



Millennium Insurance Company Ltd.

**SOLVENCY & FINANCIAL
CONDITION REPORT
SFCR**

For year ending 31th December 2022

The background consists of several overlapping, organic, torn-paper-like shapes in two shades of brown. A darker brown shape is in the upper right, a lighter brown shape is in the middle right, and a large, dark brown shape is in the lower left and bottom. The word "CONTENTS" is centered in white, uppercase letters.

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Executive Summary

Millennium Insurance Company Limited (also 'MIC' or 'the Company'), is an insurance company licensed in Gibraltar.

The objective of this report is to satisfy the public disclosure requirements of the Financial Services (Insurance Companies) Act (Solvency Act II) ("Gibraltar Solvency Act II"). The elements disclosed are related to corporate performance, governance, risk profile, solvency and capital management.

The company has an equity at the year end of € 22.133.834.

The Company has continuously complied with all aspects of the Solvency II regulations since the first day of their implementation on January 1, 2016. As part of this, the Company continues to work closely with the GFSC in order to comply with the Solvency II requirements at all times.

Antonio Morera Vallejo
Chairman



Business &
Performance

A1. Business

Millennium Insurance Company Ltd is authorized to carry out non-life insurance in the classes below in all the United Kingdom including Gibraltar:

- Accident & health
- Property
- Liability
- Credit & Suretyship
- Legal expenses
- Miscellaneous

In 2021, the Company has developed business in the United Kingdom and made a portfolio transfer of its European business to MIC Insurance Company S.A, a French company authorized in the European Market.

Business is written through selected brokers and underwriting agencies (from now “producers” or “intermediaries”) in a number of European countries. The principals behind the Company have been operating in this market for a number of years initially as brokers and Lloyds cover holders and have considerable experience of this area.

The Company's core strategy is to build a profitable multi-line insurance company which provides capacity to both group and independent intermediaries and builds long-term shareholder value.

The company pursues the objective of doing business of the United Kingdom where there are market niches where MIC can contribute with its experience and knowledge.

This same strategy is the one which has been used in the past to allow the Company to achieve its current strong position. The Company expects to achieve carefully controlled growth and underwrite quality business, while always thinking of the needs of its customers.

The Board is committed to managing the business in a risk-focused manner at all times and this philosophy is an integral part of the business culture and the decision-making processes. The ultimate goal of this is to ensure the achievement of the Company's strategic objectives.

Millennium Insurance Company Ltd is regulated by:

Gibraltar Financial Services Commission

PO Box 940

Suite 3, Atlantic Suites

Gibraltar Tel: +350 200 40283

www.fsc.gi

MIC accounts external auditors are:

RSM Audit (Gibraltar) Limited

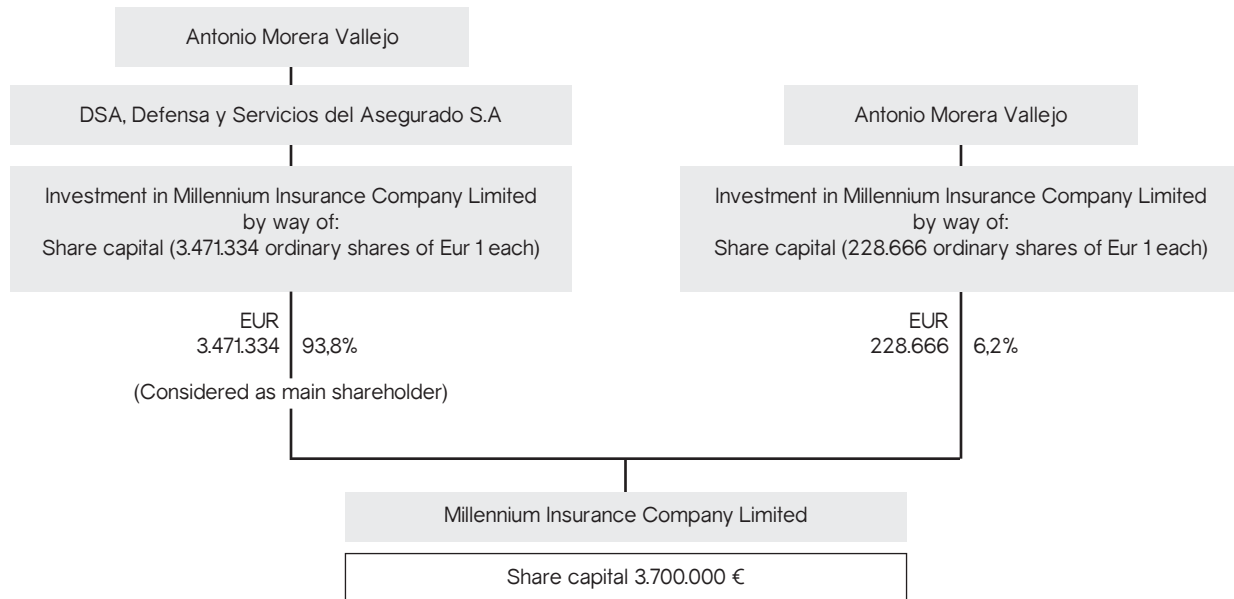
21 Engineer Lane

Gibraltar

Shareholders:

DSA, Defensa y Servicios del Asegurado S.A	93,8%
Antonio Morera Vallejo	6,2%
	100%

Corporate Structure:



A2. Underwriting Performance

Millennium operates in the non-life insurance market in the United Kingdom.

At the year-end 2016, the company had 139 million in assets and gross premiums of 74 million; this represents an increase of 21% and 3% in respect to the previous year.

In 2017, MIC has achieved a consolidation in its figures, with a financial strategy more focused on Solvency II and asset growth that can make the company grow consistently. In this respect, those businesses have been maintained in the classes and countries that have been profitable for the Company and have finished with those portfolios that had a high loss rate in recent years, especially in the United Kingdom. This translated into a lower premium written in 2017 compared to the previous year, however, it will be beneficial for the company in the medium and long term. At the close of the year, MIC's assets have grown to 164 million, which translates into an increase of 19% compared to 2016.

In 2018, 2019 and 2020, Millennium continued to perform business in the same countries as in previous years, consolidating the portfolio with the loyalty of policyholders, agencies and brokers.

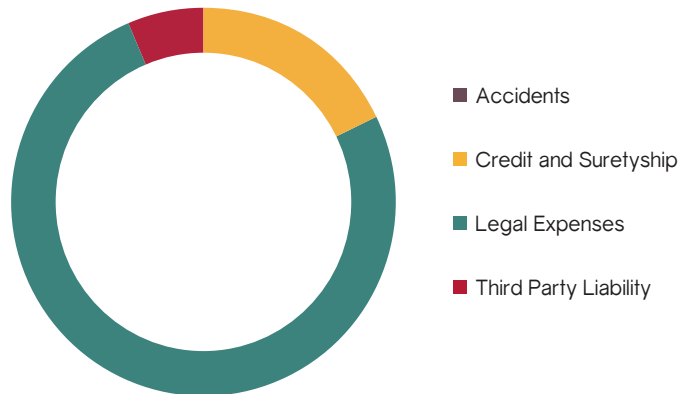
In 2021, Millennium has focused on attracting new business in the United Kingdom in order to develop in this market the experience acquired over the last 20 years. Local brokers in Gibraltar have also been contacted to analyze the market and be able to help policyholders with quality products tailored to their needs.

In 2022, the Company has focused on consolidating current portfolios and studying new business plans to gradually develop products that fit into its risk appetite.

The premium issued by class and territory for the year 2022 has been the following:

Classes:

Third Party Liability	233.692 €
Credit and Suretyship	980.455 €
Accidents	80.534 €
Legal expenses	4.933.245 €
Total	6.227.925 €



The Claims incurred for the year ended 2022 is as follows:

	2022	2021
Net earned premium (Net of reinsurance)	2.872.627 €	2.088.991 €
Net claims incurred (Net of reinsurance)	6.863 €	644.530 €
% Claims / Premiums	0,2 %	31 %

Millennium has closed 2022 with a claim ratio of 0.2%, a very low claim ratio due to good underwriting and good recovery tasks. MIC would continue working to improve together with its agencies to underwrite in the different markets with the lowest loss ratio and always based on experience and knowledge of the different markets in which it operates.

A3. Investment Performance

MIC's investment policy is limited to relatively standard and easily-understood investments. Derivatives are not utilized and the company does not undertake any non-routine investment activity or invest in unusual or complex.

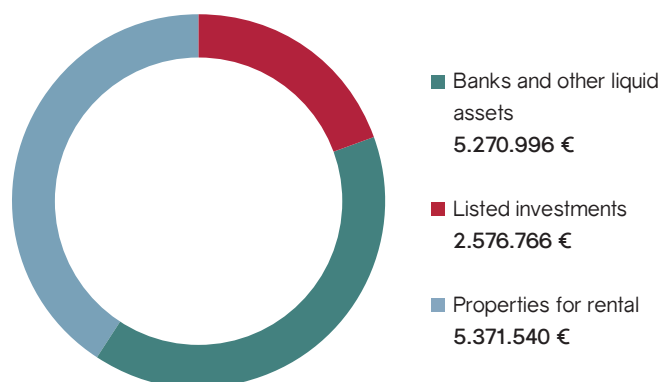
The Investment assets held by the Company are as follows:

MIC has investment assets in a diversified portfolio, most of which are in banks and investments in funds with an "A" rating or higher.

Due to Solvency II, the Company manages very low risk investments always trying to have a balance between profitability and liquidity risk comfort. MIC's portfolio of shares is made up of shares from the regulated Spanish market and most of them are blue chips. In 2022, the investment in shares has decreased to €2.5M. This is due to the turbulence in the

financial markets in the 2022 financial year.

In recent years, and due to the improvement of the economy in Spain and therefore in the real estate sector, MIC has been investing in rental properties to obtain interesting rents in addition to the surplus value of the revaluation of assets.



Gains and losses of Investments:

Listed investments	
Investment	2.576.766 €
Gains/Loss	(597.264 €)
Equities Bank Expenses	(6.914 €)
Profitability %	(23%)

Banks and other liquid assets	
Total	5.270.996 €
Banks with Rating "A"	5.236.470 €
% in Banks with rating "A"	99,3%

Properties for rental	
Investment	5.371.540 €
Income received	191.051 €
Profitability %	4%

A4. Performance of Other Activities

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

A5. Performance of Other Activities

There are no other material matters in respect to the business or performance of the Company.

