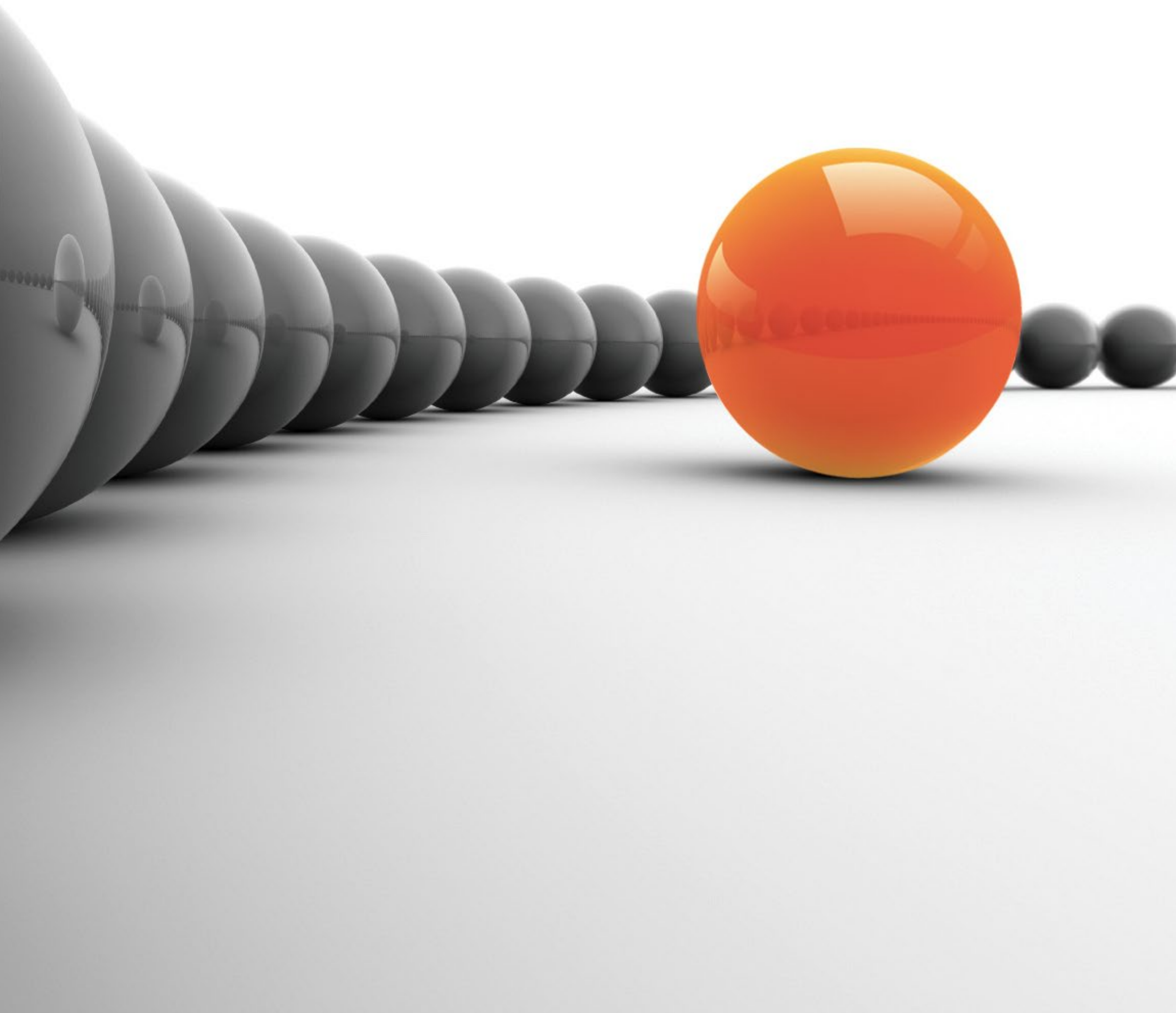
SOLVENCY AND FINANCIAL CONDITION REPORT

Compre Group

For the period ended 31 December 2020



Summary

This Solvency and Financial Condition Report ("**SFCR**") contains quantitative and qualitative information relating to Compre Group ("**the Group**" or "**Compre**"), covering the business performance, system of governance, risk profile, solvency valuation and capital management of the Group.

This SFCR is based on the Group's results and structure as at 31 December 2020. For the purposes of the SFCR, the Group consists of Cambridge Topco Limited and its subsidiary entities, both regulated and non-regulated. Financial statements mentioned in this report have been audited by Mazars Malta.

Business and Performance

The Group is a legacy specialist with over 30 years of experience in the provision of insurance and reinsurance legacy business solutions. This involves the acquisition and management of insurance and reinsurance companies and portfolios in run-off, the acquisition of legacy business portfolios and the provision of legacy business reinsurance solutions.

During 2020 the Group concluded new legacy deals further strengthening its position in the run-off insurance and reinsurance market and established a risk carrier in Bermuda.

System of Governance

The Group has a well-established governance framework that complies with the requirements under Solvency II, considering the nature, scale and complexity of the risks inherent in its business. Throughout the reporting period, the Group continued to strengthen its governance structure by recruiting a number of individuals at senior management level, including a Chief Development Officer and a Chief Financial Officer. Mr Hawkins re-assumed the role of Chief Operating Officer while three additional directors were appointed to the Board.

Risk Profile

The Group uses the Standard Formula under Solvency II to calculate its solvency capital. Under that model, the Group is exposed to Underwriting Risk (Reserve Risk), Market Risk, Credit Risk, Liquidity Risk and Operational Risk. In addition, the Group has identified three key risks that are not covered by the Standard Formula calculations: Acquisition Risk, Regulatory Risk and Reputational Risk. Mitigation techniques are in place to prevent the occurrence of any of these risks materially impacting the Group. There were no material changes to the Group's risk profile over the reporting period.

Valuation for Solvency Purposes

The Group produces its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") and reports its results in Pounds Sterling (**GBP**). The adjustments to assets and liabilities under Solvency II from IFRS are summarised in the table below:

(£000s)	**IFRS**	**Adjustments**	**Solvency II**
Goodwill	7,756	(7,756)	-
Investments	362,985	2,009	364,994
Ceded technical provisions	15,805	(1,425)	14,381
Cash and cash equivalents	45,950	-	45,950
Other assets	25,146	(4,446)	20,700
Total assets	**457,642**	**(11,618)**	**446,024**
Technical Provisions	263,743	4,315	268,058
Other Liabilities	72,432	606	73,038
Total Liabilities	**336,175**	**4,922**	**341,097**

(£000s)	IFRS	Adjustments	Solvency II
Net Assets	**121,468**	**(16,540)**	**104,928**
Adjustments to Net Assets	-	21,752	21,752
Own Funds	**121,468**	**5,212**	**126,680**

Capital Management
It is considered that the Group has sufficient resources and availability of capital to maintain a suitable solvency capital position, including under stressed scenarios, and to support its business plan objective of acquiring additional insurance and reinsurance legacy business portfolios.

The Group's Solvency II capital position as at 31 December 2020 is summarised in the table below:

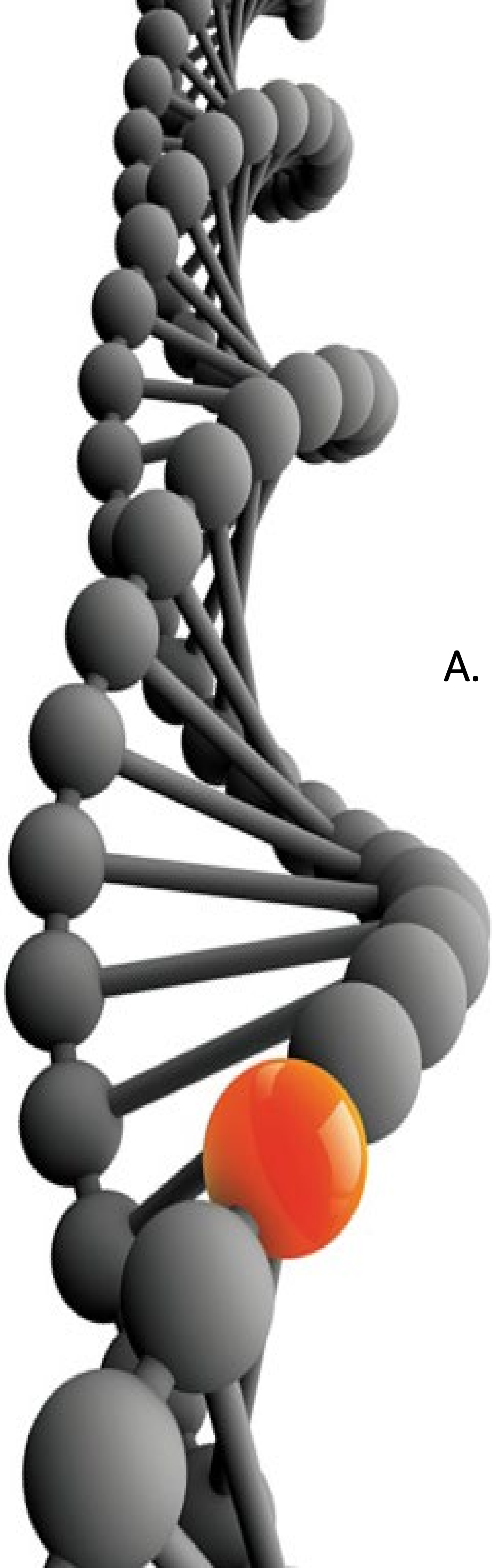
(£000s)	31st December 2020	31st December 2019
Own Funds	**126,680**	**102,852**
SCR	**85,208**	**77,500**
MCR	**27,949**	**24,410**
Solvency ratio	**149%**	**133%**

Note: Own Funds exceed the Solvency II net asset position due to the inclusion of subordinated debt within the Own Funds amount as allowed under the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year in question the Group has complied in all material respects with the requirements of the Malta Financial Services Authority ("**MFSA**") Rules and the Solvency II Regulations as applicable to the Group; and
b) it is reasonable to believe that the Group has continued so to comply subsequently and will continue so to comply in future.

Will Bridger
Group CEO
19th May 2021



A. Business and Performance

A. Business and Performance

A.1 Business

A.1.1 General Information

This SFCR is based on the Group's results and structure as at 31 December 2020. For the purposes of the SFCR, the Group consists of Cambridge Topco Limited and its subsidiary entities, both regulated and non-regulated. Cambridge Topco Limited is a private company limited by shares and is established in Malta and regulated by the Malta Financial Services Authority ("**MFSA**"). The MFSA is currently the Group Supervisor, full details of the MFSA are provided below:

Malta Financial Services Authority
Triq l-Imdina, Zone 1
Central Business District, Birkirkara
CBD1010
Malta
Phone Number: +356 2144 1155
Website: https://www.mfsa.com.mt/

The external auditors of the Group are:

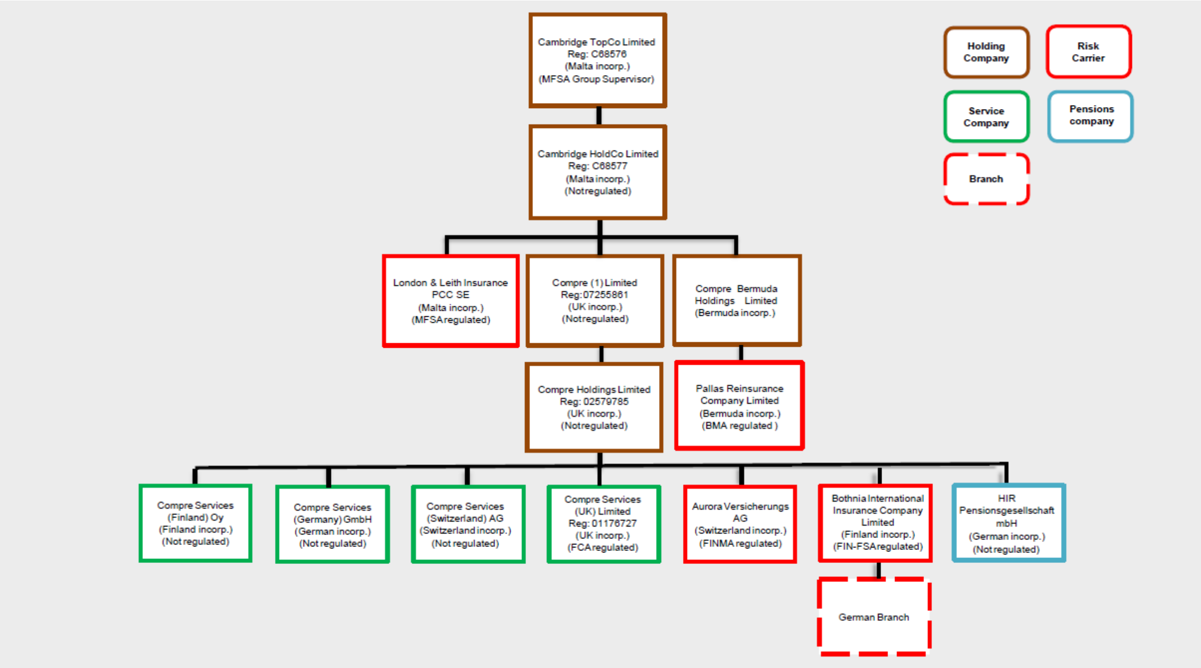
Mazars Malta
32 Sovereign Building
Zaghfran Road
Attard
ATD 9012
Malta
Phone Number: +356 2134 5760
Website: http://www.mazars.com.mt/

The Group's ultimate controlling party is CBPE Capital LLP which is domiciled in the UK. The ultimate holding company of the Group is Cambridge Topco Limited, a company registered in Malta. CBPE Nominees Limited holds 86% of the ordinary shares in Cambridge Topco Limited with 67% of the voting rights. The remaining shareholding in Cambridge Topco Limited is held by three members of the Group's Board. CBPE Nominees Limited, a company registered in the UK, is ultimately controlled by CBPE Capital LLP.

