake an annual review of their effectiveness by completing an Annual Governance Framework Survey. Responses to the 2024 Annual Governance Framework Survey were positive overall and the governance arrangements for both entities being rated green.

B.10 Any Other Information

Nothing to report.

C - RISK PROFILE

The FCG Board is responsible for determining risk strategy and risk appetite across the Group, and for the Group's system of risk management and internal control. The FCG Board has delegated the development, implementation, and maintenance of the Group's RM Framework to GAC for the purposes of reviewing and reporting on the overall effectiveness of this system. The GAC also oversees the risk environment of its subsidiary companies. 1CU Board has aligned itself to this framework and has delegated the oversight of the 1CU risk environment to the ARCGC.

Each risk area ('**Level 1 risk**') has a tolerance agreed by the FCG and 1CU Boards and by responsible executives to support management in their understanding of risk appetite and to allow for the identification of incidents, or events, which will require mitigation to avoid a breach risk appetite. For example, the tolerance for Information Security Risk (for which FCG and 1CU have a generally cautious appetite or averse when it comes to sensitive data) is aligned to the Group Risk Appetite Statement (GRAS), which has been agreed with GAC and ARCGC. The information security risk methodology and assessments, backed by the implementation of best practice controls, is used to manage information security risks. KPIs and assurance reviews are designed in order to measure alignment with ISO 27001 and track automated controls, manual controls and incidents in order to allow expert review and assessment of exposure.

The efficacy of controls is assessed by the control owner and reviewed by the relevant risk owner as part of a well established review process, in conjunction with the Risk Management Function Holder and Group Risk (where required), with the output of these reviews supporting the assessment of the Group and 1CU's exposure. Controls are reviewed at least every 6 months or when there has been material change to the control or risk. This ensures that our controls continue to be relevant, up to date and effective. Risk owners review their entire control environment periodically as part of the Risk Review process. In addition, controls are subject to independent testing regularly (either annual or biennial depending on control classification), with the results used to drive a granular analysis of the risk environment and identification of any mitigating actions required to bring risks within the appetite set by the Boards.

All risks covered within the SFCR consider the wider macro environment and their impact upon FCG and 1CU, including the impact of the ongoing conflicts in Ukraine (nearing its third year) and the Middle East, the current rate of inflation and stress in the UK economy and its implications on other socio-economic factors (including the increased cost of living on customers, colleagues, and the wider market) and, the evolving UK regulatory environment (e.g. the Consumer Duty). The UK economy is expected to grow in 2025, but this growth could be affected by persistent inflation, high energy costs, tariff increases, and the effects of previous interest rate hikes. As such, these risks are not considered to be standalone risks but a key part of the wider external risk environment in which FCG and 1CU operate.

The following risks are monitored and managed within the Group RM Framework:

C.1 Underwriting Risk

Ongoing underwriting risk for the Group is managed and monitored by the 1CU Management Governance Framework. Efficacy of controls across this RM Framework is maintained by conducting regular reviews, continuously improving mitigating measures and reporting this control cycle feedback to GAC and ARCGC.

1CU was the only insurance risk carrier in the Group during the reporting period. As the only insurer in the Group, 1CU presents an underwriting risk in circumstances where the ultimate cost of claims for the risks underwritten is significantly in excess of the premiums collected for those risks, and the regulatory solvency capital retained by it. Any shortfall in required regulatory solvency capital can be mitigated through 1CU's ability to utilise its Board approved Recovery Plan, which includes levers that raise additional solvency capital amongst others (i.e. issuing subordinated debt, extending Quota Share ('QS') reinsurance cessions, de-risking the investment portfolio, raising additional debt or equity capital).

In addition to all the recovery levers included in the Recovery Plan, each year (usually as part of the annual business planning process), the FCG Board formally re-affirms its commitment to ensuring that all of its subsidiaries, including 1CU, have sufficient levels of liquidity and solvency necessary to manage their respective businesses, which is recorded in the relevant FCG Board minutes.

The key risk to manage, therefore, on an ongoing basis, is the adequacy of premiums charged in relation to insurance business underwritten, reserves and capital.

In addition to premiums written as an insurer, 1CU also receives a share of the income earned by FCIM from the associated sales of ancillary product commission and instalment income, which is transferred to 1CU in line with the Group's approach to transfer pricing, which is set out in the Group's Tax Risk Management Policy.

Reinsurance

1CU relies on a QS and Excess of Loss ('**XoL**') reinsurance programme to mitigate its underwriting risk and provide greater flexibility over the volume underwritten. It mitigates its counterparty risk by applying a policy of using A- or above rated (by AM Best or S&P) reinsurers. The cession on the QS programme for 2024 was 75%, unchanged to 2023.

Reserving

FCG's reserving risk is borne and managed by 1CU as the only insurance risk carrier in the Group during the reporting period. Inappropriate reserving could result in the claim reserves being materially inaccurate. This could result in the reserves that 1CU hold being insufficient to cover customer claims or other liability obligations owed by it. Alternatively, over-reserving could result in

understating profit recognition, capital strain and inappropriate pricing impacting 1CU's competitive position.

Ongoing pricing and underwriting risks are managed and monitored by the 1CU Governance Framework. Efficacy of controls across the Framework is maintained by conducting regular reviews, continuously improving mitigating measures and reporting this control cycle feedback to GAC, ARCGC and Boards.

The 1CU RC reviews and considers both 1CU's internal ULR projections, as well as the projections completed by the appointed independent external actuaries, so as to recommend to the 1CU Board an appropriate ULR, on both a gross and net basis for each accident year, and its allocation to a year of account, both at the financial year end and at least quarterly intervals during the year.

C.2 Market Risk

FCG and 1CU are exposed to market risk in relation to their investments. This investment risk is mitigated by a cautious risk appetite under which FCG and 1CU invest in UK gilts, sovereigns, supranational, agency bonds, MMF and cash with a credit rating of A- or greater. Exposure to these investments is both direct and by way of managed funds. A number of loans backed by property investments have also been held although as at 31st December 2024 only one of these remained, which is due for repayment by 31st December 2025. GIC regularly reviews its investment risk appetite and maintains a conservative strategy. GIC and management closely monitor all investments and receive quarterly updates from the Group Chief Financial Officer, who is responsible for overseeing the investment and property loan portfolio. Since April 2022, the Group has utilised an external investment management company.

Prudent Person Principle

Solvency II introduced the Prudent Person Principle for managing investments. The Prudent Person Principle seeks to ensure that the industry understands and can manage 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.

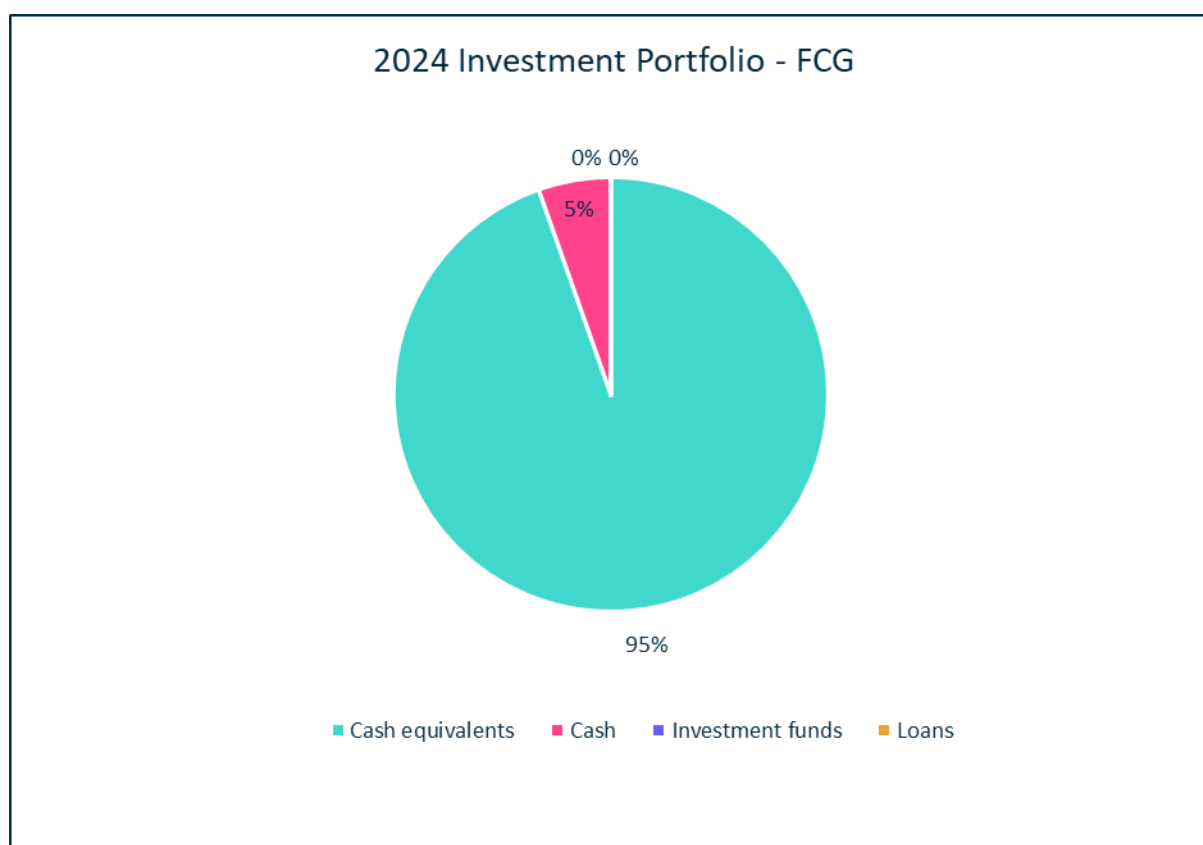
FCG and 1CU's risk management and strategic decision-making process in respect of asset investment is centred on GIC. GIC is an FCG Board sub-committee, which also has 1CU directors as members. The governance process for material asset investment decisions can be summarised as follows:

| | |
|--------|---|
| Review | <ul style="list-style-type: none">• Management review of asset classes, asset managers and proposed assets• Factors considered include: yield, capital, asset and liability duration, diversification, credit quality, liquidity, currency, cost, tax, accounting and environment, social and governance factors |
|--------|---|

