Solvency and Financial Condition Report (SFCR)

Financial Year End: March 31, 2021

ARGUS
Our Interest is You.

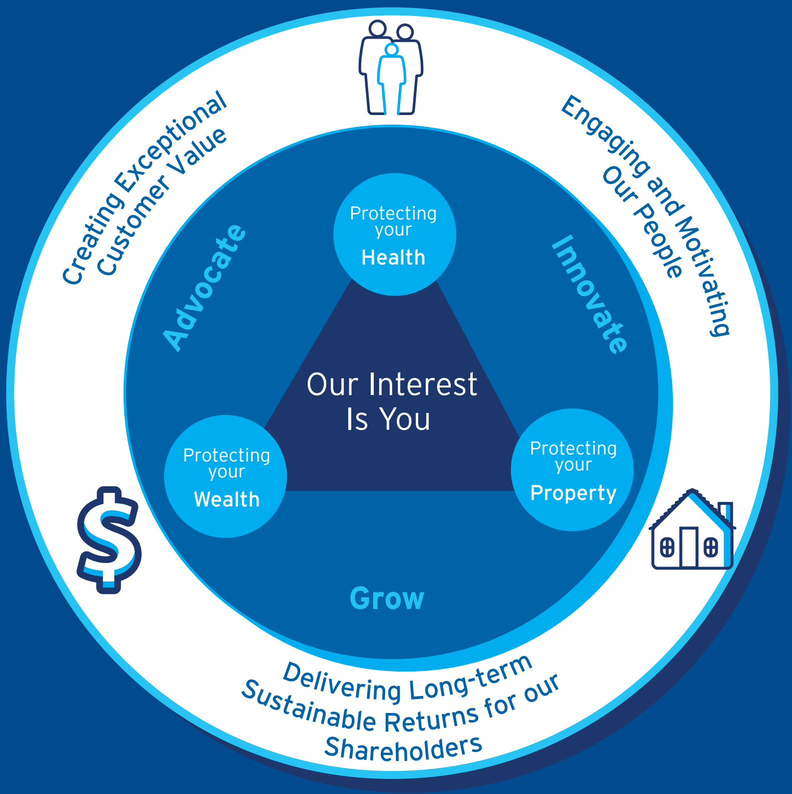
Argus Insurance Company (Europe) Ltd.

Our Vision
To give more and more people the freedom to do what matters most.

Our Mission
To provide financial services which predict and protect for the future, always ensuring **"Our Interest is You"**.

Our Purpose
At Argus, our purpose is to deliver long-term sustainable returns to our shareholders through exceptional customer service, delivered by engaging and motivating our staff. **"Our Interest is You"** spans across all stakeholders as we seek to provide exceptional value through the solutions and services that we offer.

Our Values
Integrity
Fairness
Excellence
Respect
Professionalism
Teamwork



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EXECUTIVE SUMMARY

Argus Insurance Company (Europe) Limited (AICEL or the Company) is domiciled in Gibraltar and licensed by the Gibraltar Financial Services Commission under the Financial Services (Insurance Companies) Act. It is a wholly owned subsidiary of Argus Group Holdings Limited (Group) based in Bermuda. AICEL offers a broad range of high quality general insurance products to both commercial and individual clients. Our range of products is distributed both directly and through selected intermediaries. The Company underwrites risks in both Gibraltar and Malta.

The purpose of this report is to satisfy the public disclosure requirements of the Financial Services (Insurance Companies) (Solvency II Directive) Act 2015 and to provide a qualitative and quantitative overview of the control environment that the Company operates within, and the methodology used when calculating the solvency margin. The report provides the elements of the disclosure that relate to business performance, governance, risk profile, solvency and capital management.

At Argus, we focus on providing real benefit to our customers by delivering market-leading innovative solutions and high quality service of excellent value. Delivering on our brand promise "Our Interest is You" is core to our culture and central to our role as a trusted partner in navigating through everyday challenges and supporting long-term success.

AICEL delivered positive results for the financial year ended March 31, 2021 with gross premiums written of £18.0 million compared to £17.5 million for the year ended March 31, 2020, an increase of £0.5 million or 2.9%. We reported profit before tax for the year of £1.7 million, compared to £1.8 million for the year ended March 31, 2020, a decrease of £0.1 million. The Company has exceeded the Solvency Capital Requirements (SCR) and the Minimum Capital Requirements (MCR) throughout the year.

AICEL's focus is to ensure long-term sustainability. We continue to develop strong relationships with key brokers, continue to expand in profitable product lines, focus on client retention and growth, as well as exploring opportunities for product diversification.

AICEL had established a branch of the entity in Malta in order to continue to underwrite business in Malta post BREXIT. The branch has now replaced its previously existing Agency in the jurisdiction.

The Solvency II balance sheet and SCR are reported quarterly. The calculation of the SCR has been outsourced to the Group's Actuarial function and is calculated bi-annually using the Standard Formula model.

The Solvency II balance sheet requires specific valuation rules to be applied, meaning that there are differences between the Solvency II balance sheet and that reported in our Annual Statutory Financial Statements. These differences can be found in Sections 6 and 9.

The table below shows overall net assets on a Statutory Financial Statement (or Statutory) and Solvency II basis:

£000	Statutory Accounts	Solvency II
Total Assets	42,489	37,347
Total Liabilities	28,589	24,429
Own Funds	13,960	12,918

The Company has continuously complied with all aspects of the Solvency II regulations from the date of first implementation on January 1, 2016.

Alison Hill
Director

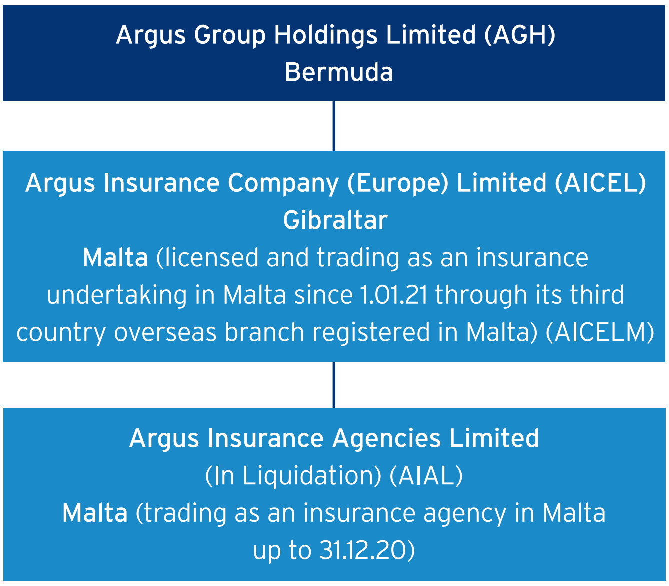
Tyrone Montovio
Director

1 BUSINESS & PERFORMANCE

1.1 Business and external environment

Argus Insurance Company (Europe) Limited is a Gibraltar company that is 100% owned by Argus Group Holdings Limited, a Bermuda company.

Argus Group Simplified Organisational Structure



Argus Insurance Agencies Limited (AIAL) is a company within the Argus Group, which up to December 31, 2020, had been enrolled to act as an insurance agency of AICEL and is regulated by the Malta Financial Services Authority.

The principle activities of the Company are Insurance and Risk Management.

Name of the Undertaking:

Argus Insurance Company (Europe) Limited
5/5 Crutchett's Ramp, PO Box 199, Gibraltar
Tel: + 350 200 79520
Fax: + 350 200 70942
Company Registration Number - 1862

The company is authorised to carry out services in the following countries:

United Kingdom
Republic of Ireland
Malta
Gibraltar
Netherlands

Lines of Business:	Motor (Liability and Other) Property Marine Liability Income Protection
Financial Supervisory Authority:	Gibraltar Financial Services Commission PO Box 940, Suite 3, Ground Floor, Atlantic Suites, Europort Avenue, Gibraltar Tel: +350 200 40283 Fax: +350 200 40282
External Auditor:	EY Ltd, Suite 3C Regal House, 3 Queensway, Gibraltar Tel: + 350 200 13239

Market Overview

In Gibraltar, where the Company has a large share of the property and casualty market, high retention rates have been maintained on existing business. We continue to develop strong relationships with key brokers, expand in successful product lines such as Contractors All Risks, focus on client retention and growth.

The end of the previous financial year saw most of Europe in lockdown as a result of the COVID-19 pandemic. At the end of April 2021, we have seen a return to almost normality in the jurisdiction as most of the population is now fully vaccinated. This has seen an unlocking of the territory allowing virus restrictions to be lifted and life almost returning to normal. This new sense of normality is seeing trading increase again after the January and February lockdown. General trade, hospitality and the construction sectors are on the rise as we see the market reactivating expecting an increase in turnover in these sectors for the coming year.

In Malta, the expected rollout of vaccinations in 2021 and a gradual easing of restrictions in the EU should set the tourism sector back on the path to recovery and re-invigorate domestic demand. In 2021, real GDP growth is expected to recover. Growth is set to be mainly driven by net exports and domestic consumption, as inbound tourism and global trade recover gradually. The opportunities exist to grow the Commercial lines account through developing stronger relationships with our key brokers.

1.2 Underwriting Performance

For the year ended March 31, 2021, the Company reported underwriting income of £2,002,000. The increase of £297,000 compared to the prior year was caused primarily by an increase in net premiums earned and a decrease in claims expenses during the year, partially netted off by an increase in general and administrative expenses. The net loss ratio for the operations decreased by 14 percentage points compared with the prior year.