Cambridge Topco Limited holds 72% of the shares (68% voting rights) in Cambridge Holdco Limited. The remaining shareholding in Cambridge Holdco Limited is held by two Funds managed by Hudson Structured Capital Management Limited, the members of the Executive Management Team, the Deputy Chairman and the Chairman. All other subsidiaries in the Group are 100% owned.

In April 2021 the Group was acquired by new shareholders. Further details are included under Section A.5 below.

The Group structure below shows the position as at 31 December 2020.



The ultimate holding company, Cambridge Topco Limited, has portfolios in run-off and operations located in Finland, Germany, Switzerland, Malta, the United Kingdom ("**UK**") and Bermuda. The regulated insurance and reinsurance companies in the Group are described below:

- Aurora Versicherungs AG ("**Aurora**") is domiciled in Switzerland and regulated by the Swiss Financial Market Supervisory Authority ("**FINMA**"). It is assessed under the Swiss Solvency Test ("**SST**"), which is recognised as equivalent to Solvency II.
- Bothnia International Insurance Company Ltd ("**Bothnia**") is domiciled in Finland and regulated by the Finanssivalvonta ("**FIN-FSA**").
- London & Leith Insurance PCC SE ("**LLSE**") is domiciled in Malta and regulated by the MFSA.
- Pallas Reinsurance Company Limited ("**Pallas Re**") is domiciled in Bermuda and regulated by the Bermuda Monetary Authority ("**BMA**").

The following is a list of all subsidiary undertakings as at 31 December 2020, whereby Cambridge TopCo Limited holds 72% of the shares in Cambridge Holdco Limited, with the rest of the subsidiaries being held 100% by Cambridge Holdco Limited:

Company	Country of incorporation	Principal activity	Percentage shareholding
Compre (1) Limited	UK	Holding company	100
Compre Holdings Limited	UK	Holding company	100
Aurora Versicherungs AG	Switzerland	Insurance company	100
Bothnia International Insurance Company	Finland	Insurance company	100
HIR Pensionsgesellschaft mbH	Germany	Pensions company	100
London & Leith Insurance PCC SE	Malta	Insurance company	100
Compre Services (Finland) Oy	Finland	Service company	100
Compre Services (Germany) GmbH	Germany	Service company	100
Compre Services (Switzerland) AG	Switzerland	Service company	100
Compre Services (UK) Limited	UK	Service company	100
Compre Bermuda Holdings Limited	Bermuda	Holding company	100
Pallas Reinsurance Company Ltd	Bermuda	Insurance company	100

The Group's Solvency II assessment is produced using a consolidated balance sheet approach for all subsidiaries excluding Aurora, which is assessed under the SST which is deemed as being equivalent to the Solvency II Directive and is therefore included by using the deductions and aggregations approach method.

A.1.2 Material Lines of Business and Material Geographical Areas

As at 31 December 2020, the Group is exposed to the following material lines of business from its claims liabilities:

- General liability insurance and proportional reinsurance; and
- Non-proportional casualty reinsurance.

The total net technical provisions ("**TPs**"), excluding risk margin, in the Group as at 31 December 2020 were GBP 219,582k (Solvency II basis) of which the majority relate to cedants domiciled in the United States (65%) and the United Kingdom (22%).

A.1.3 Significant Events In the Reporting Period

During 2020 the Group established a Class 3a reinsurer in Bermuda after receiving regulatory approval from the BMA. Subsequently, a US transaction involving a ground-up loss portfolio transfer for risks underwritten in the US was completed by the newly established reinsurance entity Pallas Re. In addition, the Group completed the reinsurance of a direct insurance portfolio from QBE through its Malta risk carrier, LLSE.

The Group also finalised the legal transfer of three portfolios signed during the previous year from German, Belgian and Irish counterparties respectively. The transfers went into Bothnia.

During the reporting period, further equity was raised as Hudson Structured Capital Management Limited injected capital into Cambridge Holdco Limited.

Other significant events relating to the System of Governance are noted in section B.1.3 below.

A.2 Underwriting Performance

The Group does not underwrite any new business and is only exposed to run-off liabilities. The table below shows a summary of the technical account.

(£000s)	**31/12/2020**	**31/12/2019**
Net Premiums - Written	**29**	**(5)**
Net Premiums - Earned	**(1,293)**	**(5)**
Gross claims paid	(35,757)	(29,246)
Claims ceded to reinsurers	297	759
Gross change to contract liabilities	55,348	55,710
Change in contract liabilities ceded to reinsurers	3,187	(769)
Net Claims	**23,075**	**26,455**
Underwriting performance	**21,782**	**26,450**

The table below shows the technical account split by material Solvency II Line of Business ("**LOB**").

(£000s)	General liability insurance and proportional reinsurance	Non-proportional casualty reinsurance	Other LOB's	TOTAL
Net Premiums - Earned	(713)	26	(606)	(1,293)
Net claims	5,279	18,958	(1,162)	23,076
Underwriting performance – 31/12/2020	**4,566**	**18,984**	**(1,768)**	**21,782**
Underwriting performance – 31/12/2019	**9,548**	**11,813**	**5,089**	**26,450**
Movement	**(4,982)**	**7,171**	**(6,857)**	**(4,668)**

Further analysis is provided below, detailing the technical account by the domicile of the cedant.

(£000s)	Underwriting performance 31/12/2020	Underwriting performance 31/12/2019
France	(2,851)	1,618
United Kingdom	(8,404)	10,504
Germany	7,208	5,500
United States	20,200	1,056
Switzerland	2,441	7,984
Other	3,187	(212)
Total	**21,782**	**26,450**

During the year under review, the Group's underwriting performance was driven by the completion of new legacy deals. These generated higher volumes across all the Group's major territories, including a significant transaction with a US based company.

The Group also continued to further improve the claims management and adjusting function by concentrating especially on significant contracts containing difficult long-tail liabilities. The claims presented to the Group were inspected and analysed to verify the validity, accuracy and the binding effect of the claims. At the same time, the Group continued to pursue and conclude further commutation negotiations.

A.3 Investment Performance

As at 31 December 2020, the Group's investment portfolio comprised the following asset classes:

Investment portfolio (£000s)	31/12/2020	%	31/12/2019	%
Government Bonds	168,811	47%	59,355	26%
Corporate Bonds	185,974	51%	164,560	72%
Structured Notes	7,125	2%	-	0%
Collective Investments Undertakings	-	0%	3,202	1%
Total financial assets at fair value through profit or loss	**361,910**	**100%**	**227,117**	**99%**
Short-term deposits	1,075	0%	1,302	1%
Total investments and short-term deposits	**362,985**	**100.00%**	**228,420**	**100.00%**

The Group's investment strategy is outlined in the Group Investment Policy and complies with the requirements of the 'prudent person principle' as set out in Article 132 of Directive 2009/138/EC.

The Company's assets and liabilities were balanced by currency during the year.

For the year ended 2020, the Group had the following income and losses from investments:

Investment income, gains and losses (£000s)	Total	Government bonds	Corporate bonds	Structured Notes	Collective Investments Undertakings	Short-term deposits	Other
Interest income from other than affiliated undertakings	2,571	471	1,519	23	-	35	523
Investment expense	(879)	-	-	-	-	-	(879)
Net realised gains and losses	4,117	3,680	402	(12)	47	-	-
Fair value gains and losses	1,941	866	1,052	23	-	-	-
Total investment income, gains and losses	**7,750**	**5,017**	**2,973**	**35**	**47**	**35**	**(356)**

Total investment income generated during the year amounted to £2,571k (2019: £4,304). Investment expenses for the year amounted to £879k (2019: £553k).

A.4 Performance of Other Activities

The Group does not have any material income or expenses from performance of other activities.

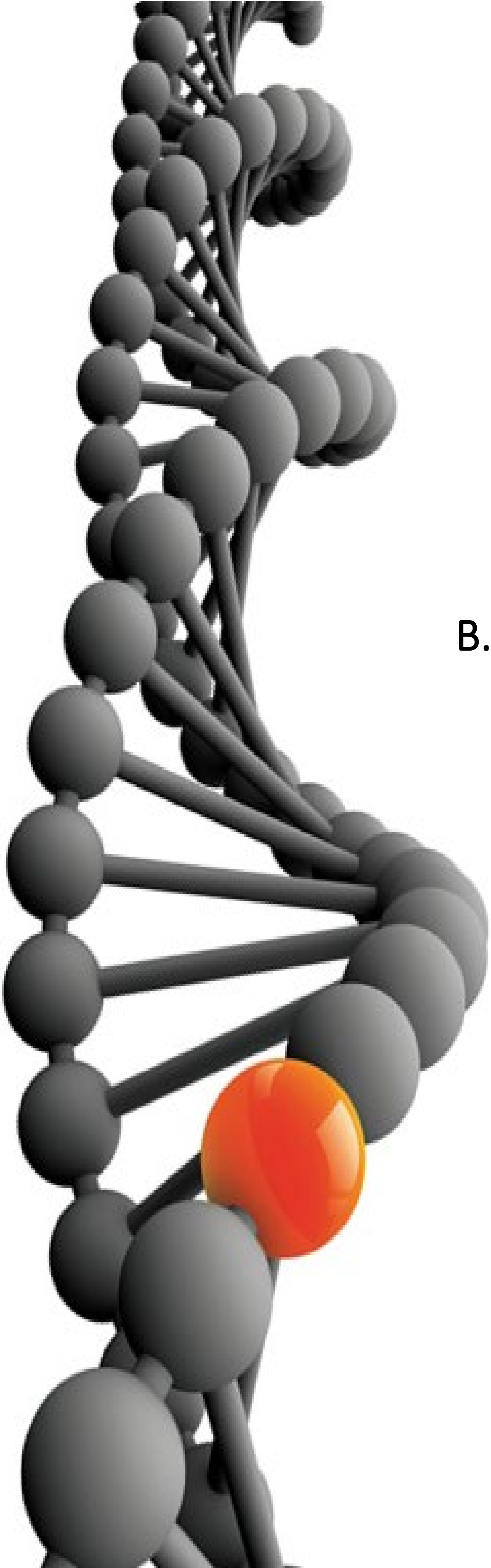
A.5 Any Other Information

During the reporting period the COVID-19 pandemic developed across the world. In light of this, the Group implemented its Business Continuity Plan which allowed the business to continue to run smoothly, albeit with the Group offices closed and with staff working remotely. Given the nature of Compre's business, no major implications were seen on the business, including any influx on claims arising from the pandemic.

COVID-19 has however created economic uncertainties and market volatility which resulted in disruption to the financial markets affecting the liquidity of financial instruments, interest rates and credit spreads. Further, in early 2020 the Group experienced increases in the Technical Provisions mainly driven by EIOPA`s reduction in risk free rates but the Group and the risk carriers within the Group maintained and continue to maintain a healthy Solvency Ratio. The Group continues to assess the policies and related internal controls, together with its current and forecasted cash and liquidity levels and is comfortable that these are adequate to support the continued operations of the business.

In November 2020, the Group announced that international private equity firm Cinven and British Columbia Investment Management Corporation have agreed to acquire the business from existing shareholders CBPE Capital LLP, Hudson Structured Capital Management Limited and Compre’s management. The change in control came into force on 28th April 2021.

In February 2021, Lloyd's provided their approval for the creation of the new Compre Legacy Syndicate 1994 to be managed by Compre’s joint venture partner, Apollo Syndicates Management Limited. This was followed by two reinsurance to close transactions signed into Syndicate 1994 in February 2021.