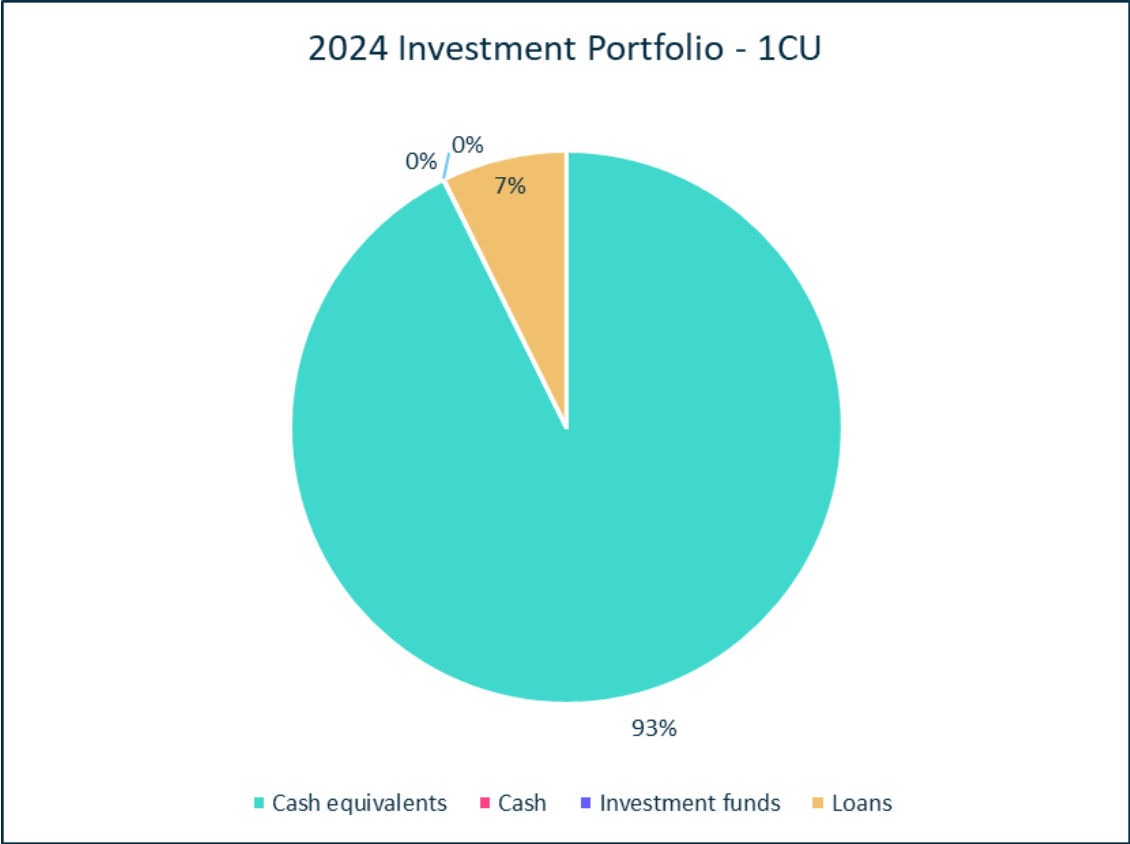
| | |
|-----------------------|--|
| Proposal | <ul style="list-style-type: none"> Proposals discussed at GIC Senior management review including Group Chief Financial Officer and 1CU Head of Finance |
| Approval | <ul style="list-style-type: none"> Investment Policy approved by FCG and 1CU Boards |
| Implementation | <ul style="list-style-type: none"> Management implement Policy Included in the ongoing valuation, income and capital process |

FCG and 1CU forecast their cash requirements over a three to five-year horizon based on the Business Plan, considering forecast claims payment patterns, contractual payments (e.g. XOL and QS reinsurance payments) and liquidity of the assets. In particular, the bond portfolio is invested in UK gilts, supranational and agency bonds which, along with the cash and cash equivalents held, are designed to approximate the nature and duration of the insurance liabilities.

FCG's investment assets are distributed as follows:



1CU’s investment assets are distributed as follows:



C.3 Credit Risk

Credit risk is the risk that a counterparty will be unwilling or unable to pay amounts in full when due.

Key areas of exposure to credit risk for FCG and 1CU are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts held with banks and other financial institutions; and
- Amounts due from insurance intermediaries.

All reinsurance and banking counterparties used have a credit rating of at least 'A-' and exposures are monitored against risk appetite by CRIOC.

Credit risk presented by premium owed to 1CU by FCIM is mitigated by a contractual requirement for FCIM to pay all premium due for the period policies are on risk to 1CU, whether it has been collected from policyholders or not, and by FCIM being a connected party.

C.4 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when they are due.

Liquidity risk is assessed and monitored through our internal control system, ensuring that there are sufficient funds available to meet both immediate and foreseeable cash flow requirements. This is done by reviewing balances in bank accounts and investments against expected cashflow requirements, bearing in mind maturities of investments, notice periods for withdrawals, and known substantial expenses (e.g. reinsurance premium payments). This must address Group and subsidiaries' management requirements, while complying with the relevant regulations. The Liquidity Risk Management Policy is reviewed annually and updated. Stressed and unstressed liquidity scenarios are monitored periodically.

C.5 Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel, systems or from external events.

FCG and 1CU's key operational risks are:

- Ineffective information security and cyber security standards resulting in the inability to preserve the confidentiality, availability or integrity of information, both within the Group's systems and in those of suppliers and partners;
- Ineffective integration of key or strategic projects designed to improve business operations;

- Material outsourced service providers fail to provide levels of service as expected and required by the Group, affecting the Group's ability to sell policies, adequately service customers and claims;
- Financial crime risk, with particular focus on failure to prevent or detect money laundering, application fraud and claims fraud;
- Inefficient or inadequate processes, or the failure to follow defined processes results in negative impacts to key underwriting, pricing, reserving and finance outputs and deliverables; and
- Poor quality data management, relating to policy, claims and financial data, could result in inaccurate results and inappropriate decision making.

Operational risk within FCG and 1CU is identified, assessed and monitored through the RM Framework, which is overseen by GAC and ARCGC respectively; this includes reviewing controls for appropriateness and efficacy. The operational risk capital requirement is rigorously monitored and managed to ensure that the necessary solvency margins, both internal and statutory, are maintained. The capital requirement is calculated using the standard formula.

C.6 Other Material Risks

Gibraltar Authorisation Regime ('GAR')

The UK and Gibraltar governments have agreed to reciprocal market access for UK and Gibraltar financial services firms. The permanent market access arrangements for Gibraltar firms are included in Chapter 22 of the UK's Financial Services Act 2021 and are subject to sectoral assessments to ascertain that the required conditions are met. The transitional arrangements introduced prior to the UK's exit from the European Union to maintain mutual market access are expected to continue to be renewed as necessary until the GAR comes into effect.

The Boards continue to monitor ongoing changes to regulation in respect of the GAR. The current estimated timeline is that the GAR will come into force in 2026.

Brexit

The UK and EU signed a trade agreement prior to the end of the Brexit transition period. The Boards continue to monitor the ongoing changes that have arisen from the ratified deal, particularly around concerns of any potential border frictions, as well as the development of the 'in principle deal' on Gibraltar's post-Brexit relationship with the EU.

C.7 Any Other Information

There is no other material information to disclose.

D - VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

As at 31st December 2024, FCG held the following assets:

| Asset Class | GAAP Accounts Value (£m) | | Solvency Valuation Adj.(£m) | | Solvency Value (£m) | |
|--|--------------------------|----------------|-----------------------------|----------------|---------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Investments in properties | 0.0 | 0.1 | 0.0 | 2.1 | 0.0 | 2.2 |
| Corporate and government bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Collective investment undertakings | 317.4 | 240.1 | 0.0 | 0.7 | 317.4 | 240.8 |
| Technical provisions – reinsurance share | 919.9 | 693.7 | (434.2) | (413.6) | 485.8 | 280.1 |
| Insurance and reinsurance receivables | 512.4 | 371.6 | (492.0) | (347.9) | 20.3 | 23.7 |
| Cash and cash equivalents | 18.1 | 29.1 | 4.3 | 0.0 | 22.4 | 29.1 |
| Financial investments - other loans | 0.0 | 4.3 | 12.2 | 9.7 | 12.2 | 14.0 |
| Other assets | 86.4 | 133.0 | (45.9) | (90.9) | 40.4 | 42.1 |
| Deferred acquisition costs | 43.4 | 39.8 | (43.4) | (39.8) | 0.0 | 0.0 |
| Deferred taxation | 0.0 | 0.0 | 8.8 | 6.2 | 8.8 | 6.2 |
| TOTAL | 1,897.6 | 1,511.7 | (990.3) | (873.5) | 907.3 | 638.2 |

As at 31st December 2024, 1CU held the following assets:

| Asset Class | GAAP Accounts Value (£m) | | Solvency Valuation Adj.(£m) | | Solvency Value (£m) | |
|--|--------------------------|----------------|-----------------------------|----------------|---------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Investments in properties | - | - | - | - | - | - |
| Corporate and government bonds | - | - | - | - | - | - |
| Collective investment undertakings | 160.5 | 135.2 | - | 0.1 | 160.5 | 135.3 |
| Technical provisions – reinsurance share | 919.9 | 693.7 | (412.6) | (392.1) | 498.3 | 301.6 |
| Insurance and reinsurance receivables | 607.5 | 468.0 | (535.6) | (429.0) | 71.9 | 39.0 |
| Cash and cash equivalents | 0.1 | 2.7 | - | - | 0.1 | 2.7 |
| Financial investments - other loans | 21.5 | 2.1 | 12.2 | 11.7 | 33.7 | 13.8 |
| Other assets | 72.8 | 115.9 | (12.7) | (23.3) | 60.1 | 92.6 |
| Deferred acquisition costs | 29.4 | 28.0 | (29.4) | (28.0) | - | - |
| Deferred taxation | - | - | - | 3.0 | - | 3.0 |
| Derivatives | 3.2 | - | - | - | 3.2 | - |
| TOTAL | 1,814.9 | 1,445.6 | (987.1) | (857.6) | 827.8 | 588.0 |

The valuation principles applied to FCG / 1CU's assets are consistent with those used in the GAAP accounts, with the following exceptions:

- Reinsurance share of unearned premiums: the reinsurance share of unearned premiums reserve comprises the reinsurers' share of the gross premiums written which is to be earned in the following or subsequent financial years in the GAAP accounts. The unearned premiums are not recognised for solvency purposes, and instead the expected claims arising on the unearned premiums are recorded within the reinsurance share of technical provisions;
- Reinsurance share of claims reserves: the reinsurance share of claims reserves comprises the reinsurers' share of the claims outstanding (including claims which are estimated to have been incurred but not reported) as at 31st December 2024. The adjustments from claims reserves in the GAAP accounts to technical provision in the Solvency II balance sheet are detailed in section D2;
- Intangible assets and deferred acquisition costs: on the Solvency II balance sheet these have been valued at nil; and
- Deferred tax asset/liability: on the Solvency II balance sheet these are valued based on the expected tax benefit or expense once the valuation adjustments to transition to solvency valuations unwind.

D.2 Technical Provisions

The FCG / 1CU technical provisions include claims reserves incurred based on earned premiums which consider all reasonably foreseeable best estimates. This includes reserves for claims incurred plus a provision for claims Incurred But Not Reported ('**IBNR**'). FCG / 1CU also consider any amounts recoverable from reinsurance contracts in respect of claims reserves and IBNR. The technical provisions also include an estimate of the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the expected ultimate loss ratios and large loss experience from the claims provisions.