Total Underwriting Performance £000	2021 Actual	2020 Actual	Variance	Variance %
UNDERWRITING REVENUES				
Net premiums earned	12,519	11,592	927	8%
Commission, Fees and Other Income	2,244	2,017	227	11%
Total underwriting revenues	**14,763**	**13,609**	**1,154**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	4,528	5,796	(1,268)	-22%
Commission expenses	5,209	3,946	1,263	32%
General and administrative expenses	3,024	2,162	862	40%
Total underwriting deductions	**12,761**	**11,904**	**857**	
UNDERWRITING INCOME	**2,002**	**1,705**	**297**	

The following table shows underwriting income for the year ended March 31, 2021 by lines of business.

Gibraltar & Malta Combined Underwriting Income Report Results for the year ended March 31, 2021						
£000	Accident	Motor	Marine	Fire	Liability	Total
UNDERWRITING REVENUES						
Net premiums earned	1,627	8,806	115	228	1,743	12,519
Commission, Fees and Other Income	12	182	91	1,948	11	2,244
Total underwriting revenues	**1,639**	**8,988**	**206**	**2,176**	**1,754**	**14,763**
UNDERWRITING DEDUCTIONS						
Net loss and loss expenses	(2)	4,020	59	46	405	4,528
Commission expenses	405	3,227	188	847	542	5,209
General and administrative expenses	732	1,030	24	760	478	3,024
Total underwriting deductions	**1,135**	**8,277**	**271**	**1,653**	**1,425**	**12,761**
UNDERWRITING INCOME	**504**	**711**	**(65)**	**523**	**329**	**2,002**

The following tables show underwriting income for the year ended March 31, 2021 and 2020 by geographical areas.

Gibraltar Underwriting Performance £000	2021 Actual	2020 Actual	Variance	Variance %
UNDERWRITING REVENUES				
Net premiums earned	5,087	5,550	(463)	-8%
Commission, Fees and Other Income	1,492	1,412	80	6%
Total underwriting revenues	**6,579**	**6,962**	**(383)**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	1,057	1,784	(727)	-41%
Commission expenses	1,029	1,081	(52)	-5%
General and administrative expenses	2,765	2,009	756	38%
Total underwriting deductions	**4,851**	**4,874**	**(23)**	
UNDERWRITING INCOME	**1,728**	**2,088**	**(360)**	

The Gibraltar underwriting income reduced to £1,728,000 for the year ended March 31, 2021 compared to £2,088,000 for the year ended March 31, 2020. Net earned premiums are 8% lower against prior year. This was driven by a decrease in gross written premiums of the commercial non-motor class, compared to prior year. The net loss ratio improved by 11% compared to prior year.

Underwriting Performance £000	2021 Actual	2020 Actual	Variance	Variance %
UNDERWRITING REVENUES				
Net premiums earned	7,432	6,042	1,390	23%
Commission, Fees and Other Income	752	605	147	24%
Total underwriting revenues	**8,184**	**6,647**	**1,537**	
UNDERWRITING DEDUCTIONS				
Net loss and loss expenses	3,471	4,012	(541)	-13%
Commission expenses	4,180	2,865	1,315	46%
General and administrative expenses	259	153	106	69%
Total underwriting deductions	**7,910**	**7,030**	**880**	
UNDERWRITING INCOME	**274**	**(383)**	**657**	

The net premiums earned by the Malta operations increased to £7,432,000 for the year ended March 31, 2021, compared to £6,042,000 for the prior, an increase of 23%. The Malta operations had an underwriting profit of £274,000 for the year ended March 31, 2021 compared to a loss of £383,000 for the year ended March 31, 2020. The Company's Malta operations improved significantly compared to the previous year due to an increase in gross written premium and an improved net loss ratio.

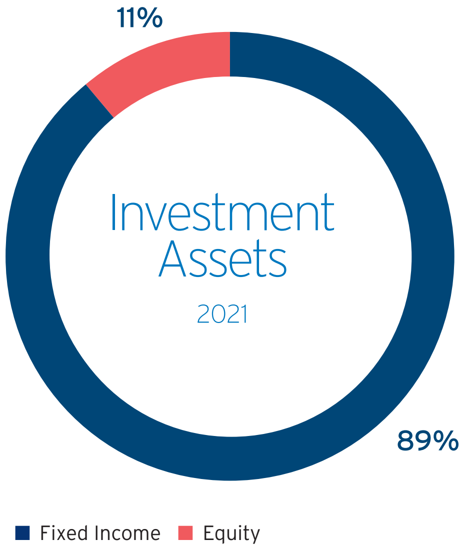
1.3 Investment Performance

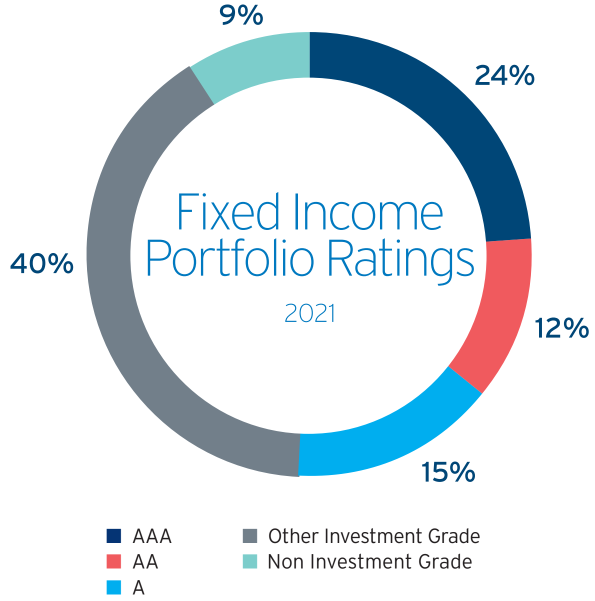
1.3.1 Investment Statement

The Company's investment portfolio is designed to ensure funds are readily available to satisfy our obligation to policyholders and to enhance shareholder value by generating appropriate long-term risk-adjusted yields.

As can be seen from the charts below, 89% of the Company's investments are fixed income bonds of which 91% are investment graded.

The portfolio's weighted average fixed income credit quality is A, and its weighted average duration is 2.3 years.





The consolidated return on investment for the year ended 31 March 2021 was £1,120,000, an increase of £1,673,000 from the return of (£553,000) for the prior fiscal year.

The table below provides a breakdown of the Company's investment portfolio by asset class along with the total returns generated for the years ended March 31, 2021 and March 31, 2020. Of this, £40,000 was recognised through the income statement, while unrealised gains of £1,080,000 were recorded in other comprehensive income (OCI).

	2021				2020			
£000	Asset Balance	Net Investment Income	OCI	Total Return	Asset Balance	Net Investment Income	OCI	Total Return
Fixed Income	15,004	70	602	672	14,481	190	(602)	(412)
Equities	1,813	(30)	478	448	1,231	129	(313)	(184)
Other*	-	-	-	-	-	43	-	43
Total	**16,817**	**40**	**1,080**	**1,120**	**15,712**	**362**	**(915)**	**(553)**

* Other includes bank interest income and other charges.

The table below provides a breakdown of (loss)/income generated under each asset class:

£000	2021 Net Interest Income	2021 Realised Gains	2021 Unrealised Movement Via P&L	2021 Unrealised Movement Via OCI	2021 Total Return	2020 Net Interest Income	2020 Realised Gains	2020 Unrealised Movement Via P&L	2020 Unrealised Movement Via OCI	2020 Total Return
Fixed Income	65	5	-	602	672	68	-	123	(602)	(411)
Equities	42	(72)	-	478	448	26	367	(264)	(313)	(184)
Total	**107**	**(67)**	**-**	**1,080**	**1,120**	**94**	**367**	**(141)**	**(915)**	**(595)**

During the fiscal year, the Company consolidated fixed income assets generated net income of £70,000, of which the Sterling Portfolio contributed £65,000, and the Euro Portfolio contributed £5,000. The income comprised of interest income and realised gains of £360,000 which was offset by amortisation and investment manager fee expense of £290,000. Under the current accounting treatment of fixed income securities, £602,000 of unrealised gains will flow through OCI on the balance sheet.

During the fiscal year, the Company consolidated equity investments generated a net loss of £30,000 comprised of dividend income of £42,000 and net realised losses of £72,000. Unrealised equity gains on available for sale investments of £478,000 will flow through OCI.

2 PERFORMANCE OF OTHER ACTIVITIES

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

3 GOVERNANCE STRUCTURE

3.1 Governance Arrangements

The Company's board of directors ("Board") has responsibility for strategic oversight of the Company and for ensuring that the management of the Company ("Management") complies with its legal and regulatory requirements. The Board of Directors adheres to the Articles of Association, which details each director's statutory and fiduciary duties under Gibraltar law.

Management is responsible for the day-to-day operations and administration of the Company.

In addition, the following Group committees also have Group level input into the management of the Company:

- Group Audit Committee
- Group Risk Committee
- Group People, Compensation and Governance Committee
- Group Executive Risk Management Committee

The Board approves Company-specific versions of the relevant Group risk management policies, processes and standards of conduct, given the particular regional nature, scale and complexity of the Company's risks.

The Company's Board of Directors

Keith Abercromby	*Non-Executive Director and Chairman*
Alison Hill	*Executive Director*
Tyrone Montovio	*Executive Director*
Sheila Nicoll	*Non-Executive Director*
Peter Burnim	*Non-Executive Director*
Constantinos Miranthis	*Non-Executive Director*
Michael Macelli	*Non-Executive Director*

Management is responsible for managing and coordinating the relationship between the Company's and the Group's respective legal, risk, compliance, internal audit and actuarial functions. Members of the Company's Board represent AICEL's interests at the Group's Audit, Risk and Executive Risk Management Committees.

A new European Risk Management Committee (ERMC), chaired by the European Head of Risk and Compliance, was established in January 2021, to better align the European risk governance framework to that of the changed Argus Group operating model. Under the new regional framework Argus, Europe risks are discussed at a European regional level.