B. System of Governance

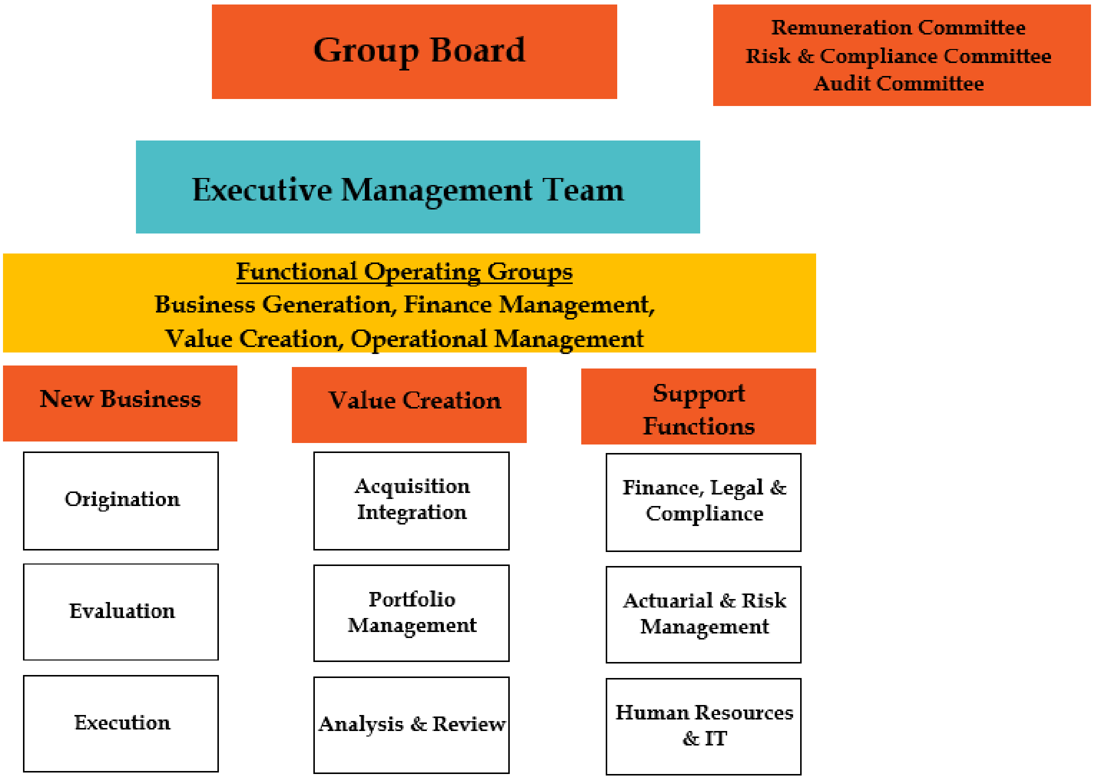
B. System of Governance

B.1 General Information on the System of Governance

B.1.1 Structure of the Group

The Group Board has the responsibility for setting and monitoring adherence to the strategy and risk framework and is made up of five executives who are involved in the day-to-day management of the Group, four independent non-executives and four non-executives.

As shown in the diagram below, the Group has an Executive Management Team ("**EMT**"), four (4) Functional Operating Groups and three Committees that assist the Group Board in discharging its obligations. The Group Board retains responsibility for its obligations at all times whilst delegating authority to the EMT, Functional Operating Groups and Committees. The Committees operate under defined Terms of Reference.



The Group has three core business areas: Business Generation, Value Creation and Support functions, which are described below. Due to the moderate size of its operations, the use of resources across the Group is relatively fluid. Depending on activity levels, employees of the Group can be redeployed to support other functional areas. Management emphasises a 'One Team' approach.

Business Generation

The Business Generation team evaluates and, together with the Executive Directors, recommends the acquisitions of new run-off portfolios which are considered, and if appropriate, approved by the relevant Board of the acquiring company.

Specifically, the Business Generation function is responsible for:

- Identifying and originating opportunities, executing and closing transactions.
- Maintaining and growing a robust pipeline of opportunities in identified target markets.
- Developing, growing and maintaining relationships in identified target markets, particularly with potential vendors and key market participants such as re/insurance brokers and legal advisers.

Value Creation

The Value Creation team manages the day-to-day operations of the various insurance and reinsurance portfolios. The team aims to create value through efficient claims handling, managing exposure to reinsurance failure or disputes and controlling costs. The Value Creation team is organised as follows:

Portfolio Management

Portfolio management activities include:

- Claims management and adjusting - there are regular reviews of case reserves to verify amounts reported which involve case reviews and cedant follow-up. This also supports in the calculation of the best estimate technical provisions, as calculated periodically by the Actuarial function and verified where necessary by external actuarial consultants.
- Inwards and outwards commutations negotiation - a commutation strategy is focused on increasing the solvency strength of the risk carriers. The commutation strategy is underpinned by a structured approach to commutation valuation, including the impact of potential deals on the capital position of the individual risk carrier (as well as the Group capital position), in particular the impact of inwards commutations on outward reinsurance receivables.
- Reinsurance reconciliations and collections.

Acquisition Integration

The integration of new business portfolios into the infrastructure of the Group covers an in-depth review of underlying technical data, accounting, human resources and Information Technology ("**IT**") where relevant.

Analysis & Review

Analysis of the insurance portfolios and related balances is continually undertaken including reviews of the level of technical provisions to support actuarial estimates.

Support Services

Support Services comprise the following:

- Finance & Compliance provide financial and management reporting, legal and regulatory compliance activities.
- The Actuarial function provides actuarial support to the analysis of new business opportunities, actuarial support in the estimate of technical provisions and risk management activities. The Risk Management function helps the business to identify, evaluate, monitor and mitigate the risks that threaten the Company`s objectives.
- Human resources and IT support.

In addition, the Group Board has established a risk management model that separates the business's risk management responsibilities into "three lines of defence".

The **first line of defence** is the responsibility of senior management, the risk takers in the business. This involves day-to-day risk management, in accordance with risk policies, appetite and internal controls at an operational level.

The **second line of defence** concerns those with responsibility of risk oversight and risk guidance. As well as monitoring reports, they are responsible for risk policies and risk procedures and control design.

The **third line of defence** provides independent assurance to the effectiveness of the risk management process.

The table below shows the position as at December 2020 followed by the related duties and responsibilities of the Group Board, the EMT and the Committees.

Board of Directors

Non-Executive	Executive
Tom Colraine *(Independent and Chairman)*	**Will Bridger**
Rhydian Williams *(role changed to NED in Sept 2020)*	**Mark Lawson**
Richard Thompson	**Hubertus Labes**
Mathew Hutchinson	**Simon Hawkins**
Nick Steer *(Deputy Chairman)*	**Eleni Iacovides** *(appointed Nov 2020)*
Nadine Cachia *(Independent)*	
John Cassar White *(Independent – appointed Dec 2020)*	
Andrew Manduca *(Independent – appointed Nov 2020)*	

Executive Management Team

Will Bridger
Mark Lawson
Simon Hawkins
Eleni Iacovides
Ian Patrick

Remuneration and Nominations Committee

Richard Thompson *(Chairman)*
Mathew Hutchinson
Thomas Colraine

Risk and Compliance Committee

Thomas Colraine *(Chairman)*
Richard Thompson
Mark Lawson
Simon Hawkins
Rhydian Williams
Damian Everest

Audit Committee

Andrew Manduca *(Chairman)*
John Cassar White
Thomas Colraine
Richard Thompson

Duties and Responsibilities

Board of Directors

- To oversee overall business performance of the Group
- To set business objectives and strategy and ensure that the objectives are met
- To set and monitor adherence to the risk strategy, risk appetite and Risk Management Framework
- To monitor and ensure that SCR and MCR requirements are met by the Group and its subsidiaries at all times

Executive Management Team

- Implementation of the agreed business strategy and plan
- Management of the business activities of the Group

Remuneration and Nominations Committee

- To recommend to the Board an overall nomination and Remuneration Policy
- To ensure that the Remuneration Policy is aligned to the long-term business strategy and risk appetite, culture and values
- To recognise the interest of all stakeholders
- To assist the Board in discharging its responsibilities relating to the appointment and remuneration of Executives

Risk and Compliance Committee

- To review the effectiveness of the Risk Management Framework
- To review the System of Governance policies for Board approval
- To work with the remuneration committee to ensure risks are properly considered
- To review the Group's capital requirements including stress testing and monitoring
- To review regulatory and legal compliance

Audit Committee

- To review financial reports and ensure integrity of financial statements
- To review the Group`s internal financial controls
- To monitor and review the effectiveness of the Internal Audit Function
- To review and monitor the Group`s external auditor`s independence and objectivity and the effectiveness of the audit process

B.1.2 Main Roles and Responsibilities of Key Functions

In accordance with the Solvency II Directive, the Group has implemented the following key functions: Risk Management, Compliance, Actuarial and Internal Audit.

- **Risk Management Function**

The Risk Management Function has the responsibility to identify, evaluate, monitor and report risks including, but not limited to, the evaluation of Acquisition Risk, Reserving Risk, Regulatory Risk, Financial Risk, Operational Risk and Reputational Risk. The Risk Management function plays a key role in assessing the risks involved in the acquisition of insurance and reinsurance companies and portfolios in run-off.

- **Compliance Function**

The Compliance Function is responsible for assessing the Group's overall compliance with all relevant minimum standards and regulatory requirements in order to effectively mitigate the risk of non-compliance. This includes the assessment of the adequacy of the actuarial and risk management functions.

- **Internal Audit Function**

The Internal Audit Function is responsible for evaluating and improving the effectiveness of the risk management, control, and governance processes. It provides an independent assessment of the quality of internal controls and administrative processes and provides recommendations and suggestions for continuous improvement. Internal Audit seeks to deliver assurance, by applying an objective examination of evidence on risk management, control and governance arrangements and processes.

- **Actuarial Function**

The Actuarial Function is responsible for:

- Calculating the Solvency II technical provisions;
- Supporting the business in assessing the appropriateness and adequacy of the Group's reinsurance structure;
- Supporting the business throughout the due diligence process for potential acquisitions to ensure the premium received is sufficient to cover future liabilities and profit/return requirements considering the risks underlying the acquisition; and
- Contributing extensively to the risk management system of the Group, including the undertaking of the risk modelling required for the calculation of the Group's SCR and MCR.

The internal reserving process and conclusions are reviewed as part of the annual external audit.

B.1.3 Material Changes in the System of Governance over the Reporting Period

During the year Mr Simon Hawkins re-assumed the role of Group Chief Operating Officer following Mr Rhydian Williams' stepping down from his role of Managing Director – Operations and Risk. Mr Ian Patrick joined the Group in October 2020 and replaced Mr Hawkins as Group Chief Financial Officer[1]. The Group made other senior appointments during the reporting period including the appointment of Ms Eleni Iacovides as Chief Development Officer.

Furthermore, during the year the number of directors increased with the appointments of Ms Eleni Iacovides as Executive Director, and Mr Andrew Manduca and Mr John Cassar White as Independent Non-Executive Directors. As noted above, Mr Williams' role also changed from Executive to Non-Executive Director. These appointments/changes have further strengthened the Group's operations and enhanced the governance structure.

B.1.4 Remuneration Policy

The Group Board is responsible for the establishment and review of the Remuneration Policy, ensuring alignment with the Group's strategic objectives and corporate governance. This includes sound and effective risk management through the existence of a stringent governance structure. As a result, there is nothing to encourage unnecessary risk-taking. The Remuneration Committee supports the Board on the design of the Group's overall Remuneration Policy.

The Group recognises the need to attract, develop, retain and motivate high-performing employees, provide financial incentives for those accepting promotional opportunities, and improve the Group's

[1] Regulatory approval for Mr Patrick`s appointment as Group CFO was received in February 2021.

position within the current market. Short term profitability is not rewarded at the expense of long-term performance.

The remuneration package consists of fixed and variable components, as well as a range of benefits. Fixed pay is primarily determined according to the nature of the role the individual performs. In addition, rates are determined for comparable roles in the market. Variable reward comprises of discretionary bonus payments. The variable remuneration depends on the achievement of the combination of the assessment of the performance of the individual and of the overall result of the Group. The Remuneration Committee approves the basis of any bonus scheme for all staff.

It is the Remuneration Committee's responsibility to determine the remuneration of the executive directors. The remuneration package for the non-executive directors consists of fixed component only.

The Group's Remuneration Policy does not cover any supplementary pension or early retirement schemes for members of the Board and other key function holders.

B.1.5 Material Transactions During the Reporting Period with Shareholders, Persons who Exercise a Significant Influence on the Group, and with Members of the Group Board

As mentioned under section A.1.3, during the reporting period further capital was raised through an issuance of new shares to funds managed by Hudson Structured Capital Management Limited by Cambridge Holdco Limited.

There were no other material transactions within the Group over the reporting period.

