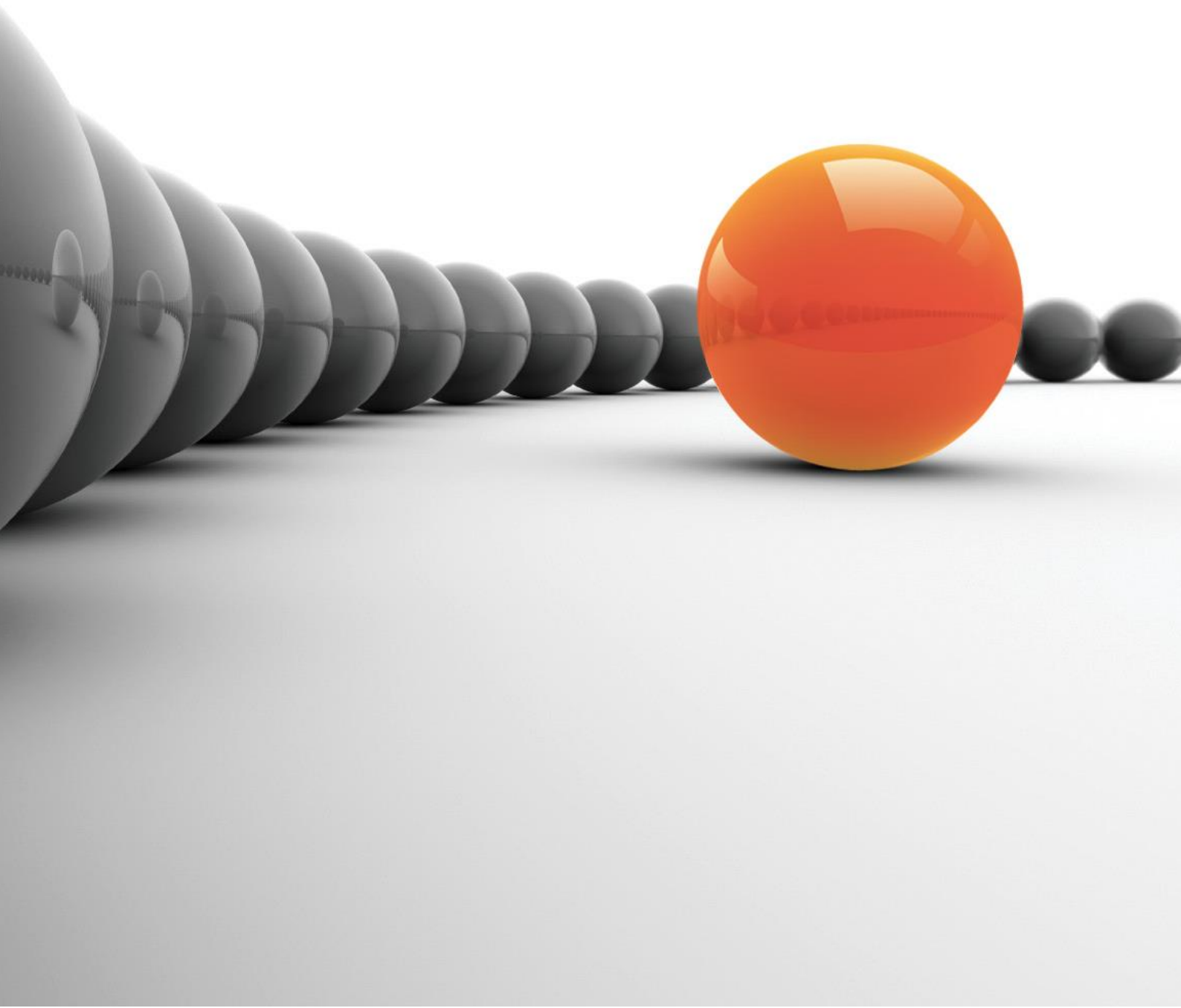
SOLVENCY AND FINANCIAL CONDITION REPORT

Compre Group

For the period ended 31 December 2016



Summary

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

This is the first SFCR produced by the Group and it is based on the Group's results and structure as at 31 December 2016. 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 and finalised by Mazars Malta.

Business and Performance

The Group is a leading European insurance 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 in run-off, the acquisition of legacy business portfolios and the provision of legacy business reinsurance solutions. The Group continues to expand its business and is actively seeking legacy business opportunities.

During the course of 2016, the Group successfully completed five portfolio acquisitions, two of which were announced in early 2017. As at 31 December 2016, the Group has acquired 10 companies in run-off and completed 24 individual portfolio deals.

System of Governance

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 Group is supported by resources within three core business areas: New Business, Value Creation and Support Functions. 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.

During 2016, the Group made several senior appointments which have further strengthened the Group's operations and enhanced the governance structure.

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.

Valuation for Solvency Purposes

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

Solvency II balance sheet (£ 000s)	IFRS	Adjustments	Solvency II
Goodwill	7,756	(7,756)	0
Investments	86,840	612	87,452
Ceded technical provisions	18,155	(2,116)	16,039
Other assets	53,600	(636)	52,963
Total assets	**166,350**	**(9,896)**	**156,454**
Technical Provisions	78,556	(5,220)	73,335
Other Liabilities	33,947	(2,174)	31,773
Total Liabilities	**112,502**	**(7,394)**	**105,108**
Net Assets	**53,848**	**(2,502)**	**51,346**

Capital Management

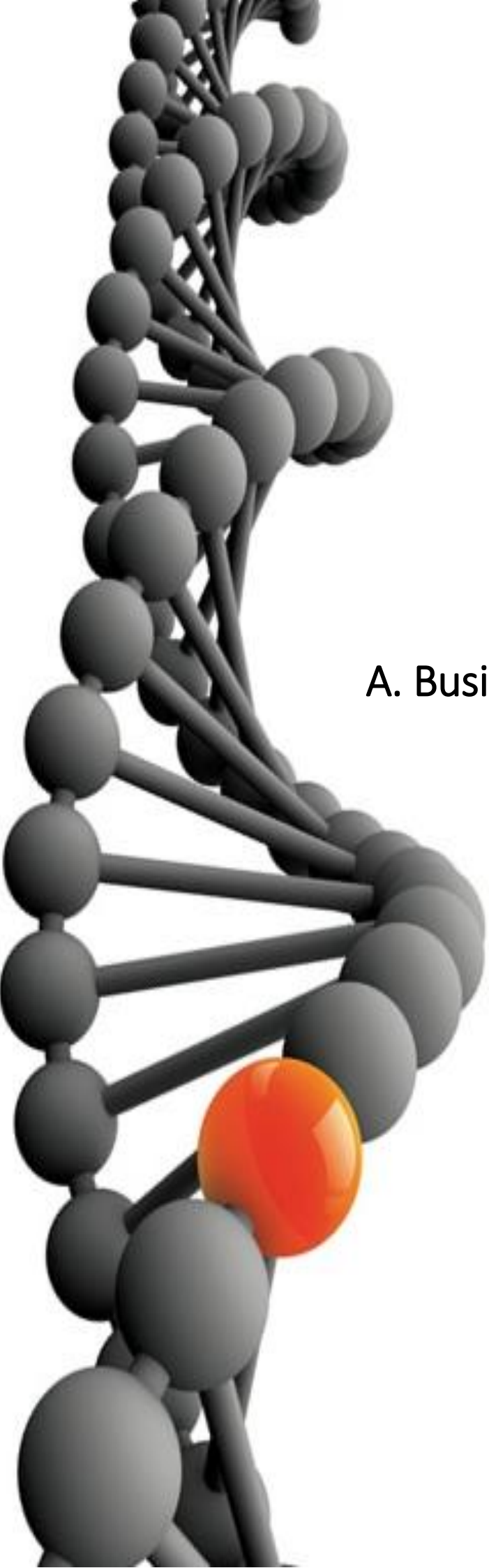
It is considered that the Group has sufficient resources and availability of capital to maintain a suitable solvency capital position, including under stressed scenarios, and to support its business plan objective of acquiring additional insurance and reinsurance legacy business portfolios.

The Group's Solvency II capital position as at 31 December 2016 is summarised in the table below:

	£ 000s
Own Funds	**49,715**
SCR	**31,542**
MCR	**13,329**
Solvency ratio	**158%**

The Board acknowledges and evidences its responsibility for this SFCR.