Group Audit Committee

The Group Audit Committee is tasked with assisting the Group Board of Directors in fulfilling its oversight responsibilities for the Company's financial reporting process, the system of internal controls, the audit process, as well as the Company's process for monitoring compliance with laws and regulations and the code of conduct.

Group Risk Committee

The Group Risk Committee is tasked with assisting the Group Board of Directors in fulfilling its oversight responsibilities for the Company's risk management, assets liability management and financial investments (the latter as defined in the Group's Investment Policy), as well as the Company's process for monitoring overall compliance with those matters.

Group People, Compensation and Governance Committee

The Group's compensation programme is a key component of our talent management strategy and incentivises forward-looking activities that generates long-term sustainable value. The Company's remuneration packages offered to staff are designed to attract, retain and motivate high quality employees. Both fixed and variable remuneration is offered. Fixed remuneration is given in the form of a base salary and is determined by taking into account an individual's experience and qualifications.

Variable remuneration is discretionary and takes the form of a cash bonus and is available to all staff. Three factors that impact the variable remuneration are market position, individual performance and the Group's ability to meet its financial and strategic targets. The granting of restricted Group stock is at the discretion of the People, Compensation and Governance Committee of the Group Board of Directors. When determining stock distributions, consideration is given to further enhance the Group's ability to retain the services of key employees.

Comprehensive salary reviews are conducted as part of the annual performance appraisal process. The Human Resource department ensures that remuneration is internally equitable and aligned with market-competitive compensation levels.

The People, Compensation and Governance Committee of the Group Board of Directors is empowered to review and approve key compensation policies on behalf of the Group and to ensure that such policies provide total compensation which is competitive in the marketplace. The role of the People, Compensation and Governance Committee is the annual review and approval of the Company's remuneration and compensation policies. This includes the executive total compensation plan structure, short-term incentive compensation plans, review of performance evaluations and equity-based plans to the Company's executive officers and other designated senior officers. Additionally, the Committee is charged with oversight of plans for the Chief Executive Officer (CEO) and senior officers' development and succession.

The Company has not established a separate Remuneration Committee and therefore maintains a Remuneration Policy which is set by and similar to that of the Group. The Company has five Non-Executive Directors who receive a fixed fee which has no variable or performance-related elements. The remaining Executive Directors are employees of the Company or from the Group and are therefore remunerated based on their employment contract. The Executive Directors receive no additional remuneration or share options based upon their role as Directors.

During the year the Company did not pay a dividend to the Group (£nil paid in 2020) but management fees have been paid in the amount of £350,000. There were no other material transactions between the Company and Group.

3.2 Fit & Proper

The Board ensures that persons who effectively run the Company or have other key functions are "fit" and take account of the respective duties allocated to individual persons to ensure appropriate diversity of qualifications, knowledge and relevant experience so that the Company is managed and overseen in a professional manner.

The Board has not established a stand-alone People, Compensation and Governance Committee for this purpose. All candidates for election as non-executive directors are determined by the People, Compensation and Governance Committee of the Group. When evaluating existing non-executive directors for re-election, the following non-exhaustive list of criteria is used. Individuals to be considered for board membership should possess all of the following personal characteristics pursuant to various specific Group and Company Policies governing directors' eligibility criteria and directors' terms of reference, based upon the Solvency II Directive and other statutory requirements: good character and integrity, informed judgment, financial literacy, maturity and a history of achievement in a business environment. Consideration is also given to the combination of skills, experience, independence and diversity of backgrounds, which will enable the Board, as a body, to be effective in advancing the business and prospects of the Company.

The Board as a whole has demonstrated abilities in the following fields: accounting, financial and actuarial analysis; business judgement; general management; local and international insurance and reinsurance, including knowledge of the Company's businesses and products; familiarity with the Gibraltar and Malta economies and their respective political and social contexts; and familiarity with the Gibraltar and Malta legal, compliance and regulatory frameworks and requirements.

Members of the Board and committees and those carrying out other significant functions have extensive knowledge and experience across a variety of areas. This ensures that there is an appropriate spread of skills for managing the business leadership and vision.

Below are brief biographies of the Company's Board and regional management team.

Chairman and Non-executive Director - Keith W. Abercromby, BSc FIA
Non-Executive Director of Canada Life Limited and of Leek United Building Society

Mr. Abercromby has been a member of the Argus Group Holdings Limited's Board of Directors since November 2017 and is the Chairman of the Group Audit Committee. He was appointed as Chairman of Argus Insurance Company (Europe) Limited in November 2019. Mr. Abercromby is a non-executive director of Canada Life Limited and of Leek United Building Society where he is also Chairman of the Audit Committee. He has extensive board experience of regulated financial services companies in life assurance, general insurance, pensions and banking having occupied roles as CEO (Halifax Financial Services) and Finance Director (Castle Trust Capital Plc, HBoS Insurance & Investment Division, Norwich Union Life and Liverpool Victoria FS). He is a Fellow of the Institute of Actuaries.

Non-executive Director – Sheila E. Nicoll, FCII
Chief Operating Officer, Sirius Bermuda Insurance Company, Limited

Ms. Nicoll has been a member of the Argus Group Holdings Limited's Board of Directors since 2005, and Chairman since 2008. Ms. Nicoll has over 40 years of experience in the insurance/reinsurance industry in Bermuda, London and New York. She holds an MA in Chemistry from Oxford University and professional designations as a Fellow of the Chartered Institute of Insurance.

Director – Alison S. Hill, FCMA, CGMA
Chief Executive Officer, Argus Group Holdings Limited

Ms. Hill has been a member of the Argus Group Holdings Limited's Board of Directors since 2011. Ms. Hill has over 30 years of experience in the financial services sector, including 15 years of senior management experience in the financial services sector in Europe, prior to joining Argus Group Holdings Limited as Chief Operations Officer in 2009. She succeeded to Chief Executive Officer in 2011. She holds a BA (Hons) in Business Studies from Plymouth University and professional designations as a Fellow Chartered Management Accountant and Chartered Global Management Accountant. She serves as director on several other Boards.

Executive Director – Tyrone Montovio, Cert Mgmt (open) CMgr FCMI ACII Chartered Insurer
Chief Executive Officer, Argus Insurance Company (Europe) Limited

Mr. Montovio joined Norwich Union International in 1996. In 2005 following the acquisition of Norwich Union International in Gibraltar, he was appointed as European Underwriting and Reinsurance Manager as well as Chief Executive of the Broking subsidiary, being responsible for the underwriting, broking and reinsurance for the company.

He was promoted in 2012 to European General Manager with overall responsibility for the Argus Group's operations in Gibraltar, including the Broking subsidiary, as well providing technical underwriting and reinsurance support to our Maltese operations.

In October 2017 he achieved Chartered Manager status and Fellowship of the Chartered Management Institute.

Mr. Montovio is now Chief Executive of Argus Insurance Company (Europe) Limited with overall responsibility for the management and direction of the Argus Group's operations in Gibraltar and Malta.

Non-executive Director - Peter R. Burnim, MBA
Chairman and Board member of various companies

Mr. Burnim has been a member of the Argus Group Holdings Limited's Board of Directors since 2009. Mr. Burnim has over 50 years experience in the financial services industry in the US, Europe, Canada, and other countries. He began his career at Citibank/Citicorp where he worked for over 25 years in the US and Europe serving as a Senior Credit, Senior Securities and Senior Corporate Officer. At different times and geographies he ran U.S. Corporate Banking, European Corporate Finance, European Capital Markets and U.S. Private Banking. He has served on many public and private company boards, including start ups. He currently serves as a Trustee of Allianz VIP Trust and Allianz VIP Fund of Fund Trust, Sterling Bank & Trust Limited, and Sterling Trust (Cayman) Limited. He also serves on numerous education, artistic, advocacy, and religious not-for-profit Boards including Stellar Energy Foundation, where he was a founder. Mr. Burnim is an honors graduate of Harvard College and Harvard Business School.

Non-executive Director – Constantinos Miranthis

Mr. Miranthis joined the Argus Insurance Company (Europe) Limited's Board of Directors in 2020. Mr. Miranthis has over 34 years of leadership experience in the financial services industry and was the former President and CEO of PartnerRe Ltd and former Managing Principal for the European P&C Practice of Tillinghast – Towers Perrin. He currently serves on the Board of Directors of Hiscox Ltd and its affiliates, Hiscox Bermuda and Hiscox Re. Mr. Miranthis is a graduate of University of Cambridge, having earned an MA in Economics with first class honors. He is a member of the Institute and Faculty of actuaries (UK).

Non-executive Director – Michael Macelli, B.A.(Hons) Accountancy

Michael Macelli has been a member of the Board of Argus Insurance Company (Europe) Limited since 2021. Mr Macelli has over 20 years' experience in senior management positions within the areas of Finance, Operations and Compliance. Mr. Macelli has since 2004 served as non-executive Director of Multi Risk Indemnity Limited, the Vodafone PLC captive insurance company where he serves as Audit Committee Chair and is the main overseer of the company's risk management committee. Mr Macelli is also Chairperson of the Vodafone (Malta) Foundation and currently serves as director on a number of other boards.

AICEL Company Secretary (Argus Europe, General Counsel) - Robbie MacDonald, LLB (Hons), DLP, NP

Mr. MacDonald qualified as a solicitor in Scotland in 2000 and has been working in private practice and as an in-house general counsel ever since. Most recently he was an Associate General Counsel for Marsh and McLennan Companies Inc. and Willis Towers Watson in the UK. Mr. MacDonald has more than 20 years' experience providing general counsel and company secretarial services to businesses across all sectors, most recently to international insurance brokers. In addition to acting as the AICEL Company Secretary, Robbie is the General Counsel for the Argus, Europe businesses and heads up the legal, risk and compliance functions for Argus in Europe.