B.2 Fit and Proper Requirements

Members of the Group Board, risk carrier Boards and Key Function Holders are required to be suitable for their role and are assessed in line with the Group Fit and Proper Policy which sets out the process for such an assessment including the specific requirements concerning skills, knowledge and expertise that are applicable to them.

B.2.1 Fit and Proper Assessment Process

An initial assessment of fitness and propriety is performed prior to the appointment of any Board member or key function holder, and prior to the notification to the Authority where applicable. Fitness and propriety of Board Members and key function holders are then further formally assessed on an annual basis.

In addition, Compre identified a number of events which will automatically trigger a reassessment of the fitness and propriety.

B.2.2 Fit Requirements

The Group ensures that Board members and key function holders have adequate professional qualifications, knowledge and experience that enable sound and prudent management of the organisation.

The assessment of a person's fitness considers the respective duties to be allocated to that person and in addition includes the assessment of:

- Relevant experience within the insurance sector, other financial sectors or other businesses;
- Where relevant, the insurance, financial, accounting, actuarial and management skills of the person;

- Conflicts of interest: whether the person has any conflicting interests that may hinder objective decision-making, and whether the person can avoid or resolve conflicts of interest;
- Time commitment: whether considering his/her other professional roles and responsibilities, the assessed person can devote sufficient time to the proposed/performed role;
- Business understanding: whether the person has adequate professional and personal skills and experience (where applicable individually and collectively), that evidence proper knowledge of the structure and business of the Group and proper understanding of its risks.

The person with the overall responsibility for the outsourced key function is expected to possess sufficient knowledge and experience regarding the outsourced function to be able to challenge the performance and results of the service provider.

Board members are assessed for their skills, knowledge and experience to make sure that collectively they have knowledge and experience in the following areas:

- Insurance and financial markets
- Business strategy and business model
- System of governance
- Financial and actuarial analysis
- Regulatory framework and requirements

It is ensured that Board members are sufficiently competent to provide for a sound and prudent management of Compre. Directors with a strong knowledge in specific areas may compensate for deficits of other directors in these areas.

B.2.3 Proper Requirements

The criteria for the assessment of propriety includes:

- Personal integrity
- Reputation; and
- Financial soundness.

This includes any criminal, financial, disciplinary and supervisory aspects relevant for the purposes of the assessment.

B.3 Risk Management System Including the Own Risk and Solvency Assessment ("ORSA")

B.3.1 Risk Management System

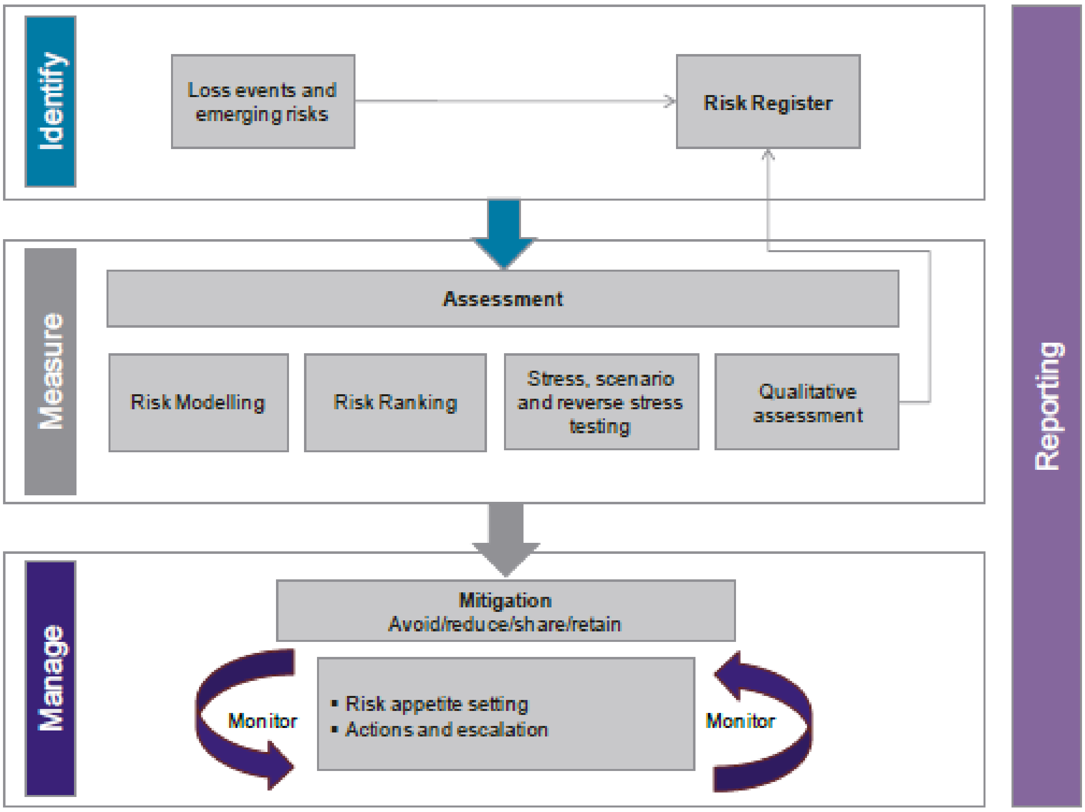
The overall objective of the Group's Risk Management strategy is to optimise the balance between return and risk and to embed rigorous risk management throughout the business which enables the Group to meet its key objectives to carry out its business plan whilst ensuring appropriate protection for policyholders. Over the course of 2020, the EMT has continued to maintain and enhance a Risk Management Framework to support this aim.

Risk Management forms an integral part of the Management and Group Board decision-making processes including:

- Stress and scenario testing completed for business plans and strategic projects and used in decision-making.

- The nature and types of risks facing the business, focusing on upside and downside risks discussed, challenged, understood, monitored and controlled.
- The Group Board evaluates and approves the risk strategy considering the specific risk profile, approved Risk Appetite and business strategy.

The risk management process is key in the delivery of the Risk Management Framework. This process involves continuous engagement between the business and the risk management team. The diagram below illustrates the process of how, on a continuous basis, the Group is able to effectively identify, measure, monitor, manage and report risks which it is exposed to.



Risk Register
The Risk Register is one of the foundations upon which effective risk management is constructed. The Risk Register outlines all identified key risks facing the Group across all activities and functions.

The Group Risk Register contains quantifiable and non-quantifiable material risks that could affect the success of the business. For material risks, it names the risk owners, the severity and frequency of the potential event and ensure that any risk mitigation controls are recorded. All risks are systematically assessed, analysed and recorded on the Risk Register on a continuous basis with mitigation activities being prioritised as necessary. The Risk Management Function coordinates this continual process with the individuals nominated as risk owners.

Risk Appetite Statements
The Risk Appetite statements are consistent with the strategic objectives of the Group and are reviewed, as a minimum, on an annual basis. However, to ensure risk appetite remains aligned to the Group's strategy, a more frequent review will occur if there are changes in the Group's strategy, material changes in market conditions or operational circumstances.

Risk Identification
A top-down key risk identification and assessment process is undertaken annually, which includes consideration of emerging risks. The risk management process focuses on risks relevant to the Group and risks are identified as follows:

- Risk Committee meetings and operational areas meetings are held to identify changes in risks and new risks. These are then added/amended on the Risk Register in accordance with the risk procedures.
- Risk Registers are reviewed to ensure all areas and risks have been collated and been taken into consideration.
- Management is responsible for identifying all material risks to the business and recording these in the Risk Register.
- Management ensures that the business properly identifies and assesses any risk it faces in the short and long term and to which the business is, or could be, exposed.

Risk Measurement
It is essential that all identified risks are assessed specifically capitalising on our internal expertise to identify and quantify risks.

Management is well placed to highlight any new risks that may be developing over time or changes in existing risk levels and it is part of their overall responsibility to ensure such situations are reported upwards.

It is essential that all risks are assessed and graded in a consistent manner thereby allowing the relevant Boards to compare different risks, of whatever nature, and prioritise the most significant for action. A risk scoring matrix is used to determine the likelihood and severity of each risk, before taking into consideration risk mitigation.

A quantitative assessment on a scale of 1-5 for likelihood and severity is scored for each risk before taking into consideration what controls are in place to mitigate risks. This is entitled the raw risk rating (likelihood x probability).

Subsequently, controls mitigating the risk are considered and the likelihood and severity is scored again on a scale of 1-5 for each risk. This is entitled the residual risk rating.

Risk Management
The Group manages risks on an on-going basis in line with its Risk Appetite. The following four areas are considered in managing/mitigating risk:

a) Risk avoidance
b) Risk reduction
c) Risk transfer
d) Risk acceptance

Risk Monitoring and Reporting
The Risk Register is reported to the Group Risk and Compliance Committee on a quarterly basis and to the Board at least annually in order to ensure that the Board is aware of all identified existing and emerging risks, mitigating controls and residual risks. The effectiveness of Risk Management arrangements is reviewed by the Group Risk and Compliance Committee and the Group Board.

On an annual basis, Internal Audits take place to ensure controls are in place and are being effective in mitigating the risks. An Internal Audit Report is prepared after each audit carried out and is presented to the Group Board and the Group Audit Committee.

An ORSA report is produced on an annual basis. In addition, this report will be updated where there are significant changes to the risk profile of the Group.

B.3.2 Own Risk and Solvency Assessment ("ORSA") Process

The ORSA is the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long-term risks that the Group faces, or may face, and supports the determination of funds necessary to ensure that the Group's overall solvency needs are met at all times.

The ORSA requires the Group to assess its own view of risks and associated economic capital needs which may differ from the regulatory capital requirement which provides a minimum capital threshold. In doing so, the ORSA considers the strategic objectives of the Group, the current and future risk profile, and any capital buffers required.

The Board is ultimately responsible for the ORSA which is produced and approved by the Board at least on an annual basis. Where there has been a material change in the risk profile, an ad-hoc ORSA is produced. The Risk & Compliance Function is responsible of coordinating the relevant processes and documentation.

Compre currently uses the Standard Formula to determine its Solvency Capital Requirements, which has been assessed as appropriate given its risk profile. The ORSA process includes all material categories of risk faced by the Group to ensure that the outputs are representative of the risk profile and therefore can be used in making business decisions.

To ensure the on-going capital adequacy of the Company, current and future projected capital positions are calculated as part of the capital management process. The capital adequacy is assessed using the Solvency II Solvency Ratio (current and forward-looking basis).

The ORSA process diagram below identifies the key activities that support the production of the ORSA:

During the last ORSA it was concluded that the Group retains sufficient resources and availability of capital to maintain a suitable solvency capital position, including under stressed scenarios, and to support its business plan objective of acquiring additional run-off portfolios whilst ensuring appropriate protection for policyholders.

B.4 Internal Control System

Internal control is an essential part of all business processes and a key method of mitigating risks that are inherent in them.

Within the Group Internal Controls are defined as a continuous set of processes carried out by the Board of Directors, senior management and all personnel, designed to provide reasonable assurance of:

- effectiveness and efficiency of operations;
- reliability of financial and non-financial information;
- an adequate control of risks;
- a prudent approach to business;
- compliance with laws and regulations, and internal policies and procedures.

Internal controls aim to strengthen the internal operating environment of Compre, thereby increasing its capability to deal with external and internal events and uncover possible flaws and deficiencies in processes and structures.

The Group's Internal Control System includes:

- the Group policies and procedures, including the Staff Handbook, which set out appropriate reporting arrangements at all levels of the Group;
- the Internal Control framework;
- the Compliance Function; as well as
- the Risk Management System.

The Internal Audit Function provides an independent assurance to the Group's Board in the effectiveness of the controls that are in place. The Internal Control System also includes the Compliance Function which forms part of Compre's second line of defence. The Board is ultimately responsible for ensuring the effectiveness of the Compliance Function. The day-to-day responsibilities reside with the Compliance Officer who reports to the Group Risk & Compliance Committee and the Board. For the main roles and responsibilities of this function, refer to section B.1.2.

B.5 Internal Audit Function

The Internal Audit Function forms part of the Group's third line of defence.

This function is outsourced to a local service provider and reports to the Board of Directors as well as to the Audit Committee of the Group. The service provider is independent of the Group and does not perform any other function or service to the Group.

The internal audit team reviews the procedures and findings of the Group's functions and provides advice on the refinement and modification of processes and controls.

For the main roles and responsibilities of this functions, refer to section B.1.2.

B.6 Actuarial Function

The Actuarial Function has an involvement in activities which lie within the 1st and 2nd lines of defence.

The Group Actuarial Director is the Actuarial Function Holder and reports to the Board of Directors.

For the main roles and responsibilities of this function, refer to Section B.1.2.

B.7 Outsourcing

The Group only considers outsourcing functions and/or activities that are uneconomical for the Group to undertake itself or would require a high level of specialisation not available within the Group. The Board of Directors is ultimately responsible for any outsourcing arrangements.