The gross technical provisions by line of business for FCG are as follows:

31st December 2024:

| Line of business | Technical provisions (excluding risk margin) (£m) | | Risk margin (£m) | | Technical provisions (£m) | |
|--|---|--------------|------------------|------------|------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Motor vehicle liability insurance | 536.3 | 350.8 | 5.4 | 4.0 | 541.7 | 354.8 |
| Other motor insurance | (20.8) | (43.1) | 1.4 | 1.0 | (19.4) | (42.1) |
| Annuities stemming from non-life insurance contracts | 34.3 | 19.5 | 0.1 | 0.1 | 34.4 | 19.6 |
| Fire and other damage insurance | 1.5 | 0.0 | 0.0 | 0.0 | 1.5 | 0.0 |
| Total | 551.3 | 327.2 | 6.8 | 5.1 | 558.2 | 332.3 |

The gross technical provisions by line of business for 1CU are as follows:

31st December 2024

| Line of business | Technical provisions (excluding risk margin) (£m) | | Risk margin (£m) | | Technical provisions (£m) | |
|--|---|--------------|------------------|------------|------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Motor vehicle liability insurance | 524.4 | 358.2 | 7.5 | 4.8 | 531.9 | 363.0 |
| Other motor insurance | (17.7) | (23.9) | - | 1.1 | (17.7) | (22.8) |
| Annuities stemming from non-life insurance contracts | 36.0 | 19.5 | 0.1 | 0.1 | 36.1 | 19.6 |
| Fire and other damage insurance | (0.3) | - | - | - | (0.3) | - |
| Total | 542.4 | 353.8 | 7.6 | 6.0 | 550.0 | 359.8 |

Technical provisions have increased for both FCG & 1CU in the year, driven by underlying book growth.

The key areas of uncertainty around FCG / 1CU's technical provisions are as follows:

- Estimation of Outstanding Loss Reserves ('**OSLR**'): while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty;
- Estimation of the losses relating to IBNR claims: this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving;
- Estimation of claims arising on business which has not yet expired (unexpired risks): this is uncertain as the claims have not yet been incurred but are expected to be incurred on the business which FCG / 1CU has written;
- Market environment: changes in the market environment increase the inherent uncertainty affecting the business, including macro-economic factors on vehicle damage-related claims inflation that are uncertain;
- Events Not In Data ('**ENID**'): estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed;
- Run-off expenses: the estimation of the expenses required to run-off of the bound obligations is inherently uncertain due to the estimations around the length of the run-off, base costs and inflation; and
- Risk margin: the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run-off expenses provision considered above as well as the inherent uncertainties around forecasting future solvency capital requirements.

FCG / 1CU manage the risks around these uncertainties via the following actions:

- Ongoing monitoring of claims, including regular reviews of claims handling functions;
- Maintaining a number of reinsurance arrangements to limit the impact of adverse claims development;
- Internal controls through underwriting and claims management meetings and the Actuarial Function which monitor claims development and reinsurance arrangements; and
- Quarterly internal and external actuarial reviews.

The changes required to transition from GAAP accounts to technical provisions for solvency purposes are set out below.

- **Claims provisions:** The claims provisions for solvency purposes are held in line with the external actuary's best estimate, as agreed with the GFSC. Any margin included in FCG / 1CU's GAAP accounts above this is eliminated for solvency purposes. FCG / 1CU have made no other adjustments to claims provisions in GAAP accounts in recording the claims provisions for solvency purposes. The claims provisions as at 31st December 2024 for FCG were £713.0m (2023: £516.0m) and for 1CU were £700.8m (2023: £509.1m);
- **Reinsurance share of claims provisions:** FCG / 1CU have made no adjustments to reinsurance recoveries in GAAP accounts in recording the reinsurance share of claims provisions for solvency purposes. The reinsurance share of claims provisions as at 31st December 2024 for FCG was £555.6m (2023: £392.2m) and for 1CU was £555.8m (2023: £392.2m);
- **Unexpired risks:** FCG / 1CU have estimated the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions. FCG / 1CU have considered whether adjustments may be required as a result of contract boundaries and decided to include a provision for bound but not incepted risks. The gross premium provisions as at 31st December 2024 for FCG were £319.5m (2023: £279.4m) and for 1CU were £323.9m (2023: £279.6m);
- **Reinsurance share of unexpired risks:** FCG / 1CU have estimated the amounts recoverable on unexpired risks based on the reinsurance share of gross premium provisions estimated as per the above. As at 31st December 2024, for FCG these were £249.1m (2023: £217.7m) and for 1CU these were £250.5m (2023: £218.1m);
- **Intermediary and policyholder receivables:** Intermediary and policyholder receivables not yet due for collection are netted off the technical provisions for solvency purposes with any amounts overdue remaining as part of Intermediary and policyholder receivables. For 1CU, there are no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes. For FCG, any bad debt provision is added back to policyholder receivables and the solvency value of this is then calculated based on ageing. The insurance receivables as at 31st December 2024 for FCG were £412.2m (2023: £409.6m) and for 1CU they were £403.5m (2023: £376.9m);
- **Reinsurance payables:** Net amounts payable to reinsurers are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes. The net reinsurance payables (being net reinsurance payables less financial investments held for collateral arrangements) as at 31st December 2024 for FCG were £249.9m (2023: £269.5m) and for 1CU they were £236.8m (2023: £247.4m);
- **ENID loading:** Technical provisions for solvency purposes are required to allow for all possible events, including those that may not have been historically realised before. Such events which are not present in a set of observable historical loss data are often called ENID. This is a difference in

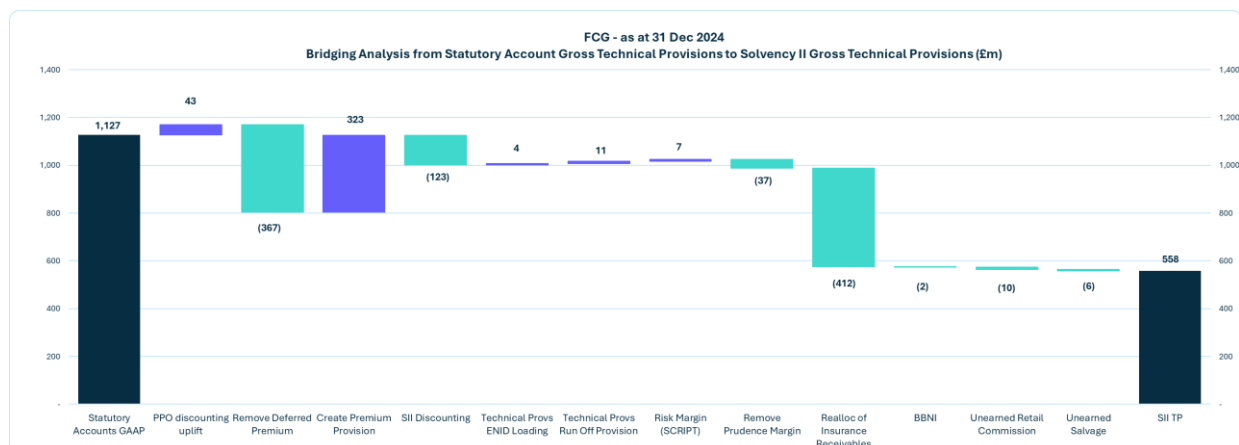
valuation methodology compared to the GAAP accounts that considers best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed. FCG / 1CU have undertaken an analysis on the changes in both gross and net provisions following a number of different possible scenarios, considering both positive and negative outcomes. This has then been adjusted following scenario analysis which considered both positive and negative outcomes. As such, the ENID loading applied by FCG / 1CU as at 31st December 2023 was £2.6m (2023: £1.9m);

- Counterparty default provision: FCG / 1CU have considered a provision for default by one or more of the reinsurance providers. The provision is based on the total exposure to the counterparty, the rating of the counterparty and the existence of any collateral arrangements with the counterparty. FCG / 1CU estimate the counterparty default provision and consider each of the exposures, net of collateral arrangements in existence, apply the estimated probability of default by rating, and derive a weighted average probability of default. FCG / 1CU's exposures are entirely from reinsurers with a rating of A- and above. FCG / 1CU have calculated the weighted average probability of default of reinsurers as 0.03% (2023: 0.03%), and thus the counterparty default adjustment is £0.4m (2023: £0.2m);
- Run-off provision: Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as a 'run-off' provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run-off. FCG / 1CU have determined an annual servicing cost for servicing bound obligations and have provided for these over the lifetime of the bound obligations, allowing for expected expense inflation and taking into account future new business. The run-off provision applied by FCG as at 31st December 2024 was £11.4m (2023: £10.4m) and for 1CU it was £3.1m (2023: £3.1m);
- Discounting: Discounting has been applied in the technical provisions, based on the sterling yield curve as at 31st December 2024 as issued by the Prudential Regulation Authority ('PRA'). In respect of FCG, the impact of discounting on the net technical provisions is £12.5m (2023: £8.5m) and in respect of 1CU, is £12.2m (2022: £8.6m);
- Risk Margin: The risk margin is calculated by forecasting the SCR with simplifications over the duration of the run-off of existing liabilities. Claims are assumed to run-off in line with the cashflows derived for the technical provisions' liability run off. This results in a risk margin of £5.1m (2023: £6.9) in respect of FCG and £7.6m (2023: £6.0m) in respect of 1CU.

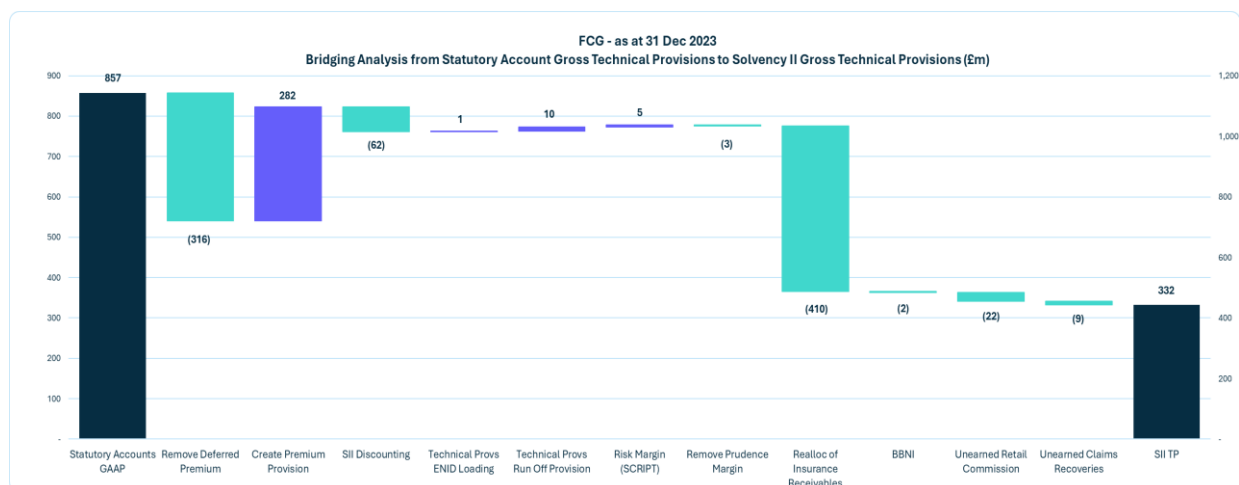
FCG / 1CU have not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating technical provisions.

The changes to FCG's technical provisions highlighted above are reflected in the waterfall diagrams below.