ARGUS, EUROPE REGIONAL MANAGEMENT TEAM

Argus Europe, Chief Financial Officer - Hanno Vlok

Mr. Vlok has over 20 years of financial and operational leadership experience in the Financial Services Industry, across multiple continents. He started his career with PricewaterhouseCoopers in South Africa, where he qualified as a Chartered Accountant in 2000. He also holds a Bachelor (Hons) in Accounting Science and earned an IEP from INSEAD France. Prior to joining Argus, Mr. Vlok worked as an independent Business Consultant in Austria, Chief Financial Officer at Telesure Sigorta (Turkey) and several senior roles at both Telesure Investment Holdings Limited (South Africa) and Nedbank Limited (South Africa).

Mr. Vlok joined Argus Insurance Company (Europe) Limited in November 2020. He has responsibility for driving the financial strategy and growth plans for Argus Europe.

Argus Europe, Chief Operating Officer - Gary Chilvers

After an early career in finance, audit and risk consulting Mr. Chilvers joined Zurich Insurance from Ernst & Young in 1999 and made his home in the insurance world. He has since enjoyed successes in management and interim roles mostly focused on business transformation at companies including Zurich, RSA, QBE, Collinson and Lloyd's of London.

Mr. Chilvers joined Argus in February 2020 to shape and deliver Argus' global expansion plans and became Chief Operating Officer for Europe in December 2020. He has responsibility for developing a platform for growth for the Europe region, overseeing the strategic change and building our operational capabilities across our carrier and broking businesses.

Argus Europe, HR Director - Kathleen Wilkes, Chartered MCIPD, ICA

Ms. Wilkes has over 25 years' experience in the HR field in the UK and Gibraltar where she has worked in a range of sectors including financial services, manufacturing and pharmaceutical. Ms. Wilkes became a Chartered member of the Chartered Institute of Personnel and Development in 2011 and is currently Chair of the Gibraltar CIPD branch. She joined Argus Insurance in 2015 and led on the project to obtain Corporate Chartered Insurers status for the company in 2016. Ms. Wilkes holds the International Compliance Association Advanced Certificate in Compliance.

Financial Controller, Europe - Oksana Duyunova, FCCA

Ms. Duyunova joined the Company in October 2018. She has over 15 years' experience in the accounting field with over 10 years' experience in the Financial Services sector. Prior to joining the Company, Ms. Duyunova worked in Tradewise Insurance Company Limited as a Financial Controller, Nature Group Plc as a Group Financial Controller and BDO Limited as an Audit semi-senior.

Ms. Duyunova is a Fellow of the Association of Chartered Certified Accountants.

European Head of Direct and Intermediary - Alex Bonavia, ACII, Chartered Insurer, Cert PFS

Mr. Bonavia has over 20 years' experience in the Financial Services Industry in Gibraltar as a Financial Adviser of the only overseas branch of a UK Building Society and later as an International Financial Manager of the European office of one of the UK top 4 banks. The latter role consisted of advising high net worth clients all over Europe for their banking and investment needs.

In March 2012, he joined Argus group as Head of Broking leading the Broking arm in Gibraltar. His role has changed significantly in the last few years taking over a business development role with AICEL. Alex leads the underwriting and reinsurance functions for Europe. Mr. Bonavia acts as the liaison for AICEL brokers and business introducers.

European Claims Manager - James Skelton

Mr. Skelton joined the company in January 2019 from Advantage Insurance where he held the position of Head of Technical Claims. Mr. Skelton has over 22 years of claims experience involving Catastrophic loss handling, reinsurance reporting, supply chain management as well as technical referrals for Fraud and analysis of overall claims processes.

Prior to moving to Gibraltar Mr. Skelton was Technical Claims Manager at One Commercial as well as holding positions at AIG, NFU Mutual and James Chapman & Co Solicitors.

European Head of Risk and Compliance - Pilar Rodriguez-Arias

Ms. Rodriguez-Arias has over 20 years' experience in the Insurance industry. Prior to joining Argus in October 2019, Ms. Rodriguez-Arias worked in Swiss Re, where she held roles as Head of Financial Planning and Analysis Europe, Middle East and Africa (Corporate Solutions) and Senior Operational Risk Manager.

She holds a BA (Hons) in Actuarial and Financial Sciences and is a fellow of the Official Association of Spanish Actuaries (Instituto de Actuarios Españoles – Colegio Profesional).

3.3 Risk Management System and ORSA

3.3.1 Risk Management System

The Board is ultimately responsible for ensuring the effectiveness of the risk management system, setting the Company's risk appetite and overall risk tolerance limits, as well as providing the main risk management strategies and policies.

Material risks addressed by the risk management system include the following:

- Underwriting risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk

The Board has established a regional Risk Management Policy, as well as appointed a European Head of Risk and Compliance whose responsibilities include:

- Ensuring the effective operation of the risk management system;
- Monitoring the risk management system;
- Monitoring the general risk profile of the Company;
- Reporting on risk exposures and advising Management and the Board on risk management matters.

The European Head of Risk and Compliance reports to the Group Executive Risk Management Committee, via the ERMC, monthly and to the Company's Board on a quarterly basis.

3.3.1.1 Risk Management Strategies, Objectives, Processes and Reporting

The Company aims to ensure that all material risks are considered when managing the business. The ultimate goal is to ensure policyholder protection and to enable the Company to achieve its overall strategic objectives, while maintaining regulatory compliance. The processes in place are intended to identify all material risks, minimise risks wherever possible and manage and control all significant risks within acceptable limits.

The Company has developed a Risk Appetite Statement, which provides a guide to management for the consideration of risk when managing the business. The statement includes the Company's:

- Risk Strategy;
- Risk Preferences; and
- Risk Tolerances.

The actions and policies implemented to meet strategic objectives and regulatory obligations form the core of the risk management framework. The Company's systems, processes and controls are considered proportionate and appropriate to the nature, scale and complexity of the Company's risks and operations.

3.3.1.2 Identification, Measurement, Monitoring, Management and Reporting of Risks

The Company ensures that the risk management system and solvency assessment systems are embedded in the running of its business through the Argus Group's quarterly Executive Risk Management Committee, and monthly European Risk Management Committee that encompass the Company's specific risks. The Group Executive Risk Management Committee has two Regional risk management committees one of which is the ERMC and a separate working group to monitor Underwriting and Claims risk. All material risks, business decisions and strategic planning are brought to these committees/working groups and reported to the Board for review and approval. Business decisions are assessed taking into consideration the risks and the Company's appetite towards risk, as defined in the Company's Risk Management Policy. A solvency assessment is carried out on a forward-looking basis at least quarterly. The impact on solvency and capital from potential material business decisions is incorporated in the Medium-Term Capital Plan and reported to the ERMC.

The Risk Register is a key input into the risk management framework, and any material changes in the underlying risks will be modelled for potential impact on the Company's capital requirements. Such changes include, but are not limited to, changes in business mix, strategy and investment.

The controls identified in the Risk Register to monitor, mitigate and control the risks facing the Company are reviewed for continued relevance and documented. Compliance with the components of the controls is verified via the ongoing management reviews and Internal Audit reviews. Any significant issues are reported to the Company's Board.

3.3.1.3 Implementation of Risk Management Function

The risk assessment exercise takes place annually in conjunction with the annual business planning and strategy review cycle. The identified risks, together with risk measurement and mitigation control respectively, are recorded in the risk registers for the Company. The risk identification process takes into consideration all material risks identified and included in the Solvency II Directive. To that end, the Risk Management function has developed Risk Assessment Guidelines and Risk Register Templates that are used by the Company. Risk Registers are reviewed and challenged by the Executive Risk Management Committee and the Company's Board. A report on how high risk areas are being managed is submitted to the Group's Risk Committee bi-annually.

3.3.2 Own Risk and Solvency Assessment

3.3.2.1 ORSA Process and Integration

A policy setting out the parameters to satisfy the requirement to carry out an Own Risk and Solvency Assessment (ORSA) was established at Group level and adopted by the Company. The purpose of the policy is to ensure that all material risks faced by the Company are appropriately assessed and the level of capital required in managing these risks, or other risk mitigation measures, are determined and put in place. The ORSA provides the Board and Management with a thorough understanding of the Company's risk profile and provides the information needed to make appropriate decisions.

The Company produces an ORSA at least annually incorporating the output from the annual business planning process. Additional ORSAs may be produced in response to material changes to the Company's risk profile.

The ORSA is produced by Management in conjunction with the Group's Actuarial and Risk functions. The ORSA report is discussed and challenged by the Company's Board. The Company's Board maintains oversight, ensuring that the ORSA takes account of the Company's material risks and is aligned with the Board's strategy for the business.

The ORSA approval process includes comment, review and approval by the ERMC and final approval by the Company's Board.

3.3.2.2 Relationship between Solvency Needs, Risk Profile, Capital Management and Risk Management

The ORSA enables the Board to assess the Company's capital needs over the planning horizon. The ORSA is carried out taking due account of the Company's specific risk profile. This includes risks explicitly captured in the Standard Formula, as well as risks which are either not captured or not able to be mitigated through capital. All material risks are taken into account in the ORSA process.

The ORSA process operates continuously throughout the year, with consideration being given as to whether any decisions, events, issues, market factors or similar are likely to impact the Company's risk profile, appetite, free reserves, or other relevant matters. In such a case, the impact on the Company's own assessment of its capital needs will be considered and, if required, a further ORSA, together with the SCR calculation, will be carried out. This ensures that the Company's existing and forecast capital position and risk profile are properly taken into account in any strategic decisions.