To govern risks derived from the outsourcing of functions and/or activities, the Group Outsourcing Policy defines a specific monitoring and control process that includes the following minimum requirements:

- Undertaking and documenting an appropriate due diligence process on potential service providers to evaluate all relevant information.
- Entering clearly written contracts, or service level agreements, the nature and detail of which shall be appropriate to the materiality of the outsourced function or activity in relation to the ongoing business of Compre.
- Designating a person within the Group with overall responsibility for each outsourced key function and who will be responsible for ensuring that adequate and effective oversight is implemented and maintained on an ongoing basis.

When an outsourcing arrangement has been implemented, an appropriate individual is appointed as the responsible person for that outsourced activity.

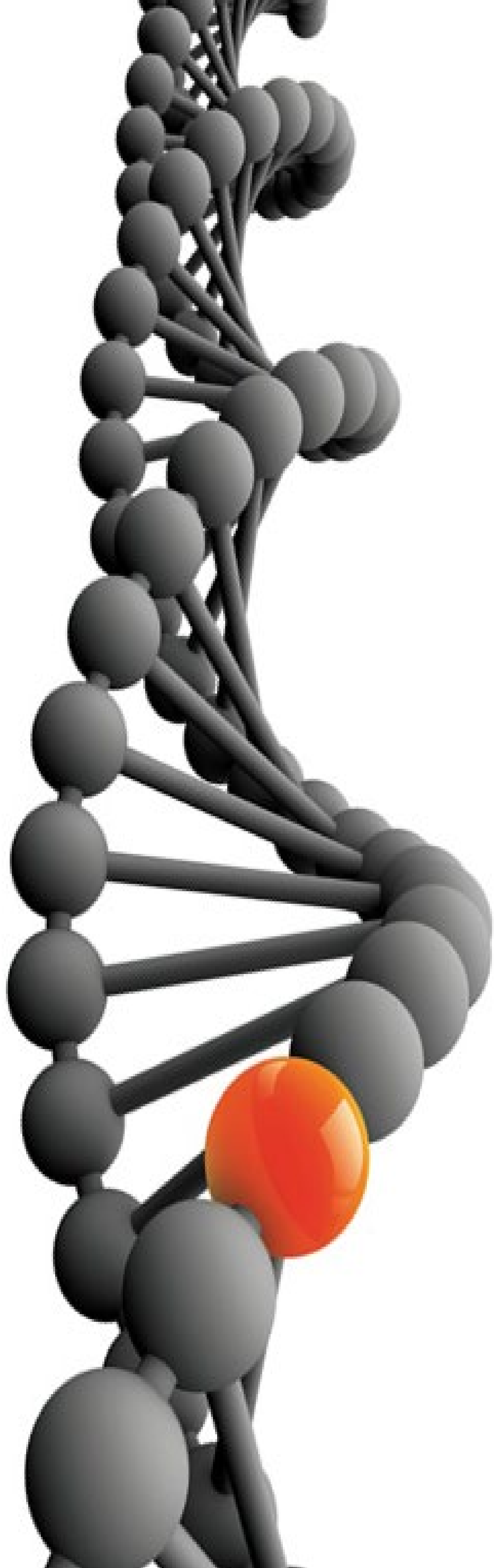
As at the end of 2020, the Group outsourced the Internal Audit Function to a local service provider.

B.8 Any Other Information

The Group has a well-established governance framework that complies with the requirements under Solvency II, taking into account the nature, scale and complexity of the risks inherent in its business.

The adequacy of the System of Governance is reviewed annually.

All material information regarding the Group's System of Governance has been disclosed in Sections B.1 – B.7 above.



C. Risk Profile

C. Risk Profile

Risk management is a central part of the Group's business strategy and process. The Group methodically identifies, assesses and manages the risks attaching to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. See Section B.3.1 for more detail on risk measurement.

All figures in this section are as at 31 December 2020 unless otherwise stated.

£000s	**31/12/2020**	**31/12/2019**	**Mvmt**
Non-Life Reserve Risk	71,326	62,256	9,070
Interest Rate Risk	3,277	1,427	1,851
Spread Risk	9,300	9,178	122
Currency Risk	5,737	4,528	1,210
Concentration Risk	619	582	38
Diversification Benefit	(5,869)	(2,851)	(3,018)
Market Risk	13,066	12,863	203
Counterparty Risk	3,986	4,240	(254)
Operational Risk	7,005	5,706	1,299
Adjustment for Deferred Tax Liability	(2,276)	(38)	(2,239)
Diversification Benefit	(10,424)	(10,270)	(154)
SCR excluding Aurora	**82,683**	**74,757**	**7,925**
Aurora SST	2,525	2,743	(218)
SCR	**85,208**	**77,500**	**7,707**

The SCR has increased from £77,500k to £85,208k driven by the following factors:

- £9,070k movement in reserve risk due to an increase in net TPs driven by new acquisitions completed during 2020, partly offset by claims settlements and FX movements.
- £1,851k movement in interest rate risk driven by new acquisitions.
- £1,210k movement in currency risk driven by increased asset-liability mismatch.
- £1,299k movement in operational risk driven by the new acquisitions.
- £-3,171k movement in diversification benefit (including £-3,018k movement in diversification within market risk).

C.1 Underwriting (Reserve) Risk

The Group does not underwrite any new business, as it acquires discontinued insurance business portfolios. Therefore, risks related to underwriting activities and premium are not applicable. The Group is, however, assessing a number of potential future acquisitions with a short-term unearned exposure, which may result in underwriting risk being taken by the Group in the future.

However, the Group is exposed to Reserve Risk, arising from acquired run-off liabilities. The Group defines its Reserve Risk as the risk associated with inappropriate assessment of adequacy of reserves and invalid claims payments being made. The Group has a high-risk appetite for well reserved books.

Risk Concentration

The Reserve Risk module has the highest impact on the overall SCR of the Group and makes up 75% of the Group's undiversified SCR. The material lines of business to which the Group is exposed to are outlined in Section A.1.2.

Risk Mitigation

Reserve Risk is mitigated in the following ways:

- A detailed claims handling process is documented, ensuring that all claims payments made are valid. The agreement and settlement of claims are signed off in accordance with authority procedures. Authority thresholds have been established for all members of the claims team.
- An established reserving policy outlines the process in determining the technical provisions.
- An actuarial review of reserves is performed on a quarterly basis with a report submitted to the Board.
- External actuaries are engaged on a periodic basis to independently review claim reserves.
- The due diligence procedures performed as part of any future acquisition means the risk concentration is monitored prior to a book of business being transferred. Having a thorough understanding of the class of business enables the Group to determine the capital loading required for Reserve Risk for potential books of business.

Risk Sensitivity

Appropriate stress and scenario tests are considered by the Board on an annual basis as part of the ORSA process.

The sensitivity of the Group's solvency to a number of stress tests and reverse stress tests was assessed.

The table below shows the stress tests applied to the TPs – an increase of 20% and a reverse stress test:

<table>
<tr><td rowspan="2">£k</td><td rowspan="2">Q4 20
Base</td><td colspan="2">#1 TPs increase by 20%</td><td rowspan="7">The Group's liabilities are largely dominated by long-tailed exposure, given the uncertainty associated with these long-tailed liabilities a 20% increase in net TPs has been assumed.

Stress #1 is considered to represent a 1-in-25 scenario.</td></tr>
<tr><td>Q4 20
Stressed</td><td>% Mvmt</td></tr>
<tr><td>Own Funds</td><td>126,680</td><td>86,885</td><td>(31%)</td></tr>
<tr><td>SCR</td><td>85,208</td><td>100,885</td><td>18%</td></tr>
<tr><td>Solvency Ratio</td><td>149%</td><td>86%</td><td>(42%)</td></tr>
<tr><td>Surplus OF</td><td>41,472</td><td>(14,000)</td><td>(134%)</td></tr>
<tr><td>Surplus OF > 120%</td><td>24,430</td><td>(34,177)</td><td>(240%)</td></tr>
</table>

A reverse stress test was also performed which showed 100% of Own Funds would be exhausted if net TPs increased by 65%.

The results of the stress tests illustrate that the Group has sufficient capital to cover the occurrence of the stress and scenario tests.

C.2 Market Risk

The Group is exposed to a number of risks which are assessed by the Market Risk module under the Solvency II Standard Formula calculations. Market Risk is defined as the risk of changes in market values caused by market prices or volatilities of market prices differing from their expected values. The Group has a low risk appetite with respect to investments as consistent returns are preferred over volatile returns.

Prudent Person Principle

The Group's investment strategy is outlined in the Group Investment Policy and complies with the requirements of the 'prudent person principle' as set out in Article 132 of Directive 2009/138/EC.

Overall responsibility for the investment of assets remains with the Group Board. The Group has an engagement with investment managers to manage the asset portfolio for a number of risk carriers.

The portfolio of assets is assessed taking into account the security, quality, liquidity, profitability and availability of investments. Limits are also in place for the Group's exposure to a single counterparty, which ensure that the Group is not exposed to excessive risk concentration in its investment portfolio.

Assets are invested to ensure they match the same currency and duration as liabilities within a tolerance threshold. The position of the investment portfolio is reviewed on a quarterly basis.

Risk Concentration

The Market Risk module comprises of 14% of the total undiversified SCR for the Group and is made up of the following sub modules:

Risk	Undiversified SCR
Interest Rate Risk	3%
Spread Risk	10%
Concentration Risk	1%
Currency Risk	6%
Diversification	-6%
Market Risk Total	**14%**

Under the Market Risk module Spread Risk and Currency Risk are considered material.

Spread Risk

Spread Risk is defined as the risk arising from volatility of credit spreads over the risk-free interest rate term structure. It reflects the change in market value due to movements of the yield curve relative to the risk-free term structure.

Spread Risk comprises 10% of the total undiversified SCR for the Group. The Spread Risk capital charge is mainly due to the majority of the Group's asset portfolio being invested in corporate bonds. The Group holds no investments in equity or property.

Currency Risk

Currency risk is defined as the risk of a movement in the market value caused by changes in the level or volatility of currency exchange rates.

Currency Risk SCR comprises 6% of the total undiversified SCR for the Group. This ratio is likely to reduce over time due to Asset Liability Management.

Risk Mitigation

Market Risk is mitigated by:

- Asset Liability Management analysis, which is produced on a quarterly basis. The assessment has resulted in actions being taken to rebalance the asset portfolio across currencies to reduce the Currency Risk charge.
- The Group's Investment Policy outlines limits for the Group's exposure to a single counterparty, which ensure that the Group is not exposed to excessive risk concentration in its investment portfolio.

- The Group Investment Guidelines, which dictate thresholds and ensure that no transactions can take place that would impair the average credit quality/returns without the consent of the Board.

Risk Sensitivity
Appropriate stress and scenario tests are considered by the Risk & Compliance Committee on an annual basis as part of the ORSA process.

The sensitivity of the Group's solvency to a number of stress tests and reverse stress tests was analysed.

The table below shows the stress tests applied - a decrease in the risk-free yields, an increase in credit spreads, a combination of both and a reverse stress test:

£k	Q4 20 Base	**#2 Risk-free yields decrease by 150bps** Q4 20 Stressed	% Mvmt	**#3 Credit spreads increase by 150 bps** Q4 20 Stressed	% Mvmt	**#4 Risk free yields decrease by 150 bps and credit spreads increase by 200 bps** Q4 20 Stressed	% Mvmt
Own Funds	126,680	120,749	(5%)	120,245	(5%)	113,179	(11%)
SCR	85,208	93,746	10%	85,003	0%	93,289	9%
Solvency Ratio	149%	129%	(13%)	141%	(5%)	121%	(18%)
Surplus OF	41,472	27,003	(35%)	35,243	(15%)	19,890	(52%)
Surplus OF > 120%	24,430	8,254	(66%)	18,242	(25%)	1,232	(95%)

Stress #2 is in line with the significant reduction in risk free yields observed during 2020 as a result of the Covid-19 pandemic.

Stress #3 reflects the 2008 crisis which saw a significant increase in spreads of lower rated corporate bonds, particularly financials or issues exposed to certain types of collateral.

Stress #4 reflects the impact on financial markets due to the 2020 Covid-19 pandemic which saw sharp rises in credit spreads (e.g. among lower rated financials) and reductions in the risk-free rate.

A reverse stress test was also performed which showed 100% of Own Funds would be exhausted if the market value of bonds decreased by 39%.

The stresses above have taken a look-through approach to allow for the collateralised premium due to the Group in relation to new and prior acquisitions which are held as a receivable on the balance sheet but have been invested into a number of underlying bonds.

The results of the stress tests illustrate that the Group has sufficient capital to cover the occurrence of the stress and scenario tests.