31st December 2024:

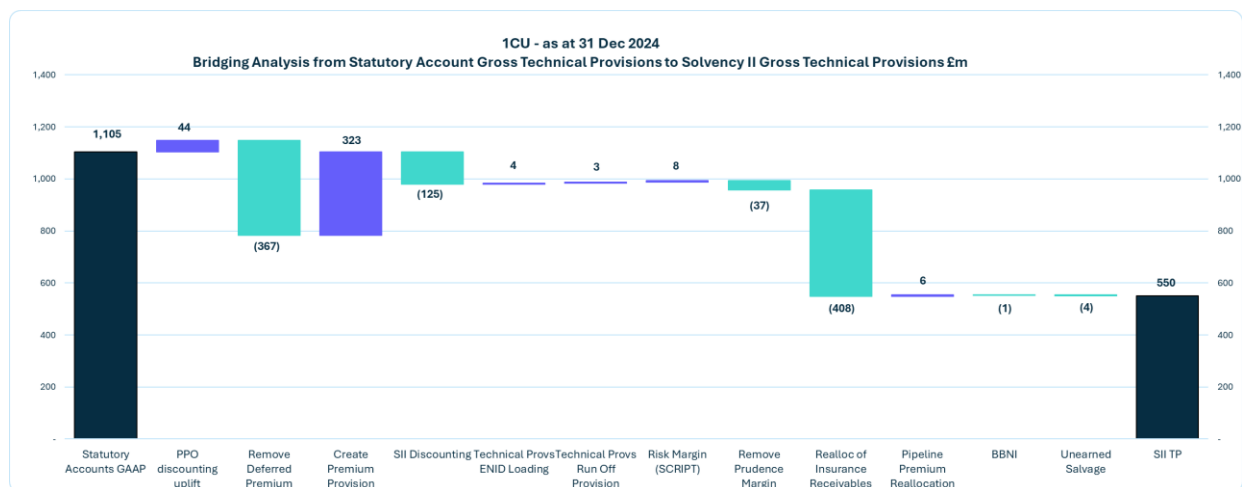


31st December 2023:

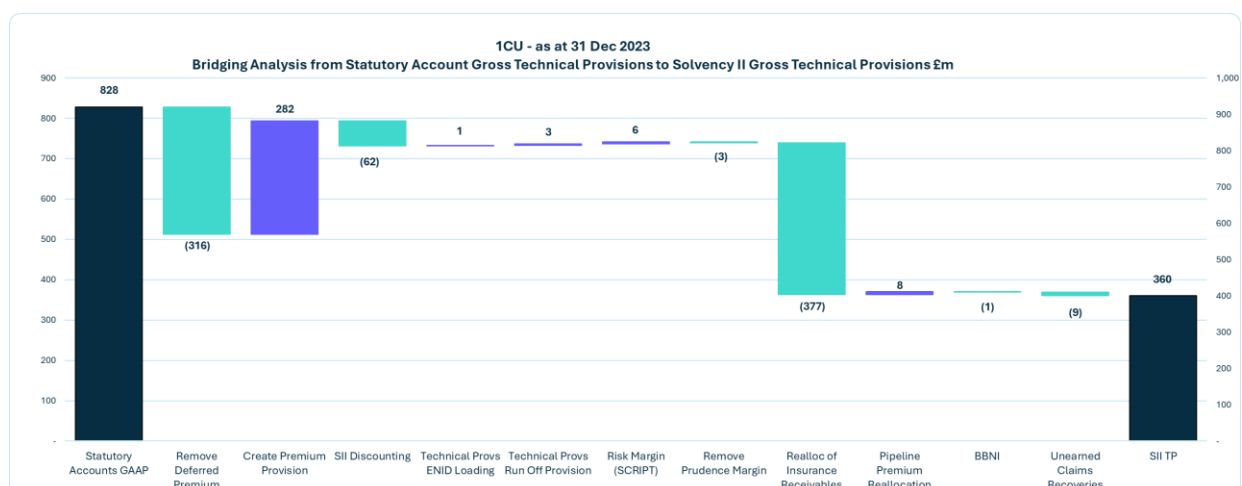


The changes to 1CU's technical provisions highlighted above are reflected in the waterfall diagrams below.

31st December 2024:



31st December 2023:



D.3 Other Liabilities

FCG recorded the following classes of liabilities for solvency purposes:

As at 31st December 2024:

| Liability | GAAP Accounts Value (£m) | Solvency Value (£m) | Explanation of Differences |
|---|--------------------------------|------------------------|--|
| Reinsurance accounts payable | 373.8 | 0.0 | Reclassified to technical provisions (see D.2) |
| Deferred income | 70.0 | 0.0 | Not recognised for solvency purposes |
| Other creditors, including corporation tax and IPT | 112.8 | 115.4 | Immaterial classification adjustments |
| Total | 556.7 | 115.4 | |

1CU recorded the following classes of liabilities for solvency purposes:

As at 31st December 2024:

| Liability | GAAP Accounts Value (£m) | Solvency Value (£m) | Explanation of Differences |
|---|--------------------------------|------------------------|---|
| Reinsurance accounts payable | 392.9 | 0.0 | Reclassified to technical provisions (see D.2) |
| Deferred income | 70.0 | 0.0 | Not recognised for solvency purposes |
| Other creditors, including corporation tax and IPT | 50.0 | 66.9 | Immaterial classification adjustments |
| Deferred tax liabilities | 0.0 | 2.0 | Deferred tax arising from GAAP to Solvency II conversion |
| Total | 512.9 | 68.9 | |

D.4 Alternative Methods for Valuation

Not applicable to FCG or 1CU.

D.5 Any Other Information

Not applicable to FCG or 1CU.

E - CAPITAL MANAGEMENT

E.1 Own Funds

FCG / 1CU classify own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

FCG's eligible own funds as at 31st December 2024 and 31st December 2023 are as follows:

| Own Fund Item | Tier | 31 st December 2024 | | 31 st December 2023 | |
|---------------------------------|------|--------------------------------|------------|--------------------------------|------------|
| | | £m | % | £m | % |
| Share capital and share premium | 1 | 0.1 | 0.0 | 0.1 | 0.1 |
| Reconciliation reserve | 1 | 177.9 | 76.1 | 136.9 | 71.4 |
| Subordinated Debt | 2 | 46.9 | 20.1 | 48.5 | 25.3 |
| Deferred Tax Asset | 3 | 8.8 | 3.8 | 6.2 | 3.2 |
| | | 233.8 | 100 | 191.7 | 100 |

1CU's eligible own funds as at 31st December 2024 and 31st December 2023 are as follows.

| Own Fund Item | Tier | 31 st December 2024 | | 31 st December 2023 | |
|---------------------------------|------|--------------------------------|------------|--------------------------------|------------|
| | | £m | % | £m | % |
| Share capital and share premium | 1 | 81.9 | 39.2 | 81.9 | 56.6 |
| Reconciliation reserve | 1 | 127.1 | 60.8 | 59.9 | 41.3 |
| Deferred tax asset | 3 | - | - | 3.0 | 2.1 |
| | | 209.0 | 100 | 144.8 | 100 |

Only FCG / 1CU's tier 1 own funds may be used towards meeting the MCR.

E.2 Solvency Capital Requirements and Minimum Capital Requirements

The final solvency capital requirement of FCG / 1CU is the aggregation of the market, counterparty, non-life and life underwriting risks, less a credit for diversification, an additional charge to represent the operational risks faced by FCG / 1CU and a capital add-on.

The SCR of FCG as at 31st December 2024 was £144.9m (2023: £109.5m); its MCR as at 31st December 2024 was £36.2m (2022: £27.4m).

| FCG Solvency Capital Requirement | 31 st December 2024 £m | 31 st December 2023 £m |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Market risk | 16.6 | 15.7 |
| Counterparty risk | 22.2 | 19.2 |
| Non-life underwriting risk | 55.1 | 46.7 |
| Life underwriting risk | 0.2 | 0.2 |
| Basic SCR diversification | (18.8) | (16.9) |
| Operational risk | 22.6 | 16.6 |
| Capital add-on | 47.0 | 28.0 |
| SOLVENCY CAPITAL REQUIREMENT | 144.9 | 109.5 |

The increase in the solvency capital requirement is primarily driven by an increase in the capital add-on imposed by the GFSC, this reflects the risks associated with sliding scale commissions that are present in reinsurance QS arrangements. The increase is as a result of strong performance on the 2024 underwriting year increasing the amount of sliding scale commissions that could be lost in a 1-in-200 stress scenario.

Other drivers of the solvency capital requirement increase include the book growth achieved in 2024 which is driving increases in both Non-life Underwriting Risk and Operational Risk

FCG is exposed to market risks derived predominately from the assets it holds to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates are also considered in the exposure from underwriting risks.

FCG is exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

FCG is exposed to non-life underwriting risk as a result of the insurance policies sold by the group. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which FCG may be exposed.

There has been no use of undertaking specific parameters in the non-life underwriting risk calculations. The non-life diversification is defined within the standard formula calculation and reflects the fact that the individual non-life risk types are not 100% correlated and therefore a 1-in-200 shock on total non-life underwriting risk is significantly less than the sum of 1-in-200 shocks for the individual non-life sub-risk types.

FCG is exposed to life underwriting risk as a result of the settled Periodic Payment Orders ('PPOs'). As at 31st December 2024, the gross undiscounted technical provisions associated with PPOs totalled £77.4m (2023: £35.1m) with the increase driven by a number of new PPO's awarded within the year.

The life underwriting risk in respect of FCG is immaterial.

The inputs used to calculate the MCR of FCG are as follows:

| FCG Line of Business | Net (of reinsurance) written premiums in the last 12 months (£m) |
|-----------------------------------|--|
| Motor vehicle liability insurance | 46.2 |
| Other motor insurance | 14.1 |
| Fire and other damage insurance | 0.5 |
| TOTAL | 60.8 |

The SCR of 1CU as at 31st December 2024 was £128.0m (2023: £87.8m); its MCR as at 31st December 2024 was £32.0m (2023: £22.0m).

| 1CU Solvency Capital Requirement | 31 st December 2024 £m | 31 st December 2023 £m |
|---|--------------------------------------|--------------------------------------|
| Market risk | 18.3 | 8.0 |
| Counterparty risk | 27.6 | 19.6 |
| Non-life underwriting risk | 55.5 | 46.8 |
| Life underwriting risk | 0.3 | 0.2 |
| Basic SCR diversification | (21.2) | (12.8) |
| Operational risk | 23.9 | 17.5 |
| Capital add-on | 25.6 | 8.5 |
| Adjustment for Loss Absorbing Capacity of Deferred Taxes | (2.0) | - |
| SOLVENCY CAPITAL REQUIREMENT | 128.0 | 87.8 |

The increase in the solvency capital requirement is primarily driven by an increase in the capital add-on imposed market-wide by the GFSC from Q4 2023, to reflect the risks associated with sliding scale commissions that are present on reinsurance QS arrangements. The increase is as a result of strong performance on the 2024 underwriting year increasing the amount of sliding scale commissions that could be lost in a 1-in-200 stress scenario.

Other drivers of the solvency capital requirement increase include the book growth achieved in 2024 and an increase in 1CU's market risk linked to its intragroup concentration risk exposure.

1CU is exposed to market risks derived predominantly from the assets held by 1CU to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates are also considered in the exposure from underwriting risks.

1CU is exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2). In line with guidance received from the GFSC in 2023, 1CU considers any amounts overdue from the customer to the intermediary or collected by the intermediary but not yet remitted to 1CU as subject to a Type 2 counterparty default risk loading regardless of whether they are within intragroup payment terms.