The Company's capital management policy has been established to ensure that the Company has in place the appropriate levels and quality of capital as required by both the SCR calculation and as determined by the ORSA. The policy aims to ensure that appropriate plans are in place to enable the Company to meet its capital requirements both in the immediate and the medium-term and that all items of own funds comply with the relevant rules, regulations and legislation.

Management considers the capital requirements of the Company on a quarterly basis, and advises the Executive Risk Management Committee, through the Medium-Term Capital Plan, of any surplus or deficit capital.

The Company prepares a quarterly Medium-Term Capital Plan outlining the actions to be taken for the subsequent year, and further into the future as appropriate. These actions are based on:

- The adequacy of capital held as at the quarter end date;
- A forecast of business performance;
- The impact of distributing surplus capital; and
- Other business decisions in line with the Company's strategic goals.

The Medium-Term Capital Plan ensures that the Company is sufficiently capitalised to meet all statutory and regulatory requirements. The Company currently meets its regulatory capital requirement.

3.4 Internal Control System

The Board has established a system of internal controls comprised of the internal control environment, monitoring and reporting mechanisms to ensure that business objectives are achieved in an effective and efficient manner; and that reliable financial information is produced for the decision-making process.

The adherence to internal policies and procedures is an integral part of the business culture. Senior management of the Company ensures that the internal control system and control activities are commensurate with the risks arising and that all personnel are aware of their role and responsibilities.

Monitoring and Reporting

The Board has an established compliance function, which is responsible for the ongoing monitoring of and reporting on the Company's adherence to its internal control system. The compliance function is headed up at a European level by the Argus, Europe General Counsel and is overseen locally by the European Head of Risk and Compliance who reports to the Group Executive Risk Management Committee via the ERMC monthly, and to the Board quarterly.

3.4.1 Compliance Function

The Company's Compliance function's primary responsibilities include:

- Establishment and implementation of the Company's compliance programme.
- Ensuring that all personnel are aware of their role in the Company's internal control system.
- Monitoring and reporting on compliance with policies and procedures, applicable laws and regulations, as well as Board approved standard of business conduct policy.
- Monitoring regulatory changes and advise Management and the Board where such changes have implications for the Company's regulatory compliance risk.
- Advising Management and the Board on compliance issues pertaining to:
  a) Corporate Governance;
  b) The prevention of money laundering and combating of terrorist financing;
  c) Know Your Customer and Due Diligence process;
  d) Data privacy and protection; and
  e) Customer complaints.

Non-compliance incidents are dealt with swiftly in proportion to the severity of the incident. The European Head of Risk and Compliance reports to the Board on a quarterly basis.

3.5 Internal Audit

The Internal Audit function is currently outsourced to the Group and is managed by the Head of Group Internal Audit Function who conducts independent audits and reports to the Board of the Company on a quarterly basis.

The Company has developed a Board-approved Internal Audit policy that covers the terms and conditions according to which the Internal Audit function can be called upon to give its opinion or assistance and to carry out other special tasks.

The Group Internal Audit has developed and implemented a Board-approved audit plan that sets out the following:

- The audit work to be undertaken during each fiscal year, taking into account strategic business objectives, the complete system of governance and the relevant regulatory requirements;
- A risk-based approach in deciding its priorities focusing on the areas of greatest risk to the business;
- Assessment and adherence to the effectiveness of internal systems and controls, procedures and policies;
- Appropriate and effective action is taken by Management on significant findings; and
- The timing and submission of the internal audit report to the Board.

Where necessary, the Group Internal Auditor may carry out audits and/or special investigations as requested by Senior Executives and the Board.

3.6 Actuarial

The Company's Actuarial Function is outsourced to the Group's Actuarial function. The Actuarial function holder is the Group's Chief Strategy and Capital Officer. The Actuarial function is governed by Terms of Reference, which encompasses the requirements of the Solvency II Directive, and has been approved by the Board.

The Company's Actuarial function is responsible for the following key areas:

- Overseeing and validating the calculation of technical provisions;
- Calculating the Company's Solvency Capital Requirement
- Opining on the adequacy of reinsurance arrangements;
- Opining on the overall underwriting policy; and
- Contributing to the Company's risk management system.

The Company engages an external actuarial firm to carry out the independent reserve reviews under the oversight of the Actuarial function holder, and ultimately the Board. The Actuarial function holder is responsible for providing a recommendation to Management regarding the adequacy of the reserves. The Actuarial function holder reports at least annually to the Board on the nature, reliability and adequacy of the Company's reserves for insurance liabilities.

The Actuarial function contributes to the effectiveness of the risk management framework, particularly as it relates to policyholder obligations, potential exposures and capital requirements. Analyses performed by the Actuarial function include but are not limited to:

- Own risk and solvency self-assessment at least annually (ORSA);
- Asset liability matching quarterly;
- Experience analyses at least annually;
- Effectiveness of underwriting processes;
- Effectiveness/appropriateness of reinsurance arrangements; and
- Product profitability, business performance.

The Actuarial function reports on its activities via the relevant executive management committees and committees of the Board.

3.7 Outsourcing

The Company has developed a Board-approved Outsourcing Policy that governs the outsourcing arrangements, thereby ensuring that outsourced functions are conducted in a sound manner, in compliance with applicable laws and regulations and ensuring that the Company meets its financial and service obligations to policyholders.

The policy sets out a robust governance process to follow when selecting a Third Party Service Provider (TPSP). Prior to the appointment of any TPSP, a full due diligence exercise is undertaken by Management to assess the suitability, competency and capability of each TPSP to carry out the outsourced function and the control environment in which it operates. Part of the control environment assessment is to ensure that the TPSP has sufficient data security controls in place to protect the Company data and that of its policyholders, as well as having the appropriate business continuity plans.

The policy further sets out a process for Management to monitor the performance of each outsourced function or service and to report to the Company all instances of non-compliance with the policy or breach of laws and regulations in a timely manner.

Approximately half of the Company's business is distributed through Insurance Intermediaries. Only one Insurance intermediary has a binding authority to write premium and manage minor claims within the terms of the Service Level Agreement with the Company.

Outsourcing Providers by Location:

The table below shows important operational functions which are outsourced by the Company and the location of that service providers' operations.

Third Party Outsourced Service Description	Location
Binding Authority and Minor Claims Handling	Gibraltar
Claims handling services	Spain/Gibraltar/Malta
Actuarial Review	Ireland
IT Support	Gibraltar
Internal Audit Field Work	Gibraltar/Malta
Investment Management	UK
Underwriting	Malta
Internal Audit	Gibraltar/Malta

Intra-Group Outsourced Service	Location
Actuarial Function	Bermuda (Group)
IT Infrastructure	Bermuda (Group)
Investment Function	Bermuda (Group)

3.8 Adequacy of System of Governance

The Company aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations are made to the Board regarding enhancing and developing systems. The Company also considers relevant industry advice and guidelines from bodies such as the Gibraltar Insurance Association (GIA). New processes are implemented where appropriate and relevant for the size and complexity of the Company. Internal audits and external audits provide independent evaluation of the Company's systems of governance. Recommendations from these audits are considered by the Board and implemented proportionate to the business' risks.

4 RISK PROFILE

To facilitate effective business operations and to maintain consistency in its risk management process of risk identification, measurement, management, monitoring and reporting, the Company has identified material risks to which its general insurance product offerings are exposed. For each material risk, the Company has described the various mitigation controls and risk treatment to minimise or reduce the risk exposure arising.

The category of the material risks to which the company is exposed include the following:

- Underwriting risk
- Market risk
  - Currency risk
  - Interest rate risk
  - Equity price risk
- Credit risk
- Concentration of credit risk
- Liquidity risk
- Operational risk

4.1 Underwriting Risk

Underwriting risk can arise from inadequate pricing or risk selection, inappropriate reserving, or other fluctuations in the frequency and severity of insured events.

The Company manages underwriting risk through regular reviews of the performance of our book of business including loss ratio, claims frequency, claims costs and premiums. This is linked to a continuous feedback cycle of reserving and claims development. Risks are recorded on the Company's Risk Register and reviewed on an annual basis.

The Company distributes on a direct basis and via a network of carefully selected intermediaries in a competitive but fairly stable market.

Claims are handled in-house initially, while larger or more complex claims may be outsourced to selected third party handlers. Reserving practices and approach are set by the Company based on local market experience and results arising from external actuarial reviews.

Material Risk Concentrations

The Company underwrites a variety of classes of insurance so the portfolio is not restricted to one particular product. The Company does however, rely on a number of key intermediaries for its business so these relationships are monitored closely.

Risk Mitigations

The Company mitigates underwriting risk through the purchase of reinsurance protection and implementation of appropriate controls. Reinsurance is placed with counterparties that have a strong credit rating. Reinsurers are selected on the strength of financial ratings A- or higher as measured by Standard and Poor or A. M. Best. Management regularly monitors and performs an assessment of creditworthiness of reinsurers.

In addition, the Company further monitors underwriting risk through the ERMC.

4.2 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

4.2.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Sterling and Euros and its exposure to foreign exchange risk arises primarily with respect to Euros from the Malta business. The Company's practice is to ensure that all Euro-denominated liabilities are matched with Euro-denominated assets, thus mitigating currency exposure.

4.2.2 Interest Rate Risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Change in market interest rates can impact the reinvestment of matured investments, as the returns available on the new investment may be significantly different from the returns previously achieved. The Company manages these risks through:

- Asset allocation and diversification of the investment portfolio;
- Investing in fixed income assets that closely match the liability product cash flows for products with fixed and highly predictable benefit payments; and
- Quantifying and reviewing regularly the risk associated with the mismatch in portfolio duration and cash flow.

4.2.3 Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company manages equity price risk by setting and monitoring the objectives and constraints on investments, diversification plans, and the limits on investments in each country, sector and market.