B

System of
Governance

B1. General Information on System of Governance

The Company retains the majority of its key functions in-house either via the Board Sub-Committees or through directly-employed individuals.

MIC sources its business through a network of carefully selected intermediaries and relies on these intermediaries to provide appropriate policy administration and claims handling services, overseen by the Board, Sub-Committees and other members of the Board team.

MIC is committed to ensuring that its business is managed in a risk-focused manner at all times. All directors are closely involved in the day-to-day management thus ensuring that the risk management philosophy is an integral part of MIC's business culture and the decision-making processes and drives the manner in which the company seeks to achieve its objectives. The Company has different Committees, like the Underwriting and the Claims committees that meet on a regular basis. Key decisions are made by the Board and regular meetings are held in Gibraltar.

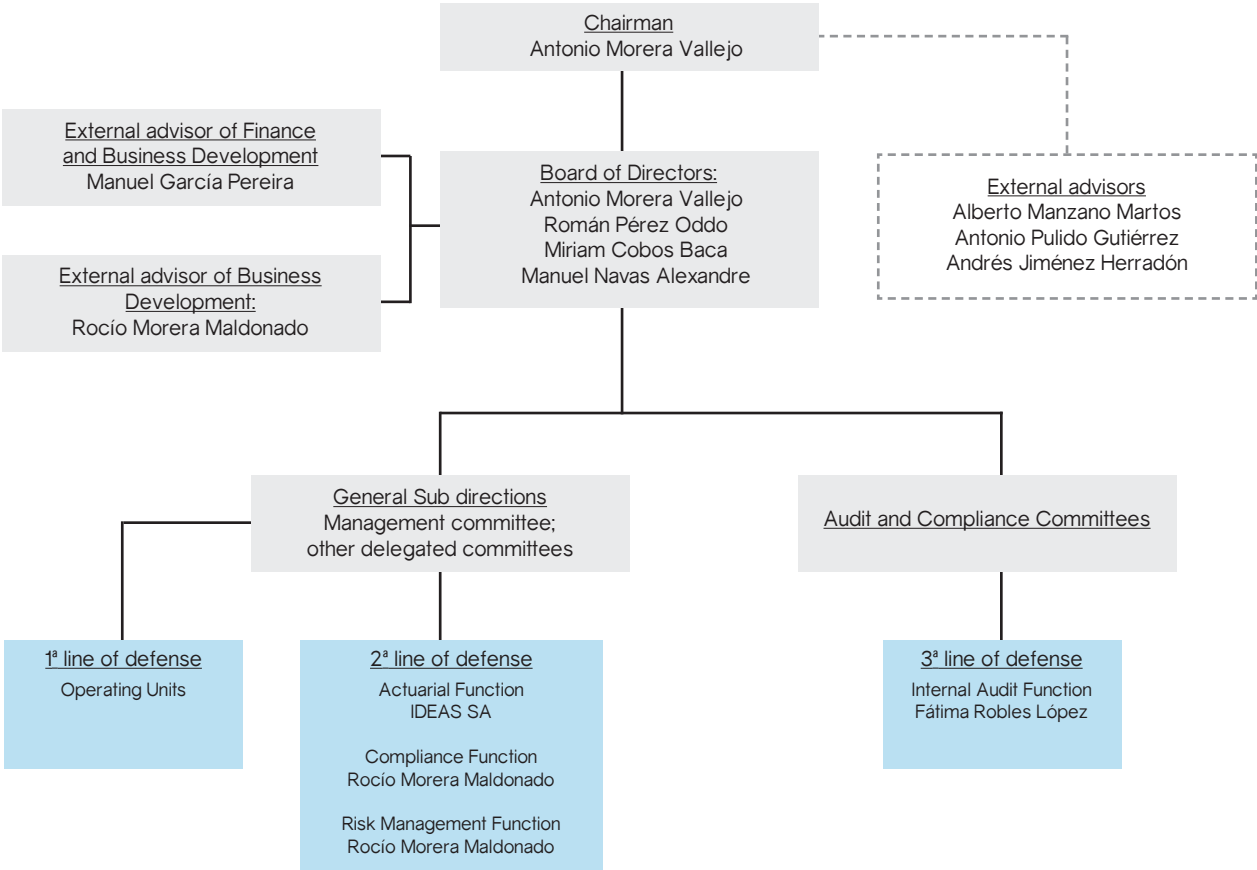
As part of its overall risk management framework, the Company has decided to make use of the Standard Model in the calculation of its regulatory solvency requirement and to use this as the basis, with appropriate consideration of other risk factors and mitigations, together with appropriate stress tests, in the completion of its ORSA (Internal Risk Assessment). This is considered to be appropriate for the company, as it does not underwrite unusual risks or exposures which could require the use of an internal model.

This document has been approved and adopted by the Board of Directors and is applicable to all functions of the company.

As in previous years, no dividends have been distributed to shareholders and profit has been destined entirely for the increase of own funds of the company.

MIC Board of directors:	
Antonio Morera Vallejo	(Chairman and Shareholder)
Román Pérez Oddo	(Administration, Accounting & Solvency II Head)
Miriam Cobos Baca	(Actuarial, Accounting & Administration Head)
Manuel Navas Alexandre	(Financial Head)
External Advisors	
Manuel García Pereira	(Financial Advisor & Business development)
Rocío Morera Maldonado	(Compliance Function & Business development)

Roles and Responsibilities:



MIC has a Regulation of the Board of Directors approved by the Board that, together with the Corporate Bylaws, the Governance Framework and the Code of Ethics and Conduct, determine the structure, composition and functions that the Company’s governing body should have. The aptitude and honourability of the members of the government as well as their assessment are defined in them.

Due to its size, the Board of MIC retains responsibility for the Company’s remuneration policy.

MIC ensures that it uses service providers who have the required skill and experience. An ongoing dialogue with service providers is maintained and audits are carried out. The different agreements are taken into account as part of the outsourcing policy.

Remuneration of service providers does not depend on performance, volume or other measures. Performance is monitored through the audit process and regular, ongoing dialogue. Accordingly, the manner in which service providers are paid does not expose MIC to any additional risk, impact on the Company’s risk profile or threaten its capital base.

At least two of the five MIC directors are permanently at headquarters. This team is increased weekly with visits and support from other managers and workers, up to about ten people. All of them are remunerated according to agreement by the Board and according to their skills, knowledge, experience, qualification and function within the Company. The bonds that are granted are based on the overall performance of the Company in the period in question.

Given the philosophy of the Company and its work in the free provision of services, it has about 100 people who are in charge of a directive work in favour of these, and controlled by the permanent audits that the Company oversees.

MIC has one of the most avant-garde computer platforms within the European insurance sector that allows, in real time, to develop insurance work from anywhere in the world, as well as being able to be connected with any intermediary.

Accordingly, the remuneration of employees does not expose MIC to any additional risk or impact on the Company's risk profile or threaten its capital base.

In order to achieve its strategic objectives, MIC must ensure that it is able to attract and retain individuals and service providers of the quality required to run the company successfully. Therefore, you must ensure that the rewards offered are appropriate for the skills, qualifications, knowledge and experience required.

As it is mentioned in the remuneration policy of the company, in case of remuneration, it will be approved by the Board. The Director shall abstain from discussion and decisions regarding his/her own remuneration to avoid conflicts of interest.

B2. Fit and Proper Requirements

MIC must ensure that the individuals running the business or fulfilling key functions have the appropriate knowledge and skills to do so. The Company must therefore ensure that such individuals are both fit and proper and they have the attitude required.

This assessment takes place prior to appointment to a role and is reviewed annually by the Board. Additionally, the Board will review fitness and propriety on an ad hoc basis when becoming aware of a potential issue.

The minimum requirements that the members of the Corporate Government must fulfil to carry out the position are:

- Executive or internal directors: Minimum experience of over 10 years in the insurance sector, medium-high level of English, each of them with professional training, at least one of the areas related to the Company and which are detailed in the array of skills;
- External directors: technical knowledge in more than one of the areas of the Company, professional experience in the field of insurance for more than 15 years and having held a position as director or previously responsible;
- Underwriting and claims committee: experience of more than 5 years in the underwriting and claims department of the Company. Vocational training for more than two years related to the Company and a medium - high level of English;
- Actuarial function: experience of over 5 years in the insurance sector, have the official title and middle-high level of English;
- Audit function: vocational training related to the audit on enterprises, middle - High level of English and previous experience of minimum two years;
- Risk management function: minimal experience in the insurance industry of 10 years, medium-high level of English and experience in the Company of more than 5 years;
- Compliance function: legal training, 5 years of experience in insurance sector and high level of English;

Members of the Board and sub-committees and those carrying out other significant functions have extensive knowledge and experience across a variety of areas, which allows the company to be professionally managed and supervised. This ensures that there is an appropriate spread of skills for managing the business.

Individuals are required to ensure their skills and knowledge is kept up-to-date. On an annual basis, each individual involved in the company will be required to complete a self-certification form to evidence ongoing professional development. The Compliance function is responsible for monitoring this process and reporting thereon to the Board at least annually.

B3. Risk Management System including ORSA

Policies

MIC aims to ensure that the business is managed in a risk-focused manner at all times. The main objective of this policy is to express the levels and types of risk that the Company is willing to assume (risk appetite) in order to carry out its strategic plan without significant deviations even in situations of stress. It is about assuming a prudent level of risks that allows the Company to generate returns while maintaining acceptable levels of capital and generating profits on a recurring basis. The ultimate goal is to ensure policyholder protection, both now and in the future and for the Company to achieve its overall strategic objectives.

MIC Risk Management Policy is aimed to achieving a moderate risk profile through prudent management; diversified by geographical areas, MGA / broker and business classes; with high international presence and seeking sustainable growth over time, to achieve an external credit rating.

The Company will have adequate risk culture aimed to achieve the implementation of policies and achieve the defined objectives in all cases complying with the regulations applicable in each jurisdiction in which their businesses are developed and the internal regulations the Company.

A number of key metrics related primarily to the solvency, liquidity and recurrence of results, depending on the circumstances that occur in each case, determine the MIC risk management and allow achieve the desired objective established.