1CU is exposed to non-life underwriting risk as a result of the insurance policies it sells. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which 1CU may be exposed.

1CU has used a simplification for lapse risk in applying the standard formula but no further simplifications have been used. There has been no use of undertaking specific parameters in the non-life underwriting risk calculations. The non-life diversification is defined within the standard formula calculation and reflects the fact that the individual non-life risk types are not 100% correlated and therefore a 1-in-200 shock on total non-life underwriting risk is significantly less than the sum of 1-in-200 shocks for the individual non-life sub-risk types.

1CU is exposed to life underwriting risk as a result of the settled PPOs. As at 31st December 2024, the gross undiscounted technical provisions associated with PPOs totalled £77.4m (2023: £35.1m) with the increase driven by a number of new PPO's awarded in the year. The life underwriting risk in respect of 1CU is immaterial.

The inputs used to calculate the MCR of 1CU are as follows:

| 1CU Line of Business | Net (of reinsurance) written premiums in the last 12 months (£m) |
|-----------------------------------|--|
| Motor vehicle liability insurance | 79.7 |
| Other motor insurance | 24.4 |
| Fire and other damage insurance | 0.4 |
| TOTAL | 104.6 |

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

Not applicable to FCG / 1CU.

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

Not applicable to FCG / 1CU.

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

FCG and 1CU has maintained capital sufficient to meet its minimum capital requirement throughout the period covered by this report.

Both FCG and 1CU met their SCR and MCR throughout the years ended 31st December 2023 and 31st December 2024, reporting a coverage ratio of 161.1% and 163.3% respectively as at 31st December 2024.

E.6 Any Other Information

There is no other information to disclose.

GLOSSARY

| Term | Definition |
|------------------------|--|
| 1CL | 1st Central Law Limited |
| 1CU | First Central Underwriting Limited |
| 1CU Board | 1CU Board of Directors |
| 1CU CRC | 1CU Conduct Risk Committee |
| 1CU ManCo | 1CU Management Committee |
| 1CU OsCo | 1CU Outsourcing Committee |
| 1CU RC | 1CU Reserves Committee |
| ABE | Actuarial Best Estimate |
| Adjusted EBITDA | Earnings Before Interest Taxes Depreciation and Amortisation adjusted for non-controlling interest, share based payments and any exceptional one-off costs |
| AFH | Actuarial Function Holder |
| AQRTs | Annual Quantitative Reporting Templates |
| ARC | FCIM Audit and Risk Committee |
| ARCGC | 1CU Audit, Risk, Compliance and Corporate Governance Committee |
| Boards | The Board of Directors of FCG and 1CU |
| COR | Combined Operating Ratio |
| CPI | Consumer Price Index |
| CRIOC | Group Credit Risk, Investment Oversight Committee |
| ECR | Economic Capital Requirement |
| ENID | Events Not In Data |
| ExCo | Group Executive Committee |
| FCA | Financial Conduct Authority |
| FCG | First Central Group Limited |
| FCIM | First Central Insurance Management Limited |
| FCS (UK) | First Central Services (UK) Limited |
| FCS(Gsy) | First Central Services (Guernsey) Limited |
| GAAP | Generally Accepted Accounting Principles |
| GAC | Group Audit Committee |
| GFSC | Gibraltar Financial Services Commission |
| GIAC | Group Internal Audit Charter |
| GIC | Group Investment Committee |
| GWP | Gross Written Premium |
| IBNR | Claims Incurred But Not Reported |
| ISO 31000 | Risk Management Framework from the International Organization for Standardization |
| KPIs | Key Risk Indicators |
| ManCo | Management Committee |
| MCR | Minimum Capital Requirement |
| MMF | Money Market Funds |
| NED | Non-Executive Director |
| ORSA | Own Risk Solvency Assessment |
| OSLR | Outstanding loss reserves |
| PRA | Prudential Regulatory Authority |

| | |
|---------------------|--|
| QS | Quota Share Reinsurance |
| RemNomCo | Remuneration and Nomination Committee |
| RIR | Regulated Individuals Regime |
| RM | Risk Management |
| RM Framework | The detailed processes and structures of the Group's approach to Risk Management |
| Risk Owner | Person with the accountability and authority to manage a Risk |
| 1CU PGC | 1CU Product Governance Committee |
| SCR | Solvency Capital Requirement |
| SFCR | Solvency and Financial Condition Report |
| SM&CR | Senior Managers and Certification Regime |
| XoL | Excess of Loss Reinsurance |

FCG QUANTITATIVE REPORTING TEMPLATES

IR.02.01.02

Balance sheet

| | | Solvency II value |
|--------|--|----------------------|
| Assets | | C0010 |
| R0030 | Intangible assets | |
| R0040 | Deferred tax assets | 8,794 |
| R0050 | Pension benefit surplus | |
| R0060 | Property, plant & equipment held for own use | 1,878 |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 317,384 |
| R0080 | <i>Property (other than for own use)</i> | 0 |
| R0090 | <i>Holdings in related undertakings, including participations</i> | 0 |
| R0100 | <i>Equities</i> | 0 |
| R0110 | <i>Equities - listed</i> | |
| R0120 | <i>Equities - unlisted</i> | |
| R0130 | <i>Bonds</i> | 0 |
| R0140 | <i>Government Bonds</i> | 0 |
| R0150 | <i>Corporate Bonds</i> | 0 |
| R0160 | <i>Structured notes</i> | 0 |
| R0170 | <i>Collateralised securities</i> | 0 |
| R0180 | <i>Collective Investments Undertakings</i> | 317,384 |
| R0190 | <i>Derivatives</i> | |
| R0200 | <i>Deposits other than cash equivalents</i> | 0 |
| R0210 | <i>Other investments</i> | 0 |
| R0220 | Assets held for index-linked and unit-linked contracts | |
| R0230 | Loans and mortgages | 12,196 |
| R0240 | <i>Loans on policies</i> | 0 |
| R0250 | <i>Loans and mortgages to individuals</i> | |
| R0260 | <i>Other loans and mortgages</i> | 12,196 |
| R0270 | Reinsurance recoverables from: | 485,753 |
| R0280 | <i>Non-life and health similar to non-life</i> | 450,188 |
| R0315 | <i>Life and health similar to life, excluding index-linked and unit-linked</i> | 35,565 |
| R0340 | <i>Life index-linked and unit-linked</i> | |
| R0350 | Deposits to cedants | 0 |
| R0360 | Insurance and intermediaries receivables | 20,340 |
| R0370 | Reinsurance receivables | 0 |
| R0380 | Receivables (trade, not insurance) | |
| R0390 | Own shares (held directly) | |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0 |
| R0410 | Cash and cash equivalents | 22,373 |
| R0420 | Any other assets, not elsewhere shown | 38,570 |
| R0500 | Total assets | 907,288 |

| | | Solvency II value |
|-------------|--|----------------------|
| Liabilities | | C0010 |
| R0505 | Technical provisions - total | 558,166 |
| R0510 | <i>Technical provisions - non-life</i> | 523,784 |
| R0515 | <i>Technical provisions - life</i> | 34,383 |
| R0542 | Best estimate - total | 551,312 |
| R0544 | <i>Best estimate - non-life</i> | 516,979 |
| R0546 | <i>Best estimate - life</i> | 34,333 |
| R0552 | Risk margin - total | 6,855 |
| R0554 | <i>Risk margin - non-life</i> | 6,805 |
| R0556 | <i>Risk margin - life</i> | 50 |
| R0565 | Transitional (TMTP) - life | |
| R0740 | Contingent liabilities | |
| R0750 | Provisions other than technical provisions | |
| R0760 | Pension benefit obligations | |
| R0770 | Deposits from reinsurers | |
| R0780 | Deferred tax liabilities | |
| R0790 | Derivatives | |
| R0800 | Debts owed to credit institutions | |
| R0810 | Financial liabilities other than debts owed to credit institutions | |
| R0820 | Insurance & intermediaries payables | |
| R0830 | Reinsurance payables | |
| R0840 | Payables (trade, not insurance) | 115,358 |
| R0850 | Subordinated liabilities | 46,950 |
| R0860 | <i>Subordinated liabilities not in Basic Own Funds</i> | |
| R0870 | <i>Subordinated liabilities in Basic Own Funds</i> | 46,950 |
| R0880 | Any other liabilities, not elsewhere shown | |
| R0900 | Total liabilities | 720,474 |
| R1000 | Excess of assets over liabilities | 186,814 |

IR.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

R0010

| | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 |
|---|--------------|--|-------|-------|-------|-------|------------------------------|
| | Home Country | Top 5 countries (by amount of gross premiums written) - non-life obligations | | | | | Total Top 5 and home country |
| | | GB | | | | | |
| | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |
| | | 745,099 | | | | | 745,099 |
| | | | | | | | 0 |
| | | | | | | | 0 |
| | | 683,893 | | | | | 683,893 |
| | 0 | 61,206 | | | | | 61,206 |
| Premiums written | | | | | | | |
| R0110 Gross - Direct Business | | 706,992 | | | | | 706,992 |
| R0120 Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0130 Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0140 Reinsurers' share | | 640,540 | | | | | 640,540 |
| R0200 Net | 0 | 66,452 | | | | | 66,452 |
| Premiums earned | | | | | | | |
| R0210 Gross - Direct Business | | 660,450 | | | | | 660,450 |
| R0220 Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0230 Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0240 Reinsurers' share | | 503,428 | | | | | 503,428 |
| R0300 Net | 0 | 157,023 | | | | | 157,023 |
| Claims incurred | | | | | | | |
| R0310 Gross - Direct Business | | 660,450 | | | | | 660,450 |
| R0320 Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0330 Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0340 Reinsurers' share | | 503,428 | | | | | 503,428 |
| R0400 Net | 0 | 157,023 | | | | | 157,023 |
| R0550 Net expenses incurred | | 177,976 | | | | | 177,976 |

IR.05.02.01
Premiums, claims and expenses by country: Life insurance and reinsurance obligations

| | | C0150 | C0160 | C0170 | C0180 | C0190 | C0200 | C0210 |
|------------------|-----------------------|--|--------|-------|-------|-------|------------------------------|--------|
| R1400 | Home Country | Top 5 countries (by amount of gross premiums written) - life obligations | | | | | Total Top 5 and home country | |
| | | GB | | | | | | |
| | | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 |
| Premiums written | | | | | | | | |
| R1410 | Gross | | | | | | | 0 |
| R1420 | Reinsurers' share | | | | | | | 0 |
| R1500 | Net | 0 | 0 | | | | | 0 |
| Premiums earned | | | | | | | | |
| R1510 | Gross | | | | | | | 0 |
| R1520 | Reinsurers' share | | | | | | | 0 |
| R1600 | Net | 0 | 0 | | | | | 0 |
| Claims incurred | | | | | | | | |
| R1610 | Gross | | 23,533 | | | | | 23,533 |
| R1620 | Reinsurers' share | | 23,533 | | | | | 23,533 |
| R1700 | Net | 0 | 0 | | | | | 0 |
| R1900 | Net expenses incurred | | 0 | | | | | 0 |