C.3 Credit Risk

The Group defines Credit Risk (Counterparty Risk) as the risk of financial loss arising from the failure of a counterparty to pay the Group funds as a result of counterparty default or a negative change in credit rating. The Group has a low risk appetite with respect to counterparty default risk.

Risk Concentration
Counterparty Risk comprises 4% of the Group's undiversified SCR.

The Group's exposure to Credit (Counterparty) Risk is mainly driven by cash holdings, deposits with cedants and outwards reinsurance reserves.

Risk Mitigation

Credit Risk is mitigated in the following ways:

- Credit ratings are monitored and reported on a quarterly basis as part of the investment reports provided by investment managers.
- For each significant reinsurance counterparty, a bad debt provision is held based on a loss given default percentage that is applied to the outwards reinsurance reserves which is driven by the relevant credit rating and term of reinsurance recoveries.

Risk Sensitivity
Appropriate stress and scenario tests are considered by the Risk & Compliance Committee on an annual basis as part of the ORSA process.

The table below shows the stress test applied – default of the two largest banks used by Compre with a 50% loss given default:

£k	Q4 20 Base	**#5 Default of the two largest banks used by Compre - 50% LGD** Q4 20 Stressed	% Mvmt	A 50% loss given default is considered to be an extreme scenario, used to understand the risk associated in the balance sheet given the majority of cash is held with a small number of counterparties.
Own Funds	126,680	110,355	(13%)	
SCR	85,208	84,530	(1%)	
Solvency Ratio	149%	131%	(12%)	
Surplus OF	41,472	25,825	(38%)	
Surplus OF > 120%	24,430	8,919	(63%)	

The results of the stress tests illustrate that the Group has sufficient capital to cover the occurrence of the stress and scenario tests.

C.4 Liquidity Risk

The Group defines Liquidity Risk as the failure to maintain sufficient liquid assets to meet future liabilities as they fall due. Specifically, the failure to match duration of investments with the cash flow requirements of the business.

The primary risk associated with Liquidity Risk is the inability to pay claims as they fall due.

Risk Concentration
The Group does not have a material risk concentration in Liquidity Risk as it is Group policy to invest in assets that are liquid or readily marketable fixed income securities.

Risk Mitigation
Liquidity Risk is mitigated through the Group's Investment Policy which outlines limits on the duration of investments.

Risk Sensitivity
No specific risk sensitivity analysis has been performed as Liquidity Risk is not considered a material risk in view of Group`s investment policy to invest in liquid assets or readily marketable fixed income securities.

C.5 Operational Risk

The Group defines Operational Risk as all the risks associated with operational aspects, including:

- Processes, such as losses arising from inadequate operational processes and procedures.
- People, such as failure to undertake succession planning.
- Systems, such as insufficient IT security resulting in business disruption, loss of sensitive data, corruption of data or fraud due to unauthorised internal/external access.
- External Factors, which encompasses long-term disruption to business operations arising from unforeseen external events.

Compre has a low risk appetite towards operational risks.

Risk Concentration
Operational Risk makes up 7% of the Group's undiversified SCR.

Risk Mitigation
Operational Risk mitigation controls include:
- The Group Remuneration Policy outlines incentives to attract, develop, retain and motivate high-performing employees (see Section B.1.4 of this report for further details).
- A Group Business Continuity Policy has been established to ensure the resilience of its critical business functions and to minimise the impact to the organisation in the event of interruption, disruption or loss of normal business operations.
- IT security measures are in place including firewall, webspam filter, restricted access, backups, antivirus etc.
- The Group's Outsourcing Policy provides the principles to be adhered to in accordance with the Solvency II Directive requirements and outlines the steps to ensure consistent and effective management of outsourced activities and/or functions (see Section B.7 of this report for further details).
- The internal audit function tests the internal control framework periodically.

Risk Sensitivity
No specific risk sensitivity analysis has been performed as Operational Risk is not considered a material risk.

C.6 Other Material Risks

The Group has identified three key risks specific to the business, which are not identified within a Solvency II risk category.

C.6.1 Acquisition Risk

This is the risk associated with the acquisition of run-off portfolios or companies that could result in damage to the group either through lack of acquisitions and/or unsuitable acquisitions. The risk is inherent in all phases of the acquisition process – origination, evaluation, execution and integration.

The Group has a high appetite for growing the economic value of the business by pursuing a growth strategy of acquiring appropriately reserved books of business which align with our operational capabilities. To ensure that risk tolerance limits are not exceeded, Acquisition Risk is assessed through Due Diligence which covers technical, financial and legal but also includes:

- Modelling
- Solvency calculations
- Capital requirement
- Integration

Controls in place to mitigate Acquisition Risk include the following:

- Use of an extensive network of contacts, internal research and market intelligence to ensure there is a robust pipeline of opportunities.
- Thorough due diligence process including technical, financial and legal and the appointment of advisers where relevant.
- Use of financial models, actuarial evaluations to assess adequacy of claims liabilities, solvency requirements and capital needs.
- A detailed integration process to ensure any acquired business is successfully integrated onto the Group`s own platform.

C.6.2 Regulatory Risk

Regulatory Risk is defined as the failure to comply with regulatory requirements. This risk covers a range of potential areas, including regulatory capital requirements.

The Group has a low appetite for Regulatory Risk, as the Group maintains a positive relationship with regulators in each jurisdiction it operates in. The Group has experienced no material breaches of laws or regulations.

Controls in place to mitigate Regulatory Risk include the following:

- Engagement of external consultants where necessary.
- Dedicated risk and compliance persons within the Group to focus on risk and compliance matters.
- Circulation of published regulatory updates.
- Process to ensure timely submission of regulatory returns.
- Relevant information provided to relevant regulators on a timely basis.

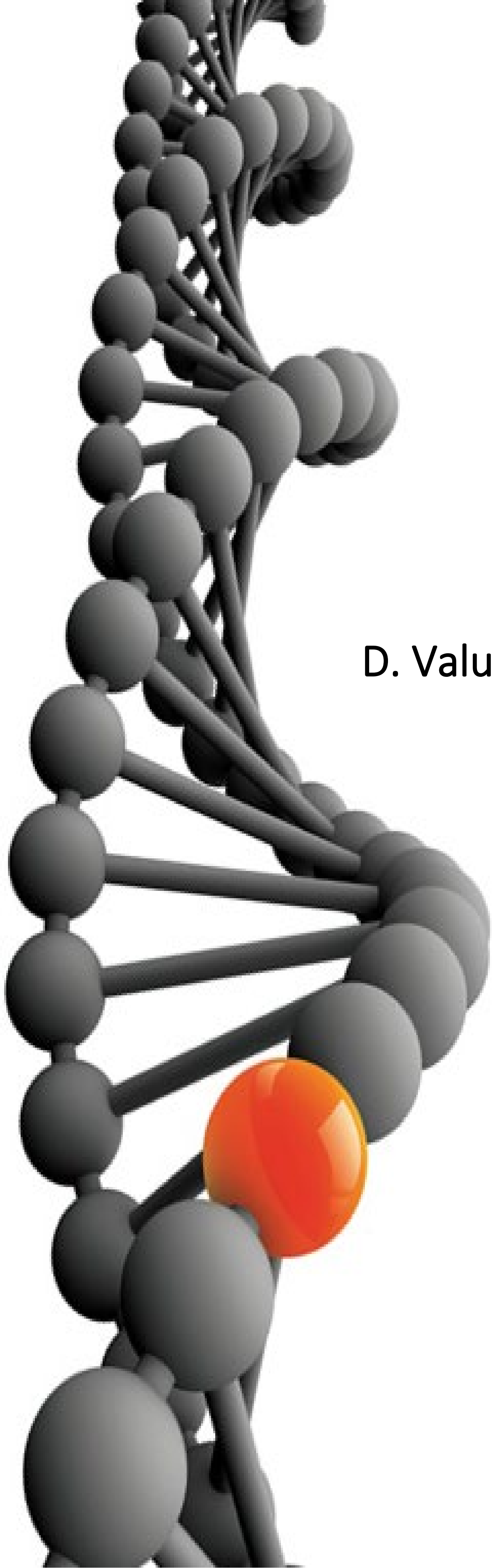
C.6.3 Reputational Risk

Reputational Risk is associated with the potential for loss of economic value resulting from any reputation damaging incident. The Group has a low appetite towards Reputational Risk – it is considered unacceptable to have any damaging incidents that will lead to a loss in confidence in management, the business and potentially lead to economic loss. The control factors identified to mitigate any undue risk include:

- Use of a PR agency for written external communications.
- Use of presentation training where necessary.
- Use of standard “pitch book” for new business opportunities.
- Staff information sessions that reinforce the Group values.

C.7 Any Other Information

All material information regarding the Group's Risk Profile has been disclosed in Sections C.1 – C.6 above.



D. Valuation for Solvency Purposes

D. Valuation for Solvency Purposes

D.1 Assets

The Group prepares its financial statements in accordance with IFRS as adopted by the European Union and adjusts the valuation for Solvency II purposes. The table below illustrates the assets as at 31 December 2020 under IFRS and Solvency II:

Assets (EUR 000s)	**IFRS**	**Adjustments**	**Solvency II**
Goodwill	7,756	(7,756)	-
Intangible Assets	12	(12)	-
Deferred tax assets	82	(82)	-
Property, plant & equipment held for own use	2,156	-	2,156
Investment in subsidiaries	*(0)*	-	*(0)*
Government Bonds	*168,811*	*949*	*169,760*
Corporate Bonds	*185,974*	*1,044*	*187,018*
Structured Notes	*7,125*	*16*	*7,141*
Collective Investments Undertakings	-	-	-
Deposits other than cash equivalents	*1,075*	-	*1,075*
Investments	362,985	2,009	364,994
Loans & mortgages (except loans on policies)	-	-	-
Reinsurance recoverables from Non-life and health similar to non-life	15,805	(1,425)	14,381
Deposits to cedants	9,691	-	9,691
Insurance and intermediaries' receivables	10,251	(2,342)	7,909
Reinsurance receivables	-	-	-
Receivables (trade, not insurance)	2,955	(2,010)	945
Cash and cash equivalents	45,950	-	45,950
Total assets	**457,642**	**(11,618)**	**446,024**

Goodwill
Solvency II requires that goodwill is assigned a value only when they can be sold separately, and a valuation can be derived from a quoted market price in an active market. Therefore, an adjustment has been made to remove goodwill from the Solvency II Balance Sheet.

Intangible assets
Intangible assets are not recognised under Solvency II.

Deferred tax assets
Deferred tax is generated by notional profits due to Solvency II adjustments. The Group has not allowed for any deferred tax asset as part of its Solvency II assessment.

Investments
Investments are measured at fair value under IFRS. Investments are quoted instruments that are traded on active markets. Under Solvency II, the investments are measured at the quoted market price plus any accrued interest.

Reinsurance recoverables
Reinsurance recoverables are established based on actuarial and statistical projections and are stated net of impairment under IFRS. The impairment is determined by reference to past default experience and known issues.

Under Solvency II outwards reinsurance reserves are typically estimated using reinsurance to gross ratios based on the recoverability of the outstanding claims reserves. Where possible, specific reinsurance recoveries are modelled where losses are material and have significant reinsurance protections. For each significant reinsurance counterparty, a loss given default percentage is applied based on the relevant credit rating and term of reinsurance recoveries.

Cash and cash equivalents
There are no differences between the IFRS valuation and Solvency II valuation of cash and cash equivalents.

Receivables
The majority of receivables are in relation to premium and profit commission payable to the Group in respect of new acquisitions completed during 2020.

For Solvency II purposes, insurers are required to offset the technical provisions for any premium receivables not yet due for payment. Whilst the payment of the premiums in relation to new acquisitions is due in the future, the Group has not reduced the technical provisions to allow for the future premium receivable and have instead maintained the future premiums as an asset on the balance sheet. This prudent approach has been adopted since reducing the technical provisions for the premium receivable would materially underestimate the level of reserve risk and SCR compared to the Group's true risk profile.

This approach is consistent with the approach taken by other run-off acquirers given the underlying reserves acquired typically relate to exposure which has been fully earned. The Group acknowledges this approach differs to the Solvency II requirements but considers this to be appropriate for the nature of the run-off market rather than live market which was the focus of the design of the SII framework.

Part of these receivables are backed to custody accounts composed of bonds for which Bothnia is bearing market risk and as a consequence has calculated capital charge.

The profit commission receivable has, however, been offset against the technical provisions within the Solvency II balance sheet.

Under Solvency II, accrued interest due is included within Investments. Receivables under IFRS have been adjusted to exclude any accrued interest due to Group.