Nicholas John Steer
Chief Executive Officer



A. Business and Performance

A. Business and Performance

A.1 Business

A.1.1 General Information

This is the first SFCR produced by the Group and it is based on the Group's results and structure as at 31 December 2016. For the purposes of the SFCR, the Group consists of Cambridge Topco Limited and its subsidiary entities, both regulated and non-regulated. The Group is a private company limited by shares. It is established in Malta and regulated by the Prudential Regulation Authority who is currently the Group Supervisor. The full details of the PRA are provided below:

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
Phone Number: 020 7601 4444
Website: http://www.bankofengland.co.uk/pra/Pages/default.aspx

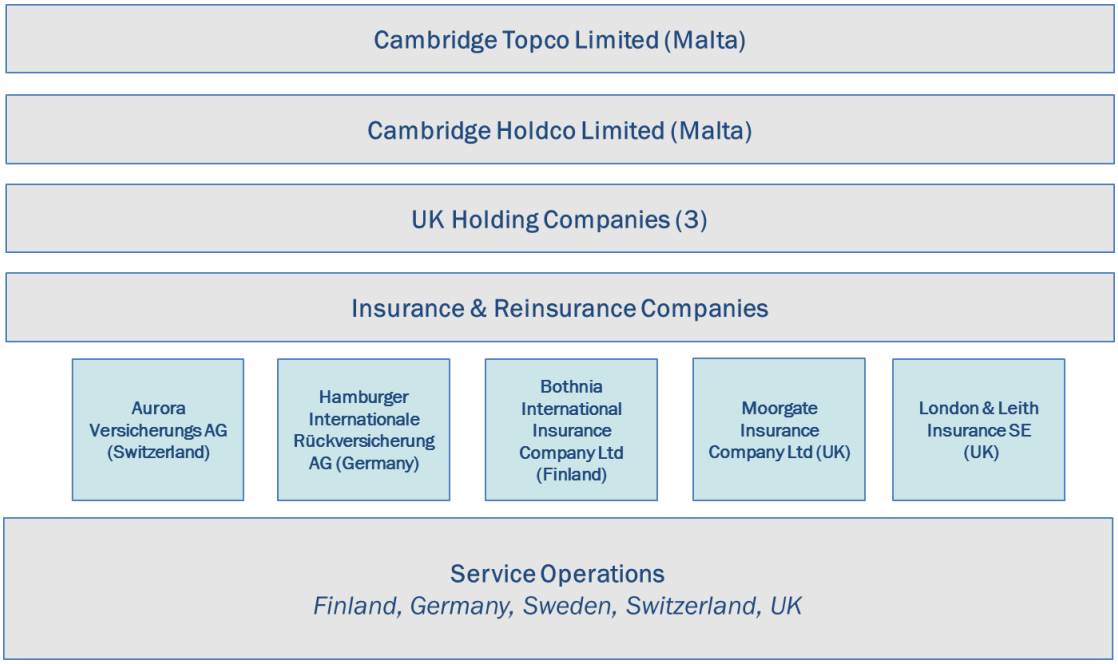
The external auditors of the Group are:

Mazars Malta
32 Sovereign Building
Zaghfran Road
Attard
ATD 9012
Malta
Phone Number: +356 213 45 760
Website: http://www.mazars.com.mt/

The Group's ultimate controlling party is CBPE Capital LLP. CBPE Capital LLP is controlled by a discretionary trust and consequently there is no controlling individual. The ultimate holding company of Compre Group is Cambridge Topco Limited, a company registered in Malta. CBPE Capital LLP 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 Executive Management Team (see section B.1.1 for further details).

Cambridge Topco Limited holds 84% shareholding (68% voting rights) in Cambridge Holdco Limited. The remaining shareholding in Cambridge Holdco Limited is held by all members of the Executive Management Team and the Non-Executive Chairman. All other subsidiaries in Compre Group are 100% owned.

The Group structure below shows the position at 31 December 2016.



The ultimate holding company, Cambridge Topco Limited, is domiciled in Malta, with portfolios in run-off and operations located in Finland, Germany, Sweden, Switzerland and the United Kingdom ("UK"). 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.
- Hamburger Internationale Rückversicherung AG ("HIR") is domiciled in Germany and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin").
- Bothnia International Insurance Company Oy ("Bothnia") is domiciled in Finland and regulated by the Finanssivalvonta ("FIN-FSA").
- Moorgate Insurance Company Limited is domiciled in the UK, regulated by the Prudential Regulation Authority ("PRA") and considered to be out of scope of Solvency II due to adopting the transitional measure of terminating activity before 1 January 2019.
- London & Leith Insurance SE is domiciled in the UK, regulated by the PRA and considered to be out of scope of Solvency II due to adopting the transitional measure of terminating activity, in the UK, before 1 January 2019 as it has applied to redomicile to Malta.

A list of all subsidiary undertakings at 31 December 2016 are in the table below:

Company	Country of incorporation	Principal activity	Percentage shareholding
Cambridge Holdco Limited	Malta	Holding company	84
Compre (1) Limited	UK	Holding company	100
Compre Holdings Limited	UK	Holding company	100
Finnex Holdings Limited	UK	Holding company	100
Aurora Versicherungs AG	Switzerland	Insurance company in run-off	100
Bothnia International Insurance Company Oy	Finland	Insurance company in run-off	100
Hamburger Internationale Rucksicherung AG	Germany	Reinsurance company in run-off	100

London & Leith Insurance SE	UK	Insurance company in run-off	100
Moorgate Insurance Company Limited	UK	Insurance company in run-off	100
Compre Broker Services Limited	UK	Service company	100
Compre Services (Finland) Oy	Finland	Service company	100
Compre Services (Germany) GmbH	Germany	Service company	100
Compre Services (Sweden) AB	Sweden	Service company	100
Compre Services (Switzerland) AG	Switzerland	Service company	100
Compre Services (UK) Limited	UK	Service company	100
Chiltington International Holdings Limited	UK	Non-trading company	100
Claremin 1 Limited	UK	Non-trading company	100
Claremin 2 Limited	UK	Non-trading company	100
Compre Limited	UK	Non-trading company	100

The Group's Solvency II assessment is produced using a consolidated balance sheet approach for all subsidiaries excluding Aurora. Aurora, 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 2016, the Group is exposed to the following material lines of business from its claims liabilities:

- General liability insurance and proportional reinsurance.
- Non-proportional casualty reinsurance.
- Non-proportional marine, aviation and transport reinsurance.

A.1.3 Significant Events Over the Reporting Period

There have been a number of significant events that occurred over the reporting period which have contributed to the development of the Group.

During 2016, it was agreed to merge Stockholm Reinsurance Company AB ("Stockholm Re"), domiciled in Sweden, into Bothnia. The Board concluded that Bothnia would benefit from the increased Solvency II capital capacity as a result of the merger, by utilising Stockholm Re's existing capital surplus, as well as a diversification benefit from merging two similar portfolios. The merger was completed successfully on 31 December 2016.

On 17 March 2016, the merger of two subsidiary companies, Pavant SA and London & Leith Insurance Company plc was completed to form London & Leith Insurance SE ("LLSE"). On 20 September 2016, LLSE applied to transfer its registered office from the United Kingdom to Malta, pursuant to the Article 8(1) of the SE regulation. The Secretary of State Department for Business, Innovation and Skills confirmed on 28 December 2016, that all legal acts and formalities preceding the relocation of the

Company seat had been carried out. LLSE has also applied to the Malta Financial Services Authority for a licence to transact insurance and reinsurance business in that jurisdiction. The directors anticipate approval in 2017. The transfer of LLSE to Malta will be effective once the Malta Financial Services Authority has issued the licence to carry out Insurance and Reinsurance and the Registry of Companies in Malta has registered LLSE as London & Leith Insurance PCC SE.

During 2016, the Group has successfully completed significant new business transactions.

In March 2016, agreements were signed to acquire QBE's share of the Ridgwell Fox & Partners ("RFP") pool legacy reinsurance business. The transaction was structured as a loss portfolio transfer, to be followed by an insurance business transfer in accordance with Part VII of the Financial Services and Markets Act 2000.

The Group also acquired Wüstenrot & Württembergische ("W&W") AG's RFP pool legacy reinsurance business. The W&W predecessor company, Württembergische Feuerversicherung AG, signed shares in RFP for underwriting years 1978 – 1986. The transaction, structured as a legal business transfer and approved by BaFin, provides W&W with complete finality.

Further agreement was made in April 2016 to acquire Allianz IARD's RFP pool legacy reinsurance business. Subject to the relevant approvals, the transaction, structured as a loss portfolio transfer followed by a legal business transfer, will provide Allianz IARD with complete finality regarding its involvement with RFP.

In addition, the Group is progressing an insurance business transfer, in accordance with Part VII of the Financial Services and Markets Act 2000, in respect of the remaining liabilities in Moorgate Insurance Company Ltd to Bothnia in Finland, both subsidiaries of the Group. The liabilities of Moorgate Insurance Company Limited are currently reinsured by QBE via their share in the RFP pool. This will result in a more efficient structure of the Group and improved operations.

In November 2016, the Group acquired the insurance and reinsurance business in run-off of the UK branch of AG Insurance SA, including its business underwritten by R W Gibbon (Underwriting Agencies) Limited and R W Gibbon and Son Limited ("the Gibbon pools") in the years 1950-1972. The transaction is structured as a loss portfolio transfer, to be followed by an insurance business transfer subject to relevant approvals in Belgium, Finland and the UK.