- **Solvency:** In terms of solvency, the management of the Company is designed to always keep a capital adequacy for the proper conduct of business even in situations of economic and severe financial shock.
- **Profitability and Recurrence:** MIC aims to generate recurring income even under deteriorating economic situation to ensure a reasonable return for shareholders.
- **Liquidity and funding:** As liquidity and funding MIC as a whole is to maintain a solid position supported in a stable base and diversified funding, even in times of stress.

MIC underwrites a diversified portfolio of business across a number of licence classes and in a number of European jurisdictions. The Company operates through carefully selected intermediaries and ensures that there is sufficient expertise both within MIC and the intermediaries in the relevant business segments. The Company only moves into new areas once it is comfortable as to the historic track record and has satisfied itself that the necessary knowledge and expertise exist.

The primary segment of business is in:

- Business lines
- Countries

Within these segments, it is carried out more detailed on the basis of individual risk factors analysis.

Responsibility

A. STRUCTURE

MIC's approach to risk management is communicated to all directors, executives, managers and employees, as well as any others that assist in the management of the Company. All of these people have a duty to observe and comply with the Company's risk management philosophy.

It is the responsibility of all Directors, Managers and employees of the Company to consider any issues that may give rise to a risk event that may in turn impact on the Risk Strategy of the business. This is accomplished by full and detailed discussion of a wide range of issues at Board of Directors meetings and Committee meetings.

MIC has formally documented the Company's risk profile, including appetite and tolerance, and has established a risk register to evaluate the key risks. The Company's risk profile is considered at each meeting of the Board, along with an evaluation of the decisions made and the actions that may be necessary as a result.

B. CATEGORIES OF RISK

MIC categorizes its risks as follows:

- Strategic risk
- Insurance risk
- Market risk
- Liquidity risk
- Credit risk
- Concentration risk
- Operational risk
- Reputational risk
- Reserve Risk

Based on this risk classification using a risk register it is made. This “Risk register” aims at measuring the risks to which the Company is exposed, so you can display different measurement parameters and the results and consequences thereof.

In the process of development of this “Risk Register” we will consider the following aspects:

Risk management

a. Identification and mitigation risk

The main parameters identified are the risk indicators and the controls established which are selected and agreed for each risk category. This allows periodically inform the Board and assist in overseeing the risks of the Company.

The different risks that exist in each type of risk category through indicators are identified. Consequently, mitigation measures in this regard are set. This means that before a risk indicator, the risk is identified and in turn measures for preventing the occurrence of possible consequences for the Company.

b. Frequency

The risks are identified and recorded in a Risk register, which is formally discussed at least once every year, which is subsequently presented to the Board through a Risk Report

In addition, at each meeting of the Board of directors is given consideration as to whether the risk profile or risk exposure of the Company has changed due to the decisions taken.

Risk reports are produced for consideration by the Board:

- On a quarterly basis for all risk reports;
- On a monthly basis for reports of selective risk if they were requested by the Board of Directors;
- When significant changes are planned in the business model;
- On the occurrence of an event of significant risk.

Notwithstanding the foregoing, each identified risk has a specific frequency established.

c. Stress tests

The stress tests are to implement the above points to check the effectiveness of the risk register as well as mitigation measures filed. This is a regular exercise which aims to assess vulnerabilities to which the Company may be exposed. This test is designed to measure resistance to market developments to serious adverse events. It will also examine the potential increased risks in stressful situations.

These risk reports will be based on stress tests taking into account the following criteria:

- Risks identified in the risk register, both short and long term, their likelihood and potential impact;

- New trends and market developments;
- Discussion and challenge about potential events and their potential impact;
- Possible changes in the broader economic conditions;
- At worst, but still acceptable scenarios;
- Accumulation and potential interaction risk;
- Combinations of tensions that could result in failure to meet the capital requirement (reverse stress tests).

d. Risk Mitigation

The Risk Register should detail the measures and actions taken to mitigate risks and reduce their impact on the Company and whether they require capital to be carried out.

e. Risk assessment

In order to evaluate the risk, we must differentiate:

- **Inherent risk.** It is the inherent risk of each activity, regardless the controls it made in the corresponding periods. This risk arises from exposure which is directed to the particular activity and the probability that a negative shock affecting the profitability and the capital of the Company.
- **Residual risk.** It is the risk that remains, after implementing controls. It should seek a balance between the level of resources and precise to devote to minimize or mitigate these risks and a certain level of trust that can be considered sufficient mechanisms. The residual risk can be seen as that which separates the Company of absolute security.

The residual risk is the risk that remains after management develop its risk responses. The residual risk reflects the risk once they have effectively implemented the actions planned by management to mitigate the inherent risk.

In both risks, the measures mitigations are the same but not the frequency because of the inherent levels will always be higher because of the permanence of its.

However the residual risk is present and therefore it will vary and will be aimed downward (provided that the risks are controlled correctly).

For each of the risks, it has been identified areas of responsibility in charge of evaluating them.

This assessment is carried out as to its likely impact and the probability of its occurrence according to the following matrices:

IMPACT (A)

The impact of risk is set through a numerical ratio, which is measured through a table detailing the result of that ratio:

Impact Rating	Impact	Financial Impact	Operational Impact	Reputational Impact
1	Negligible	Less than €25,000	No impact	No negative publicity
2	Low	Between €25,000 and €100,000	Disruption less than 1 day	Negligible negative publicity
3	Moderate	Between €100,000 and €500,000	Disruption less than 1 week	Negative publicity for a short period of time
4	Significant	Between €500,000 and €1,000,000	Disruption more than 1 week	Negative publicity for up to 1 week
5	Very significant	Between €1,000,000 and €2,500,000	Disruption up to 1 month and needing significant resources to rectify	Negative publicity for more than 1 week, but not permanent
6	Severe	Greater than €2,500,000	Disruption greater than 1 month and needing significant resources to rectify	Negative publicity that creates permanent damage

PROBABILITY (B)

The probability of occurrence of the risk is also set by a numerical ratio, which is measured through a table detailing the description of that ratio:

Probability Rating	Description of Probability
1	Negligible - almost certain not to occur
2	Remote - very unlikely to occur
3	Low - will occur very occasionally
4	Possible - equally likely to occur or not
5	Probable - likely to occur
6	Highly likely - almost certain to occur

GENERAL RISK (A * B)

The risks show a meaning based on the effect of combining these ratings. The impact ratio is multiplied by the probability of occurrence ratio, giving rise to the following matrix:

Impact	Probability					
	1	2	3	4	5	6
1	1	2	3	4	5	6
2	2	4	6	8	10	12
3	3	6	9	12	15	18
4	4	8	12	16	20	24
5	5	10	15	20	25	30
6	6	12	18	24	30	36

- Low risk
- Medium risk
- High risk

Company management structure

MIC operates via a Board of Directors and various management committees, including:

	BOARD COMMITTEE	UNDERWRITING COMMITTEE	CLAIMS COMMITTEE	AUDIT AND COMPLIANCE COMMITTEE	RISK COMMITTEE	REINSURANCE COMMITTEE
FREQUENCY	Quarterly	Quarterly	Quarterly	Biannual	Biannual	Annual
FUNCTIONS	Overall management and strategic direction of the company; as well as the setting of investment objectives, their parameters and the review of the return on investments	Review of performance, setting of rates, Underwriting control in accordance with agreed underwriting rules and approved pricing, as well as compliance with business plans	Control and monitoring of claims on a day-to-day basis, review of large claims, procedure of management and setting of reserves, as well as making payments	Review of the internal and external audit reports of MGA / Broker prior to its referral to the Board of Directors and ensure compliance with the annual audit plan set at the beginning of the year. Ensure that the company meets the legal, regulatory and administrative provisions	Control over risks that have been defined as potentially serious and inform the Board about it	Review and control of reinsurance conditions

Independently to the formal committees, all the areas hold work meetings frequently and without formal character to carry out their daily activity and their operability. Some of them stand out:

Administration department: Carried out by MIC's internal team. It is in charge of supplying accounting information and other reports, loading and processing the monthly information (bordereaux).

Underwriting and technical department: Carried out by MIC's internal team, in charge of carrying out the study and risk analysis before signing policies with collaborators. Analysis of the rates to apply and the underwriting procedure used.

Claims department: Carried out by MIC's internal team. They are in charge of the management, review and control of claims, loading of information and their file, establishment of reservations. Reports information to the reinsurance and accounting departments. The reserves are reviewed by external actuaries independently. On some occasions the authorization for the management of claims is transferred to the MGA up to a limit according to the contract. It also has the support of specialist technicians, lawyers, experts, etc.

Legal department: This department is developed by the internal team of MIC. Functions such as continuous legal advice for all areas of the Company, legal representation and support regarding claims and premium recovery are attributed to him. It has the support of different externally hired legal offices to give support to those areas that due to the change in legislation in the jurisdiction a specialist is necessary.

IT Department: Carried out by the internal team of MIC, it is in charge of data processing in IT systems and offers continuous support and IT support in relation to all incidents that may arise in any area of the Company related to any IT support.

Accounting, Financial and Solvency II Department: Carried out by MIC's internal team, it verifies that all the information received from the administration, claims and reinsurance departments is correct. They are responsible for the management and control of income and payments, day-to-day accounting, reporting and closing monthly accounts, and liaison with external account auditors.

The Solvency II area: covers the quantitative aspects, as well as the reports, the production of the solvency reports required by law. Part of the QRTs is coordinated with the internal team, for the rest of the QRTs and for the calculations of the SCR and MCR, the Company has a team of outsourced actuaries provide the following service:

- Assist the Board with the establishment, maintenance and updating of the governance framework.
- Assist in establishing procedures and processes to check the evolution of the risk profile and report it to the Board.
- Requirements to present and discuss SCR with the Board.
- SCR calculation for QRTs only quarterly.
- Calculation of the SCR for the quarterly QRT of the group.
- Assist in the ORSA process.
- Assist in the preparation of appropriate ORSA records and reports, both internal and regulatory.

Human Resources Department: Carried out by MIC's internal team. This department establishes all the company's contracting procedures and controls, control of workers' files, as well as payroll management and occupational risk prevention. This department can be supported by external companies.

Reinsurance department: Carried out by MIC's internal team. It is dedicated to the search and contracting of reinsurers for the different lines of business in accordance with the Company's own policy, the settlement and reporting of information to them.

International / production department: Carried out by MIC's internal team. is in charge of the search for new businesses and the analysis of the business plans that are sent to MIC. Those who comply with the Company's appetite and regulations are informed to the Board of Directors by the head of the department, and are also in charge of the processing and storage of the information, that is, of the acquisition and processing of the policies and review of the purse.