The Company has no significant concentration of equity price risk.

4.3 Credit Risk

4.3.1 Maximum Exposure to Credit Risk

The Company manages credit risk by applying diversification requirements, such as investing by asset class, geography and industry. The Company conducts regular reviews of credit quality ratings of its investments and conducts active credit risk governance, including independent monitoring and review, and reporting to management and the Company's Board.

4.3.2 Concentration of Credit Risk

Concentrations of credit risk arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries. The characteristics are similar in that changes in economic or political environments may impact their ability to meet obligations as they come due. Aged receivables are monitored and reviewed on a quarterly basis; any significant aggregation is brought to the attention of the management.

Similarly, reinsurance concentration limits are in place and reinsurance recoverables are monitored on a regular basis.

4.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The Company's asset-liability management process allows it to maintain its financial position by ensuring that sufficient liquid assets are available to cover its potential liability funding requirements. The Company invests in various types of assets with a view to matching them with its liabilities of various durations. To strengthen its liquidity further, the Company actively manages and monitors its capital and asset levels, diversification and credit quality of its investments, cash forecasts and actual amounts against established targets.

The short-term (less than one year) liquidity needs are more than adequately met by maturing bonds, the sale of equities, as well as by current operating cash flows. Longer duration cash flows are also backed by a broader range of asset classes including equity and other non-fixed income assets.

Based on the Company's historical cash flows and current financial performance, Management believes that the cash flow from the Company's operating activities will continue to provide sufficient liquidity for the Company to satisfy insurance liability and debt service obligations and to pay other expenses as they fall due.

For insurance contract liabilities, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

4.5 Operational Risk

Operational risk is defined as the risk of financial loss, reputational or brand damage, resulting from inadequate or failed internal processes, people, systems or from external events, including legal and compliance risk.

The Company has developed a Board-approved Operational Risk Management Policy, as well as Operational Risk Management procedures, which cover the following areas:

- Identification of material operational risks to which the Company is, or might be, exposed and assessment of how to mitigate these risks;
- Activities and internal processes for managing operational risks, including the IT system;
- Definition of risk tolerance limits with regard to operational risk; and
- A process to identify, record and analyse the causes of operational risk events resulting from control breakdowns or non-compliance with Operating Policies and Procedures, as well as customer complaints.

The Company has established the following controls to mitigate operational risk:

- Four-eyes processes for review and analysis;
- Information systems controls, as well as physical controls to ensure the integrity and protection of the Company and customer's data is adequate;
- Employees training and awareness of the various cyber risks/threats and how to guard against them;
- Monthly reporting of operational risk events, including customer complaints to the ERMC and significant issues arising to the Board on a quarterly basis; and
- Disaster Recovery and Business Continuity plans.

4.6 Other Material Risk Exposures

A risk register of significant risks is maintained by Management and is reviewed by the ERMC.

Covid-19 pandemic

Through the course of 2020, the Covid-19 Pandemic created material uncertainty across almost every economy, industry, and sector. The Company responded proactively to the pandemic by implementing measures to guarantee business continuity and support customers and employees. The lines of business underwritten by the Company in both Gibraltar and Malta are less prone to be affected by the pandemic in comparison to other market sectors such as life and travel, however, Management and the Board continue to closely monitor developments and their impact on the business at a regional and global level, byconducting stress and scenario testing

The risks associated with the COVID-19 pandemic are being managed in accordance with Company's existing risk management framework. Business continuity plans are in effect across the Company, with some employees continuing to work remotely to provide service to customers and maintain operations and technology functions. The Company's statutory capital remains well in excess of its minimum regulatory requirements and has sufficient margin to absorb any potential financial impact of this event.

Brexit

In October 2020, the Company's Maltese registered overseas third country branch was granted a licence by the Malta Financial Services Authority to act as an insurance undertaking. This allows the Company to continue its insurance underwriting operations in Malta after the EU financial services passporting regime was no longer accessible to the Company following the end of the post-Brexit transition period on 31 December 2020.

Geopolitical risk arising from Brexit remains, however, a risk for the Company, For example, until Gibraltar, the UK and the EU agree on a longer (or permanent) extension to the Schengen agreement to include Gibraltar, the ease/ability of the Company's employees who are frontier workers living in Spain will be affected.

5 ASSETS – INFORMATION ON AGGREGATION BY CLASS

The valuation methods used are based on International Accounting Standards, as used in the Company's financial statements. Any variations in valuation are detailed in Section 6.

6 CONTENT BY MATERIAL CLASSES OF ASSETS AND LIABILITIES OTHER THAN TECHNICAL PROVISIONS

The following table shows the differences between the Solvency II valuations of asset classes and those in the Company's Statutory Financial Statements; explanations are provided:

Assets	Solvency II Value £000	IFRS value £000	Variance £000	Comments
Deferred acquisition costs	-	1,146	(1,146)	DAC valued at zero under Solvency II
Deferred tax assets	110	-	110	Tax impact of difference on Net Assets
Property, plant & equipment held for own use	1,303	1,435	(132)	PPE valued using market value basis for Solvency II
Holdings in related undertakings	819	1,480	(661)	Subsidiary valued using Net Equity Method under Solvency II
Equities – listed	1,813	1,813	-	Accrued dividends not included under Solvency II
Government Bonds	5,442	5,475	(33)	
Corporate Bonds	9,562	9,700	(138)	
Reinsurance recoverables: Non-life excluding health	4,240	5,281	(1,041)	See Section 7 for details
Reinsurance recoverables: Health similar to non-life	(3)	-	(3)	See Section 7 for details
Insurance intermediaries receivables	1,864	3,714	(1,850)	Receivables that are not overdue form part of the future cash flows reported within provisions for Solvency II
Reinsurance receivables	-	-	-	
Receivables (trade, not insurance)	430	678	(248)	Prepayments are valued zero under Solvency II
Cash and cash equivalents	11,767	11,767	-	
Total assets	**37,347**	**42,489**	**(5,142)**	

7 VALUATION OF TECHNICAL PROVISIONS

Technical provisions represent the insurance liabilities as of the reporting date. The Technical provisions comprise of the Best Estimate of Liabilities (BEL) and a risk margin determined in accordance with the Solvency II Directive, Articles 75 to 86.

A summary of the technical provisions for the Company as at March 31, 2021 is set out in the following table:

£000	Net BEL	Risk Margin	Net Solvency II Technical Provisions
Best Estimate Liabilities			
Motor Liability	6,396	427	6,823
Motor Other	2,897	193	3,090
General Liability	2,540	170	2,709
Property	(302)	-	(302)
Marine	96	6	102
Income Protection	135	9	144
Solvency II Technical Provisions	**11,761**	**805**	**12,566**

Actuarial Methodologies and Assumptions

The BEL is comprised of two components, the claims provision and the premium provision. The claims provision represents the liability for the unpaid portion of the claims that have occurred as of the valuation date. The premium provision represents the present value of the expected cash flows on the unexpired portion of all in-force policies, and policies to which the Company is contractually bound that have yet to incept. These are commonly referred to as Bound But Not Incepted Exposures (BBNI).

The starting point for deriving the BEL is the Company's unpaid claims liabilities on an IFRS basis. Traditional actuarial techniques are used, such as the Paid and Reported Loss Development methods, the Bornhuetter-Ferguson method, and the Case Reserve Development method. The particular method selected for a particular reserve segment is judgmentally selected based on the applicability of each method and the availability of data to support each method.

No assumptions regarding Management actions are included in the calculation of the technical provisions. Expected policyholder behaviour is captured through the expected lapse rates with respect to policies in force, or bound, but not incepted underlying the derivation of the premium provisions. Expected lapse rates are based on the Company's average lapse experience by reserve segment.

The key differences between the Company's insurance liabilities on an IFRS basis and on a Solvency II are as follows:

- *Discounting* – Cash flows are discounted using the risk-free term structure provided by European Insurance and Occupational Pensions Authority (EIOPA).
- *Unearned Premium* – These are replaced by premium provisions, which are valued on a best estimate basis taking account of all future premium cash inflows.
- *Expenses* – Expenses include run-off expenses; ceded expenses take account of reinsurance commissions from the Company's reinsurance programmes.
- *BBNI* – The technical provisions include future premium cash flows not yet due in respect of BBNI exposures up to the relevant contract boundary.

- *Adjustment for counterparty default* – Ceded liabilities are reduced for expected reinsurer default using the probability of default applicable to the credit rating of the counterparty as specified by the EIOPA guidance.
- *Events Not in Data* (ENIDs) – There may be possible future events which are not reflected in the historical data of the Company or the market. ENIDs are typically viewed as being low frequency and high severity events, but consideration also needs to be given to the potential for favourable loss experience not in the data. An ENID loading is applied to lines of business and it applies to both the claims provisions and the premium provisions. The uplift factor is derived as the ratio of the "true mean" to the "mean only including realistically foreseeable events."

Allocation to Lines of Business

Best estimates and cash flows are calculated separately for each line of business. Data used in the derivation of the BEL has been satisfactorily segmented into homogeneous risk groups, consistent with the requirements of Solvency II.

Reinsurance Recoverables

The Company purchases reinsurance as part of its risk mitigation programme. Reinsurance is placed on both a proportional and non-proportional basis. The expected cash flow of ceded losses for each year is based on the difference between the expected cash flow of gross and net unpaid claims liabilities, offset by an adjustment for expected reinsurer default.

Risk Margin

The risk margin has been calculated using Method 1. This method approximates the individual risks within all modules to be used for the calculation of future SCR. The future SCR is projected with this method until the BEL is fully run-off. A cost of capital rate of 6% is applied at each SCR estimate, and discounted using the yield curve provided by EIOPA to estimate the cost of capital required to support the liabilities.