Non-life income and expenditure : reporting period

R1310 Total expenditure

Non-life income and expenditure : reporting period

| | |
|---|--|
| 0 | |
|---|--|

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IR.23.01.04
Own Funds

Basic own funds before deduction for participations in other financial sector

| | |
|-------|---|
| R0010 | Ordinary share capital (gross of own shares) |
| R0020 | <i>Non-available called but not paid in ordinary share capital at group level</i> |
| R0030 | Share premium account related to ordinary share capital |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings |
| R0050 | Subordinated mutual member accounts |
| R0060 | <i>Non-available subordinated mutual member accounts at group level</i> |
| R0070 | Surplus funds |
| R0080 | <i>Non-available surplus funds at group level</i> |
| R0090 | Preference shares |
| R0100 | <i>Non-available preference shares at group level</i> |
| R0110 | Share premium account related to preference shares |
| R0120 | <i>Non-available share premium account related to preference shares at group level</i> |
| R0130 | Reconciliation reserve |
| R0140 | Subordinated liabilities |
| R0150 | <i>Non-available subordinated liabilities at group level</i> |
| R0160 | An amount equal to the value of net deferred tax assets |
| R0170 | <i>The amount equal to the value of net deferred tax assets not available at the group level</i> |
| R0180 | Other items approved by supervisory authority as basic own funds not specified above |
| R0190 | <i>Non available own funds related to other own funds items approved by supervisory authority</i> |
| R0200 | Minority interests (if not reported as part of a specific own fund item) |
| R0210 | <i>Non-available minority interests at group level</i> |

R0220 Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

| | |
|-------|--|
| R0250 | Deductions for participations where there is non-availability of information (Article 229) |
| R0260 | Deduction for participations included by using D&A when a combination of methods is used |
| R0270 | Total of non-available own fund items |
| R0280 | Total deductions |

R0290 Total basic own funds after deductions

Ancillary own funds

| | |
|-------|---|
| R0300 | Unpaid and uncalled ordinary share capital callable on demand |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand |
| R0320 | Unpaid and uncalled preference shares callable on demand |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand |
| R0340 | Letters of credit and guarantees |
| R0350 | Letters of credit and guarantees other |
| R0360 | Supplementary members calls |
| R0370 | Supplementary members calls - other |
| R0380 | Non available ancillary own funds at group level |
| R0390 | Other ancillary own funds |
| R0400 | Total ancillary own funds |

Own funds of other financial sectors

| | |
|-------|---|
| R0410 | Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies |
| R0420 | Institutions for occupational retirement provision |
| R0430 | Non regulated entities carrying out financial activities |
| R0440 | Total own funds of other financial sectors |

Own funds when using the D&A, exclusively or in combination of method 1

RO450 Own funds aggregated when using the D&A and combination of method

RO460 Own funds aggregated when using the D&A and combination of method net of IGT

| | |
|-------|--|
| R0520 | Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A) |
| R0530 | Total available own funds to meet the minimum consolidated group SCR |
| R0560 | Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A) |
| R0570 | Total eligible own funds to meet the minimum consolidated group SCR (group) |
| R0590 | Consolidated group SCR |

Minimum consolidated Group SCR

R0630 Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)

R0650 Ratio of Eligible own funds to Minimum Consolidated Group SCR

R0660 Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)

R0670 SCR for entities included with D&A method

R0680 Group SCR

R0690 Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A

Reconciliation reserve

| | |
|-------|---|
| R0700 | Excess of assets over liabilities |
| R0710 | Own shares (held directly and indirectly) |
| R0720 | Forseeable dividends, distributions and charges |
| R0725 | Deductions for participations in financial and credit institutions |
| R0730 | Other basic own fund items |
| R0740 | Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds |
| R0750 | Other non available own funds |

| Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|---------|------------------------|----------------------|--------|--------|
| C0010 | C0020 | C0030 | C0040 | C0050 |
| 1 | 1 | | 0 | |
| 0 | | | | |
| 95 | 95 | | 0 | |
| 0 | 0 | | 0 | |
| 0 | | 0 | 0 | 0 |
| 0 | 0 | | | |
| 0 | 0 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 |
| 177,924 | 177,924 | | | |
| 46,950 | | 0 | 46,950 | 0 |
| 8,794 | | | | 8,794 |
| 0 | | | | |
| 0 | 0 | 0 | 0 | 0 |
| 0 | | | | |
| 0 | | | | |

| | | | | |
|---------|---------|---|--------|-------|
| | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 233,764 | 178,020 | 0 | 46,950 | 8,794 |

[illegible]

| | | | | |
|---|---|---|---|---|
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | 0 | 0 | 0 | 0 |

| | | | | |
|---------|---------|---|--------|-------|
| 0 | | | | |
| 0 | | | | |
| 233,764 | 178,020 | 0 | 46,950 | 8,794 |
| 224,970 | 178,020 | 0 | 46,950 | |
| 233,764 | 178,020 | 0 | 46,950 | 8,794 |
| 185,265 | 178,020 | 0 | 7,245 | |
| 144,892 | | | | |

| | | | | |
|---------|---------|---|--------|-------|
| 36,223 | | | | |
| 511.46% | | | | |
| 233,764 | 178,020 | 0 | 46,950 | 8,794 |
| 0 | | | | |
| 144,892 | | | | |
| 161.34% | | | | |

| | |
|-------|---------|
| C0060 | 186,814 |
| | |
| | |
| | 8,890 |
| | 0 |
| | 177,924 |

IR.25.04.22

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

| | | |
|-------|--|----------|
| | Market risk | C0010 |
| R0070 | Interest rate risk | 77 |
| R0080 | Equity risk | 0 |
| R0090 | Property risk | 0 |
| R0100 | Spread risk | 6,397 |
| R0110 | Concentration risk | 5,684 |
| R0120 | Currency risk | 12,738 |
| R0125 | Other market risk | |
| R0130 | Diversification within market risk | -8,261 |
| R0140 | Total Market risk | 16,635 |
| | Counterparty default risk | |
| R0150 | Type 1 exposures | 12,859 |
| R0160 | Type 2 exposures | 10,825 |
| R0165 | Other counterparty risk | |
| R0170 | Diversification within counterparty default risk | -1,518 |
| R0180 | Total Counterparty default risk | 22,167 |
| | Life underwriting risk | |
| R0190 | Mortality risk | |
| R0200 | Longevity risk | 224 |
| R0210 | Disability-Morbidity risk | |
| R0220 | Life-expense risk | |
| R0230 | Revision risk | |
| R0240 | Lapse risk | |
| R0250 | Life catastrophe risk | |
| R0255 | Other life underwriting risk | |
| R0260 | Diversification within life underwriting risk | |
| R0270 | Total Life underwriting risk | 224 |
| | Health underwriting risk | |
| R0280 | Health SLT risk | |
| R0290 | Health non SLT risk | |
| R0300 | Health catastrophe risk | |
| R0305 | Other health underwriting risk | |
| R0310 | Diversification within health underwriting risk | |
| R0320 | Total Health underwriting risk | 0 |
| | Non-life underwriting risk | |
| R0330 | Non-life premium and reserve risk (ex catastrophe risk) | 53,625 |
| R0340 | Non-life catastrophe risk | 4,870 |
| R0350 | Lapse risk | 1,417 |
| R0355 | Other non-life underwriting risk | |
| R0360 | Diversification within non-life underwriting risk | -4,849 |
| R0370 | Total Non-life underwriting risk | 55,063 |
| R0400 | Intangible asset risk | |
| | Operational and other risks | |
| R0422 | Operational risk | 22,584 |
| R0424 | Other risks | |
| R0430 | Total Operational and other risks | 22,584 |
| R0432 | Total before all diversification | 131,301 |
| R0434 | Total before diversification between risk modules | 116,673 |
| R0436 | Diversification between risk modules | -18,807 |
| R0438 | Total after diversification | 97,866 |
| R0440 | Loss absorbing capacity of technical provisions | |
| R0450 | Loss absorbing capacity of deferred tax | |
| R0455 | Other adjustments | |
| R0460 | Solvency capital requirement including undisclosed capital add-on | 97,866 |
| R0472 | Disclosed capital add-on - excluding residual model limitation | 47,026 |
| R0474 | Disclosed capital add-on - residual model limitation | |
| R0480 | Solvency capital requirement including capital add-on | 144,892 |
| R0490 | Biting interest rate scenario | increase |
| R0495 | Biting life lapse scenario | |
| | Information on other entities | |
| R0500 | Capital requirement for other financial sectors (Non-insurance capital requirements) | 0 |
| R0510 | <i>Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies</i> | |
| R0520 | <i>Institutions for occupational retirement provisions</i> | |
| R0530 | <i>Capital requirement for non-regulated entities carrying out financial activities</i> | |
| R0540 | Capital requirement for non-controlled participation requirements | |
| R0550 | Capital requirement for residual undertakings | |
| | Overall SCR | |
| R0555 | Solvency capital requirement (consolidation method) | 144,892 |
| R0560 | SCR for undertakings included via D and A | |
| R0565 | SCR for sub-groups included via D and A | |
| R0570 | Solvency capital requirement | 144,892 |

Undertakings in the scope of the group

| | Country | Identification code and type of code of the undertaking | Legal Name of the undertaking | Type of undertaking | Legal form | Category (mutual/ non mutual) | Supervisory Authority |
|-----|---------|---|--|--|-----------------|-------------------------------------|---|
| Row | C0010 | C0020 | C0040 | C0050 | C0060 | C0070 | C0080 |
| 1 | GI | LEI/213800Y5XIR6CQ9RCD68 | First Central Underwriting Limited | Non-life insurance undertaking | limited company | Non-mutual | Gibraltar Financial Services Commission |
| 2 | GB | SC/FCIM | First Central Insurance Management Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | limited company | Non-mutual | |
| 3 | GB | SC/FCSUK | First Central Services (UK) Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | limited company | Non-mutual | |
| 4 | GB | SC/1CL | 1st Central Law Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | limited company | Non-mutual | |
| 5 | GG | SC/FCF | First Central Services (GSY) Limited | Non-regulated undertaking carrying out financial activities | limited company | Non-mutual | |
| 6 | GG | SC/213800U4P5IWFSR9O492 | First Central Group Limited | Insurance holding company as defined in the Glossary part of the PRA Rulebook | limited company | Non-mutual | |

IR.32.01.22

Undertakings in the scope of the group

| | | | | Criteria of influence | | | | | | |
|---------|---|-------------------------------|--|--|---|-----------------|----------------|--------------------|--|---------|
| Country | Identification code and type of code of the undertaking | Legal Name of the undertaking | Type of undertaking | % capital share | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | |
| Row | C0010 | C0020 | C0040 | C0050 | C0180 | C0190 | C0200 | C0210 | C0220 | C0230 |
| 1 | GI | LEI/213800Y5XIR6CQ9RCD68 | First Central Underwriting Limited | Non-life insurance undertaking | 100.00% | 100.00% | | | Dominant | 100.00% |
| 2 | GB | SC/FCIM | First Central Insurance Management Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | 100.00% | 100.00% | | | Dominant | 100.00% |
| 3 | GB | SC/FCSUK | First Central Services (UK) Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | 100.00% | 100.00% | | | Dominant | 100.00% |
| 4 | GB | SC/1CL | 1st Central Law Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | 100.00% | 100.00% | | | Dominant | 100.00% |
| 5 | GG | SC/FCF | First Central Services (GSY) Limited | Non-regulated undertaking carrying out financial activities | 100.00% | 100.00% | | | Dominant | 100.00% |
| 6 | GG | SC/213800U4P5IWFSR9O492 | First Central Group Limited | Insurance holding company as defined in the Glossary part of the PRA Rulebook | | | | | | |