Customer Service Department: Carried out by MIC's internal team. Mainly, it processes and resolves all complaints and claims that are presented to the Company. Likewise, this department offers assistance (telephone, via email, web form) for the resolution of doubts or incidents that third parties (clients, producers, etc.) of MIC may present.

Actuarial Department: MIC has its own actuarial department that carries out the calculation of technical provisions, as well as evaluating the sufficiency and quality of the data used for these calculations, informing the Board of Directors of its reliability and adequacy. In addition, an external actuarial team can be counted on to support the actuarial function independently, taking care of:

- Scrutiny and validation of the calculation of technical provisions.
- Independent reserve review.

Risk Management Information

Key Risks

The Risk Registry has helped identify the risks. It is noted that all directors are closely involved in the day-to-day operations of the Company and, therefore, risk management is fundamental to the operation of the business.

The highest risks currently faced by MIC arise from various sources. As at the last full review of the risk register the highest-rated risks are:

Strategic underwriting risk: Taking into account the effective portfolio transfer due to Brexit, Millennium must establish an underwriting strategy in the UK and Gibraltar that allows it to expand business in this territory and increase the volume of business that allows the continuity of the company.

Risk Categories

Risk Category	Risk Strategy	Profile and risk limits
Strategic Risk	MIC aims to operate an appropriate framework for limiting the possibility of strategic risk which could arise from inappropriate business decisions or manner in which such decisions are implemented or a lack of consideration of the wider markets in which the Company operates.	The MIC Board of Directors establishes a high level business strategy that translates into a high level business plan of 3 years and a detailed budget of one year. The budget is reviewed during the regular meetings of the Board of Directors and recalculated if necessary.
Insurance Risk	<p>MIC's business is diversified across a number of business lines – accident & health, property, liability, credit & suretyship, legal expenses and miscellaneous – and across a number of European jurisdictions.</p> <p>The Company operates through carefully selected intermediaries and ensures that there is sufficient expertise both within MIC and the intermediaries in the relevant business segments.</p> <p>Claims are handled by External experts, MIC receives the information and forward it to them, they have lawyers that analyse the information and tell us how to proceed. Claims performance is discussed and monitored at the regular Underwriting and Claims Committee meetings.</p> <p>The company ensures it maintains optimum reinsurance protection by acquiring both proportional and non-proportional cover from reinsurers with financial strength rating of A or better measured by a rating firm.</p> <p>Our reservations are reviewed by an independent actuary. MIC's policy regarding reserves is to carry out the best actuarial estimate. In this way, MIC carries out a review with independent actuaries to avoid deviations.</p>	<p>MIC has gone through the process of establishing risk appetites / formal limits.</p> <p>The Company's reserves are calculated using the best actuarial estimate with an additional addition when deemed necessary by the Board of Directors.</p> <p>The quota share reinsurance and excess loss is achieved at a level in line with the risk appetite of the Board of Directors.</p>
Liquidity Risk	MIC aims to build and maintain liquid assets at a level sufficient for on-going requirements. The requirement for liquidity is balanced with the goal of achieving adequate investment returns while ensuring that additional funds are available should they be required. The majority of investments held are therefore highly liquid and held with banks.	MIC's appetite for risk requires having sufficient liquid funds at all times to meet its obligations when due. In this context, liquid funds do not only include money in banks, but also easily realizable investments.

<p>Credit Risk</p>	<p>Premium risk arises from the brokers producing the business and this is closely monitored in-house. The management of credit risk is important in ensuring that the Company minimises the possibility of losses from non-payment of amounts due to it. This area is therefore important in building a profitable and sustainable business.</p> <p>Risk with regard to reinsurers is managed through the careful selection of reinsurance counterparties.</p>	<p>The MIC risk appetite requires that the Company does not suffer a significant financial loss as a result of the lack of collection of the amounts owed to it, regardless of the source.</p>
<p>Concentration Risk</p>	<p>MIC aims to minimise concentration risk where possible. The Company operates across a number of business lines, European jurisdictions, and intermediaries and have a range of reinsurance counter-parties. However, a higher level of concentration risk is accepted as a result of reliance on a small number of key individual and other companies within the wider group.</p>	<p>The risk appetite for MIC concentration requires a well-diversified portfolio of businesses and counterparties.</p> <p>Reinsurance must be placed with a group of counterpart entities.</p>
<p>Operational Risk</p>	<p>The Company aims to minimise operational risk wherever possible. However, while the controls and processes are in place, due to the small size of the MIC team they are concentrated in the hands of a small number of senior managers. This creates an additional risk, such as the ability to override controls.</p>	<p>MIC accepts that there is a significant element of operational risk due to the operations of the Company and its markets. However, the Company tries to minimize exposure to risk whenever possible and the Board of Directors has established operational limits and tolerances as triggers for review and administration. In particular, “four-eye” controls and supervision of key functions are required.</p>
<p>Reputational Risk</p>	<p>MIC’s reputation is of key significance in the overall strategy. This covers consumers / policyholders, the markets in which the company operates distributors & intermediaries, and regulatory authorities.</p> <p>The Company aims to manage adverse perceptions via active and on-going dialogue with all relevant counterparties.</p>	<p>MIC does not accept the adverse perception of the market or the regulation of the Company and will always try to manage it positively. However, a certain level of risk is unavoidable due to the markets and jurisdictions in where the Company operates.</p>
<p>Market Risk</p>	<p>Brexit represented the greatest risk for the Company as it made impossible to continue with the business in Europe.</p>	<p>MIC has worked on different solutions obtaining authorization to open a new Company in France. The authorization was obtained on December 16, 2020 and the European portfolio was transferred on April 30. Now Millennium focuses its efforts on increasing its presence in the UK and Gibraltar.</p>
<p>Reserve Risk</p>	<p>If the reserves are too low, the Company could be in financial difficulties.</p>	<p>MIC has an internal actuarial team. MIC also subcontracts the review of reserves at the end of the year to other external actuaries firms.</p>

Risk Mitigations

MIC has in place a number of controls and other risk mitigations to assist in the management of risks. These are set out in detail in the risk register, together with identifying the risks which are mitigated by the controls.

Strategic risk

The key controls are:

- MIC strategic objectives;
- Resources available to achieve objectives;
- Detailed business strategies and budget.

Insurance Risk

Key controls in place are:

- Diverse classes of business;
- Different policy with reinsurances depending of the class of business;
- Detailed review of monthly MI to monitor underwriting and claims performance;
- Close oversight/management of the claims handler;
- Periodic audits of the claims handler;
- In-house oversight and control of large claims.

In addition, a further risk transfer mechanism is used in the form of Excess of Loss Reinsurance and Quota Share reinsurance arrangements. These are set at a level consistent with a company of MIC's risk profile.

Market Risk

The key controls in place are:

- Monthly review of investment performance;
- Use of multiple banking counterparties: Diversity of cash in important banks;
- Diversification in the portfolio: Diversify our shares in important companies of the financial market.

Liquidity Risk

The key controls in place are:

- No loans for our own financing;
- No external creditors;
- Monthly review of investment performance;
- Use of multiple banking counterparties;
- Diversification in the portfolio.

Credit Risk

The key controls in place are:

- Continuous control to our agencies;
- Monthly feedback;
- Periodic visits;
- Quarterly control and settlement (Reinsurers);
- Distribution through multiple intermediaries;
- Appropriate rating for reinsurance counterparties;
- Use of an experienced reinsurance brokers.

Concentration Risk

The key controls in place are:

- Range of individuals involved in key areas of the business: Final decisions are taken by the Board of directors;
- Multiple product lines and geographical markets: Different countries with a different agency in each of them;
- Various distribution channels utilized by intermediaries: Our business is divided between different intermediaries;
- Reinsurance placed with a panel of counterparties.

Operational Risk

The key controls in place are:

- Data integrity and other IT controls : IT team makes periodic security copies;
- All is double checked by different levels. Four eyes control: MI production and analysis, financial information, payments;
- Detailed analysis and review of monthly MI: Continuous control & feedback from the different agencies;
- Oversight, monitoring and audits of claims handler;
- Disaster Recovery and Business Continuity plans in case of emergencies.

Reputational Risk

The key controls on which reliance is placed are:

- Monitoring and reporting by the Compliance function;
- On-going individual dialogue with relevant counterparties: they always confirm that the service offered by MIC to its customers and its geographical location is good;
- Monitoring and control of service providers: MIC is very strict with the agencies in that matter.

Reserve risk

The key controls in which MIC deposited the trust are:

- Monthly monitoring of business development;
- Internal actuarial projections;
- Outsource the calculation of end-of-year reserves to actuarial experts in the market.

ORSA:

The objective of the ORSA policy is to ensure that the Board has a thorough understanding of the risks faced by MIC and that the Company maintains appropriate levels of capital to manage and mitigate these risks.

MIC's Own Risk and Solvency Assessment should be carried out in an effective, consistent and reliable manner and should provide the management of the Company with the information needed to make appropriate decisions.

The ORSA will be carried out by various members of the management team with appropriate skills and knowledge of the relevant areas. However, the Board of MIC maintains oversight and control at all times, steering how the assessment is performed and challenging the results to ensure they properly take account of the Company's material risks.

Timing and frequency

MIC has been trading for a number of years, with the principals having been involved in the portfolio of risks written for a considerable time.

As a result, the Board believes that it is sufficient for a formal Own Risk and Solvency Assessment to be carried out on an annual basis. This will take place during the final month of the company's financial year, thus ensuring that the timing is aligned with the business planning process.

In addition, the Board will formally assess on a quarterly basis at least, through accounts, whether any decisions taken, risk events, market factors or other similar items affect MIC's risk profile, risk appetite, free reserves or other relevant matters. In such a case, the impact on the Company's own assessment of its capital needs will be considered and, if required, a further ORSA together with an SCR calculation will be carried out.

ORSA processes and procedures

The ORSA will be conducted as follows:

- Production of annual business plan or revision/re-forecast of existing business plan;
- Forecast or re-forecast of business for the two subsequent years;

- Calculation from historical data for relevant patterns/assumptions;
- Calculation of the SCR based on the business plan and assumptions;
- Discussion by the Board of the business plan, assumptions and other details underlying the SCR calculation;
- Revision of the business plan, assumptions and/or SCR calculation where required following such discussion;
- Consideration of specific risks, MIC's specific risk profile, limits and tolerances as to their impact on the business plan, assumptions and/or SCR calculation;
- Stress and scenario testing of the business plan, assumptions and SCR calculations;
- Final discussion and sign-off by the Board.