Transitional Adjustments

The Company has not used any transitional adjustments with regard to the matching adjustment, volatility adjustment, transitional risk free interest rate term structure or transitional deduction.

Material Changes

The IFRS basis has not changed during the period.

The calculation of the risk margin continues to be performed by the Company's internal Actuarial function. The Company has consistently used the Method 1 to calculate the risk margin.

Level of Uncertainty

There is inherent uncertainty in estimating the technical provisions. Uncertainty may arise from the following areas:

- Outstanding losses may ultimately settle at a higher or lower amount than estimated from known information as of the valuation date.
- Future losses on both expired and unexpired business are based on actuarial assumptions, which take account of past experience, and anticipated future changes. These assumptions may prove to differ from actual experience.
- ENIDs, by their nature are unpredictable and any allowance for ENIDs may prove to be overstated or understated.
- Expense assumptions are based on reasonable judgement reflecting past experience where appropriate. These assumptions may ultimately prove to differ from actual experience.
- Impact from unforeseen economic, legal and social trends.

The following table shows the movement from the IFRS insurance liabilities to the Solvency II technical provisions.

£000	Net
IFRS Reserves	**15,116**
Remove Unearned Premium Reserve	(5,822)
Expected Losses on Unexpired Risks	3,028
Expected Losses on BBNI Risks	506
Premium Receivables net of Expenses	(1,626)
ENIDs	539
Counterparty Default	-
Effect of Discounting	19
Risk Margin	805
Other	-
Solvency II Technical Provisions	**12,566**

8 LIABILITIES OTHER THAN TECHNICAL PROVISIONS - INFORMATION ON AGGREGATION BY CLASS

The valuation methods used are based on International Accounting Standards, as used in the Company's financial statements. Any variations in valuation are detailed in Section 9.

9 VALUATION OF MATERIAL PROVISIONS OTHER THAN TECHNICAL PROVISIONS AND CONTINGENT LIABILITIES

The following table shows the differences between the Solvency II valuations of liability classes and those in the Company's Statutory Accounts. Explanations have been provided.

Liabilities	Solvency II Value £000	IFRS value £000	Variance £000	Comments
Technical Provisions – Non-life: best estimate	15,865	20,317	(4,452)	See Section 7 for details
Technical Provisions – Non-life: risk margin	796	-	796	See Section 7 for details
Technical Provisions – Life: best estimate	132	-	132	See Section 7 for details
Technical Provisions – Life: risk margin	9	-	9	See Section 7 for details
Insurance and intermediaries payables	1,514	1,514	-	
Reinsurance payables	-	-	-	
Payables (trade, not insurance)	6,113	6,751	(638)	Payables that are not overdue form part of the future cash flows reported within provisions for Solvency II
Total liabilities	**24,429**	**28,582**	**(4,153)**	

10 OWN FUNDS - SOLVENCY RATIO

There were no dividend payment to Argus Group Holdings Limited during the year.

The Company manages its level of own funds by monitoring its Solvency Capital Requirement (SCR) coverage ratio, the calculation of which is detailed below.

The SCR and the Minimum Capital Requirement (MCR) for the Company as at March 31, 2021 is shown by risk module in the following table.

Risk Module	£000
Market Risk	1,694
Counterparty Risk	2,171
Health Non-Similar to Life Techniques Underwriting Risk	624
Non-Life Underwriting Risk	4,368
Diversification	(2,278)
Basic Solvency Capital Requirement	**6,578**
Operational Risk	535
Solvency Capital Requirement	**7,113**
Minimum Capital Requirement	**3,338**

The results show that the Company is compliant with the SCR and the MCR.

Calculation of the SCR

The Company uses the Standard Formula to determine the SCR. No simplifications have been used for any of the risk modules of the SCR, and the Company does not use any undertaking specific parameters.

No capital add-ons have been applied to the SCR figures. In addition, the Company does not use the duration-based equity risk sub-module in the calculation of the SCR.

The SCR was submitted to the regulator on May 5, 2021 and is therefore, still subject to supervisory assessment.

Calculation of the MCR

The inputs used to calculate the MCR are shown in the following table.

LINE OF BUSINESS £000	Net Best Estimate Liabilities	Net Written Premiums in the last 12 months
Motor Liability	6,396	4,459
Motor Other	2,897	4,345
General Liability	2,540	1,742
Property	- *	1,170
Marine	96	115
Income Protection	135	686
Total	**12,063**	**12,519**

* Net BEL for Property is GBP (302k) and has been floored to zero in the table above. Total BEL without the floor = GBP 11,761k.

The MCR determined per the Standard Formula is the absolute floor of £3.3 million.

Compliance with the SCR and MCR

There has not been any non-compliance with the SCR or MCR over the financial year.

£000	2021
Solvency II minimum capital requirement (MCR)	3,338
Solvency II solvency capital requirement (SCR)	7,113
Solvency II eligible own funds	12,918
Solvency Capital Requirement Ratio	181%

11 OWN FUNDS – INFORMATION ON THE STRUCTURE, AMOUNTS AND ELIGIBILITY OF OWN FUNDS

All of the Company's own funds are in the form of fully paid-up Share Capital.

12 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

The Company uses the Standard Formula.

13 APPENDICES

ANNUAL QRTS 2021

The templates are included as follows:

S.02.01.01	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

S.02.01.01
Balance Sheet

£000

	Assets	Solvency II value
		C0010
R0030	Intangible assets	-
R0040	Deferred tax assets	110
R0050	Pension benefit surplus	-
R0060	Property, plant & equipment held for own use	1,303
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	17,635
R0080	Property (other than for own use)	-
R0090	Holdings in related undertakings, including participations	818
R0100	Equities	1,813
R0110	Equities – listed	1,813
R0120	Equities – unlisted	-
R0130	Bonds	15,004
R0140	Government Bonds	5,442
R0150	Corporate Bonds	9,562
R0160	Structured notes	-
R0170	Collateralised securities	-
R0180	Collective Investments Undertakings	-
R0190	Derivatives	-
R0200	Deposits other than cash equivalents	-
R0210	Other investments	-
R0220	Assets held for index-linked and unit-linked contracts	-
R0230	Loans and mortgages	-
R0240	Loans on policies	-
R0250	Loans and mortgages to individuals	-
R0260	Other loans and mortgages	-
R0270	Reinsurance recoverables from:	4,237
R0280	Non-life and health similar to non-life	4,237
R0290	Non-life excluding health	4,240
R0300	Health similar to non-life	(3)
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	-
R0320	Health similar to life	-
R0330	Life excluding health and index-linked and unit-linked	-
R0340	Life index-linked and unit-linked	-
R0350	Deposits to cedants	-
R0360	Insurance and intermediaries receivables	1,864
R0370	Reinsurance receivables	-
R0380	Receivables (trade, not insurance)	431
R0390	Own shares (held directly)	-
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	-
R0410	Cash and cash equivalents	11,767
R0420	Any other assets, not elsewhere shown	-
R0500	Total assets	37,347

S.02.01.02
Balance Sheet

£000

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	16,802
R0520	Technical provisions – non-life (excluding health)	16,662
R0530	TP calculated as a whole	-
R0540	Best Estimate	15,865
R0550	Risk margin	796
R0560	Technical provisions – health (similar to non-life)	140
R0570	TP calculated as a whole	-
R0580	Best Estimate	132
R0590	Risk margin	9
R0600	Technical provisions – life (excluding index-linked and unit-linked)	-
R0610	Technical provisions – health (similar to life)	-
R0620	TP calculated as a whole	-
R0630	Best Estimate	-
R0640	Risk margin	-
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	-
R0660	TP calculated as a whole	-
R0670	Best Estimate	-
R0680	Risk margin	-
R0690	Technical provisions – index-linked and unit-linked	-
R0700	TP calculated as a whole	-
R0710	Best Estimate	-
R0720	Risk margin	-
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	1,514
R0830	Reinsurance payables	-
R0840	Payables (trade, not insurance)	6,113
R0850	Subordinated liabilities	-
R0860	Subordinated liabilities not in Basic Own Funds	-
R0870	Subordinated liabilities in Basic Own Funds	-
R0880	Any other liabilities, not elsewhere shown	-
R0900	**Total liabilities**	**24,429**
R1000	**Excess of assets over liabilities**	**12,918**

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

Non-life

£000

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for:accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross – Direct Business	-	708	-	5,254	4,538	579	5,038	1,931	-	-	-	-					18,048
R0120	Gross – Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0130	Gross – Non-proportional reinsurance accepted												-	-	-	-	-	-
R0140	Reinsurers' share	-	36	-	678	-	453	3,857	250	-	-	-	-	-	-	-	-	5,273
R0200	**Net**	-	673	-	4,575	4,538	126	1,181	1,681	-	-	-	-	-	-	-	-	12,775
	Premiums earned																	
R0210	Gross – Direct Business	-	721	-	5,136	4,347	538	5,074	2,006	-	-	-	-					17,822
R0220	Gross – Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0230	Gross – Non-proportional reinsurance accepted												-	-	-	-	-	-
R0240	Reinsurers' share	-	36	-	678	-	423	3,903	264	-	-	-	-	-	-	-	-	5,303
R0300	**Net**	-	686	-	4,459	4,347	115	1,170	1,742	-	-	-	-	-	-	-	-	12,519
	Claims incurred																	
R0310	Gross – Direct Business	-	(37)	-	2,446	2,164	174	774	539	-	-	-	-					6,060
R0320	Gross – Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0330	Gross – Non-proportional reinsurance accepted												-	-	-	-	-	-
R0340	Reinsurers' share	-	-	-	590	-	114	693	134	-	-	-	-	-	-	-	-	1,532
R0400	**Net**	-	(37)	-	1,856	2,164	60	81	404	-	-	-	-	-	-	-	-	4,528
	Changes in other technical provisions																	
R0410	Gross – Direct Business	-	-	-	-	-	-	-	-	-	-	-	-					-
R0420	Gross – Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-					-
R0430	Gross – Non- proportional reinsurance accepted												-	-	-	-	-	-
R0440	Reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0500	**Net**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0550	**Expenses incurred**	-	390	-	2,564	2,355	218	81	905									6,512
R1200	**Other expenses**																	-
R1300	**Total expenses**																	6,512