D.2 Technical Provisions

For each material class of business as identified in Section A.1.2 of this report, the values of the technical provisions comprising of the best estimate reserves and risk margin as at 31 December 2020 are as follows:

Material Lines of Business (£000s)	**Best Estimate**	**Risk Margin**	**Technical Provisions**
General liability insurance and proportional reinsurance	152,273	18,499	170,772
Non-proportional casualty reinsurance	53,515	13,621	67,136

As discussed in Section D.1, technical provisions have been offset by the profit commission (not yet due) but not for the premium receivable (which are not yet due) as this would materially underestimate solvency capital requirements.

D.2.1 Bases, Methods and Main Assumptions Used

Valuation under IFRS is based on our understanding of both the nature of the exposures and the materiality of the claims reserves. Data is grouped giving consideration to the loss type, contract type and underwriting year period to produce a set of homogenous cohorts on which to perform analysis. Material individual losses are excluded from those cohorts and analysed separately where their development profile is not typical of the rest of the cohort.

For each reserving cohort we consider the following five methods in valuing the undiscounted gross reserves on a best estimate basis:

- Survival ratio analysis - we apply a view of the number of future years over which recent levels of annual claims payments will continue.
- Benchmark IBNR:OS reserve ratios.
- Redundancy analysis - for cohorts where no, or an immaterial level, of new claims is being reported, we analyse the degree to which case reserves have tended to be overstated on average by examining the ratio between the reduction in total outstanding amounts to the increase in paid amounts. We analyse this ratio and its development over time to help form a view on the potential level of redundancy in the total current outstanding reserves.
- Average cost per claim analysis – the annual number of future new losses multiplied by the expected claims cost for each year, based on an assessment of the historical claims information over recent years. The average number of claims settled and settlement values have been estimated based on the average experience over recent years. Future claims costs are expected to increase in line with recent inflation rates.
- Actuarial triangulation analysis.
    - Expected loss ratio method applies an initial expected loss ratio assumption to the written premiums to estimate the ultimate claims value by UWY. The IBNR reserves are the difference between the estimated ultimate claims value and the incurred claims value.
    - Paid chain ladder method uses historic paid development data to project future paid development on UWYs that have not yet fully developed.
    - Paid Bornhuetter-Ferguson method provides a weighted approach to the paid chain ladder and expected loss ratio methodologies. The weight applied to the paid chain ladder depends on the percentage each UWY is assumed to have developed to ultimate.
    - Incurred chain ladder method uses historic incurred development data to project future incurred development on UWYs that have not yet fully developed.
    - Incurred Bornhuetter-Ferguson method provides a weighted approach to the incurred chain ladder and expected loss ratio methodologies. The weight applied to the incurred chain ladder depends on the percentage each UWY is assumed to have developed to ultimate.

We estimate unallocated loss adjustment expenses (“**ULAE**”) reserves considering expenses incurred over the last few years and identify those that would be applicable if an entity was to minimise operations to the point where it is just running off its current liabilities and not, for example, also incurring costs in respect of acquiring new portfolios. We then project future annual costs in proportion to the projected run-off of claims reserves.

Outwards reinsurance reserves

Outwards reinsurance IBNR reserves are typically estimated using reinsurance to gross ratios based on the recoverability of the outstanding claims reserves by applying a reinsurance to gross ratio based on the recoverability of the outstanding claims reserves. Where possible, specific reinsurance recoveries are modelled where losses are material and have significant reinsurance protections.

Reinsurance bad debt

For each significant reinsurance counterparty, a loss given default percentage is applied based on the relevant credit rating and term of reinsurance recoveries.

D.2.2 Level of Uncertainty Associated with the Value of Technical Provisions

The estimation of future claim payment amounts on insurance and reinsurance business is an inherently uncertain exercise. The main sources of uncertainties are as follows:

- Longer tailed claims in general - such liabilities can produce claims deterioration many years after policy underwriting periods, in particular liability type exposures.
- Settlement delays – once claims are reported they can take a long time to settle, particularly if they are subject to court judgement.
- Asbestos claims specifically - uncertainty surrounding these claims is driven by uncertain future costs including the future legal environment and any limitations of the available data.
- Motor claims specifically – there is potential for claims to develop significantly due to deteriorating circumstances of underlying claimants resulting in increased care requirements and therefore costs.
- Future claimants - there is the potential for future new claimants to develop and significantly impact the portfolios.
- Miscellaneous loss type reserves - the reserves in this cohort are subject to greater uncertainty given the largely unknown nature of the underlying loss types.
- Professional indemnity claims specifically – the reserves in this cohort are predominantly driven by a small number of large losses. There is a potential for claims to develop significantly due to changes in litigation or major court judgement and this can lead to a change the profile of the portfolio.

D.2.3 Differences Between IFRS and Solvency II Valuation

As at 31 December 2020, the Company holds £247,938k of technical provisions under IFRS and £253,677k under Solvency II.

In order to convert net (of reinsurance and reinsurance bad debt) undiscounted IFRS claims reserves to SII technical provisions (excluding risk margin), the following adjustments are made:

- Remove any surplus above a mid-best estimate of reserves that may be held in the undiscounted IFRS reserves.
- Add a loading for events not in data ("**ENID**").
- Discount the reserves for the time value of money by applying risk-free yield curves (provided by EIOPA) to the projected future cash flows arising from each reserving cohort. The future cash flows are projected based on benchmark payment patterns relevant to the nature of the liabilities in each cohort. Discounting is performed by underlying currency where significant reserves are payable in different currencies.
- Add any profit commission due to be paid or received to third parties.

The risk margin calculated as at Q4 20 for the Group is £34,096k, based on the aggregation of the underlying risk margins calculated for each of the Group's underlying risk carriers. The risk margin for each of the Group's underlying risk carriers is calculated using a cost of capital approach. It is calculated as the discounted sum of future SCRs (excluding Market Risk and Counterparty Risk not related to technical provisions) for the existing liabilities, multiplied by the cost of capital. The cost of capital is assumed to be 6%. The future SCRs have been projected using a simplified approach which reduces the SCR in proportion to the run-off of the best estimate reserves.

The Group does not apply the matching adjustment, volatility adjustment, transitional risk-free rate-term structure or the transitional deduction referred to in the Solvency II Directive for the calculation of its technical provisions.

D.3 Other Liabilities

As at 31 December 2020, the Group holds the following liabilities other than those related to technical provisions:

Liabilities	IFRS	Adjustments	Solvency II
Insurance & intermediaries' payables	6,154	(746)	5,408
Payables (trade, not insurance)	9,079	-	9,079
Deferred tax liabilities	2,276	85	2,361
Pension obligations	10,677	155	10,832
Debts owed to credit institutions	9,286	159	9,445
Subordinated liabilities in BOF	34,960	953	35,913
Total other liabilities	**72,432**	**606**	**73,038**

Insurance & intermediaries' payables
An adjustment has been made under Solvency II to remove the profit commission payable (not yet due). This has been moved to the technical provisions.

Payables (trade, not insurance)
No adjustment has been made under Solvency II as the amounts held under IFRS are deemed to be approximations of fair value.

Deferred tax liabilities
Deferred tax liabilities are generated by notional profits due to Solvency II adjustments.

Pension obligations
Adjustment has been made under Solvency II to reflect the 31 December 2020 discount rate, whereas the liabilities held under IFRS are using the 31 October 2020 discount rate. Under Solvency II, the pension liabilities have been estimated by discounting projected future pension cashflows, based on a weighted average discount rate of 0.65% in accordance with IAS19 principles.

Debts owed to credit institutions / Subordinated liabilities in BOF
An adjustment has been made under Solvency II to remove the deferred acquisition costs held under IFRS to reduce the liability as deferred acquisition costs are not recognised under Solvency II.

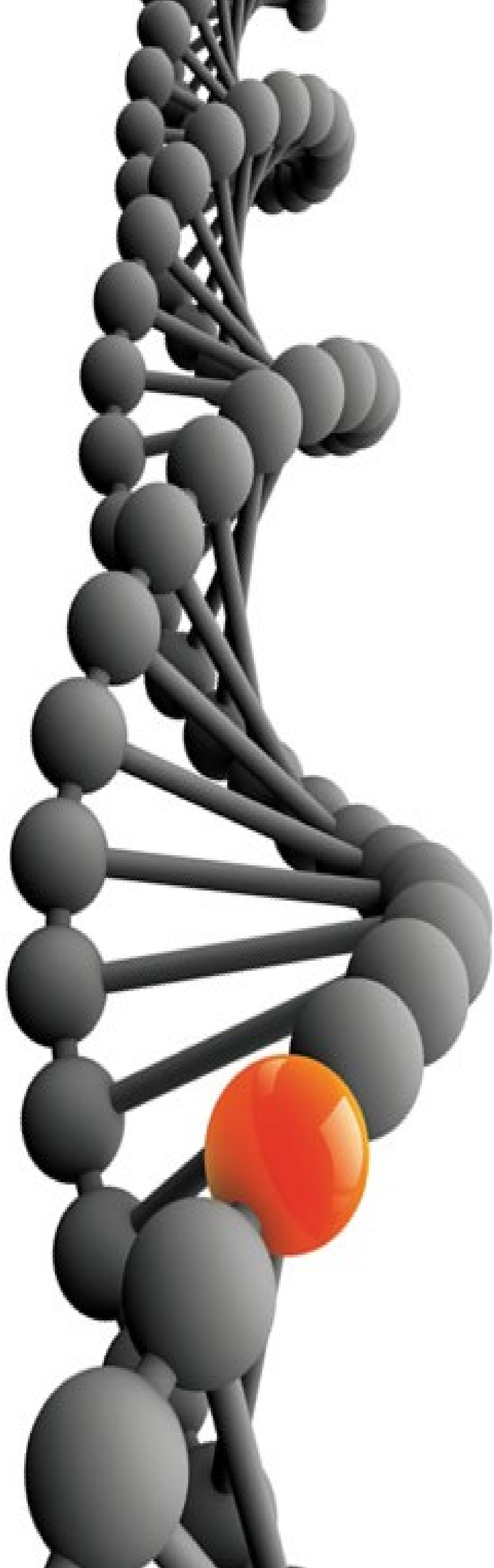
A separate adjustment has however been made when converting the net assets to the Solvency II Own Funds to remove the subordinated debt liabilities subject to any Solvency II restrictions (see section E.1.1).

D.4 Alternative Methods for Valuation

The Group does not use any alternative methods for valuation.

D.5 Any Other Information

All material information regarding the Group's Valuation for Solvency Purposes has been disclosed in Sections D.1 – D.4 above.



E. Capital Management

E. Capital Management

E.1 Own Funds

E.1.1 Objectives, Policies and Processes for Managing Own Funds

As defined in the Group's Capital Management Policy, capital management is a key component whereby the results are used to inform important strategic and business decisions such as business planning, acquisitions, risk appetite, investment allocation and regulatory capital compliance. The objectives of capital management are to:

- document how the Group is capitalised to meet both its and the regulator's requirement in terms of capital.
- describe the process of monitoring and review of capital levels.
- describe the framework for preventing and/or rectifying appropriately any capital shortfall in an orderly way.

As part of the ORSA process, the Group produces capital projections over the 3-year business planning period. The ratio of eligible Own Funds to meet the SCR and MCR are reviewed on a quarterly basis.

The Group Board is responsible for setting capital risk appetite and tolerance levels and enforcing the capital management plan for the current business and over the business planning period ensuring that capital risk is understood and effectively managed within defined tolerance levels.

The Actuarial Function contributes extensively to the underlying risk modelling for the calculation of the regulatory capital requirements.

The Executive Management Team is responsible for reporting any breaches in policy to the Group Board and for reviewing the results of the ORSA process. They will provide an independent view on model outputs and processes used to calculate the capital management output in line with the Group's risk profile.

E.1.2 Structure, Amount and Quality of Own Funds

The Group's Own Funds as at 31 December 2020 are made up of the following components:

	31/12/2020	31/12/2019	Mvmt
TIER 1 CAPITAL			
Tier 1 Share Capital	80,803	50,361	30,442
Ordinary Share Capital (including share premium)	*80,803*	*42,361*	*38,442*
Preference Shares (Restricted Tier 1)	-	*8,000*	*(8,000)*
Reconciliation Reserve	24,125	15,112	9,013
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	(14,161)	-	(14,161)
Sub total	**90,767**	**65,473**	**25,293**
TIER 2 CAPITAL			
Preference Shares (Restricted Tier 2)	-	7,220	(7,220)
Subordinated Debt	35,913	30,159	5,754
Sub total	**35,913**	**37,379**	**(1,466)**
Total basic own funds after deductions	**126,680**	**102,852**	**23,828**

The eligible amount of Basic Own Funds to cover the SCR and MCR has increased from £102,852k to £126,680k driven by capital invested into Group, new acquisitions, and removal of the restrictions on the subordinated debt. This has been partially offset by an increase in ring-fenced fund restrictions on Own Funds. All own fund items are classified as Tier 1 Unrestricted Basic Own Funds, with the exception of £35,913k of subordinated debt that are recognised as Tier 2 capital.