In December 2016, the Group provided a legacy solution to Swiss Re International SE ("Swiss Re Int"), a company incorporated in Luxembourg. The transaction is in respect of insurance and reinsurance business in run-off underwritten by the Gibbon pools in the years 1950- 1972. The Group has provided Swiss Re Int with finality in respect of its participation in the Gibbon pools.

These new business transactions have contributed to the growth of the Group's net asset value and expansion of its European footprint.

During 2016, the directors applied to FINMA to reduce the share capital in Aurora by CHF 5,996k. This approval was granted in December 2016 and the legal process was completed in March 2017. As part of the capital reduction, Aurora relinquished its licence to undertake new insurance and reinsurance business.

A significant event which took place during the reporting period, but has not affected the Group yet, is the United Kingdom's vote to leave the EU in the referendum on 23 June 2016. The Board currently believes that the Group's operations will not be materially affected by Brexit. However, given the detailed terms, conditions and any replacement agreements and laws are not yet known and may not be finalised for a long period of time, the Board has agreed to continually monitor developments in this area.

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.

Income Statement £ 000s	**31/12/2016**
Net Premiums	**75**
Gross claims paid	(2,270)
Claims ceded to reinsurers	(126)
Gross change to contract liabilities	18,744
Change in contract liabilities ceded to reinsurers	(3,049)
Net Claims	**13,300**

The table below shows the technical account split by material Solvency II Line of Business.

Income Statement £ 000s	**General liability insurance**	**Non-proportional casualty**	**Non-proportional marine, aviation, transport**
Net claims	**19,859**	**(8,922)**	**330**

During the year under review, the Group 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 carefully in order to verify the validity, accuracy and the binding effect of the claims. At the same time, the Group continued commutation negotiations.

A.3 Investment Performance

As at 31 December 2016, the Group's investment portfolio comprised of the following asset classes:

Investment portfolio £ 000s	**31/12/2016**	**Holding %**
Government bonds	5,127	6%
Treasury bills/notes	5,621	6%
Corporate bonds	48,165	55%
Public bonds	2,198	3%
Promissory notes	854	1%
Short term bond funds	5,312	6%
Bank bonds	14,054	16%
Bank deposits	5,507	6%
Total	**86,840**	**100%**

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.

As at 31 December 2016, the Group had the following income and losses from investments:

Investment income £ 000s	31/12/2016
Investment income	1,389
Net realised gains and losses	(95)
Fair value gains and losses	249
Excluding investment expenses and exchange gains	**1,543**
Other operating revenue and income	221
Net investment income	**1,764**

Government bonds	Corporate bonds	Investment funds	Collateralised securities	Cash and deposits	Total	Not related to investment portfolio
290	980	9	2	71	1,352	37
(148)	43	0	(0)	14	(90)	(5)
74	146	29	0	0	249	0
216	**1,170**	**38**	**2**	**86**	**1,511**	**32**

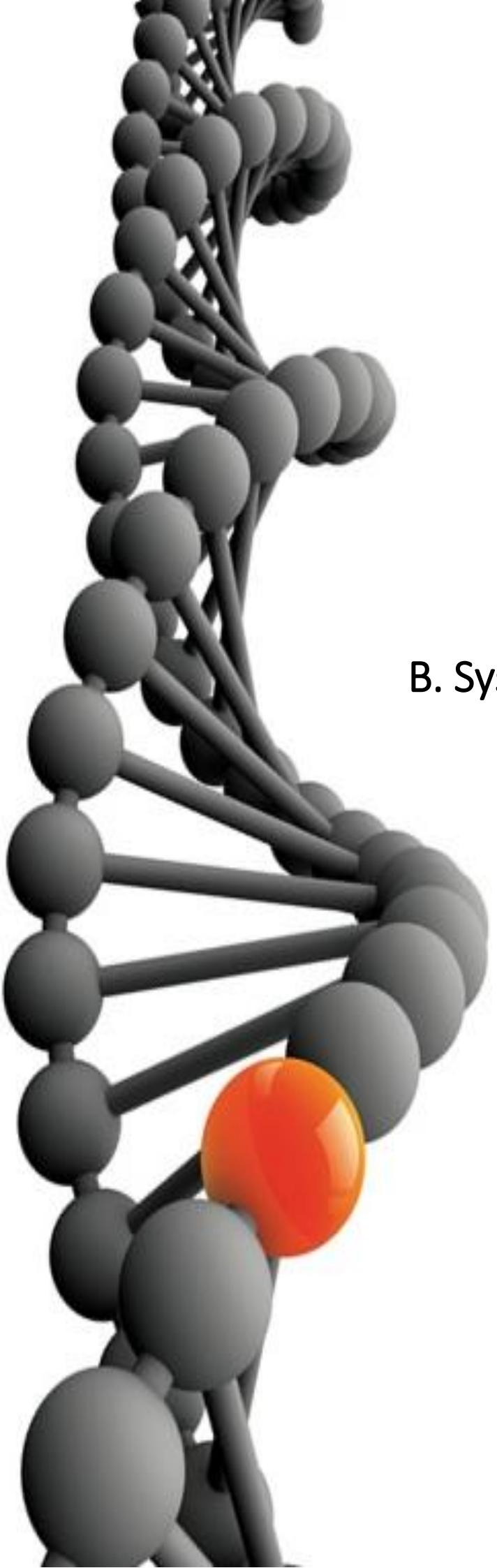
Income for the year was in line with expectations despite the turbulent market conditions. Both Corporate and Government bonds returned sufficient level of income during 2016.

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

All material information regarding the Group's business and performance has been disclosed in Sections A.1 – A.4 above.



B. System of Governance

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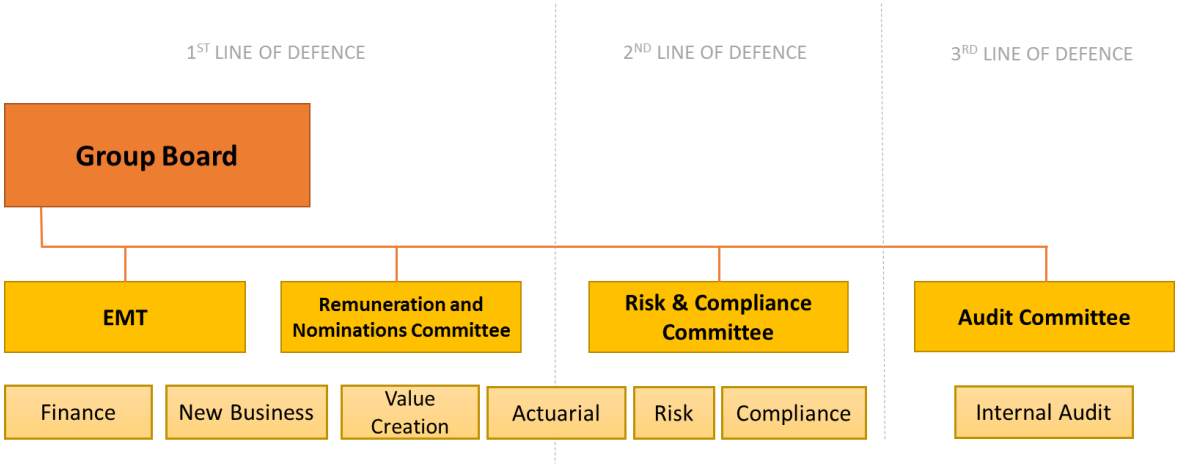
B.1 General Information on the System of Governance

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 six executives who are involved in the day-to-day management of the Group, two non-executives and two independent non-executives who represent the Group's private equity investors as at 31 December 2016.

As seen in the diagram below, the Group Board has established a risk management model that separates the business's risk management responsibilities into "three lines of defence."

The Group has an Executive Management Team ("EMT") 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 and Committees. The Committees operate under defined Terms of Reference.



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. Finance, New Business and Value Creation reports to the EMT. The Actuarial Function reports to the EMT and to the Risk and Compliance Committee.

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 Risk and Compliance Functions report to the Risk and Compliance Committee.

The **third line of defence** provides independent assurance to the effectiveness of the risk management process. The Internal Audit Function reports directly to the Audit Committee.

The chart below illustrates the related duties and responsibilities of the Group Board, the EMT and the Committees.