Undertakings in the scope of the group

| | | | | Inclusion in the scope of Group supervision | | Group solvency calculation | |
|---------|---|-------------------------------|--|--|---|--|------------------------------|
| Country | Identification code and type of code of the undertaking | Legal Name of the undertaking | Type of undertaking | YES/NO | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking | |
| Row | C0010 | C0020 | C0040 | C0050 | C0240 | C0250 | C0260 |
| 1 | GI | LEI/213800Y5XIR6CQ9RCD68 | First Central Underwriting Limited | Non-life insurance undertaking | Included in the scope | | Method 1: Full consolidation |
| 2 | GB | SC/FCIM | First Central Insurance Management Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | Included in the scope | | Method 1: Full consolidation |
| 3 | GB | SC/FCSUK | First Central Services (UK) Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | Included in the scope | | Method 1: Full consolidation |
| 4 | GB | SC/1CL | 1st Central Law Limited | Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook | Included in the scope | | Method 1: Full consolidation |
| 5 | GG | SC/FCF | First Central Services (GSY) Limited | Non-regulated undertaking carrying out financial activities | Included in the scope | | Method 1: Full consolidation |
| 6 | GG | SC/213800U4P5IWF5R9O492 | First Central Group Limited | Insurance holding company as defined in the Glossary part of the PRA Rulebook | Included in the scope | | Method 1: Full consolidation |

1CU QUANTITATIVE REPORTING TEMPLATE

IR.02.01.02

Balance sheet

| | | Solvency II value |
|--------|--|----------------------|
| Assets | | C0010 |
| R0030 | Intangible assets | |
| R0040 | Deferred tax assets | 0 |
| R0050 | Pension benefit surplus | |
| R0060 | Property, plant & equipment held for own use | 3 |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 163,750 |
| R0080 | <i>Property (other than for own use)</i> | 0 |
| R0090 | <i>Holdings in related undertakings, including participations</i> | 0 |
| R0100 | <i>Equities</i> | 0 |
| R0110 | <i>Equities - listed</i> | |
| R0120 | <i>Equities - unlisted</i> | |
| R0130 | <i>Bonds</i> | 0 |
| R0140 | <i>Government Bonds</i> | 0 |
| R0150 | <i>Corporate Bonds</i> | 0 |
| R0160 | <i>Structured notes</i> | 0 |
| R0170 | <i>Collateralised securities</i> | 0 |
| R0180 | <i>Collective Investments Undertakings</i> | 160,539 |
| R0190 | <i>Derivatives</i> | 3,211 |
| R0200 | <i>Deposits other than cash equivalents</i> | 0 |
| R0210 | <i>Other investments</i> | 0 |
| R0220 | Assets held for index-linked and unit-linked contracts | |
| R0230 | Loans and mortgages | 33,673 |
| R0240 | <i>Loans on policies</i> | 0 |
| R0250 | <i>Loans and mortgages to individuals</i> | |
| R0260 | <i>Other loans and mortgages</i> | 33,673 |
| R0270 | Reinsurance recoverables from: | 498,279 |
| R0280 | <i>Non-life and health similar to non-life</i> | 461,134 |
| R0315 | <i>Life and health similar to life, excluding index-linked and unit-linked</i> | 37,146 |
| R0340 | <i>Life index-linked and unit-linked</i> | 0 |
| R0350 | Deposits to cedants | 0 |
| R0360 | Insurance and intermediaries receivables | 71,942 |
| R0370 | Reinsurance receivables | 0 |
| R0380 | Receivables (trade, not insurance) | |
| R0390 | Own shares (held directly) | |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | 0 |
| R0410 | Cash and cash equivalents | 54 |
| R0420 | Any other assets, not elsewhere shown | 60,139 |
| R0500 | Total assets | 827,840 |

| | | Solvency II value |
|--------------------|--|----------------------|
| Liabilities | | C0010 |
| R0505 | Technical provisions - total | 549,949 |
| R0510 | <i>Technical provisions - non-life</i> | 513,892 |
| R0515 | <i>Technical provisions - life</i> | 36,057 |
| R0542 | Best estimate - total | 542,339 |
| R0544 | <i>Best estimate - non-life</i> | 506,332 |
| R0546 | <i>Best estimate - life</i> | 36,007 |
| R0552 | Risk margin - total | 7,610 |
| R0554 | <i>Risk margin - non-life</i> | 7,560 |
| R0556 | <i>Risk margin - life</i> | 50 |
| R0565 | Transitional (TMTP) - life | 0 |
| R0740 | Contingent liabilities | |
| R0750 | Provisions other than technical provisions | |
| R0760 | Pension benefit obligations | |
| R0770 | Deposits from reinsurers | |
| R0780 | Deferred tax liabilities | 2,027 |
| R0790 | Derivatives | 0 |
| R0800 | Debts owed to credit institutions | |
| R0810 | Financial liabilities other than debts owed to credit institutions | |
| R0820 | Insurance & intermediaries payables | |
| R0830 | Reinsurance payables | |
| R0840 | Payables (trade, not insurance) | 66,865 |
| R0850 | Subordinated liabilities | 0 |
| R0860 | <i>Subordinated liabilities not in Basic Own Funds</i> | |
| R0870 | <i>Subordinated liabilities in Basic Own Funds</i> | 0 |
| R0880 | Any other liabilities, not elsewhere shown | |
| R0900 | Total liabilities | 618,841 |
| R1000 | Excess of assets over liabilities | 208,999 |

IR.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 |
|-------|---|--------------|--|-------|-------|-------|-------|------------------------------|
| | | Home Country | Top 5 countries (by amount of gross premiums written) - non-life obligations | | | | | Total Top 5 and home country |
| | | | GB | | | | | |
| | | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |
| R0010 | | | | | | | | |
| | Premiums written | | | | | | | |
| R0110 | Gross - Direct Business | | 788,114 | | | | | 788,114 |
| R0120 | Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0130 | Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0140 | Reinsurers' share | | 683,893 | | | | | 683,893 |
| R0200 | Net | 0 | 104,220 | | | | | 104,220 |
| | Premiums earned | | | | | | | |
| R0210 | Gross - Direct Business | | 739,632 | | | | | 739,632 |
| R0220 | Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0230 | Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0240 | Reinsurers' share | | 640,540 | | | | | 640,540 |
| R0300 | Net | 0 | 99,093 | | | | | 99,093 |
| | Claims incurred | | | | | | | |
| R0310 | Gross - Direct Business | | 665,939 | | | | | 665,939 |
| R0320 | Gross - Proportional reinsurance accepted | | | | | | | 0 |
| R0330 | Gross - Non-proportional reinsurance accepted | | | | | | | 0 |
| R0340 | Reinsurers' share | | 503,822 | | | | | 503,822 |
| R0400 | Net | 0 | 162,118 | | | | | 162,118 |
| R0550 | Net expenses incurred | | 10,197 | | | | | 10,197 |

IR.05.02.01
Premiums, claims and expenses by country: Life insurance and reinsurance obligations

| | | C0150 | C0160 | C0170 | C0180 | C0190 | C0200 | C0210 |
|------------------|-----------------------|--------------|--|-------|-------|-------|-------|------------------------------|
| R1400 | | Home Country | Top 5 countries (by amount of gross premiums written) - life obligations | | | | | Total Top 5 and home country |
| | | | GB | | | | | |
| C0220 | | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | |
| Premiums written | | | | | | | | |
| R1410 | Gross | | | | | | | 0 |
| R1420 | Reinsurers' share | | | | | | | 0 |
| R1500 | Net | 0 | 0 | | | | | 0 |
| Premiums earned | | | | | | | | |
| R1510 | Gross | | | | | | | 0 |
| R1520 | Reinsurers' share | | | | | | | 0 |
| R1600 | Net | 0 | 0 | | | | | 0 |
| Claims incurred | | | | | | | | |
| R1610 | Gross | | 23,533 | | | | | 23,533 |
| R1620 | Reinsurers' share | | 23,533 | | | | | 23,533 |
| R1700 | Net | 0 | 0 | | | | | 0 |
| | | | | | | | | |
| R1900 | Net expenses incurred | | 0 | | | | | 0 |

Non-life income and expenditure : reporting period

| |
|---------|
| 3,860 |
| 176,174 |
| - |
| 21,635 |

Non-life income and expenditure : reporting period

R1310 Total expenditure

IR.12.01.02
Life technical provisions

Best estimate

R0025 Gross Best Estimate (direct business)
R0026 Gross Best Estimate (reinsurance accepted)
R0030 Gross Best Estimate

R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re

R0100 Risk margin

Amount of the transitional on Technical Provisions

R0140 TMTP - risk margin
R0150 TMTP - best estimate dynamic component
R0160 TMTP - best estimate static component
R0170 TMTP - amortisation adjustment
R0180 Transitional Measure on Technical Provisions

R0200 Technical provisions - total

| 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 |
| | | | 36,007 | | | 36,007 |
| | | | | | | 0 |
| 0 | 0 | 0 | 36,007 | 0 | 0 | 36,007 |
| | | | 37,146 | | | 37,146 |
| 0 | 0 | 0 | -1,138 | 0 | 0 | -1,138 |
| | | | 50 | | | 50 |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 36,057 | 0 | 0 | 36,057 |

Non-Life Technical Provisions

| | |
|-------|--|
| | Best estimate |
| | Premium provisions |
| R0060 | Gross |
| R0140 | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default |
| R0150 | Net Best Estimate of Premium Provisions |
| | Claims provisions |
| R0160 | Gross |
| R0240 | Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default |
| R0250 | Net Best Estimate of Claims Provisions |
| R0260 | Total best estimate - gross |
| R0270 | Total best estimate - net |
| R0280 | Risk margin |
| R0320 | Technical provisions - total |
| R0330 | Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total |
| R0340 | Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total |