S.05.02.01
Premiums, claims and expenses by country

Non-life

£000

		Home Country	Top 5 countries		(by amount of gross premiums written) - non-life obligations				Total Top 5 and home country
		C0010	C0020		C0030	C0040	C0050	C0060	C0070
R0010			MT		-	-	-	-	
		C0080	C0090		C0100	C0110	C0120	C0130	C0140
	Premiums written								
R0110	Gross – Direct Business	8,503	9,545		-	-	-	-	18,048
R0120	Gross – Proportional reinsurance accepted	-	-		-	-	-	-	-
R0130	Gross – Non-proportional reinsurance accepted	-	-		-	-	-	-	-
R0140	Reinsurers' share	3,442	1,831		-	-	-	-	5,273
R0200	Net	5,061	7,714		-	-	-	-	12,775
	Premiums earned								
R0210	Gross – Direct Business	61	(287)		-	-	-	-	(226)
R0220	Gross – Proportional reinsurance accepted	-	-		-	-	-	-	-
R0230	Gross – Non-proportional reinsurance accepted	-	-		-	-	-	-	-
R0240	Reinsurers' share	35	(5)		-	-	-	-	30
R0300	Net	26	(282)		-	-	-	-	(256)
	Claims incurred								
R0310	Gross – Direct Business	1,995	4,065		-	-	-	-	6,060
R0320	Gross – Proportional reinsurance accepted	-	-		-	-	-	-	-
R0330	Gross – Non-proportional reinsurance accepted	-	-		-	-	-	-	-
R0340	Reinsurers' share	939	594		-	-	-	-	1,532
R0400	Net	1,056	3,472		-	-	-	-	4,528
	Changes in other technical provisions								
R0410	Gross – Direct Business	-	-		-	-	-	-	-
R0420	Gross – Proportional reinsurance accepted	-	-		-	-	-	-	-
R0430	Gross – Non- proportional reinsurance accepted	-	-		-	-	-	-	-
R0440	Reinsurers' share	-	-		-	-	-	-	-
R0500	Net	-	-		-	-	-	-	-
R0550	Expenses incurred	2,708	3,805		-	-	-	-	6,512
R1200	Other expenses								-
R1300	Total expenses								6,512

S.17.01.02
Non-Life Technical provisions

£000		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Technical provisions calculated as a sum of BE a and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	-	44	-	1,500	1,323	97	592	193	-	-	-	-	-	-	-	-	3,749
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	(3)	-	461	(53)	88	691	(21)	-	-	-	-	-	-	-	-	1,163
R0150	**Net Best Estimate of Premium Provisions**	-	47	-	1,039	1,376	9	(99)	215	-	-	-	-	-	-	-	-	2,586
	Claims provisions																	
R0160	Gross	-	88	-	6,615	1,514	260	1,135	2,636	-	-	-	-	-	-	-	-	12,248
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	-	-	1,258	(7)	173	1,339	310	-	-	-	-	-	-	-	-	3,073
R0250	**Net Best Estimate of Claims Provisions**	-	88	-	5,357	1,521	87	(204)	2,325	-	-	-	-	-	-	-	-	9,174
R0260	**Total Best estimate – gross**	-	132	-	8,115	2,837	357	1,727	2,829	-	-	-	-	-	-	-	-	15,997
R0270	**Total Best estimate – net**	-	135	-	6,396	2,897	96	(302)	2,540	-	-	-	-	-	-	-	-	11,761
R0280	**Risk margin**	-	9	-	427	193	6	-	170	-	-	-	-	-	-	-	-	805
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0300	Best estimate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0310	Risk margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Technical provisions – total																-	
R0320	Technical provisions – total	-	141	-	8,542	3,031	364	1,727	2,998	-	-	-	-	-	-	-	-	16,802
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total**	-	**(3)**	-	**1,719**	**(59)**	**262**	**2,030**	**289**	-	-	-	-	-	-	-	-	**4,237**
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total**	-	**144**	-	**6,823**	**3,090**	**102**	**(302)**	**2,709**	-	-	-	-	-	-	-	-	**12,566**

S.19.01.21
Non-Life Insurance claims

Total Non-Life Business

Z0020 Accident year / Underwriting year: Accident year

£000 **Gross Claims Paid (non-cumulative)**
(absolute amount)

	Development year Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	Prior											(54)	(54)	(54)
R0160	N-9	1,268	1,976	910	89	128	77	86	102	8	1		1	4,646
R0170	N-8	3,834	1,842	440	272	107	108	29	366	2			2	7,000
R0180	N-7	2,996	1,402	214	202	176	36	3	42				42	5,071
R0190	N-6	2,938	1,579	347	241	496	306	6,383					6,383	12,290
R0200	N-5	3,135	1,603	335	183	215	25						25	5,497
R0210	N-4	2,442	1,733	292	149	38							38	4,653
R0220	N-3	2,610	1,750	418	252								252	5,031
R0230	N-2	3,598	2,254	370									370	6,222
R0240	N-1	2,792	1,927										1,927	4,718
R0250	N	2,491											2,491	2,491
R0260												Total	11,477	57,564

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Development year Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	Prior											10	10
R0160	N-9	-	-	-	-	700	590	368	257	156	159		161
R0170	N-8	-	-	-	1,030	839	885	746	165	169			170
R0180	N-7	-	-	886	635	503	287	152	88				90
R0190	N-6	-	1,540	945	13,227	12,982	6,196	112					112
R0200	N-5	4,014	1,547	1,389	819	508	410						409
R0210	N-4	3,474	1,388	1,093	867	707							709
R0220	N-3	4,005	2,070	1,215	664								664
R0230	N-2	5,341	2,363	1,519									1,520
R0240	N-1	5,932	3,203										3,212
R0250	N	5,193											5,190
R0260												Total	12,248

S.23.01.01
Own Funds

£000	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	6,984	6,984		-	
R0030	Share premium account related to ordinary share capital	1,400	1,400		-	
R0040	Iinitial 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	4,424	4,424			
R0140	Subordinated liabilities	-		-	-	-
R0160	An amount equal to the value of net deferred tax assets	110				110
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	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	-				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	-	-	-	-	-
R0290	Total basic own funds after deductions	12,918	12,808	-	-	110
	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	12,918	12,808	-	-	110
R0510	Total available own funds to meet the MCR	12,808	12,808	-	-	
R0540	Total eligible own funds to meet the SCR	12,918	12,808	-	-	110
R0550	Total eligible own funds to meet the MCR	12,808	12,808	-	-	
R0580	SCR	7,113				
R0600	MCR	3,338				
R0620	Ratio of Eligible own funds to SCR	1.8161				
R0640	Ratio of Eligible own funds to MCR	3.8373				
	Reconciliation reserve	C0060				
R0700	Excess of assets over liabilities	12,918				
R0710	Own shares (held directly and indirectly)	-				
R0720	Foreseeable dividends, distributions and charges	-				
R0730	Other basic own fund items	8,494				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-				
R0760	Reconciliation reserve	4,424				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business	-				
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	-				
R0790	Total Expected profits included in future premiums (EPIFP)	-				

S.25.01.21
Solvency Capital Requirement – for undertakings on Standard Formula

£000		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,694		
R0020	Counterparty default risk	2,171		
R0030	Life underwriting risk	-		
R0040	Health underwriting risk	624		
R0050	Non-life underwriting risk	4,368		
R0060	Diversification	(2,278)		
R0070	Intangible asset risk	-		
R0100	Basic Solvency Capital Requirement	6,578		
	Calculation of Solvency Capital Requirement	C0100		
R0130	Operational risk	535		
R0140	Loss-absorbing capacity of technical provisions	-		
R0150	Loss-absorbing capacity of deferred taxes	-		
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-		
R0200	Solvency capital requirement excluding capital add-on	7,113		
R0210	Capital add-on already set	-		
R0220	Solvency capital requirement	7,113		
	Other information on SCR			
R0400	Capital requirement for duration-based equity risk sub-module	-		
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	-		
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	-		
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	-		
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-		

S.28.01.01
Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

£000 Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	2,204

		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 expenses insurance and proportional reinsurance	-	-
R0030	Income protection insurance and proportional reinsurance	135	673
R0040	Workers' compensation insurance and proportional reinsurance	-	-
R0050	Motor vehicle liability insurance and proportional reinsurance	6,396	4,575
R0060	Other motor insurance and proportional reinsurance	2,897	4,538
R0070	Marine, aviation and transport insurance and proportional reinsurance	96	126
R0080	Fire and other damage to property insurance and proportional reinsurance	-	1,181
R0090	General liability insurance and proportional reinsurance	2,540	1,681
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	-	-

£000 Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	-

		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 healt (re)insurance obligations	-	
R0250	Total capital at risk for all life (re)insurance obligations		-

	Overall MCR calculation	C0070
R0300	Linear MCR	2,204
R0310	SCR	7,113
R0320	MCR cap	3,201
R0330	MCR floor	1,778
R0340	Combined MCR	2,204
R0350	Absolute floor of the MCR	3,338
R0400	Minimum Capital Requirement	3,338

ARGUS

Our Interest is You.

Argus Insurance Company (Europe) Limited
5/5 Crutchett's Ramp
Gibraltar

Mailing Address:
PO Box 199
Gibraltar, GX11 1AA