Compre Group Board

Duties and Responsibilities

- 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

Executives
Nick Steer
Paul Matson
Rhydian Williams
Will Bridger
Hubertus Labes
Mark Lawson (appointed 02/02/2016)

Non-Executives
Mathew Hutchinson
Richard Thompson

Independent Non-Executives
Tom Colraine (Chairman)
Mark Scicluna (resigned 03/03/2017)
Nadine Cachia (appointed 03/03/2017)

Executive Management Team

Duties and Responsibilities

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

Executives
Nick Steer
Paul Matson
Rhydian Williams
Will Bridger
Hubertus Labes
Mark Lawson

Remuneration and Nominations Committee

Duties and Responsibilities

- 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

Non-Executives
Tom Colraine (Chairman)
Richard Thompson
Mathew Hutchinson

Executives
Nick Steer

Risk & Compliance Committee

Duties and Responsibilities

- 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

Non-Executives
Tom Colraine (Chairman)
Mathew Hutchinson
Richard Thompson

Executives
Nick Steer
Paul Matson
Rhydian Williams

Audit Committee

Duties and Responsibilities

- To review financial reports and ensure integrity of financial statements
- To implement internal controls and risk management systems, as well as monitor the effectiveness of current controls
- To enforce and review processes and procedures related to whistleblowing and fraud
- To scope the need and effectiveness of the Internal and External Audit functions

Non-Executives
Tom Colraine (Chairman)
Mathew Hutchinson
Richard Thompson

Attendees:
Nick Steer
Paul Matson

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, compliance, actuarial and internal audit.

1. Risk Function

The Risk Function has the responsibility to identify, evaluate, monitor and report risks including, but not limited to, the evaluation of Acquisition Risk, Reserving Risk, Investment Risk, Operational Risk and Reputational Risk.

2. Compliance Function

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

3. 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.

Internal Audit provides advisory services to management, will conduct investigations on an ad hoc basis on any areas of specific concern as requested by management, and has responsibility for assisting in the development and operation of the risk management framework. For 2017, this function will be outsourced.

4. 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.
- 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 2016, the Group made several senior appointments which 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 & Nominations 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 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 Remuneration & Nominations Committee approves the basis of any bonus scheme for all staff.

It is the Remuneration & Nominations Committee's responsibility to determine the remuneration of executive and non-executive directors.

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

During the course of the year, £7,220k of new capital was raised from shareholders to support acquisitions.

B.2 Fit and Proper Requirements

Members of the Group Board, Risk Carrier Boards and Key Function Holders are assessed under the Fit and Proper Requirements. The Group demonstrates a commitment to competence by clearly identifying the competencies and knowledge, skills and expertise required by its people to effectively carry out the responsibilities for each role in the organisation.

The skill sets and competencies to perform a key role within any entity in the Group are defined as part of the determining job description. The performance relative to the requirement of the role is assessed at least once a year.

The segregation of duties and allocation of duties for each key role are clearly defined for all entities in the Group. All key roles acknowledge their duties and responsibilities as part of the confirmation of their job description.

B.2.1 Fit Requirements

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

a) Insurance and financial markets
b) Business strategy and business model
c) System of governance
d) Financial and actuarial analysis
e) Regulatory framework and requirements

It is ensured that individuals are sufficiently competent to provide for a sound and prudent management of the Group and its subsidiaries. Individual candidates with a strong knowledge in specific areas may compensate for deficits of other candidates in these areas.

B.2.2 Proper Requirements

Proper requirements are used to determine if personal reliability exists in a certain area or not. Information provided by the candidate is checked for its plausibility and, if necessary, own investigations are carried out.

The criteria for the assessment of propriety applicable to members of the Group Board, Risk Carrier Boards and Key Function Holders are as follows:

- Relevant criminal offences.
- Relevant disciplinary or administrative offences.
- Financial soundness.
- Circumstances other than court decisions and on-going judicial proceedings, which may cast doubt on the repute and integrity of the person may also be considered.

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

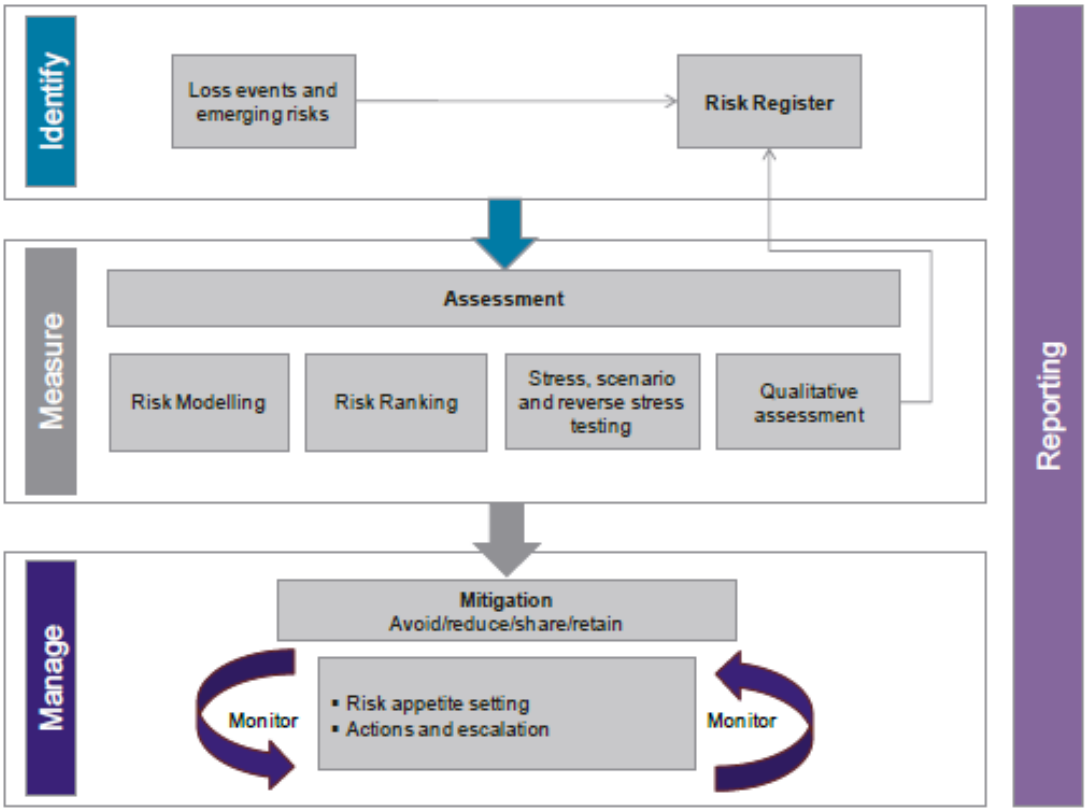
B.3.1 Risk Management System

The overall objective of the Group's Risk Management strategy is to maintain a transparent and inclusive risk management system that identifies and monitors risks. Over the course of 2016, 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 must evaluate and approve the risk strategy taking into account 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 of its activities and functions.

The Group Risk Register contains the list of quantifiable and non-quantifiable material risks that could affect the success of the business. For material risks, it will note the risk owners, the severity and frequency of the potential event and ensure that any risk mitigation controls are recorded. All risks will be systematically assessed, analysed and recorded on the Risk Register on a continuous basis with mitigation activities being prioritised as necessary. The Risk 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 to ensure it remains suitable. However, to ensure risk appetite remains aligned to the Group's strategy, a more frequent review will occur if there are changes in the strategy, material changes in market conditions or operational circumstances.

Risk Identification

A top-down key risk identification and assessment process will be undertaken annually, which will include the consideration of emerging risks. The risk management process will focus on risks relevant to the Group. Identification will occur as follows:

- Internal meetings are to be held by operational areas to identify changes in risks and new risks. These are to be added/amended on the Risk Register in accordance with the risk procedures.
- The previous Risk Registers are to be 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 within the Risk Register.
- Management must ensure 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.

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

Risk Management
The Group manages risks on an on-going basis in line with 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
Key risk indicators will be identified for each risk, where possible, to identify scenarios that could lead to the risk potentially materialising.

The Risk Register will be reported 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 will be reviewed annually by the Audit Committee and the Group Board.

On an annual basis, Internal Audits will take place to ensure controls are in place and are being effective in mitigating the risks. An Internal Audit Report will be prepared after an internal audit of each risk area. On an annual basis, a report summarising all the key findings identified throughout the risk areas assessed during each year will be presented to the Board.

An ORSA report will be 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 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.