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year Underwriting year

| Gross Claims Paid (non-cumulative) (absolute amount) | | | | | | | | | | | | | C0170 In Current year | C0180 Sum of years (cumulative) |
|---|-------|---------|---------|--------|--------|--------|--------|-------|-------|-------|--------|---------|-----------------------------|---------------------------------------|
| Year | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | | |
| Prior | | | | | | | | | | | 7,366 | 7,366 | 7,366 | |
| R0100 | -9 | 23,072 | 66,826 | 21,940 | 14,703 | 17,007 | 20,795 | 8,159 | 1,478 | 3,015 | 5,367 | 5,367 | 182,361 | |
| R0160 | -8 | 21,847 | 61,146 | 23,869 | 20,721 | 16,239 | 6,389 | 4,781 | 7,863 | 792 | | 792 | 163,647 | |
| R0170 | -7 | 27,574 | 71,289 | 25,145 | 19,581 | 11,181 | 5,431 | 2,270 | 801 | | | 801 | 163,271 | |
| R0180 | -6 | 33,559 | 80,059 | 26,242 | 21,419 | 16,116 | 25,829 | 9,581 | | | | 9,581 | 212,806 | |
| R0190 | -5 | 38,133 | 64,869 | 24,501 | 16,185 | 14,363 | 3,594 | | | | | 3,594 | 161,646 | |
| R0200 | -4 | 38,459 | 99,286 | 29,309 | 20,905 | 13,614 | | | | | | 13,614 | 201,574 | |
| R0210 | -3 | 70,029 | 176,694 | 48,818 | 37,323 | | | | | | | 37,323 | 332,865 | |
| R0220 | -2 | 102,694 | 231,783 | 56,529 | | | | | | | | 56,529 | 391,006 | |
| R0230 | -1 | 120,024 | 206,814 | | | | | | | | | 206,814 | 326,838 | |
| R0240 | 0 | 114,667 | | | | | | | | | | 114,667 | 114,667 | |
| R0250 | | | | | | | | | | | | | | |
| R0260 | | | | | | | | | | | | | | |
| | | | | | | | | | | | | Total | 2,258,047 | |

| Gross Undiscounted Best Estimate Claims Provisions (absolute amount) | | | | | | | | | | | | | C0360 Year end (discounted data) |
|---|---------|---------|---------|--------|--------|--------|--------|--------|--------|-------|--------|---------|---|
| Year | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | |
| Prior | | | | | | | | | | | 7,886 | 7,716 | |
| R0100 -9 | 0 | 108,867 | 81,810 | 57,927 | 26,947 | 19,969 | 3,865 | 1,383 | -3,325 | 744 | | 728 | |
| R0160 -8 | 81,970 | 112,335 | 70,268 | 51,103 | 26,670 | 17,049 | 12,859 | 5,118 | 4,092 | | | 4,003 | |
| R0170 -7 | 72,374 | 87,221 | 59,416 | 35,904 | 22,934 | 21,910 | 27,744 | 24,187 | | | | 23,666 | |
| R0180 -6 | 117,731 | 94,556 | 66,785 | 47,879 | 46,883 | 23,423 | 15,386 | | | | | 14,571 | |
| R0190 -5 | 125,932 | 67,011 | 41,971 | 29,206 | 15,599 | 17,950 | | | | | | 16,611 | |
| R0200 -4 | 71,273 | 80,761 | 39,516 | 22,004 | 11,670 | | | | | | | 10,744 | |
| R0210 -3 | 121,210 | 119,043 | 68,487 | 63,578 | | | | | | | | 57,752 | |
| R0220 -2 | 147,258 | 158,438 | 113,144 | | | | | | | | | 102,017 | |
| R0230 -1 | 143,826 | 226,002 | | | | | | | | | | 202,714 | |
| R0240 0 | 184,054 | | | | | | | | | | | 165,963 | |
| R0250 | | | | | | | | | | | | 606,486 | |
| R0260 | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |

IR.19.01.21.22

Gross premium

| | C0570 C0580 | |
|-----------|--|---|
| | Gross earned premium at reporting reference date | Estimate of future gross earned premium |
| R0160 N-9 | 104,871 | 0 |
| R0170 N-8 | 144,735 | 0 |
| R0180 N-7 | 214,373 | 0 |
| R0190 N-6 | 206,554 | 0 |
| R0200 N-5 | 198,756 | 0 |
| R0210 N-4 | 291,913 | 0 |
| R0220 N-3 | 398,129 | 0 |
| R0230 N-2 | 520,109 | 0 |
| R0240 N-1 | 634,924 | 0 |
| R0250 N | 413,045 | 394,888 |

IR.23.01.01
Own Funds
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

| | |
|-------|---|
| R0010 | Ordinary share capital (gross of own shares) |
| R0030 | Share premium account related to ordinary share capital |
| R0040 | Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings |
| R0050 | Subordinated mutual member accounts |
| R0070 | Surplus funds |
| R0090 | Preference shares |
| R0110 | Share premium account related to preference shares |
| R0130 | Reconciliation reserve |
| R0140 | Subordinated liabilities |
| R0160 | An amount equal to the value of net deferred tax assets |
| R0180 | Other own fund items approved by the supervisory authority as basic own funds not specified above |

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

R0290 **Total basic own funds after deductions**

Ancillary own funds

| | |
|-------|---|
| R0300 | Unpaid and uncalled ordinary share capital callable on demand |
| R0310 | Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand |
| R0320 | Unpaid and uncalled preference shares callable on demand |
| R0330 | A legally binding commitment to subscribe and pay for subordinated liabilities on demand |
| R0340 | Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC |
| R0350 | Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC |
| R0360 | Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC |
| R0370 | Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC |
| R0390 | Other ancillary own funds |
| R0400 | Total ancillary own funds |

Available and eligible own funds

| | |
|-------|---|
| R0500 | Total available own funds to meet the SCR |
| R0510 | Total available own funds to meet the MCR |
| R0540 | Total eligible own funds to meet the SCR |
| R0550 | Total eligible own funds to meet the MCR |

R0580 **SCR**

R0600 **MCR**

R0620 **Ratio of Eligible own funds to SCR**

R0640 **Ratio of Eligible own funds to MCR**

Reconciliation reserve

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

| Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|---------|------------------------|----------------------|--------|--------|
| C0010 | C0020 | C0030 | C0040 | C0050 |
| 81,865 | 81,865 | | 0 | |
| 0 | 0 | | 0 | |
| 0 | 0 | | 0 | |
| 0 | | 0 | 0 | 0 |
| 0 | 0 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 |
| 127,134 | 127,134 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | | | 0 |
| 0 | 0 | 0 | 0 | 0 |

| | | | | |
|---------|---------|---|---|---|
| 0 | | | | |
| 208,999 | 208,999 | 0 | 0 | 0 |

| | | | | |
|---|--|--|---|---|
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | 0 | 0 |

| | | | | |
|---------|---------|---|---|---|
| 208,999 | 208,999 | 0 | 0 | 0 |
| 208,999 | 208,999 | 0 | 0 | |
| 208,999 | 208,999 | 0 | 0 | 0 |
| 208,999 | 208,999 | 0 | 0 | |

| |
|---------|
| 127,993 |
| 31,998 |
| 163.29% |
| 653.16% |

| |
|---------|
| C0060 |
| 208,999 |
| 0 |
| |
| |
| 81,865 |
| 0 |
| 127,134 |

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

| | | |
|-------|--|----------------|
| | Market risk | C0010 |
| R0070 | Interest rate risk | 0 |
| R0080 | Equity risk | 2 |
| R0090 | Property risk | 0 |
| R0100 | Spread risk | 5,899 |
| R0110 | Concentration risk | 17,233 |
| R0120 | Currency risk | 913 |
| R0125 | Other market risk | |
| R0130 | Diversification within market risk | -5,735 |
| R0140 | Total Market risk | 18,312 |
| | Counterparty default risk | |
| R0150 | Type 1 exposures | 12,560 |
| R0160 | Type 2 exposures | 16,918 |
| R0165 | Other counterparty risk | |
| R0170 | Diversification within counterparty default risk | -1,861 |
| R0180 | Total Counterparty default risk | 27,618 |
| | Life underwriting risk | |
| R0190 | Mortality risk | 0 |
| R0200 | Longevity risk | 252 |
| R0210 | Disability-Morbidity risk | 0 |
| R0220 | Life-expense risk | 0 |
| R0230 | Revision risk | 0 |
| R0240 | Lapse risk | 0 |
| R0250 | Life catastrophe risk | 0 |
| R0255 | Other life underwriting risk | |
| R0260 | Diversification within life underwriting risk | 0 |
| R0270 | Total Life underwriting risk | 252 |
| | Health underwriting risk | |
| R0280 | Health SLT risk | |
| R0290 | Health non SLT risk | |
| R0300 | Health catastrophe risk | |
| R0305 | Other health underwriting risk | |
| R0310 | Diversification within health underwriting risk | |
| R0320 | Total Health underwriting risk | 0 |
| | Non-life underwriting risk | |
| R0330 | Non-life premium and reserve risk (ex catastrophe risk) | 54,131 |
| R0340 | Non-life catastrophe risk | 4,870 |
| R0350 | Lapse risk | 0 |
| R0355 | Other non-life underwriting risk | |
| R0360 | Diversification within non-life underwriting risk | -3,452 |
| R0370 | Non-life underwriting risk | 55,549 |
| R0400 | Intangible asset risk | |
| | Operational and other risks | |
| R0422 | Operational risk | 23,871 |
| R0424 | Other risks | |
| R0430 | Total Operational and other risks | 23,871 |
| R0432 | Total before all diversification | 136,650 |
| R0434 | Total before diversification between risk modules | 125,602 |
| R0436 | Diversification between risk modules | -21,200 |
| R0438 | Total after diversification | 104,402 |
| R0440 | Loss absorbing capacity of technical provisions | |
| R0450 | Loss absorbing capacity of deferred tax | -2,027 |
| R0455 | Other adjustments | |
| R0460 | Solvency capital requirement including undisclosed capital add-on | 102,375 |
| R0472 | Disclosed capital add-on - excluding residual model limitation | 25,618 |
| R0474 | Disclosed capital add-on - residual model limitation | |
| R0480 | Solvency capital requirement including capital add-on | 127,993 |
| R0490 | Biting interest rate scenario | increase |
| R0495 | Biting life lapse scenario | |

IR.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

14,764

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|
|---|---|

C0020

C0030

| | |
|-------|--|
| R0020 | Medical expense insurance and proportional reinsurance |
| R0030 | Income protection insurance and proportional reinsurance |
| R0040 | Workers' compensation insurance and proportional reinsurance |
| R0050 | Motor vehicle liability insurance and proportional reinsurance |
| R0060 | Other motor insurance and proportional reinsurance |
| R0070 | Marine, aviation and transport insurance and proportional reinsurance |
| R0080 | Fire and other damage to property insurance and proportional reinsurance |
| R0090 | General liability insurance and proportional reinsurance |
| R0100 | Credit and suretyship insurance and proportional reinsurance |
| R0110 | Legal expenses insurance and proportional reinsurance |
| R0120 | Assistance and proportional reinsurance |
| R0130 | Miscellaneous financial loss insurance and proportional reinsurance |
| R0140 | Non-proportional health reinsurance |
| R0150 | Non-proportional casualty reinsurance |
| R0160 | Non-proportional marine, aviation and transport reinsurance |
| R0170 | Non-proportional property reinsurance |

| | |
|--------|--------|
| 0 | |
| 0 | |
| 0 | |
| 63,608 | 79,730 |
| 0 | 24,355 |
| 0 | |
| 0 | 475 |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|---|--|
|---|--|

C0050

C0060

| | |
|-------|---|
| R0210 | Obligations with profit participation - guaranteed benefits |
| R0220 | Obligations with profit participation - future discretionary benefits |
| R0230 | Index-linked and unit-linked insurance obligations |
| R0240 | Other life (re)insurance and health (re)insurance obligations |
| R0250 | Total capital at risk for all life (re)insurance obligations |

| | |
|--|--|
| | |
| | |
| | |
| | |

Overall MCR calculation

| | |
|-------|-----------------------------|
| R0300 | Linear MCR |
| R0310 | SCR |
| R0320 | MCR cap |
| R0330 | MCR floor |
| R0340 | Combined MCR |
| R0350 | Absolute floor of the MCR |
| R0400 | Minimum Capital Requirement |

C0070

14,764
127,993
57,597
31,998
31,998
3,500
31,998