B4. Internal control System:

MIC is committed to managing its business in a risk-focused manner. In order to achieve this, appropriate controls have been put in place to reduce risks where possible. Risk management and the adherence to the internal controls are an integral part of the business culture.

Responsibility for establishing an appropriate internal control environment rests with the Board as a whole and its Directors individually. Responsibility for adherence to internal controls rests with all individuals involved in the management of the business.

The internal control policy is targeted at ensuring that:

- Procedures exist for the identification and assessment of risks;
- Appropriate processes and procedures are in place to control identified risks;
- Individuals involved in the business are trained and aware of their role with regard to internal controls;
- Appropriate monitoring and review processes are in place.

Compliance Function:

This function supports the development of responsible practices in the Company, guaranteeing a more productive, sustainable and inclusive growth. To this end, it is responsible for the supervision and control of compliance by the Company with the legislative and regulatory requirements of the activity it performs, the internal rules of organization and operation, as well as the handling of internal and external complaints and claims. In general, the Compliance Function has the following responsibilities:

- Carrying out "Know Your Customers" (KYC) procedures on new counterparties where required;
- Review of the wording of the Company's policies;
- Advice to the Administration, Management or Supervision body regarding compliance with legal, regulatory and administrative provisions;
- Monitoring of complaints and claims;
- Monitoring of MID reports;
- Follow up of reporting to the GFSC;
- Guarantee the response in a timely manner to any official body;
- Maintenance of compliance monitoring program;
- Examine the efforts of the Company to achieve greater transparency in its performance and disclosure of the practice of its business and documentation;
- Ensure transparency, avoid fraud and respect the rights of all workers and customers;
- Identification, study and implementation of any legislative or regulatory change that affects the Company's activity and the determination and evaluation of compliance risk;
- Conduct annual suitability and ownership controls on all members of the Board of Directors and those responsible for the main functions;
- Ensure compliance by employees of all levels of the Company with the Code of Ethics and Conduct to which they must have permanent access;
- Reception, Management and resolution of complaints or suspected violations of the Code of Ethics and Conduct made by workers through the Complaints Mailbox of the Company established for that purpose;

- Follow up of the external audit program that covers outsourced service providers and the audit report results to the Board;
- The review of the internal organization systems and procedures of the Company for compliance with applicable legal and regulatory requirements. In the same way, it can propose improvements considering the needs and objectives of the entity, its organizational structure and the philosophy of work;
- Periodically review the preventive analysis or the risk assessment plan for the Company's compliance.

B5. Internal Audit Function:

Internal Audit is an objective and independent activity, whose role is to help management achieve the Company's objectives by constantly improving the effectiveness of the Company's operations.

It is responsible for evaluating management's approach to risk management and governance, with particular emphasis on systems of internal control. It investigates the manner in which the Company's processes and control operate in order to assess their effectiveness in ensuring compliance with strategy and policies.

Internal Audit aims to assist management by identifying areas of significant risk and proposing improvements where required.

The internal audit plan will cover:

- Consider the risks faced by the Company and plan its work to cover all significant areas of business, with sufficient emphasis on areas of higher risk or importance;
- Provide the Board of Directors with a detailed audit plan, setting out timing, information and access to individuals required;
- Review findings of previous audits and remedial actions taken;
- Review compliance with any decisions taken as a result of previous recommendations;
- Fully document the audit procedures undertaken;
- Produce reports of its findings for the Board at least annually;
- Issue recommendations for improvements;
- Maintain a record of audit performed and reports issued.

B6. Actuarial Function:

The role of the Actuarial function is to provide the Board with an independent perspective on key insurance aspects of the Company's operations. This will ensure that the Board is fully informed of matters that may impact the business.

MIC employs an in-house actuarial department with 2 actuaries that carries out large elements of the actuarial function tasks. In addition, in order to cover specific requirements which require an independent view, MIC utilize the services of external actuaries.

The internal Actuarial function will be responsible for the following areas:

- Calculation of technical provisions;
- Explanation of any material changes in data, methodologies or assumptions;
- Assessment of the sufficiency and quality of the data and consistency with data quality standards;
- Recommendations to improve data quality where required;
- Back-testing of best estimates against actual experience, reporting of material deviations and proposals to improve calculation;
- Opinion on overall underwriting policy:
 - Consistency of product pricing with underwriting policy for risk acceptance
 - Opinion on risk factors affecting profitability during the coming year, including external factors such as inflation and legal or market changes
 - Variability in estimate of expected profitability
 - Consistency of this variability with risk appetite

MIC external actuaries will be responsible for the following functions:

- Scrutiny and validation of calculation of technical provisions
- Assessment of the appropriateness of methodologies and assumptions used and consistency with Articles 76 to 85 of the Directive 2009/138/EC dated 25 November 2009
- High-level review of other tasks carried out by in-house Actuarial function

The proposed structure and allocation of tasks is considered to be proportionate to the nature, scale and complexity of the business.

B7. Outsourcing:

Outsourcing Policy

MIC has an independent Outsourcing policy. This sets out the processes and procedures that will be followed when deciding to outsource a particular activity. This includes details on risk management and the contractual arrangements. The individual's allocated oversight of the relevant outsourced functions has the appropriate level of knowledge, skills and experience to oversee the provision of the services.

The purpose of outsourcing is to transfer activities and / or services, as well as their management, to a specialized external entity in order to carry out certain processes or works, allowing focusing the resources available in the main business.

To guarantee the protection of intellectual property and avoid the loss of control of Outsourced activity, the Company sets the parameters to foster a collaborative and trusting culture among internal and external teams, and ensure that the objectives are clear.

In addition, it is Company policy that all important outsourced functions must be subject to suitability and adequacy requirements; this will be demonstrated by following previously established procedures through an individualized evaluation according to the established outsourcing procedure.

Outsourced services during the year:

Service Provider	Service Provided	Jurisdiction Located
DSA, Defensa y Servicios al Asegurado S.A	Administrative Services	Spain
Control Habitat S.L	Loss adjuster	Spain
Fiscal Reps Limited	Tax representatives and tax reporting	UK
Artex Limited	Solvency II Consulting	Gibraltar
Charles Taylor Adjusters	Comprehensive loss management	UK
RSM (Auditors) Limited	External auditors of the financial statements	Gibraltar
Line Management Limited	Legal and secretary services	Gibraltar
IDEAS	Consulting services	Spain
Moncholi-Checa y Asociados S.L.	Support for compliance with the General Data Protection Regulation (GDPR)	All the EU

B8. Adequacy of the system of Governance

MIC aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations are made to the Board regarding enhancing and developing systems. It also considers relevant industry advice and guidelines, for example, from being part of the Gibraltar Insurance Association (GIA), implementing these as appropriate for the size and complexity of the Company.

Internal audits and external audits provide independent evaluation of MIC's systems of governance. Recommendations from these audits are considered by the Board and implemented proportionate to the business' risks.



Risk Profile

C1. Strategic risk

Strategic risk is defined as the current and future impact on earnings and capital that could arise from adverse business decisions, improper implementation of decisions or lack of responsiveness to market changes. These risks may be uncertainties or opportunities, and are usually the key issues that concern the Board of Directors

Strategic risk is the incompatibility between two or more of the following:

- Millennium's strategic goals;
- The resources available to achieve the goals;
- The detailed business strategies;
- The manner in which strategies and goals are implemented;
- The economic position of the markets in which Millennium operates.

MIC aims to operate an appropriate framework for limiting the possibility of strategic risk which could arise from inappropriate business decisions or manner in which such decisions are implemented or a lack of consideration of the wider markets in which the Company operates.

Besides, MIC underwrites property damage, general liability, credit and suretyship, legal expenses and assistance business and is therefore exposed to liabilities which may not crystallise for a considerable period of time. The Company aims to ensure that its liabilities are fully matched by assets and that the risk of any mismatch is minimised.

The responsibility for the management and control of strategic risk remains with MIC Board of Directors.

MIC's Board of Directors sets a strategy MIC senior business that translates into a business plan and budget for 3 years. The budget is reviewed at regular meetings of the Board and recalculated if necessary.

C2. Risk management Insurance policy

Insurance risk is defined as the possibility of the Company issuing policies above the risk appetite or contracting risks outside of the underwriting policy, as well as the losses due to the loss ratio and the reinsurance policy does not cover the business main.

Insurance risk is comprised of underwriting and reserving risk and is the primary risk in the business. Appropriate underwriting and risk selection/pricing are directly linked in a continuous feedback cycle and is the fundamental driver in enabling business performance to be managed.

Control over insurance risk is directly linked to the strategy in the need to deliver sustainable underwriting profit through the market cycle.

MIC underwrites a number of different business lines including accident & health, property, liability, credit and suretyship, and legal expenses business in Spain, Portugal, Italy, the UK, France, Belgium, Romania, Lithuania, Hungary, Luxemburg, Poland and Ireland.

The primary segmentation of business is into:

- Business lines
- Country

Within these segments, further detailed analysis is carried out based on individual risk factors.

The Company operates through carefully selected intermediaries and ensures that there is sufficient expertise both within MIC and the intermediaries in the relevant business segments.

For the management of claims the company has the advice of experts through outsourcing, giving MIC the best way to proceed. The development of the claims is discussed and monitored in the regular meetings of the Claims Committee.

The focus and reserve practices are set by MIC, based on own experience and market conditions and based on the results derived from the independent external actuarial review, and performance is closely monitored through the monthly underwriting committee and the monthly claims committee.

The role of Underwriting is to manage business profitability and volumes through risk selection, pricing and distribution. The aim is to achieve targeted loss ratios and to reduce the risks in the segments being written.

The role of the reserving function is to ensure that claims are properly and adequately reserved, taking full account of all relevant factors, including market changes, inflation and other similar matters. Adequate information must flow through to the underwriting function for decision-making about future risk selection and pricing.

Quota Share and Excess of Loss reinsurance protection are purchased at a level in line with the Board's risk appetite.

The Company aims to limit its exposure to individual business segments to a maximum of 50% from any business line of the portfolio or country.

The Company has future plans to expand into other European and non-European countries, and expand the type of business you subscribe. Based on the above factors, MIC has low risk profile insurance.

At a high level, the Company's risk appetite measure, in line with the standard SCR calculation, is that existing net reserves should not deteriorate by more than 30% of the value at the previous financial year end. This is slightly more conservative than the standard premium and reserve volatility parameters for the business written and equates approximately to a 1 in 200 year event.

The Company reserves to at least actuarial best estimate. In addition, the Board of Directors will consider from time to time whether the internal view of ultimate loss ratios differs significantly from that of the external actuary and, if appropriate will assess the need for an additional management load. The Board of Directors will also consider whether an additional management load is required to allow for potential volatility or uncertainty in the result. It is not Millennium's policy to set a pre-defined level of management load to be held.

Within these high level risk appetite measures, the Board of Directors has set further detailed operational limits and tolerances with regard to specific elements of insurance risk.

These limits are triggers for review and action by management.

Performance Measures

- Loss ratio
- Frequency
- Average cost per claim
- Turnover
- Business mix
- Deterioration in the historic claims
- Differences between payment of claims and constituted reserves
- Differences between loss ratios calculated internally and independent actuarial review

Operational Claims measures

- Legislative changes
- Market changes
- Changes in the claims procedure

C3. Market Risk

Market risk is caused by the possibility of losses in the value of positions held as a result of changes in the market prices of financial instruments.

An appropriate and well-managed strategy for the investment of funds generated by the business is a contributing factor in enabling Millennium to build its capital base and achieve sustainable profits. Control of investments is also important in ensuring an ability to meet claims liabilities as they fall due and thereby safeguarding the Company's future and its reputation.

Historically, MIC has maintained significant balances with its banking counterparties and invested into a small range of equities together with providing loans to related undertakings. These latter investments were made on the basis of that a high return was achieved.

It is the Company's intention going forward to use investment managers in the future. Such managers will be chosen taking into account their experience and expertise, with particular emphasis on the needs of insurance companies both from a risk management and a reporting perspective. Investment managers are given clear investment guidelines and parameters within which to operate.

MIC's investment decisions are currently carried out by the Board of Directors and it is intended that the performance of its investment managers will similarly be overseen by the Board of Directors.

Currency

MIC is exposed to two currencies, the Euro ("EUR") and British Sterling ("GBP"). All investments are held in Euro and therefore present no currency risk to the Company. The Company holds a GBP cash account for GBP premium funds and claims payments, to minimize the number of currency exchanges necessary, however it is exposed to currency risk as its accounting currency is Euro and the exchange rate will affect the value of transactions and balances. MIC has most of cash held in banks with a rating higher than "A".

Property

MIC has a property investment portfolio, the majority of which consists of commercial properties which are then leased to provide a return on capital. Given the tenant covenants in place, these commercial properties are not subject to the same market fluctuations as residential properties, and therefore are considered to be lower risk. Properties, while all based in the Spain, are still geographically spread to mitigate catastrophe risk, and all have insurance to cover damage.

The property portfolio presents a liquidity risk in that it may take time to sell and realize cash.

The Investment Policy is reviewed at least annually to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

Concentration

The Board of Directors reviews the investment portfolio and assesses the concentration risk that the Company is exposed to, to ensure that it is within MIC's risk appetite and in accordance with the Investment Policy. The concentration exposure arises in respect of positions taken in the Company secured loans and property exposure and counterparties (cash holdings and reinsurance recoveries).

C4. Credit Risk

MIC's credit risk is medium, and it is exposed from only three sources: premium receipts from intermediaries and policyholders, loans provided and reinsurance recoveries. While these areas are tightly controlled, past leeway given to various parties could potentially result in a loss.

The management of credit risk is important in ensuring that the Company minimises the possibility of losses from non-payment of amounts due to it. This area is therefore important in building a profitable and sustainable business.

MIC aims to minimise credit risk arising from its operations. Premium risk arises from the intermediaries producing the business and this is closely monitored in-house. Risk with regard to reinsurers is managed through the careful selection of reinsurance counterparties. In addition, the Company has cancelled all existing loans and even has as a policy not continuing to provide loans because they give rise to an element of credit risk, despite the fact that they provide a good return.

Key business control thresholds are:

- No premiums to be overdue.
- Regular audit of underwriting agencies.
- Reinsurance recoveries to be received promptly and within contract terms.
- Interest and capital amounts due on loans to be received within contract terms.
- Minimum rating for XOL reinsurance counterparty to be A.
- Minimum rating for QS reinsurance counterparty to be A.
- The use of an experienced reinsurance broker.

If any debts due to the company fall overdue, this will trigger a review by The Board.

C5. Liquidity Risk

The liquidity risk is the possibility that the Company does not have enough liquidity to face the payment of its obligations.

Managing the Company's liquidity is necessary in order to ensure that it is able to meet its liabilities as they fall due, while balancing this with achieving returns on the less liquid, invested assets.

Control over this area is therefore linked directly to achieving both profitable growth and continuing to ensure the ability to protect policyholder interests.

Millennium aims to build and maintain liquid assets at a level sufficient for on-going requirements. Cash flow assessments are prepared monthly and are formally presented to the Board at least quarterly for consideration during investment discussions.

The liquidity requirement is balanced, with the aim of achieving adequate returns while ensuring that additional funds are available should be required investment. Most investments are therefore highly liquid and held with banks. Company policy is a minimum cash cushion between 35% and 50% should be maintained above requirements of known cash flow.

Policy regarding this risk is liquidity.

C6. Operational Risk

Operational risk has the potential to impact all areas of the business and thus result in a loss of either profits or capital or both. This area therefore needs to be well controlled if the Company is to achieve its overall strategic aims.

The Company aims to minimise operational risk wherever possible. However, while controls and processes are in place, due to MIC's small size these are concentrated in the hands of a small number of senior members of the management team. It is the Company's policy to record its actual and potential risks in a risk register. This sets out the key risks to which the company is exposed and the controls in place to mitigate this risk. Additionally, a log is maintained to monitor risk events when they occur, recording the cause of the event, the impact and any remedial actions that have been taken.

MIC has various controls in place, as set out in the risk register, to mitigate operational risk.

C7. Reputational Risk

Reputational risk is the danger that negative public opinion will impede or diminish your ability to do business.

This risk may result in adverse selection of risks against the Company or regulatory action that requires an increase in the capital base. Any of these would negatively impact on the Company achieving its aims.

C8. Risk reserve

Reserve risk is the possibility that the calculation of reserves and, therefore, the establishment of them, may not be correct. This can mean a lack of technical provisions to take casualties. It is related to the difference between the required reserve and the estimated reserves.

If reservations were quite low, the Company could experience financial difficulties.

Uncertainty in reserve may arise through the following errors:

- Error in model specification.
- Risk processes.
- Parameter error.

C9. Other material risk

There are no other material matters in respect to other risks of the Company



Valuation
for Solvency
Purposes

D1. Assets

Cash and cash equivalents

At the date of presentation of the financial statements, the company held € 5.270.996 as cash and cash equivalents in bank accounts in Spain and the United Kingdom. The balances held in Spanish bank accounts are in Euros ("EUR"). No estimation methods, adjustments for future value or valuation judgments are required for these balances. UK bank accounts are kept in pounds sterling ("GBP"); translated into Euros at the end of the period for reporting purposes.

Cash and cash equivalents are valued at fair value by the relevant financial institution and the Company's accounting statement confirms the balances held daily. There are no significant estimates or judgements used in valuing cash holdings due to the nature of the asset. For Solvency II, total cash and cash equivalents includes the balances held in accounts. The value of these balances is the same for the Company's Solvency II balance sheet.

Properties

Properties are measured based on the most recent external valuation report or acquisition cost if they were acquired less than three years ago. Properties are valued at least every three years.

MIC has a portfolio of property investments aimed at obtaining profitability for its rent and others for its own use.

Properties for rental are commercial properties that are then leased to provide a return on capital. The properties, although established in Spain, are geographically distanced to mitigate the risk of catastrophe, and all have insurance to cover the damages. These properties are valued in the Solvency II balance sheet of the company at € 5.371.540.

MIC headquarters are in Gibraltar; this is located in Queensway Quay, one of the best areas of the city. Said headquarters was appraised in February 2019 at € 500,000 when it was previously registered at € 400,568, this means a revaluation of the property of 25%. The value of this property in 2022 after its amortization has been of € 345.280.

Listed Equities

MIC has a diversified portfolio of shares in the main Spanish stock market (IBEX 35). This portfolio is made up of shares of large reference companies.

Within the investment policy of the Company, it is contemplated to always invest in shares with lower volatility in order to reduce risk, even if the profitability is lower than if it were invested in other, more volatile shares. That is why the company always tries to invest in the so-called "blue chips".

The total value in the Company's Solvency II balance sheet for investments in listed shares is € 2.576.766.

D2. Technical Provisions

MIC accounts include provisions for claims incurred based on earned premiums that consider the best reasonably foreseeable estimates. These include the claims reserves incurred plus a provision for Incurred But Not Reported (IBNR) claims. MIC also considers the reinsurance recoveries contracts with respect to its claims and IBNR reserves.

The technical provisions by line of business are as follows:

	Accidents	Property	Liability	Credit & Suretyship	Legal expenses	Miscellaneous	Total
Gross Best Estimate	60,507	635,329	487,168	347,205	2,069,741	37	3,599,987
Risk Margin	2,982	31,308	24,007	17,110	101,993	2	177,401
Total Technical Provisions	63,489	666,637	511,174	364,315	2,171,734	38	3,777,387
Reinsurance Recoverables	0	10,422	313,615	14,389	1,104,853	0	1,443,279
Technical Provisions allowing for Recoverables	63,489	656,215	197,559	349,926	1,066,881	38	2,334,108

The estimates used to calculate the technical provisions are as follows:

MIC has the following items that make up its technical provisions: Claims reserves, unearned premiums (UPR) and IBNR.

Losses related to claims incurred but not reported (“IBNR”) are estimated, since the nature of the claims is not known at the time the reserve is applied. This estimate is calculated by the Insurance Company’s internal actuary and, at the close of the financial year, an external and independent actuarial analysis is made on the reserves and changes are applied if necessary to adjust the IBNR.

Unearned premium reserves (UPR) are internally calculated by the Insurance Company’s internal actuary and reviewed during the audit of the financial statements. These are calculated in a coherent and proportional way using the duration of each policy. For the French construction business, due to the special type of reserves that the ACPR indicates, the Company has arranged for PwC to carry out a review. Reserves have subsequently been adjusted in line with their recommendations.