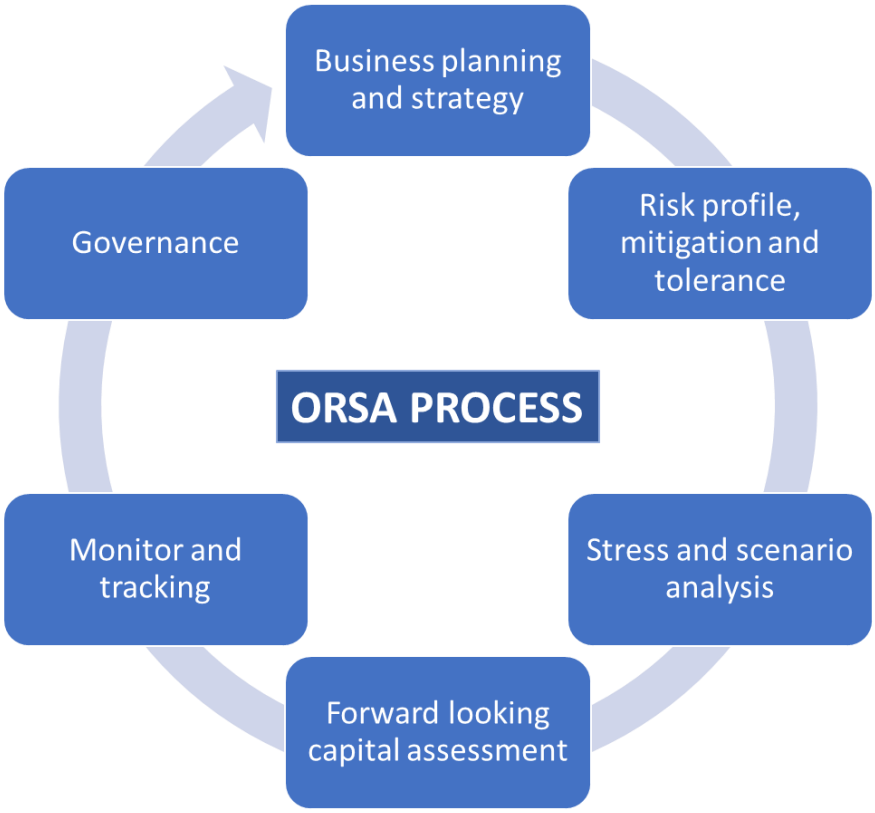
The Risk & Compliance Function coordinates the relevant processes and documentation across the Group. The ORSA is communicated to the Risk & Compliance Committee and is subsequently approved by the Group Board, who is ultimately responsible for the ORSA.

The ORSA is produced on an annual basis unless there has been a material change in the risk profile, whereby a non-regular ORSA will be produced.

The Group 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 on-going capital adequacy of the Group, 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:



B.4 Internal Control System

The internal control system forms part of the Group's Risk Management System and is supported by the Risk Register and Risk Appetite Statement, which have been defined in section B.3.1 of this report.

Controls in place to mitigate each risk are outlined in the Risk Register. The Risk Register also identifies the Risk Owner (individual responsible for the strategic goal or objective at risk) and Control Owner (the owner of understanding the risk and executing mitigation) for each risk.

The Risk Register and the Risk Appetite Statement are approved by the Risk & Compliance Committee followed by the Group Board, and are reviewed at least annually to ensure that the identified risks and controls remain relevant to the business.

The Internal Audit Function provides independent assurance to the Group Board in the effectiveness of the controls that are in place.

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

B.5 Compliance Function

The Compliance Function forms part of the Group's second line of defence.

The Group Board is ultimately responsible for ensuring effectiveness of the Compliance Function. The day-to-day responsibilities reside with the Risk & Compliance Committee who have outsourced the function.

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

B.6 Internal Audit Function

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

For 2017, the Internal Audit Function will be outsourced and will report to the Audit Committee.

The outsourcing of the function will realise efficiency gains within the Group and ensure a homogenous standard of compliance across all Group entities. The internal audit team will review the procedures and findings of the Group's functions and provide advice on the refinement and modification of processes and controls.

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

B.7 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. For the HIR risk carrier, the Actuarial Function has been outsourced to local experts. For the Bothnia risk carrier, the Actuarial Function is outsourced to a service company in the Group and in addition local experts are appointed. The Managing Director of Operations provides direct oversight of the Actuarial Function.

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

B.8 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 Managing Director of Operations 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:

- Establish appropriate organisational safeguards that allow the continuous monitoring of the outsourced activities; their compliance with legal and regulatory requirements and Compre's directives and procedures; their respect of the operational limits and the risk tolerance thresholds established by Compre; action to be taken promptly when the supplier does not comply with its commitments or the quality of the service provided is deficient.
- Select one or more persons to be in charge of control over the outsourced activities or functions and formalise their duties and responsibilities. The number of persons with such responsibilities shall be proportionate to the nature and scale of outsourced activities or functions.
- Include in its risk management and internal control system or system of governance a process for monitoring and reviewing the quality of the service provided. In order to do so, the competence and ability to assess whether the service provider delivers accordingly to contract needs to be maintained internally.
- Establish appropriate measures for ensuring the continuity of the activities should there be an interruption or severe deterioration in the quality of the service provided by the supplier; this will include adequate emergency plans and possibility of reintegrating the activities within the Group.

Where an outsourcing arrangement has been implemented, an appropriate individual is appointed as the responsible person.

During the course of 2016, the following critical/important operational functions/activities were outsourced externally:

Service Provided	**Jurisdiction**
Investment Management	Finland, UK
Claims Services	Switzerland
Technical Reporting Software	Finland, Germany, Switzerland, UK and Malta
IT support	Finland, Germany, Switzerland, UK and Malta

During the course of 2016, the following key functions were outsourced externally:

Service Provided	**Jurisdiction**
Actuarial services	Switzerland and Germany
Internal Audit	Finland, Germany, Switzerland

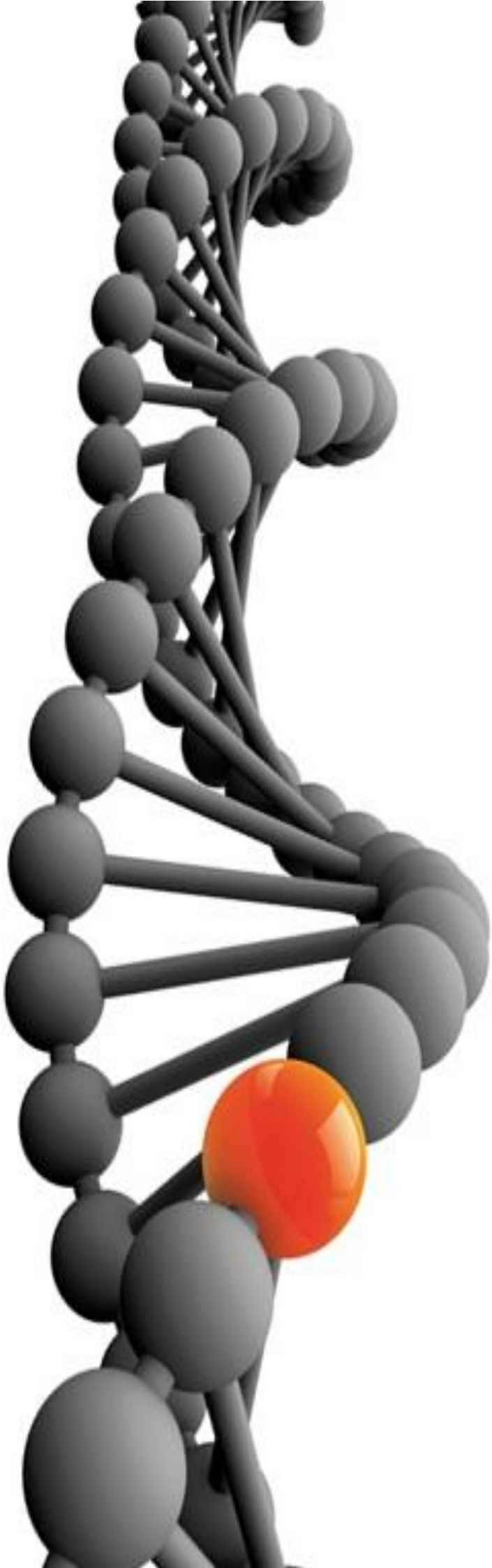
There are internal outsourcing arrangements between the Group's risk carriers and the service companies. This is documented through a service level agreement and is reviewed and approved by the relevant Board.

B.9 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 on a quarterly basis.

All material information regarding the Group's System of Governance has been disclosed in Sections B.1 – B.8 above.



C. Risk Profile

C. Risk Profile

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

The acquisitions made during the year (as described in Section A.1.3) have resulted in an immaterial change in the risk profile.

All figures in this section are as at 31 December 2016 unless otherwise stated.

Group £000s	**31/12/2016**	**%**
Non-Life Reserve Risk	18,307	48%
Life Underwriting Risk	1	0%
Interest Rate Risk	*1,593*	*4%*
Spread Risk	*4,212*	*11%*
Currency Risk	*13,220*	*35%*
Concentration Risk	*36*	*0%*
Diversification Benefit	*(3,388)*	*(9%)*
Market Risk	15,673	41%
Counterparty Risk	2,591	7%
Operational Risk	1,639	4%
Undiversified SCR	**38,211**	**100%**
Adjustment for Deferred Tax Liability	(1,435)	
Diversification Benefit	(8,218)	
SCR excluding Aurora	**28,558**	
Aurora SST	2,985	
Total SCR	**31,542**	

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.