The Own Funds figure is restricted by £14,161k due to ring-fenced funds for which the Own Funds exceed the SCR. Under SII guidelines, where a ring-fenced fund exists, the level of Own Funds recognised for solvency purposes is limited to the SCR.

There are no reductions in Own Funds arising from any restrictions in respect of the non-controlling (minority) interest as might be required by a strict interpretation of the Solvency II rules and regulations. This approach has been taken on the basis that the share capital in the intermediate holding company, Cambridge Holdco Limited, that gives rise to the non-controlling interest, is held by the same shareholders as those in the parent company, Cambridge Topco Limited.

The table below reconciles the difference between equity in the financial statements and the excess of assets over liabilities as calculated for solvency purposes:

	31/12/2020	31/12/2019	Mvmt
Equity per Financial Statements			
Subscribed capital	80,803	57,581	23,222
Invested unrestricted equity fund	-	-	-
Profit/loss brought forward	23,276	11,241	12,035
Profit for the financial year	17,389	12,035	5,354
	121,468	**80,857**	**40,611**
Adjustments for Solvency II			
Investments	2,009	1,693	316
Other assets	(12,201)	(9,539)	(2,662)
Gross technical provisions	29,781	37,021	(7,240)
Ceded technical provisions	(1,425)	(1,956)	531
Risk Margin	(34,096)	(34,010)	(86)
Other liabilities	(608)	(1,372)	764
	(16,540)	**(8,164)**	**(8,376)**
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	(14,161)	-	(14,161)
Subordinated liabilities in BOF	35,913	30,159	5,754
SII Excess of assets over liabilities	**126,680**	**102,852**	**23,828**

For a detailed explanation of adjustments under Solvency II, refer to Section D of this report.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

As at 31 December 2020, the Group's SCR and MCR were £85,208k and £27,949k respectively.

E.2.2 Solvency Capital Requirement Split by Risk Modules

The table below illustrates the Solvency Capital Requirement split by risk module as at 31 December 2020:

Group (£000s)	31/12/2020	31/12/2019	Mvmt
Non-Life Reserve Risk	71,326	62,256	9,070
Interest Rate Risk	*3,277*	*1,427*	*1,851*
Spread Risk	*9,300*	*9,178*	*122*
Currency Risk	*5,737*	*4,528*	*1,210*
Concentration Risk	*619*	*582*	*38*
Diversification Benefit	*(5,869)*	*(2,851)*	*(3,018)*
Market Risk	13,066	12,863	203
Counterparty Risk	3,986	4,240	(254)
Operational Risk	7,005	5,706	1,299
Adjustment for Deferred Tax Liability	(2,276)	(38)	(2,239)
Diversification Benefit	(10,424)	(10,270)	(154)
SCR excluding Aurora	**82,683**	**74,757**	**7,925**
Aurora SST	2,525	2,743	(218)
SCR	**85,208**	**77,500**	**7,707**

The Standard Formula, using the linear correlation assumptions determined by EIOPA, has been used to assess risks in respect of Group entities located within the EEA and Bermuda and therefore excludes Aurora which is domiciled in Switzerland.

Aurora is assessed under the Swiss Solvency Test (SST), which is considered to be equivalent to the Solvency II Directive. Hence, the results of the SST have been added in total to the overall SII analysis (Solvency Capital Requirement and Own Funds).

The Group does not use Undertaking Specifics Parameters.

A simplified approach has been used by the Group to calculate the risk margin and the restriction to Own Funds due to ring fencing as described in Sections D.2.3 and E.1.2 above.

E.2.3 Inputs to Calculate the Minimum Capital Requirement

EIOPA prescribes the Absolute Floor of the MCR ("AMCR") for different types of (re)insurers. At Group level, the AMCR is the sum of AMCRs for each risk carrier, including those which are out of scope of Solvency II.

The inputs used by the Group as at 31 December 2020 to calculate the MCR are as follows:

Group (£000s)	31/12/2020	31/12/2019	Mvmt
AMCR	11,923	11,475	448
Linear MCR	27,116	23,505	3,611
SCR	82,683	74,757	7,925
Combined MCR	27,116	23,505	3,611
MCR excluding Aurora	**27,116**	**23,505**	**3,611**
Aurora MCR	833	905	(72)
MCR	**27,949**	**24,410**	**3,539**

E.3 Use of the Duration-Based Equity Risk Sub-module in the Calculation of the Solvency Capital Requirement

The Group does not use the duration-based equity risk-sub module in the calculation of the Solvency Capital Requirement.

E.4 Differences Between the Standard Formula and any Internal Model Used

The Group uses the Standard Formula to determine its Solvency Capital Requirement.

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

There have been no issues of non-compliance with the Solvency Capital Requirement during the reporting period.

E.6 Any Other Information

All material information regarding the Group's Capital Management has been disclosed in Sections E.1 – E.5 above.

F. Templates (all figures in £000s)

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	2,156
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	364,994
R0080	*Property (other than for own use)*	
R0090	*Holdings in related undertakings, including participations*	
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	363,918
R0140	*Government Bonds*	169,760
R0150	*Corporate Bonds*	187,018
R0160	*Structured notes*	7,141
R0170	*Collateralised securities*	
R0180	*Collective Investments Undertakings*	
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	1,075
R0210	*Other investments*	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	14,381
R0280	*Non-life and health similar to non-life*	14,381
R0290	*Non-life excluding health*	14,381
R0300	*Health similar to non-life*	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	9,691
R0360	Insurance and intermediaries receivables	7,909
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	945
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	45,950
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	446,024

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	268,058
R0520	*Technical provisions - non-life (excluding health)*	268,058
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	233,962
R0550	*Risk margin*	34,096
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	
R0590	*Risk margin*	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	10,832
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	2,361
R0790	Derivatives	
R0800	Debts owed to credit institutions	9,445
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	5,408
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	9,079
R0850	Subordinated liabilities	35,913
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	35,913
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	341,097
R1000	**Excess of assets over liabilities**	104,928

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business				0	0	0	0	0	0								0
R0120	Gross - Proportional reinsurance accepted				0	0	2	-13	21	-14								-4
R0130	Gross - Non-proportional reinsurance accepted														27	-1	6	33
R0140	Reinsurers' share				0	0	0	0	0	0					0	0	0	0
R0200	Net				0	0	2	-13	21	-14			0	0	27	-1	6	29
	Premiums earned																	
R0210	Gross - Direct Business				0	0	2	-600	-714	-14								-1,325
R0220	Gross - Proportional reinsurance accepted				0	0	0	0	0	0								0
R0230	Gross - Non-proportional reinsurance accepted														26	-1	6	32
R0240	Reinsurers' share				0	0	0	0	0	0					0	0	0	0
R0300	Net				0	0	2	-600	-714	-14			0	0	26	-1	6	-1,293
	Claims incurred																	
R0310	Gross - Direct Business				182	0	114	2,183	-12,270	0								-9,790
R0320	Gross - Proportional reinsurance accepted				62	0	-116	-1,492	5,880	748								5,082
R0330	Gross - Non-proportional reinsurance accepted														-16,350	-63	-336	-16,749
R0340	Reinsurers' share				0	0	26	129	717	0					2,611	0	0	3,483
R0400	Net				244	0	-28	562	-7,106	748			0	0	-18,961	-63	-336	-24,941
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net				0	0	0	0	0	0			0	0	0	0	0	0
R0550	**Expenses incurred**				326	0	52	919	13,944	152			0	0	3,537	14	72	19,018
R1200	**Other expenses**																	
R1300	**Total expenses**																	19,018

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			ES	FR	DE	US	GB	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		0	0	0	0	0	0
R0120	Gross - Proportional reinsurance accepted		1	0	6	3	0	10
R0130	Gross - Non-proportional reinsurance accepted		3	0	-1	16	-1	17
R0140	Reinsurers' share		0	0	0	0	0	0
R0200	Net	0	4	0	5	19	-1	28
	Premiums earned							
R0210	Gross - Direct Business		0	0	0	-1,095	-230	-1,325
R0220	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted		4	0	5	19	-1	28
R0240	Reinsurers' share		0	0	0	0	0	0
R0300	Net	0	4	0	5	-1,075	-231	-1,297
	Claims incurred							
R0310	Gross - Direct Business		0	3,502	-17	-18,373	5,891	-8,997
R0320	Gross - Proportional reinsurance accepted		-29	240	-33	6,302	387	6,866
R0330	Gross - Non-proportional reinsurance accepted		-279	-951	-3,701	-9,169	2,188	-11,911
R0340	Reinsurers' share		1	-61	3,452	35	293	3,721
R0400	Net	0	-309	2,852	-7,203	-21,276	8,173	-17,764
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	8,854	0	0	0	0	1,337	10,191
R1200	**Other expenses**							
R1300	**Total expenses**							10,191

S.23.01.22

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	21,524	21,524		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	59,279	59,279		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0	0			
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	-3,082	-3,082			
R0140	Subordinated liabilities	35,913		0	35,913	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	13,046	13,046			
R0210	*Non-available minority interests at group level*	0				
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0230	**Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	5,015	5,015			
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	5,015	5,015	0	0	0
R0290	**Total basic own funds after deductions**	121,665	85,752	0	35,913	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

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Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	5,015	5,015			
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	5,015	5,015			
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	121,665	85,752	0	35,913	0
R0530	Total available own funds to meet the minimum consolidated group SCR	121,665	85,752	0	35,913	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	121,665	85,752	0	35,913	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	91,342	85,752	0	5,590	
R0610	**Minimum consolidated Group SCR**	27,949				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	326.81%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	126,680	90,767	0	35,913	0
R0680	**Group SCR**	85,208				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	148.67%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	104,928
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0730	Other basic own fund items	93,849
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	14,161
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	-3,082
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	13,066		
R0020	Counterparty default risk	3,986		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	71,326		
R0060	Diversification	-10,424		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	77,954		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	7,005
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-2,276
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	82,683
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement for undertakings under consolidated method**	82,683
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	51,474
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	31,209
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	27,949
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0
R0520	*Institutions for occupational retirement provisions*	0
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D&A	2,525
R0570	**Solvency capital requirement**	85,208

USP Key

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

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

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

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Undertakings in the scope of the group

Row	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	MT	2138004GAKUHIBNW1B92MT6	Specific code	Cambridge HoldCo Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited liability private exempt company	Non-mutual	
2	GB	2138004GAKUHIBNW1B92GB02	Specific code	Compre Holdings Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	Non-mutual	
3	GB	2138004GAKUHIBNW1B92GB07	Specific code	Compre (1) Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	Non-mutual	
4	CH	2138004GAKUHIBNW1B92CH14	Specific code	AURORA Versicherungs AG	Non life insurance undertaking	Private company limited by shares	Non-mutual	Swiss Financial Market Supervisory Aut
5	FI	549300W61RSOI5RXVE07	LEI	Vakuutusosakeyhtiö Bothnia International	Non life insurance undertaking	Vakuutusosakeyhtiö	Non-mutual	Finanssivalvonta (Finnish Financial Supe
6	MT	2138004MKSJ447N91922	LEI	London and Leith Insurance PCC SE	Non life insurance undertaking	Company limited by shares	Non-mutual	Malta Financial Services Authority
7	BM	213800D1IY7PUTWDZ142	LEI	Pallas Reinsurance Company Ltd	Non life insurance undertaking	Company limited by shares	Non-mutual	Bermuda Monetary Authority
8	DE	3912000JOXB11EOV4D69	LEI	HIR Pensionsgesellschaft mbH	Institution for occupational retirement provision	Gesellschaft mit beschränktem Recht	Non-mutual	
9	FI	2138004GAKUHIBNW1B92FI164	Specific code	Compre Services (Finland) Oy	Other	Private company limited by shares	Non-mutual	
10	DE	2138004GAKUHIBNW1B92DE11	Specific code	Compre Services (Germany) GmbH	Other	Private company limited by shares	Non-mutual	
11	GB	2138004GAKUHIBNW1B92GB01	Specific code	Compre Services (UK) Limited	Other	Private company limited by shares	Non-mutual	
12	CH	2138004GAKUHIBNW1B92CH14	Specific code	Compre Services (Switzerland) Limited	Other	Private company limited by shares	Non-mutual	
13	BM	2138004GAKUHIBNW1B92MT5	Specific code	Compre Bermuda Holdings Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	Non-mutual	
14	MT	2138004GAKUHIBNW1B92	LEI	Cambridge TopCo Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	Non-mutual	Malta Financial Services Authority

Row	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	72.00%	100.00%	68.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
2	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
3	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
4	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
5	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
6	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
7	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
8	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
9	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
10	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
11	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
12	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
13	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
14					Dominant		Included in the scope		Method 1: Full consolidation