The estimates of claims reserves are calculated by the Insurance Company’s staff with extensive experience and backed by expert independent valuations.

The estimate of general expenses is calculated taking into account the historical data of the Insurer and these have remained stable in last years.

MIC manages the risks associated with these estimates through the following actions:

- Permanent monitoring of claims.
- Maintaining a number of reinsurance agreements to limit the impact of the development of the claims.
- Internal controls through the underwriting committee and actuarial function that monitor the development of claims and reinsurance agreements.
- Review and adjustment of claims reserves annually by independent actuaries.

D3. Other Liabilities

In addition to technical provisions, MIC has the categories below in its liability under the Solvency II regulations:

Deposits from reinsurers	0
Deferred tax liabilities	0
Insurance & intermediaries payables	15,214,562
Reinsurance payables	0
Any other liabilities, not elsewhere shown	303,539

Deposits from reinsurers

Deposits received from reinsurers in connection to decennial business.

Deferred tax liabilities

This item reflects the corporate tax applied to the future profit accounted for at the valuation date.

Insurance and intermediaries payables

Premiums due to intermediaries and deposits received from insurers.

Reinsurance payables

Premiums due from MIC to reinsurers.

Any other liabilities, not elsewhere shown

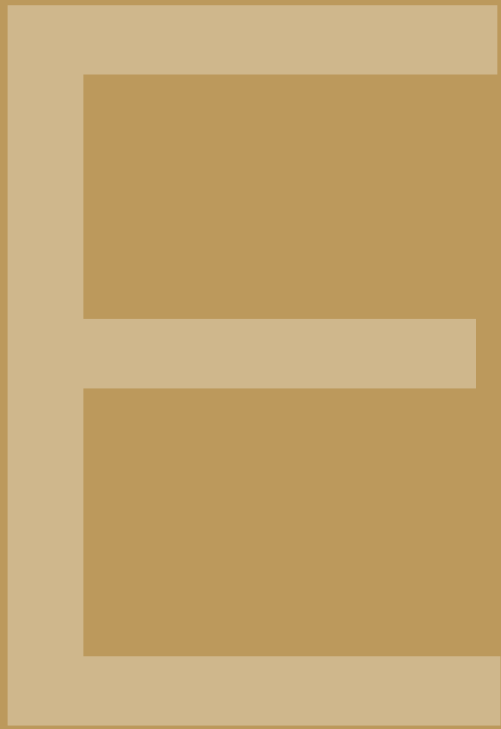
These are sundry creditors.

D4. Alternative Methods for Valuation

Not applicable.

D5. Any Other Information

Not applicable.



Capital Management

E1. Own Funds

Management of Own Funds

Objectives, Policies and Processes in Managing Own Funds

Millennium has in place a Capital Management Policy to ensure that the Group has the appropriate levels and quality of capital to meet both the SCR and the internal view of capital as determined by the ORSA. The intention is for capital requirements to be met in both the immediate and medium-term future.

While Millennium's ORSA process is carried out formally on an annual basis, the capital requirements and own funds to meet these requirements are considered at least quarterly as part of the quarterly regulatory reporting process. The Board reviews the Group's capital position as part of its risk management processes and monitors ongoing performance through monthly management accounts.

There have been no changes in capital management policies or processes during the period.

Time Horizon for Business Planning and Material Changes

Millennium's business planning period for capital management encompasses a three year time horizon, with emphasis on the current and next year. There have been no changes in the planning time horizon over the year.

Description of Own Funds

Structure, Amount and Quality of own funds

Millennium currently only has basic own funds and no ancillary own funds. Own funds are comprised entirely of Share Capital and the Reconciliation Reserve and therefore all qualify as Tier 1 funds. The table below set out Millennium's own funds at 31 December 2022, together with movements during the period:

Reconciliation reserve	31/12/2021	31/12/2022	Movement
Excess of assets over liabilities	22,070	21,619	(451)
Own shares (held directly and indirectly)			
Foreseeable dividends, distributions and charges			
Other basic own fund items	3,700	3,700	0
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds			
Reconciliation reserve	18,370	17,919	(451)

Millennium's Reconciliation Reserve effectively represents retained earnings on a Solvency II valuation basis. There are no foreseeable dividends.

Terms and Conditions of Own Funds

At December 2022, Millennium's own funds were fully comprised of Tier 1 funds and had no terms or conditions attached and there were no restrictions affecting the availability and transferability of the Group's own funds. The own funds were not redeemable and did not carry any guaranteed dividend or other return.

Difference in Own Funds between Financial Statements and Solvency II Valuation

The difference in the valuation of own funds as shown in the Financial Statements compared to the Solvency II valuation is due to the valuation differences in the underlying assets and liabilities, as set out in the table below:

Excess of assets over liabilities-attribution of valuation differences	Total €'000
Difference in the valuation of assets	(2,554)
Difference in the valuation of technical provisions	(320)
Difference in the valuation of other liabilities	(1,719)
Total of reserves and retained earnings from financial statements	18,434
Other, please explain why you need use this line	0
Reserves from financial statements adjusted for Solvency II valuation differences	17,919
Excess of assets over liabilities attributable to basic own fund items (excluding the reconciliation reserve)	3,700
Excess of assets over liabilities	21,619

E2. Solvency Capital Requirement and Minimum Capital Requirement

SCR and MCR

Millennium's SCR and MCR coverage is set out below:

Available and eligible own funds	Total €'000	Tier 1	Tier 2
Total available own funds to meet the SCR	21,619	21,619	0
Total available own funds to meet the MCR	21,619	21,619	0
Total eligible own funds to meet the SCR	21,619	21,619	0
Total eligible own funds to meet the MCR	21,619	21,619	0
SCR	14,987		
MCR	3,747		
Ratio of Eligible own funds to SCR	144%		
Ratio of Eligible own funds to MCR	577%		

As we can see, it is shown in the table above; the Company meets the Solvency Capital Requirement marked by solvency II. In quantitative terms the Company has a capital surplus of €6.6 above the required capital.

Regarding the MCR, the Minimum Capital Requirement, the Company has a 577% buffer, in quantitative terms; this means a surplus over the MCR of about €17.9.

As at December 2022, Millennium's capital was fully comprised by Tier 1, i.e. 100% eligible to cover the MCR.

SCR by Risk Module

	Solvency Capital Requirement €'000
Market risk	14,009
Counterparty default risk	1,054
Life underwriting risk	0
Health underwriting risk	9
Non-life underwriting risk	1,351
Diversification	-1,674
Intangible asset risk	0
Basic Solvency Capital Requirement	14,749
Operational risk	238
Loss-absorbing capacity of technical provisions	0
Loss-absorbing capacity of deferred taxes	0
Solvency capital requirement excluding capital add-on	14,987
Capital add-on already set	0
Solvency capital requirement	14,987

Simplifications

No material simplifications have been used in the calculation of the SCR and MCR

Inputs used to Calculate the MCR

The following inputs have been used to calculate the Company's MCR:

2022 Minimum Capital Requirement	Total €'000	
	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance	61	0
Fire and other damage to property insurance	625	114
General liability insurance	174	149
Credit and suretyship insurance	333	317
Legal expenses insurance	965	2,642
Miscellaneous financial loss insurance	0	0

Overall MCR calculation

Linear MCR	486
SCR	14,987
MCR cap	6,744
MCR floor	3,747
Combined MCR	3,747
Absolute floor of the MCR	3,700
Minimum Capital Requirement	3,747

Changes over the Period

Solvency Capital Requirement:

	Solvency Capital Requirement (€'000s)		
	2022	2021	Movement
Market risk	14,009	14,145	(136)
Counterparty default risk	1,054	355	699
Life underwriting risk	0	0	0
Health underwriting risk	9	12	(3)
Non-life underwriting risk	1,351	1,417	(66)
Diversification	(1,674)	(1,255)	(419)
Intangible asset risk	0	0	0
Basic Solvency Capital Requirement	14,749	14,674	75
Operational risk	238	316	(78)
Loss-absorbing capacity of technical provisions	0	0	0
Loss-absorbing capacity of deferred taxes	0	(3,938)	3,938
Solvency capital requirement excluding capital add-on	14,987	14,990	(3)
Capital add-on already set	0	0	0
Solvency capital requirement	14,987	14,990	(3)

The table above sets out the SCR comparison between 2022 and 2021.

It can be seen that the Basic SCR has increased by €78k which is offset by the decrease in the operational risk, - €78k. The decrease in the SCR is marginal when compared to the 2021 figure.

Minimum Capital Requirement:

The two tables below lay out the MCR calculated in 2022 and 2021, respectively:

2022 Minimum Capital Requirement	Total €'000	
	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance	61	0
Fire and other damage to property insurance	625	114
General liability insurance	174	149
Credit and suretyship insurance	333	317
Legal expenses insurance	965	2,642
Miscellaneous financial loss insurance	0	0

Overall MCR calculation

Linear MCR	486
SCR	14,987
MCR cap	6,744
MCR floor	3,747
Combined MCR	3,747
Absolute floor of the MCR	3,700
Minimum Capital Requirement	3,747

2021 Minimum Capital Requirement	Total €'000	
	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance	69	0
Fire and other damage to property insurance	1,174	0
General liability insurance	734	0
Credit and suretyship insurance	0	127
Legal expenses insurance	431	1,987
Miscellaneous	0	0

Overall MCR calculation

Linear MCR	384
SCR	14,990
MCR cap	6,745
MCR floor	3,747
Combined MCR	3,747
Absolute floor of the MCR	3,700
Minimum Capital Requirement	3,747

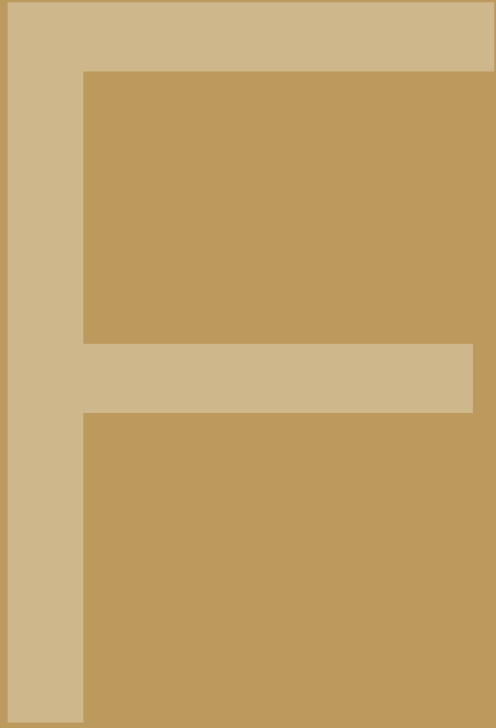
It can be seen that the MCR has remained stable in 2022.

E3. Non-Compliance with Minimum Capital Requirement or Solvency Capital Requirement

Millennium has reached its SCR and is projected to achieve it in the future and therefore has not had to take measures to mitigate a capital shortage.

E.4 Any other information

There are no other material matters in respect to the capital management of the Group.



Quantitative
Reporting
Templates (QRT's)

P.02.01.02 Balance Sheet

	Solvency II value	
	C0010	
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	345
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	7.603
Property (other than for own use)	R0080	5.026
Holdings in related undertakings, including participations	R0090	
Equities	R0100	2.577
Equities - listed	R0110	2.577
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	20.042
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	20.042
Reinsurance recoverables from:	R0270	1.443
Non-life and health similar to non-life	R0280	1.443
Non-life excluding health	R0290	1.443
Health similar to non-life	R0300	
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	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	856
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	5.353
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	5.271
Any other assets, not elsewhere shown	R0420	1
Total assets	R0500	40.915

	Solvency II value	
	C0010	
Liabilities		
Technical provisions – non-life	R0510	3.777
Technical provisions – non-life (excluding health)	R0520	3.714
TP calculated as a whole	R0530	
Best Estimate	R0540	3.539
Risk margin	R0550	174
Technical provisions - health (similar to non-life)	R0560	63
TP calculated as a whole	R0570	
Best Estimate	R0580	61
Risk margin	R0590	3
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	15.215
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	304
Total liabilities	R0900	19.295
Excess of assets over liabilities	R1000	21.619

P.05.01.02.01 Premiums, 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:				Total
	Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090	Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120	Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160	C0200	
Premiums written																		
Gross - Direct Business																		
R0110																		
R0120																		
Gross - Proportional reinsurance accepted																		
R0130																		
Gross - Non-proportional reinsurance accepted																		
R0140																		
Reinsurers' share																		
R0200																		
Premiums earned																		
Gross - Direct Business																		
R0210																		
Gross - Proportional reinsurance accepted																		
R0220																		
Gross - Non-proportional reinsurance accepted																		
R0230																		
Reinsurers' share																		
R0240																		
Net																		
R0300																		
Claims incurred																		
Gross - Direct Business																		
R0310																		
Gross - Proportional reinsurance accepted																		
R0320																		
Gross - Non-proportional reinsurance accepted																		
R0330																		
Reinsurers' share																		
R0340																		
Net																		
R0400																		
Changes in other technical provisions																		
Gross - Direct Business																		
R0410																		
Gross - Proportional reinsurance accepted																		
R0420																		
Gross - Non-proportional reinsurance accepted																		
R0430																		
Reinsurers' share																		
R0440																		
Net																		
R0500																		
Expenses incurred																		
R0510																		
Other expenses																		
R1200																		
Total expenses																		
R1300																		

P.05.02.01 Premiums, claims and expenses by country

	Home Country		Top 5 countries (by amount of gross premiums written) - non-life obligations							Total Top 5 and home country
	C0010	C0080	C0020	C0030	C0040	C0050	C0060	C0130	C0070	
	R0010		GB							
			C0090	C0100	C0110	C0120	C0130	C0140		
Premiums written										
Gross - Direct Business	R0110		6.228						6.228	
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		3.006						3.006	
Net	R0200		3.222						3.222	
Premiums earned										
Gross - Direct Business	R0210		7.943						7.943	
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		5.070						5.070	
Net	R0300		2.873						2.873	
Claims incurred										
Gross - Direct Business	R0310		569						569	
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		576						576	
Net	R0400		-7						-7	
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non-proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500									
Expenses incurred	R0550		2.601						2.601	
Other expenses	R1200									
Total expenses	R1300									2.859

P.17.01.02 Non-life Technical Provisions

	Direct business and accepted proportional reinsurance										Accepted non-proportional reinsurance				Total Non-Life obligation		
	Medical expense insurance C0020	Income protection insurance C0030	Workers' compensation insurance C0040	Motor vehicle liability insurance C0050	Other motor insurance C0060	Marine aviation and transport insurance C0070	Fire and other damage to property insurance C0080	General liability insurance C0090	Credit and suretyship insurance C0100	Legal expenses insurance C0110	Assistance C0120	Miscellaneous financial loss C0130	Non-proportional health reinsurance C0140	Non-proportional casualty reinsurance C0150		Non-proportional marine aviation and transport reinsurance C0160	Non-proportional property reinsurance C0170
Technical provisions calculated as a whole																	
Total Recoverables from reinsurers/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to JP as a whole																	
Technical provisions calculated as a sum of BE and RV																	
Genes																	
Recoverable from reinsurers/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Premium Provisions																	
Genes provisions																	
Total recoverable from reinsurers/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Technical Provisions																	
Total Best estimate - net																	
Technical Provisions																	
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole																	
Risk margin																	
Technical provisions - total																	
Recoverable from reinsurers/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																	
Technical provisions minus recoverables from reinsurers/SPV and Finite Re - total																	

P.19.01.21 Non-life Insurance Claims Information (simplified template for the public disclosure)

Total Non-Life Business

Accident year / Underwriting year

Z0020	Accident year [AY]
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Gross Claims Paid (non-cumulative) (absolute amount)

Year	Development year											In Current year C0170	Sum of years (cumulative) C0180		
	1	2	3	4	5	6	7	8	9	10 & +					
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110				
Prior	R0100											11	R0100	11	11
2013	R0160	7.900	5.650	1.230	1.131	335	201	1.120	85	78	53	R0160	53	17.783	
2014	R0170	10.120	7.451	2.481	829	2.906	534	389	532	0	R0170	0	25.243		
2015	R0180	8.767	6.515	1.748	556	1.550	-876	234	41	R0180	41	18.534			
2016	R0190	9.687	8.274	5.342	2.617	1.339	671	24	R0190	24	27.954				
2017	R0200	12.404	13.635	3.880	2.160	827	78	R0200	78	32.985					
2018	R0210	8.618	14.205	10.544	3.184	166	R0210	166	36.717						
2019	R0220	9.989	11.758	2.955	72	R0220	72	24.774							
2020	R0230	5.518	5.488	18	R0230	18	11.025								
2021	R0240	396	R0240	396											
2022	R0250	R0250													
Total	R0260	464	R0260	195.423											

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

Year	Development year											Year end (discounted data) C0360	
	1	2	3	4	5	6	7	8	9	10 & +			
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		
Prior	R0100											R0100	
2013	R0160			2.583	1.951	1.178	R0160						
2014	R0170		4.943	5.807	3.689	2.776	10	8	R0170	7			
2015	R0180	12.684	10.738	6.842	4.330	38	R0180						
2016	R0190	18.146	14.154	8.352	9.067	19	12	R0190	12				
2017	R0200	17.500	10.720	8.216	335	131	R0200	129					
2018	R0210	24.820	12.527	222	6	R0210	6						
2019	R0220	86.212	14.511	132	129	R0220	127						
2020	R0230	28.585	71	33	R0230	32							
2021	R0240	2.430	R0240										
2022	R0250	3.389	R0250										
Total	R0260	3.517	R0260	3.204									

P.23.01.01 Own funds

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)
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Surplus funds
 Preference shares
 Share premium account related to preference shares
 Reconciliation reserve
 Subordinated liabilities
 An amount equal to the value of net deferred tax assets
 Other own fund items approved by the supervisory authority as basic own funds not specified above
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Forseizable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business

Expected profits included in future premiums (EPIFP) - Non- Life business

Total Expected profits included in future premiums (EPIFP)

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0010					
R0030	3.700	3.700			
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	17.919	17.919			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	21.619	21.619			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	21.619	21.619			
R0510	21.619	21.619			
R0540	21.619	21.619			
R0550	21.619	21.619			
R0580	14.987				
R0600	3.747				
R0620	144.25%				
R0640	577.01%				

	C0060
R0700	
R0710	21.619
R0720	
R0730	3.700
R0740	
R0760	17.919
R0770	
R0780	
R0790	

P.25.01.21 Solvency Capital Requirement

Market risk
 Counterparty default risk
 Life underwriting risk
 Health underwriting risk
 Non-life underwriting risk
 Diversification
 Intangible asset risk
Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk
 Loss-absorbing capacity of technical provisions
 Loss-absorbing capacity of deferred taxes
 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
Solvency capital requirement excluding capital add-on
 Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
 Total amount of Notional Solvency Capital Requirement for remaining part
 Total amount of Notional Solvency Capital Requirements for ring fenced funds
 Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
 Diversification effects due to RFF nSCR aggregation for article 304

Approach to tax rate

Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

LAC DT
 LAC DT justified by reversion of deferred tax liabilities
 LAC DT justified by reference to probable future taxable economic profit
 LAC DT justified by carry back, current year
 LAC DT justified by carry back, future years
 Maximum LAC DT

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	14.009		
R0020	1.054		
R0030			
R0040	9		
R0050	1.351		
R0060	-1.674		
R0070			
R0100	14.749		
	C0100		
R0130	238		
R0140			
R0150			
R0160			
R0200	14.987		
R0210			
R0220	14.987		
R0400			
R0410			
R0420			
R0430			
R0440			
	Yes/No		
	C0109		
R0590	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)		
	LAC DT		
	C0130		
R0640			
R0650			
R0660			
R0670			
R0680			
R0690			

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

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	R0010	C0010 486		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	61		
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050			
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070			
Fire and other damage to property insurance and proportional reinsurance	R0080	625	114	
General liability insurance and proportional reinsurance	R0090	174	149	
Credit and suretyship insurance and proportional reinsurance	R0100	333	317	
Legal expenses insurance and proportional reinsurance	R0110	965	2.642	
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0		
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	R0200	C0040		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			

Overall MCR calculation

		C0070
Linear MCR	R0300	486
SCR	R0310	14.987
MCR cap	R0320	6.744
MCR floor	R0330	3.747
Combined MCR	R0340	3.747
Absolute floor of the MCR	R0350	3.700
		C0070
Minimum Capital Requirement	R0400	3.747