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 reserves and invalid claims payments being made.

Risk Concentration

The Reserve Risk module has the highest impact on the overall SCR of the Group and makes up 48% 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.

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 outcome of the stress tests illustrated that the Group has sufficient capital to cover the occurrence of the stress and scenario tests. Reverse stress testing was also used to determine what increase in technical provisions might lead to a breach in SCR.

C.2 Market Risk

The Group is exposed to a number of risks which are assessed within 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.

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 41% of the total undiversified SCR for the Group and is made up of the following sub modules:

Risk	Undiversified SCR
Interest Rate Risk	4%
Spread Risk	11%
Currency Risk	35%
Concentration Risk	0%
Diversification	(9%)
Market Risk Total	**41%**

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

Currency Risk
Currency Risk is defined as the risk of a change in market value caused by the fact that actual foreign currency exchange rates differ from those expected.

The Market Risk SCR is significantly driven by Currency Risk, which accounts for 35% of the total undiversified SCR for the Group. The Group will always have a relatively high Currency Risk charge because the Group's balance sheet is in GBP, whereas most of the net asset positions for the key risk carriers are held in EUR.

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 11% of the total undiversified SCR for the Group. The Spread Risk capital charge is driven by Bothnia due to the relative size of its corporate bond holdings compared to the remainder of the Group entities.

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 senior management.

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 outcome of the stress tests illustrated that the Group has sufficient capital to cover the occurrence of the stress and scenario tests. The analysis showed that the most material impact on the Market Risk was in relation to Currency Risk and Spread Risk, which is consistent with Currency Risk and Spread Risk being key drivers of the Market Risk SCR.

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.

Risk Concentration
Counterparty Risk comprises 7% 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 sensitivity of the solvency ratio to a credit rating downgrade for the single dominant counterparty was assessed. This demonstrated marginal reductions in solvency cover when the credit rating deteriorated by three ratings. Furthermore, stress tests were performed to analyse the impact on solvency cover following the default of the second and third most material counterparties, assuming 50% recovery in the event of default. Although this led to a larger reduction in SCR cover compared to the stress on the dominant counterparty, it demonstrated that the Group maintained 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.

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 IT.
- External Factors, which encompasses long-term disruption to business operations arising from unforeseen external events.

Risk Concentration
Operational Risk makes up 4% of the Group's 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.
- 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.8 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 3 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 a 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 risk appetite for the growth strategy of growing the economic value of the business. 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.
- 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 and legal requirements. This risk covers a range of potential areas, including regulatory capital requirements.

The Group has a low risk 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.
- Employment in 2017 of a Head of Risk and Compliance 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.

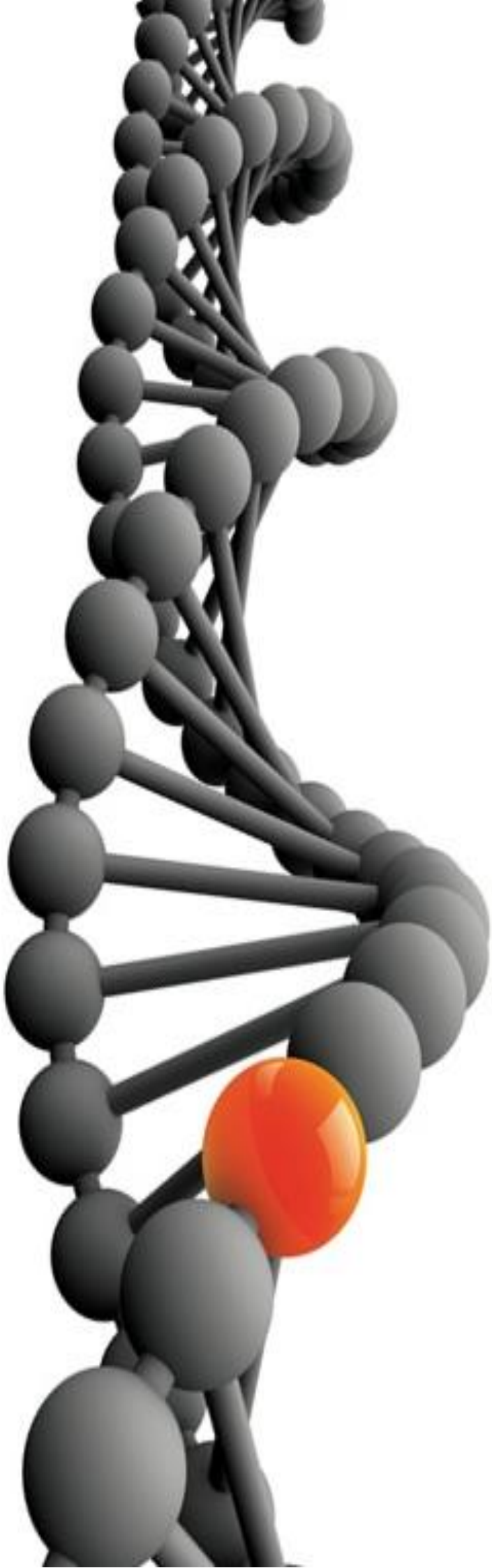
C.6.3 Reputational Risk

Reputational Risk is associated with the potential for loss of economic value resulting from any reputation damaging incident. The Group has a low risk 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 International Financial Reporting Standards ("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 2016 under IFRS and Solvency II:

Assets (£ 000s)	IFRS	Adjustments	Solvency II
Goodwill	7,756	(7,756)	0
Intangible assets	24	(24)	0
Investments	86,840	612	87,452
Reinsurance recoverables from non-life	18,155	(2,116)	16,039
Cash and cash equivalents	36,781	0	36,781
Deposits with ceding undertakings	9,307	0	9,307
Insurance & intermediaries receivables	5,515	0	5,515
Reinsurance receivables	498	0	498
Receivables (trade, not insurance)	564	0	564
Any other assets, not elsewhere shown	910	(613)	298
Total assets	**166,350**	**(9,896)**	**156,454**

Goodwill

Solvency II proposes that intangible assets are 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.

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.

D.2 Technical Provisions

For each material class of business as identified in Section A.1.3 of this report, the values of the technical provisions comprising of the best estimate reserves and risk margin as at 31 December 2016 are as follows:

Material Lines of Business (£000s)	**Best Estimate**	**Risk Margin**	**Technical Provisions**
General liability insurance and proportional reinsurance	23,837	3,271	27,108
Non-proportional casualty reinsurance	23,911	6,115	30,026
Non-prop. marine, aviation and transport reinsurance	2,116	526	2,643

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 three 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.

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 due to legal changes and court disputes.
- 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.
- Future insureds - there is the potential for future new insureds to develop and significantly impact the portfolios.
- Miscellaneous loss type reserves - the reserves in this cohort are subject to greater uncertainly given the largely unknown nature of the underlying loss types.

D.2.3 Differences Between IFRS and Solvency II Valuation

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 and 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").
- Add ULAE reserves.
- 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.

The risk margin 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 2016, the Group holds the following liabilities other than those related to technical provisions:

Liabilities (£ 000s)	IFRS	Adjustments	Solvency II
ULAE provision	3,487	(3,487)	0
Insurance & intermediaries payables	11,646	0	11,646
Payables (trade, not insurance)	123	0	123
Deferred tax liabilities	26	1,314	1,340
Pension obligations	12,226	0	12,226
Debts owed to credit institutions	65	0	65
Financial liabilities other than debts owed to credit institutions	4,305	0	4,305
Any other liabilities, not elsewhere shown	2,067	0	2,067
Total other liabilities	**33,947**	**(2,174)**	**31,773**

Reinsurance payables

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

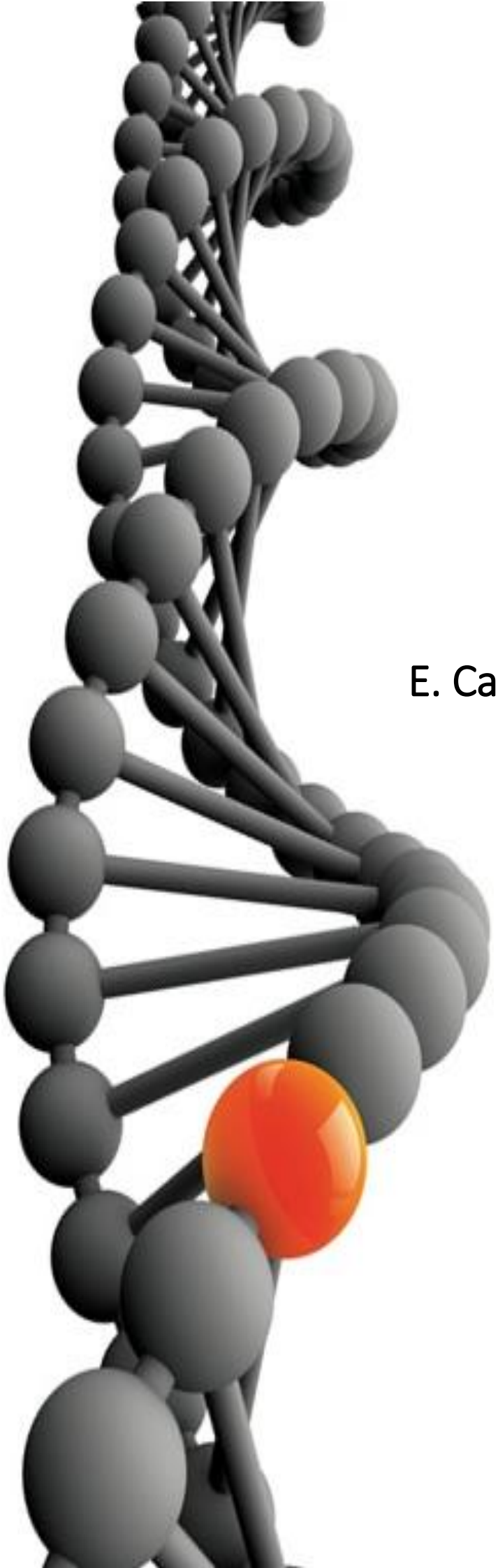
Deferred tax liabilities are generated by notional profits due to Solvency II adjustments.

D.4 Alternative methods of valuation

The Group does not use any alternative methods of 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 Finance and Actuarial departments also propose the approach to monitor capital levels between formal valuation points.

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 2016 are made up of the following components:

TIER 1 - UNRESTRICTED	**£000s**
Share Capital	**50,240**
Reconciliation Reserve	
- Excess of assets over liabilities	51,346
- Other basic own fund items	(50,240)
- Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	(1,630)
	(525)
Deductions for participations included by using D&A when a combination of methods is used	(9,459)
Total basic own funds after deductions	**40,256**
Own Funds aggregated when using the D&A and combination method	9,459
Total basic own funds	**49,715**

The eligible amount of basic own funds to cover the SCR and MCR is £49,715k. All own fund items are classified as Tier 1 Unrestricted Basic Own Funds.

The Own Funds figure is restricted by £1,630k due to a ring fenced fund for which there are zero liabilities. The SII recognised simplified approach which deducts the full value of the £1,630k of Own Funds has been adopted when allowing for ring fenced funds.

During the course of the year, £7,220k of new capital was raised from shareholders to support acquisitions, contributing to an increase in basic own funds.

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

	£000s
Equity per Financial Statements	**53,847**
Adjustments for Solvency II	
Investments	612
Other assets	(8,393)
Gross technical provisions	20,352
Ceded technical provisions	(2,116)
Risk Margin	(11,645)
Other liabilities	(1,314)
	(2,502)
SII Excess of assets over liabilities	**51,346**

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 2016, the Group's SCR and MCR were £31,542k and £13,329k 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 2016:

Group £000s	**31/12/2016**
Non-Life Reserve Risk	18,307
Life Underwriting Risk	1
Interest Rate Risk	*1,593*
Spread Risk	*4,212*
Currency Risk	*13,220*
Concentration Risk	*36*
Diversification Benefit	*(3,388)*
Market Risk	15,673
Counterparty Risk	2,591
Operational Risk	1,639
Undiversified SCR	**38,211**

Adjustment for Deferred Tax Liability	(1,435)
Diversification Benefit	(8,218)
SCR excluding Aurora	**28,558**
Aurora SST	2,985
Total SCR	**31,542**

The Standard Formula has been used to assess risks in respect of Group entities located within the EEA 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 2016 to calculate the MCR are as follows:

	£ 000s
AMCR	12,344
Linear MCR	6,685
Diversified SCR	31,542
Combined MCR	7,886
MCR (excluding Aurora)	**12,344**
Aurora MCR	985
MCR	**13,329**

E.3 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.4 Any other information

All material information regarding the Group's Capital Management has been disclosed in Sections E.1 – E.3 above.

F. Templates

S.02.01 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	87,451,961
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
no split between listed and unlisted (Statutory column)		
Bonds	R0130	76,628,480
Government Bonds	R0140	13,626,354
Corporate Bonds	R0150	63,002,126
Structured notes	R0160	
Collateralised securities	R0170	
no split beteween bonds (Statutory column)		
Collective Investments Undertakings	R0180	5,312,364
Derivatives	R0190	
Deposits other than cash equivalents	R0200	5,511,117
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
no split between loans & mortgages (Statutory column)		
Reinsurance recoverables from:	R0270	16,039,235
Non-life and health similar to non-life	R0280	16,039,235
Non-life excluding health	R0290	16,039,235
Health similar to non-life	R0300	
no split between non-life excluding health and health similar to non-life (Statutory column)		
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
no split split between life excluding health and index-linked and unit-linked and health similar to life (Statutory column)		
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	9,307,371
Insurance and intermediaries receivables	R0360	5,514,583
Reinsurance receivables	R0370	498,137
Receivables (trade, not insurance)	R0380	564,431
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	36,781,103
Any other assets, not elsewhere shown	R0420	297,599
Total assets	**R0500**	**156,454,420**

S.02.01 Balance Sheet

		Solvency II value
		C0010
Liabilities		
Technical provisions - non-life	R0510	73,328,491
Technical provisions - non-life - no split between non - life (excluding health) and health (similar to non - life) (Statutory column)		
Technical provisions - non-life (excluding health)	R0520	73,328,491
TP calculated as a whole	R0530	
Best estimate	R0540	61,684,249
Risk margin	R0550	11,644,242
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best estimate	R0580	
Risk margin	R0590	
TP - life (excluding index-linked and unit-linked)	R0600	6,891
Technical provision - life - no split between health (similar to life) and life (excluding health, index- linked and unit - linked) (Statutory column)		
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best estimate	R0630	
Risk margin	R0640	
TP - life (excluding health and index-linked and unit-linked)	R0650	6,891
TP calculated as a whole	R0660	
Best estimate	R0670	6,310
Risk margin	R0680	581
TP - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	12,226,482
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	1,339,640
Derivatives	R0790	
Debts owed to credit institutions	R0800	65,297
Financial liabilities other than debts owed to credit institutions	R0810	4,305,067
Insurance & intermediaries payables	R0820	11,646,394
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	123,411
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Subordinated liabilities - no split between not in BOF and in BOF (Statutory column)		
Any other liabilities, not elsewhere shown	R0880	2,066,776
Total liabilities	**R0900**	**105,108,450**

Excess of assets over liabilities	**R1000**	**51,345,971**

Excess of assets over liabilities minus Subordinated Liabilities in BOF		**51,345,971**

S.05.01 Premium, claims and expenses by line of business

		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	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110																	0
Gross - Proportional reinsurance accepted	R0120				17,409		477	1,300	614	123								19,923
Gross - Non-proportional reinsurance accepted	R0130														1,753	1,393	549	3,696
Reinsurers' share	R0140				13,895													13,895
Net	**R0200**				**3,514**		**477**	**1,300**	**614**	**123**					**1,753**	**1,393**	**549**	**9,723**
Premiums earned																		
Gross - Direct Business	R0210																	0
Gross - Proportional reinsurance accepted	R0220				17,409		477	1,300	614	123								19,923
Gross - Non-proportional reinsurance accepted	R0230														1,753	879	1,063	3,696
Reinsurers' share	R0240				13,895													13,895
Net	**R0300**				**3,514**		**477**	**1,300**	**614**	**123**					**1,753**	**879**	**1,063**	**9,723**
Claims incurred																		
Gross - Direct Business	R0310				(350,784)		(1,517,403)	(3,417)	(389,880)									(2,261,483)
Gross - Proportional reinsurance accepted	R0320		(207)		(361,345)	(1)	105,469	(100,563)	(20,720,407)	(14,442)			117,607					(20,973,889)
Gross - Non-proportional reinsurance accepted	R0330													61,089	7,901,964	(1,011,623)	(210,718)	6,740,712
Reinsurers' share	R0340				(19,265)		23,506	2,200	(1,251,412)						(1,020,079)	(681,646)	(228,439)	(3,175,134)
Net	**R0400**		**(207)**		**(692,864)**	**(1)**	**(1,435,440)**	**(106,180)**	**(19,858,875)**	**(14,442)**			**117,607**	**61,089**	**8,922,043**	**(329,977)**	**17,720**	**(13,319,526)**
Changes in other technical provisions																		
Gross - Direct Business	R0410																	0
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	**R0500**																	**0**
Expenses incurred	R0550				21,689		364	(1,809)	67,425	48					1	255		87,973
Other expenses	R1200																	
Total expenses	**R1300**																	**87,973**

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410								65,065	65,065
Reinsurers' share	R1420									0
Net	**R1500**								**65,065**	**65,065**
Premiums earned										
Gross	R1510								65,065	65,065
Reinsurers' share	R1520									0
Net	**R1600**								**65,065**	**65,065**
Claims incurred										
Gross	R1610								20,021	20,021
Reinsurers' share	R1620									0
Net	**R1700**								**20,021**	**20,021**
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	**R1800**									**0**
Expenses incurred	R1900								17,437	17,437
Other expenses	R2500									
Total expenses	**R2600**									**17,437**

S.05.02 Premium, claims and expenses by country

		Total	Home Country						Other
			United Kingdom	Germany	United States of America	Finland	Belgium	Switzerland	Non material countries
		C0070	C0010						
R0010									
Premium written									
Gross - Direct Business	R0110	0				0	0	0	
Gross - Proportional reinsurance accepted	R0120	19,923	891	18,179		0	0	0	852
Gross - Non-proportional reinsurance accepted	R0130	3,696	384		1,612	0	0	0	1,700
Reinsurers' share	R0140	13,895		13,895		0	0	0	0
Net	**R0200**	**9,723**	**1,275**	**4,284**	**1,612**	**0**	**0**	**0**	**2,552**
Premium earned									
Gross - Direct Business	R0210	0				0	0	0	0
Gross - Proportional reinsurance accepted	R0220	19,923	891	18,179		0	0	0	852
Gross - Non-proportional reinsurance accepted	R0230	3,696	384		1,612	0	0	0	1,700
Reinsurers' share	R0240	13,895		13,895		0	0	0	0
Net	**R0300**	**9,723**	**1,275**	**4,284**	**1,612**	**0**	**0**	**0**	**2,552**
Claims incurred									
Gross - Direct Business	R0310	(2,261,483)	(185,749)	(557,086)	11,609	(1,036,566)	0	(601,349)	107,658
Gross - Proportional reinsurance accepted	R0320	(20,973,889)	(4,162,903)	(10,477,379)	(74,390)	(1,739,605)	(2,778,961)	(447,191)	(1,293,461)
Gross - Non-proportional reinsurance accepted	R0330	6,740,712	(274,312)	4,754,024	(1,488,423)	1,791,811	9,826	0	1,947,786
Reinsurers' share	R0340	(3,175,134)	(345,713)	(1,467,340)	(1,732,838)	0	0	135,080	235,676
Net	**R0400**	**(13,319,526)**	**(4,277,250)**	**(4,813,100)**	**181,634**	**(984,360)**	**(2,769,135)**	**(1,183,620)**	**526,306**
Changes in other technical provisions									
Gross - Direct Business	R0410	0							0
Gross - Proportional reinsurance accepted	R0420	0							0
Gross - Non-proportional reinsurance accepted	R0430	0							0
Reinsurers' share	R0440	0							0
Net	**R0500**	**0**							**0**
Expenses incurred	R0550	87,973							87,973
Other expenses	R1200								
Total expenses	**R1300**	**87,973**							

life obligations

		Total	Home Country		
			United Kingdom	United States of America	Israel
R1400					
Premium written					
Gross	R1410	65,065		64,512	553
Reinsurers' share	R1420	0			
Net	**R1500**	**65,065**		**64,512**	**553**
Premium earned					
Gross	R1510	65,065		64,512	553
Reinsurers' share	R1520	0			
Net	**R1600**	**65,065**		**64,512**	**553**
Claims paid					
Gross	R1610	20,021		20,021	
Reinsurers' share	R1620	0			
Net	**R1700**	**20,021**		**20,021**	
Changes in other technical provisions					
Gross	R1710	0			
Reinsurers' share	R1720	0			
Net	**R1800**	**0**			
Expenses incurred	R1900	17,437		17,418	19
Other expenses	R2500				
Total expenses	**R2600**	**17,437**			

S.23.01 Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	50,240,459	50,240,459			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-524,966	-524,966			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deduction for participations included by using D&A when a combination of methods is used	R0260	9,459,231	9,459,231			
Total basic own funds after deductions	**R0290**	**40,256,263**	**40,256,263**			

Ancillary own funds

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

Available and eligible own funds

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)	R0520	40,256,263	40,256,263			
Total available own funds to meet the minimum consolidated group SCR	R0530	40,256,263	40,256,263			
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)	R0560	40,256,263	40,256,263			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	40,256,263	40,256,263			
Consolidated Group SCR	R0590	28,557,659				
Minimum consolidated Group SCR	R0610	13,328,695				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	140.96%				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	302.03%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	49,715,494	49,715,494			
SCR for entities included with D&A method	R0670	2,984,606				
Group SCR	R0680	31,542,265				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	157.62%				

Reconciliation reserve

		C0060				
Excess of assets over liabilities	R0700	51,345,971				
Own shares (held directly and indirectly)	R0710					
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	50,240,459				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	1,630,477				
Other non available own funds	R0750					
Reconciliation reserve	**R0760**	**-524,966**				

S.25.01 Solvency Capital Requirement - Standard formula

		Net solvency capital requirement	Gross solvency capital requirement	USP	Simplifications
		C0030	C0040	C0080	C0090
Market risk	R0010	13,888,286	13,888,286		
Counterparty default risk	R0020	2,217,201	2,217,201		
Life underwriting risk	R0030	757	757		
Health underwriting risk	R0040				
Non-life underwriting risk	R0050	17,822,873	17,822,873		
Diversification	R0060	-7,582,592	-7,582,592		
Intangible asset risk	R0070				
Basic Solvency Capital Requirement	**R0100**	**26,346,525**	**26,346,525**		

Calculation of Solvency Capital Requirement

		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	2,007,663
Total capital requirement for operational risk	R0130	1,638,755
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-1,435,285
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	**R0200**	**28,557,659**
Capital add-on already set	R0210	
Solvency capital requirement	**R0220**	**28,557,659**
Solvency capital requirement		**28,557,659**

Other information on SCR

Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	18,764,590
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	9,793,069
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	1 - Full recalculation
Net future discretionary benefits	R0460	
Minimum consolidated group solvency capital requirement	R0470	13,328,695

Overall SCR

SCR for undertakings included via D and A	R0560	2,984,606
Solvency capital requirement	R0570	31,542,265

S.32.01 Undertakings in the scope of the group

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	% capital share	% used for the establishment of consolidated accounts	% voting rights	Level of influence	Proportional share used for group solvency calculation	Yes/No
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0220	C0230	C0240
GB	2138004GAKUHIBNW1B92GB03864	2 - Specific code	Compre Broker Services Limited	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB02040	2 - Specific code	Compre Limited	99 - Other	Private Company Limited by Shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB04505	2 - Specific code	Chiltington International Holdings Limited	99 - Other	Private Company Limited by Shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB01438	2 - Specific code	Claremin 2 Limited	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB01218	2 - Specific code	Claremin 1 Limited	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
MT	2138004GAKUHIBNW1B92MT68577	2 - Specific code	Cambridge HoldCo Limited	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited liability private exempt company	2 - Non-mutual		84%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB05085	2 - Specific code	Finnex Holdings Limited	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB02579	2 - Specific code	Compre Holdings Limited UK	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB07255	2 - Specific code	Compre (1) Limited	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
CH	2138004GAKUHIBNW1B92CH14062	2 - Specific code	AURORA Versischerungs AG	2 - Non life insurance undertaking	Private company limited by shares	2 - Non-mutual	Swiss Financial Market Supervisory Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
FI	549300W61RSOI5RXVE07	1 - LEI	Vakuutusosakeyhtiö Bothnia International	2 - Non life insurance undertaking	Vakuutusosakeyhtiö	2 - Non-mutual	Finanssivalvonta (Finnish Financial Supervisory Authority)	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
DE	3912000JOXB11EOV4D69	1 - LEI	Hamburger Internationale Rückversicherung AG	2 - Non life insurance undertaking	Aktiengesellschaft	2 - Non-mutual	BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB00586	2 - Specific code	London and Leith Insurance SE	2 - Non life insurance undertaking	Company limited by shares	2 - Non-mutual	The Prudential Regulation Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB00147	2 - Specific code	Moorgate Insurance Company Limited	2 - Non life insurance undertaking	Company limited by shares	2 - Non-mutual	The Prudential Regulation Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
FI	2138004GAKUHIBNW1B92FI16466	2 - Specific code	Compre Services Finland Limited	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
DE	2138004GAKUHIBNW1B92DE11542	2 - Specific code	Compre Services Germany GmbH	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
SE	2138004GAKUHIBNW1B92SE55679	2 - Specific code	Compre Services Sweden AB	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
GB	2138004GAKUHIBNW1B92GB01176	2 - Specific code	Compre Services UK Limited	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope
CH	2138004GAKUHIBNW1B92CH14206	2 - Specific code	Compre Services Switzerland AG	99 - Other	Private company limited by shares	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope