BINOMIAL GROUP

INCLUDING

SABRE

SABRE INSURANCE COMPANY LIMITED

SOLVENCY AND FINANCIAL CONDITION REPORT

Year to 31 December 2016

CONTENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the group Solvency and Financial Condition Report, including the attached public quantitative reporting templates, in accordance, in all material respects, with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year in question, the group has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable at the level of the group; and

b) it is reasonable to believe that the group has continued so to comply subsequently and will continue so to comply in future.

Angus Ball

Director

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF BINOMIAL GROUP LIMITED ('THE GROUP') PURSUANT TO RULE 4.1 (2) OF THE EXTERNAL AUDIT CHAPTER OF THE PRA RULEBOOK APPLICABLE TO SOLVENCY II FIRMS

REPORT ON THE AUDIT OF THE RELEVANT ELEMENTS OF THE GROUP SOLVENCY AND FINANCIAL CONDITION REPORT

OPINION

Except as stated below, we have audited the following documents prepared by Binomial Group Limited ('the Group'), comprising Binomial Group Limited and the authorised insurance entity Sabre Insurance Company Limited (the company) as at 31st December 2016:

• The 'Valuation for solvency purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of the Group as at 31st December 2016, ('the Narrative Disclosures subject to audit'); and

• Group templates S02.01.02, S23.01.22, S.25.01.22, S32.01.22 ('the Group Templates subject to audit'); and

• Company templates of Sabre Insurance Company Limited S02.01.02, S.12.01.02, S17.01.02, S23.01.01, S25.01.21, S28.01.01('the Company Templates subject to audit').

The Narrative Disclosures subject to audit and the Group and Company Templates subject to audit are collectively referred to as the 'relevant elements of the Group Solvency and Financial Condition Report'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

• The 'Business and performance', 'System of governance' and 'Risk profile' elements of the Group Solvency and Financial Condition Report;

• Group templates S05.01.02, S05.02.01;

• Company templates of Sabre Insurance Company Limited S05.01.02, S05.02.01, S19.01.21;

• the written acknowledgement by management of their responsibilities, including for the preparation of the Group Solvency and Financial Condition Report ('the Responsibility Statement');

To the extent the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report of Binomial Group Limited as at 31st December 2016 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

This report is made solely to the Directors of the Group in accordance with Rule 2.1 of External Audit Chapter of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. To the

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, for our work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & I)) including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Group Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK & I) require us to report to you where:

• the directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is not appropriate; or

• the directors have not disclosed in the Group Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Group Solvency and Financial Condition Report is authorised for issue.

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes', 'Capital Management' and other relevant disclosures sections of the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Group Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the Other Information. Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Group Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based .

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK & I) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Group Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. The same responsibilities apply to the audit of the Group Solvency and Financial Condition Report.

Report on Other Legal and Regulatory Requirements.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Binomial Group Limited, Sabre Insurance Company Limited statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young LLP

Ernst & Young LLP

London

18 May 2017

The maintenance and integrity of the Sabre web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Solvency and Financial Condition Report since it was initially presented on the web site.

SUMMARY

The harmonised EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires reporting and public disclosure arrangements to be put in place by insurers, some of which is required to be published on the Company's website. This document is the first version of the Solvency and Financial Condition Report ("SFCR") that is required to be published by Binomial Group Limited.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate Administrative Body that has the responsibility for all of these matters is the Company's Board of Directors.

The Binomial Group ("the Group") consists of Binomial Group Limited ("Binomial") and Sabre Insurance Company Limited ("Sabre"). Binomial is purely an insurance holding company which owns 100% of the share capital in Sabre. Binomial carries on no additional activity and holds no material assets or liabilities other than its investment in Sabre. Sabre is a motor insurer writing private car, commercial vehicle and taxi business in the UK. Sabre is the only operating entity within the Binomial Group, therefore this report focuses on Sabre's results and Solvency position, which are materially identical to those of the Group. Note that Sabre has been issued a Direction under section 138 of the Financial Services and Markets Act 2000 in respect of Rule 17.2(3) of the PRA Group Supervision Rulebook which allows for the preparation of a single Group SFCR.

In 2016, Sabre reported gross written premium of £196.6 million (2015: £180.3 million), total comprehensive income before tax of £65.6 million (2015: £44.7 million) and post-tax profit of £52.5 million (2015: £35.1 million). This represents a return on capital of 93.5%, based on net assets of £56.1 million at the start of 2016. Average premiums fell slightly following changes in mix of business, but growth was helped by a 16% increase in number of policies in force to 334,927 (2015: 288,952).

The Group's capital position is summarised below.

	2016	2015
	£'k	£'k
Available funds under Solvency II	74,304	76,691
Solvency Capital Requirement	57,851	54,895
Excess capital (£)	16,453	21,796
SCR Coverage (%)	128%	140%

The Group has generated significant capital during 2016, much of which was paid to shareholders via dividends, along with some excess capital carried over from 2015.

The Autumn Statement reforms that had been announced by the then Chancellor of the Exchequer in Autumn 2015 (targeting a reduction in whiplash claims) stalled following the change in leadership during 2016, but have more recently been the subject of a consultation paper. Currently, and subject of course to the results of the consultation, it seems that the government are determined to implement these reforms principally in order to reduce the impact of fraudulent claims. If they are successful in reducing total claims across the market, this will reduce insurers' costs, but may in turn lead to a reduction in total market premiums. However, while the outcome in terms of insurer profitability is still uncertain, we do not expect these reforms will be detrimental to Sabre's competitive position.

Market pricing levels, which had been deteriorating from mid-2012, started to rise in 2015. During 2016 market prices continued to increase at a steady level and seem set to continue to increase during 2017, which seems likely to continue given the recent change in the Ogden discount rate, which is discussed further below.

Sabre operates a very low risk investment strategy and the vast majority of its investment portfolio is held in cash and low-yielding short-term gilts. Consequently, investment returns were modest but predictable. 2% of the portfolio is invested in property, which comprises two buildings occupied by the company.

Solvency II came into effect on 1st January 2016. Sabre has worked on its implementation plan over the past few years and has been fully compliant since the start of 2016. Sabre has enough capital on a Solvency II basis so that any growth opportunities presented by a rising market or by competitor weakness, particularly in solvency, can be taken advantage of.

The main risks to Sabre are irrational competitor activity, volatility in claims, adverse development in claims reserves, a fall in asset values and credit risk in relation to reinsurers and other counterparties.

We mitigate the potential impact of competitor activity through our rigorous attitude towards controlling our pricing. The main Key Performance Indicator we use in our business tracks the strength of our current pricing and predicts the loss ratio outcome of business written. Additionally our underwriting department carefully monitors incoming business to ensure that it adheres to our underwriting guidelines.

Volatility in claims is controlled through the purchase of excess of loss reinsurance. A significant contribution to control of claims costs is made by our claims department, the focus of which is setting reserves accurately and consistently, rapid settlement of valid claims and active vigilance against fraud.

On 27th February 2017 the Lord Chancellor announced that from 20th March 2017 the Ogden discount rate used in the calculation of lump-sum payments made to claimants was to be reduced from 2.5% to minus 0.75%. This change will significantly increase the cost of claim payments for all motor and liability insurers. While Sabre is highly resilient to such a change due to the attachment point of our excess of loss reinsurance programme, there is some impact on our net reserve position. The 2016 result included a one-off impact of £2.2m due to the change in discount rate from 2.5% to minus 0.75%. As well as the impact on current claims, we believe that reinsurance pricing will increase and that market prices for car insurance will inevitably increase as a result.

Salient features of the 2016 financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the EU, are shown in the table below.

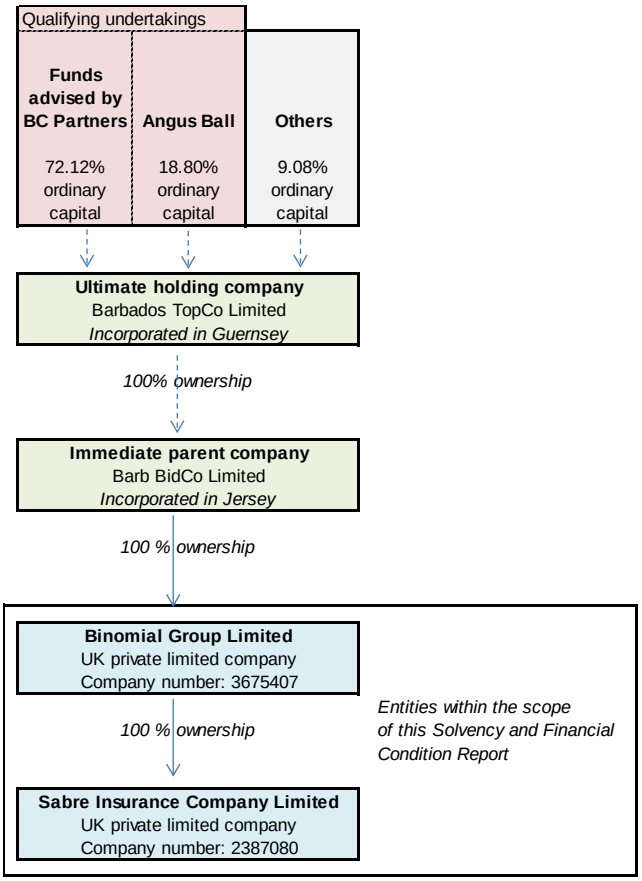
	Gross premiums written	Net earned premiums	Profit before tax and investments	
	2016	**2016**	**2016**	2015
	£'k	**£'k**	£'k	£'k
United Kingdom	**196,619**	**182,107**	**62,129**	43,038

	2016	2015
	£'k	£'k
Comprehensive income for the year before tax	65,607	44,657
Tax on profit on ordinary activities and OCI	(13,126)	(9,047)
Dividends paid	(53,975)	(25,644)
Profit retained for the financial year	(1,494)	9,966
Financial position - total assets	352,542	334,932
Shareholders' funds	**54,660**	56,154

A. Business Performance

A.1 Business

The Group is structured as per the summary chart below. The scope of this report covers the EEA entities within the Binomial Group, which consist Binomial Group Limited ("Binomial") and Sabre Insurance Company Limited ("Sabre"). Note that all ordinary shares carry equal voting rights and that where "100% ownership" is noted, this equates to 100% of the voting rights.



Sabre is regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA") and authorised by the PRA. Further details of Sabre's regulators can be found on their respective websites:

FCA: https://www.fca.org.uk/

PRA: http://www.bankofengland.co.uk/pra/Pages/default.aspx

Sabre and Binomial prepare financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the EU. Both companies' financial statements are audited by Ernst and Young LLP (EY). Contact details for EY are given below.

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Certain elements of this Solvency and Financial Condition Report ("SFCR") are covered by the Audit Opinion appended to this report. Please refer to the Audit Opinion for detail as to the scope of the Opinion. The Board have approved this report in its entirety, with reference to the Statement of Directors' Responsibilities on page 4 of this report.

A.2 Underwriting Performance

Sabre writes only motor insurance products within the UK and therefore management considers Sabre to operate within a single line of business and geographical area. This single Group SFCR covers both Sabre and Binomial, which are required to be individually identifiable. However only Sabre has received any income or incurred any underwriting expenditure, therefore the information provided here in respect of the Group is identical to that which would be shown for Sabre individually.

The consolidated underwriting result for the Group is presented below. Note that these results are materially identical to those of Sabre, as Binomial incurred no notable expense or income during the year. Note that while Sabre does not differentiate between 'liability' and 'other' motor policies, it is required to report income and expenditure for these notional lines separately under Solvency II. Therefore, in the information presented below, the result has been apportioned between these two bases.

			2016		2015
	Motor vehicle liability insurance	**Other motor insurance**	**Non-life annuities**	**Total**	Total
	£'k	**£'k**	**£'k**	**£'k**	£'k
Gross earned premium	**163,947**	**27,826**	**0**	**191,773**	**162,998**
Reinsurance premium ceded	**(8,264)**	**(1,402)**	**0**	**(9,666)**	**(11,373)**
Net earned premium	**155,683**	**26,424**	**0**	**182,107**	**151,625**
Insurance claims	**(95,590)**	**(16,287)**	**(368)**	**(112,245)**	**(86,161)**
Insurance claims recoverable from reinsurers	**16,322**	**2,832**	**370**	**19,524**	**4,307**
Net insurance claims	**(79,268)**	**(13,455)**	**2**	**(92,721)**	**(81,854)**
Net loss ratio [1]	***50.9%***	***50.9%***	***N/A***	***50.9%***	***54.0%***
Commission expenses	**(13,977)**	**(2,372)**	**0**	**(16,349)**	**(17,096)**
Operating expenses	**(14,169)**	**(2,405)**	**0**	**(16,574)**	**(14,308)**
Total expenses	**(28,146)**	**(4,777)**	**0**	**(32,923)**	**(31,404)**
Combined ratio [2]	***69.0%***	***69.0%***	***N/A***	***69.0%***	***74.7%***

[1] *Net loss ratio is calculated here as IFRS net claims incurred divided by net earned premium. Note that IFRS claims incurred include claims handling expenses not attributable to individual claims*

[2] *Combined ratio is calculated here as the sum of commission, operating expenses and net claims incurred divided by net earned premium.*

Current year loss performance for both 2015 and 2016 underwriting years remained strong, and in line with expectations. This was assisted by a fall in personal injury frequency occasioned by a change in portfolio mix. In addition, as in the previous three years, the profit was helped by reserve releases, which amounted to £19 million in 2016; this compared to the release of £22 million seen in 2015. Sabre paid dividends of £54 million during 2016 while retaining a robust level of capital and maintaining a strong Solvency II balance sheet.

A.3 Investment Performance

The Group's investments consist of cash, gilts, corporate bonds and owner-occupied property. During 2016, Sabre exited its investment in liquidity funds in favour of short-term gilts. The portfolio is selected to minimise investment risk and capital strain through matching the maturity of the investment portfolio to the cash outflows from insurance liabilities. The figures shown here represent the Group result, which is materially identical to that of Sabre individually.

Income and expenses by asset class are shown below:

	UK government bonds	**Corporate bonds**	**Liquidity Funds**	**Cash**	**Owner-Occupied Property**
Balance at 31 December 2015 (£'k)	176,259	1,095	61,900	8,599	2,450
Balance at 31 December 2016 (£'k)	233,714	576	0	10,093	3,435
Average balance (£'k)	204,987	836	30,950	9,346	2,943
Average % of portfolio	82.3%	0.3%	12.4%	3.8%	1.2%
Investment income (£'k)	3,842	33	153	29	(515)
Annual investment return (%)	1.9%	3.9%	0.5%	0.3%	-17.5%

	2016 £'k	2015 £'k
Total investment expenses	50	40

Sabre generally holds its investments to maturity, therefore while there may be volatility in unrealised gains, the realised result of any investment is known at the point of purchase. The gilt portfolio experienced significant unrealised gains in mid-2016 due to a sharp decrease in market gilt yields.

Sabre holds two owner-occupied properties, Sabre House and the Old House, which are both managed by the Company. The properties are measured at fair value which is arrived at on the basis of a valuation carried out on 19 October 2015 by Hurst Warne and Partners LLP. The valuation was carried out on an open-market basis in accordance with the Royal Institution of Chartered Surveyors' requirements, which is deemed to equate to fair value. Property was purchased in January 2016 at a premium above the fair value, determined in the October 2015 valuation exercise, as such an impairment loss has been recorded.

No gains or losses have been recognised directly in equity. The Group holds no investments in securitisation.

A.4 Performance of Other Activities

Sabre generates minimal income from the sale of add-on products and administration fees across its direct business, along with commission for marketing certain products. Sabre's largest non-underwriting income stream is generated through the provision of premium finance. A summary of income generate through these activities is shown below. Sabre considers this income to be supplementary to its core business of underwriting policies at a fair price. The figures shown here represent the Group result, which is materially identical to that of Sabre individually.

	2016	2015
	£'k	£'k
Customer instalment interest	3,433	3,054
Marketing fees	955	767
Fee income from the sale of auxiliary products and services	125	98
Other technical income	300	-
Policy administration fees	853	752
Total	**5,666**	**4,671**

No entity within the wider wolrdwide group undertakes any trading activity. However, certain administrative expenses are borne by Barbados TopCo Limited ("TopCo"), the Group's ultimate parent. In 2016, expenses incurred within TopCo amounted to £159k.

B. System of Governance

B.1 General Information on the System of Governance

Sabre and Binomial have separate Boards, with members of the Binomial Board also being members of the Sabre Board.

Board membership as at 31 December 2016 is detailed below:

Chairman	Keith Morris	Sabre, Binomial and Remuneration Committee
Executive Directors		
Chief Executive Officer	Angus Ball	Sabre and Binomial
Chief Operating Officer	Geoff Carter	Sabre
Finance Director	Adam Westwood	Sabre
Claims Director	Trevor Webb	Sabre
Chief Actuary	James Ockenden	Sabre
Non-executive Directors ("NEDs")		
Independent NED*	Ian Clark	Sabre, Audit and Risk Comm, and Remuneration Comm
Independent NED*	David Hindley	Sabre, Audit and Risk Comm, and Remuneration Comm
Investor Director	Joe Cronly	Sabre, Audit and Risk Comm, and Remuneration Comm
Investor Director	Matthew Tooth	Sabre, Audit and Risk Comm, and Remuneration Comm

**Specifically, independent from Sabre management*

The Board is responsible for setting the overall strategic direction of the firm. Each executive director has a specified role in executing that strategy. The Board meets 9 times each year, or more often if required. The Audit and Risk Committee serves as an independent body to challenge the management team and executive, as well as providing oversight of the Internal Audit Function. The Audit Committee meets twice annually. Further meetings are scheduled where there is a need. The Remuneration Committee is responsible for setting

and reviewing the salary and benefits ascribed to each executive and non-executive director, as well as pre-approval of any share-based transaction with employees of the firm.

Non-executive Board members receive fixed remuneration either as fees or salary, with no variable element. Executive Board members receive primarily fixed remuneration, with an element of variable remuneration as is considered to be appropriate by the Remuneration Committee to ensure that each individual's interests align with the success of the Group. All directors, except investor directors, hold minority investments in Barbados TopCo Limited, the Group's ultimate parent. The investment is structured such that the executive team benefit from the long-term stability and performance of Sabre. There were no material transactions with shareholders or Board members during 2016, other than dividends paid. Ordinary shares comprising no more that 1.5% of the total ordinary share value of TopCo were issued to management during the year.

During 2016 James Ockenden, Chief Actuary, and Adam Westwood, Financial Controller were appointed to Sabre's board of directors. This recognises their already significant contribution at senior management level and anticipates their future contribution to the strategic direction of Sabre.

The main roles and responsibilities of key functions are described below.

Function Holder	**Key Functions**	**Prescribed/other responsibilities** *Prescribed in **bold** text*
Angus Ball *Reports to:* Board	SIMF 1 - Chief Executive Function SIMF 4 - Chief Risk Officer	• Overseeing the adoption of the firm's culture in its day-to-day management • Jointly, Production and integrity of the firm's financial information and regulatory reporting • Joint Management of the allocation of the firm's capital and liquidity • Development and maintenance of the firm's business model by the governing body • Joint Performance of the firm's ORSA • Accountable to the firm's governing body for oversight of firm-wide risk management • Ensure that the data used by the firm to assess its risks are fit for purpose in terms of quality, quantity and breadth • Provide oversight and challenge of the firm's systems and controls in respect of risk management • Provide oversight and validation of the firm's external reporting of risk • Ensure the adequacy of risk information, risk analysis and risk training provided to members of the firm's governing body • Report to the firm's governing body on the firm's risk exposures relative to its risk appetite and tolerance, and the extent to which the risks inherent in any proposed business strategy and plans are consistent with the governing body's risk appetite and tolerance. • Alert the firm's governing body to and provide challenge on, any business strategy or plans that exceed the firm's risk appetite and tolerance • Provide risk-focused advice and information into the setting and individual application of the firm's remuneration policy
Keith Morris *Reports to:* Board, Audit Committee	SIMF 9 - Chairman SIMF – 10 Chair of the Risk Committee SIMF 11 – Chair of the Audit Committee SIMF 12 – Chair of the Remuneration Committee	• Ensuring that the firm has complied with the obligation to ensure that every person who performs a key function is fit and proper • Leading the development of the firm's culture by the governing body as a whole • Policies and procedures for the induction, training and professional development for all members of the firm's governing body • Policies and procedures for the induction, training and professional

		development of the firm's key function holders • Oversight of the autonomy and effectiveness of the whistleblowing policies and procedures including those for the protection of staff raising concerns • Oversight of the firm's remuneration policies and practices • Oversight of the Internal Audit Function
Adam Westwood *Reports to:* Chief Executive	SIMF2 - Chief Finance Function	• Jointly, Production and integrity of the firm's financial information and regulatory reporting • Performance of the firm's ORSA (shared with CEO and Chief Actuary) • Preparation and analysis of regular and ad-hoc financial information for management purposes • Financial Planning & Analysis. • Manage the Finance Department to ensure adequate controls are maintained and make improvements where necessary. • Ensure Financial Regulations are met. • Ensure Financial Records meet internal & external audit. • Sit on and report to the Investment Committee, playing a key role in setting and executing the investment strategy.
James Ockenden *Reports to:* Chief Executive	SIMF 20 – Chief Actuary	• Performance of the firm's ORSA (shared with CEO and Finance Director) • Market Pricing Analysis • Profitability Modelling • Calculating the Company's reserve requirements • Development and maintenance of effective statistical models and analyses of the Company's underwriting performance and pricing strength • Interpreting results of statistical analyses in order to determine premium rates • Modelling, extrapolating, interpreting and monitoring statistical data to identify and confirm market trends, business/niche opportunities, new/changing rating factors, recommending appropriate strategies and actions. • Undertaking specific actuarial/statistical/analytical projects to deadlines as directed.
Geoff Carter *Reports to:* Chief Executive	SIMF 22 – Underwriting Function Responsible for Insurance Mediation Activity	• Oversight and management of key external relationships (brokers, aggregators, software houses, data suppliers, industry bodies etc). • In tandem with other Board members prepare and agree the Sabre business plan and expense budgets. • To develop, implement and maintain along with the Claims Director and Chief Actuary, an integrated underwriting, claims, investment and reserving approach across the business. • Design and implement a detailed pricing and product development strategy and deliver the burning cost rates. • Manage the firm's marketing activity
Trevor Webb *Reports to:* Chief Executive	CF1 - Director Claims Director Function(*) CF 11 – Money Laundering Reporting	• Production of accurate and consistent claims payment and reserving information. • Maintain systems that ensure reserving philosophy is understood and followed. • Ensure that Claims department has sufficient numbers of staff with appropriate levels of expertise, who receive timely, relevant and documented training. • Maintain systems of work that facilitate the detection of fraudulent activity, yet deliver acceptable service levels. • Maintain records necessary to comply with regulatory requirements. • Review and maintenance of supply chain requirements for Claims

		dept. • Act as lead contact for re-insurers on claims issues, providing development and case information as required. • Deal personally with claims of greatest severity, complexity or corporate sensitivity. • Setting of reserving philosophy at individual claim level • Approval or rejection of suppliers. • Ensure expedient payment of valid claims
David Hindley Ian Clark Joseph Cronly Matthew Tooth	Non-executive director	• Foster an open, inclusive discussion which challenges executives where appropriate • Devote sufficient time and attention to matters within their remit which are relevant to the firm's safety and soundness
David Wilson *Reports to: Keith Morris*	SIMF 5 - Head of Internal Audit Function	• Under supervision by the Chairman of the Audit Committee, develop an Audit Plan to be approved by the Audit Committee. • Execute the above plan with the requisite rigour and professional scepticism, providing findings to the relevant management personnel and Head of the Audit Committee. • Report to the Audit Committee on a biannual basis.

B.2 Fit and Proper Requirements

The Group ensures at all times that people who perform key functions are 'fit and proper persons'.

In order to assess whether a person is fit and proper the Group must be satisfied that the individual:

- Is of good repute and integrity
- Possesses an appropriate level of knowledge, competence and experience
- Has appropriate qualifications
- Has undergone or is undergoing all training.

This must take into account:

- The person's past business conduct
- Whether the person has applied the relevant conduct standards as specified above.

The fitness and propriety of all executive key function holders is reviewed by the CEO or Chairman on an annual basis, utilising a standardised self-assessment form. This forms part of the individual's annual review and is shared with the Chairman of the Board on completion. The Chairman of the Board reviews the ongoing fitness and propriety of the CEO, as well as that of the non-executive directors.

Each fitness and propriety review consists of the following questions, to which a response is required.

- Has the individual acted in a manner which might cast doubt upon their integrity (either within or outside of their role within the firm)?
- Has the individual undergone all training that is relevant to their role, including obtaining sufficient CPD qualifying training to satisfy their professional body of their ongoing development where appropriate.
- Has the individual applied the appropriate conduct standards?
- Has the individual been accused or convicted of any criminal activity within the past year?

When hiring new key function holders, these questions are asked as part of the recruitment process, along with obtaining sufficient references as required under the regulations. All senior appointments are fully background-checked using an external agency prior to their appointment.

B.3 Risk Management System Including the Own Risk and Solvency Assessment

The Group's strategy is straightforward and has remained broadly unchanged for many years. It can be distilled into three key concepts – consistency of underwriting, simplicity of operating model, and robust and thorough claims management. It is through control of underwriting and avoiding complexity that the Company maintains profitability.

Sabre considers the appropriate assessment and management of risk to be key to business success. Risk identification and management is considered to be a key objective of all senior managers and is considered weekly in the management meeting and then formally in the Management Risk Committee. Over and above this Risk issues are a standing agenda item at board meetings.

Risk at Sabre is managed in a collegiate manner by the Senior Management team, overseen by the Audit and Risk Committee and with the assistance of the Compliance Officer. The Management team are well aware of the firm's risk appetite and meet weekly to discuss any emerging issues. Should anyone become aware of activity beyond the firm's risk appetite, it would be discussed at this meeting and appropriate action would be taken.

Sabre has maintained an issues log throughout 2016. This log records events which may lead to significant financial loss, are potential regulatory breaches or are otherwise noteworthy. Issue recorded in this log are discussed at the management meeting and reported to the Board. There have been no regulatory breaches during 2016.

No breaches of the firm's risk appetite have been identified during the period under review. This is to be expected given the close management team and simplicity of the Company's operations.

Sabre prepares an ORSA report according to its ORSA policy on an annual basis, usually towards the end of the financial year. It is considered to be a 'point in time' report noting the position as it stands as well as any significant changes since the last report. The report is owned jointly by the Finance Director and Chief Actuary, and is collated primarily by the Finance Director. It is reviewed by the CEO and reviewed and approved by the Board on an annual basis.

Elements of the ORSA, such as a review of the short-term capital position and high-level scenario testing, are performed on an ad-hoc basis when a significant change to capital is proposed (for example, prior to a dividend payment). Other elements of the ORSA process may be carried out during the review period should this be requested by the Audit and Risk Committee or Board.

B.4 Internal Control System

Sabre maintains a Risk Register which is kept up to date and reviewed by the Board and Audit Committee regularly. This register identifies controls over key risks, which is then linked to the Internal Audit plan. Any instances of insufficient or ineffective control are swiftly identified and remedied by management.

Sabre approaches compliance in a collegiate manner, with support from its Compliance Officer, which is an outsourced function reporting directly to the Audit Committee.

B.5 Internal Audit Function

Sabre operates an outsourced, independent Internal Audit Function. An Internal Audit plan is agreed by the Audit Committee and significant findings are discussed with this committee. The Internal Audit function is also engaged when necessary to perform ad-hoc reviews. This function is considered completely independent from management and has no financial interest in the performance of the Group.

B.6. Actuarial Function

Sabre's Actuarial Function Deliverer is the Chief Actuary, who holds a UK Practising Certificate to perform the role of Chief Actuary as a member of the Institute and Faculty of Actuaries, which he has held since 2015. The Chief Actuary's role within the Actuarial Function is to perform the calculation of the technical reserves, to conduct pricing analysis and to input into the calculation of Solvency requirements. The Chief Actuary is a member of Sabre's Board of Directors and a member of Sabre's Senior Management Team.

The Actuarial Function has considerable input into the effective risk management of Sabre. Both the Chief Actuary and the Finance Director, who have responsibility for technical provision calculations and oversight of the Solvency calculations as well as input into the ORSA, sit on the Senior Management team and the Sabre Board. This helps ensure the Board are sufficiently well equipped to understand the key risks Sabre is potentially subject to, to understand their financial implications, and also ensures that the Actuarial Function plays an active role in effective risk management of the company.

B.7 Outsourcing

Aside from Internal Audit and Compliance discussed above, Sabre outsources two main functions, and a number of ancillary functions.

The primary outsourced functions are to Right Choice Insurance Brokers for the administration of the direct policies and the Innovation group for First Notification of Loss (FNOL) and managed repair claims. In both cases the outsourced function is felt to be outside current Sabre key competencies, would be a distraction from more critical activities and can be handled more efficiently by a specialist company. Sabre conducts regular audits of its outsource providers to ensure that they maintain the high level of customer service and accuracy expected by Sabre, as well as ensuring that they are fully compliant with Treating Customers Fairly ("TCF") rules.

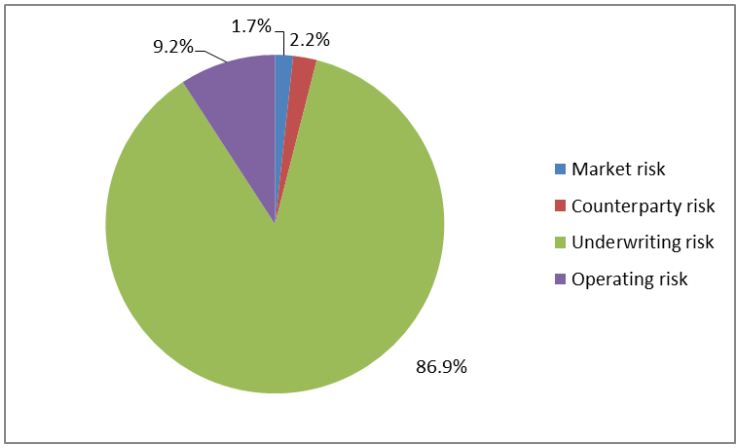
All outsourced functions operate within the United Kingdom. The Sabre Board monitors its outsourced operational functions through regular audits of those functions. The Audit and Risk Committee and Executive maintain close communication with the Internal Audit and Compliance functions. The Chair of the Sabre and Binomial Boards reviews all reports prepared by the Internal Audit function.

B.8 Any Other Information

The Group's Boards consider that the governance system in place is suitably robust to ensure that Sabre and Binomial are managed in a way which takes into consideration the needs of all stakeholders, while ensuring that the Group's capital position and profitability remain strong. Further, the Boards consider the Group's governance to be fully compliant with Solvency II and all other rules and regulations; and to be adequate relevant to the nature, scale and complexity of the business. Note that the Group prepares a single Own Risk and Solvency Report under approval from the PRA. There is no material risk within the Group outside of Sabre.

C. Risk Profile

The risk profile of the Binomial Group is identical to that of Sabre. Sabre considers its exposure to risk on a regular basis, both formally through its Audit and Risk Committee and informally through regular management meetings. Sabre continually monitors its exposure to risks in order to ensure that it does not step outside its accepted risk appetite. In general, Sabre accepts appropriate underwriting risk to ensure an acceptable underwriting gain is generated, while minimising other risks. Sabre's approach to each of the identified risks is discussed below. Sabre's risk profile is demonstrated numerically through its Solvency Capital Requirement ("SCR"), which is calculated on the basis of the Standard Formula. Management considers the proportionate risks presented in the SCR accurately represents the risks to which the Group is exposed.



Sabre monitors emerging risks on a continual basis and consolidates this in both the bi-annual Audit and Risk Committees and the annual strategy day. New risks emerging during 2016 were:

- Increasing automation of vehicles and the impact on the insurance market.
- The increasing threat of cyber attack

The former is held on a 'watching brief', with the most immediate action being to review the insurance-grouping of vehicles and form a view as to its appropriateness given the variety of both standard and optional safety equipment. Members of the Sabre senior management team participate in industry working groups covering this issue to maintain an up to date understanding of the emerging issues.

C.1 Underwriting Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. There have been no material changes to the underwriting risk profile over the reporting period.

The Group issues only motor insurance contracts, which usually cover twelve months duration. For these contracts, the most significant risks arise from pricing errors and event risks such as severe weather conditions or single catastrophic events. For longer-tail claims that take some years to settle, there is also inflation risk.

There are no material risk concentrations as the book is spread across a large portfolio of policyholders and geographical areas within the UK. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across policyholders. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling

procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance ceded is placed on a non–proportional basis. This non–proportional reinsurance is excess–of–loss, designed to mitigate the Group's net exposure to single large claims or catastrophe losses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is not dependent on a single reinsurer. There is no single counterparty exposure that exceeds 25% of total reinsurance assets at the reporting date.

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

The motor claim liabilities are primarily sensitive to the reserving assumptions noted above.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

The table shows the impact of a 10% increase in the loss ratio applied to all underwriting years which have a material outstanding claims reserve, an increase in net outstanding claims of 10% across all underwriting years and with the impact of an increase in the operational costs associated with handling those claims.

	Increase/(decrease) in total equity	
	2016	2015
At 31 December	**£'k**	£'k
Insurance risk		
Impact of a 10% increase in loss ratio	**(14,078)**	(13,176)
Impact of a 10% increase in net OS claims and claims provision	**(13,616)**	(12,971)

Should the outstanding net claims liability increase by 10% instantaneously, the firm's capital requirement would increase by approximately £2.3m due to increased underwriting risk calculated under the standard formula.

C.2 Market Risk

Interest rate risk and property risk

The Group is exposed to market risks, which is the risk of adverse loss due to changes in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial interests. Primarily the Group is affected by interest rate risk and property risk. The group also closely monitors its concentration risk. There have been no material changes to the Group's exposure to market risk during the period.

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. Currently the Group holds only fixed rate securities.

The Group's interest risk policy requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity. The Group has no significant concentration of interest rate risk.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear.

Note that the Group's investment portfolio has been designed such that the cash flows yielded from investments match the projected outflows inherent primarily within the claims reserve. While these insurance liabilities are shown on an undiscounted basis under IFRS, their economic value will move broadly in line with the underlying assets.

Property risk represents the potential downward valuation of the Group's property investments.

	Increase/(decrease) in income statement		Increase/(decrease) in total equity	
	2016	**2015**	2016	2015
At 31 December	**£'k**	**£'k**	**£'k**	£'k
Interest rate				
Impact of a 100 basis point increase in interest rates on financial investments	**(1,170)**	(9,141)	**(1,170)**	(9,141)
Owner-occupied property				
Impact of a 15% decrease in property markets	**(515)**	(368)	**(515)**	(368)

The impact on the firm's capital requirement of such events would be negligible.

Concentration risk

Excessive exposure to particular industry sectors or groups can give rise to concentration risk. The Group has no significant investment in any particular industrial sector and therefore is unlikely to suffer significant losses through its investment portfolio as a result of over-exposure to sectors engaged in similar activities or which have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Group's investment management policy ensures its continued compliance with the "Prudent Person Principle" as laid down in Article 132 of the Directive 2009/138/EC. Deviations from the Group's investment strategy require approval by the Investment Committee. During the year, there were no deviations from this strategy.

C.3 Credit Risk

Counterparty credit risk is the risk that one party to a financial instrument or balancing owing will cause a financial loss to the other party by failing to discharge an obligation. The two main sources of counterparty risk for the company are investment counterparties and reinsurance recoveries. There has been no material change to the Group's exposure to credit risk during the period, however we note there has been some increase to reinsurers as a result of the increase in the Ogden discount rate, which has increased gross claims outstanding and consequently the reinsurance recoveries thereon.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- A Group credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to Sabre's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Reinsurance is placed with counterparties that have a good (A or greater) credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings.
- The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

C.4 Liquidity Risk

Liquidity risk is the potential that obligations cannot be met as they fall due as a consequence of having a timing mismatch or inability to raise sufficient liquid assets without suffering a substantial loss on realisation. The Group manages its liquidity risk through both ensuring that it holds sufficient cash and cash equivalent assets to meet all short-term liabilities, and matching the maturity profile of its financial investments to the expected cash outflows. There has been no material change to the Group's exposure to liquidity risk during the period.

The expected profit in future premiums, as calculated according to Article 1(46) of the Delegated Regulation (EU) 2015/35, is £26,391k. This represents the impact on technical provisions of non-receipt of all future premium income included within technical provisions at the period end.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able

to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process. There has been no material change to the operational risk profile of the business during the period.

C.6 Other Material Risks

Sabre's management believe that all material risks are covered in sections C.1 to C.5 above.

The Group continues to monitor the effect of the EU referendum result and is of the opinion that any impact is limited. We anticipate some increase in claims inflation and are alert to potential increases in fraud levels in a possible recession scenario. Sabre's capital position fully reflects the impact of the recent discount rate changes, having incurred a one-off increase of £2.2m to net claims reserves in December 2016. Sabre's capital model incorporates allowance for the consequences of the discount rate change, including the potential increase in reinsurance costs and market rates. Management continues to monitor the market impact closely and is currently of the view that the market is able to support increased motor policy rates.

C.7 Any Other Information

During the period Sabre continued its business-as-usual modelling process. This involves the regular projection of the Company's solvency position under a number of scenarios. These projections are generally run three times each year, prior to the payment of the regular dividend. Alongside this, as part of the ORSA process a "monte-carlo" simulation is run which generates the likelihood of SCR being breached under certain deviations against the mean for various inputs into the financial projections.

By nature, the regular projections are shorter-term and somewhat more precise, whereas the ORSA projections give a more broad view of the impact of various scenarios on the medium-term development of the company. Sabre also performs reverse-stress testing as part of its ORSA process.

The outcome of all modelling and stress testing during the period was that Sabre had sufficient capital to meet its obligations under all but the most extreme and unlikely scenarios. Specifically, Sabre held capital well above that required to withstand the 1 in 200 events modelled through the standard formula calculation.

D. Valuation for Solvency Purposes

D.1 Assets

All of Sabre's financial assets are measured at fair market value under both IFRS and Solvency II. With the exception of owner-occupied property, all of Sabre's investments are actively traded on open markets and therefore incontrovertible external valuations can be obtained. Sabres property portfolio, which forms approximately 1.3% of its asset portfolio, is valued every three years by an external valuation agency, as discussed in section A.3 above.

A summary reconciliation of the Groups assets under Solvency II and IFRS is provided below

	IFRS	**Reclassification**	**Revaluation**	Solvency II
	£'k	**£'k**	**£'k**	£'k
Assets				
Property, plant and equipment	**4,034**			4,034
Reinsurance assets	**51,529** (1)		**(5,832)**	45,697
Deferred acquisition costs	**14,028**(2)		**(14,028)**	-
Insurance and other receivables	**36,402**(3)	**(36,480)**		22
Prepayments, accrued income and other assets	**2,166**(4)	**(1,311)**		855
Financial investments	**234,290**(5)	**1,389**		235,679
Cash and cash equivalents	**10,093**			10,093
Total assets	**352,542**	**-**	**(19,782)**	296,380

(1) Technical reinsurance assets are revalued under Solvency II – see section D.2 below.
(2) Deferred acquisition costs are reversed under Solvency II
(3) Insurance and other receivables, which are not past due, are reclassified against technical provisions under Solvency II.
(4) Accrued interest income is reclassified to financial investments for Solvency II. Also, £78k of debtors in respect of other technical income has been reclassified from insurance and other receivables to 'other assets' under Solvency II
(5) As above, accrued interest is reclassified as financial investments

Note that Sabre's balance sheet is materially identical to that for the Group, so is not shown separately.

D.2 Technical Provisions

Sabre's philosophy with respect to setting technical provisions is to try and maintain consistency, both in terms of how claims are settled and also the approach to setting the reserves. Despite a relatively small actuarial team, Sabre's technical provisions are peer reviewed by two actuaries, both of whom are Board members providing appropriate challenge to the Chief Actuary's calculations.

Sabre calculates technical provisions by splitting its claims data into homogenous groups, and by using typical market methods to aid setting ultimate claims projections. As with any form of modelling, uncertainty is present in estimating claims reserves for motor insurance business. Uncertainty can result for a number of reasons, including legislative and regulatory changes, changes in social behaviour and also future decisions of law courts. This means that actual future claims estimates could deviate away from expected future claim amounts, particularly as most of Sabre's claims are attributed to personal injury claims, which are particularly

vulnerable to these factors. Consequently the deviation of expected and actual claim amounts could be significant.

The estimates of future claims reserves generally assume that there will be no significant changes to the claims environment, including the legal and regulatory environment. The effect of the February 2017 discount rate change has been fully taken into account within the 2016 reserves. An assumption has also been made that no latent claim types will arise in the future. In arriving at a best estimate, no explicit assumption is made for changes in claims inflation. Past claims inflation in the claims triangles is implicitly assumed to be representative of future claims inflation, as there is no evidence that this will not be the case. However, in an attempt to quantify the level of uncertainty associated with a deviance from the assumed level of claims inflation, a sensitivity analysis has been performed to understand the impact on the claims reserves of greater than expected levels of future claims inflation.

The estimate of claims reserves is made on a 'best estimate' basis using adequate applicable and relevant actuarial and statistical methods. Best estimate in this context means that there is no explicit margin for prudency in estimating reserves, nor are the estimates optimistically low.

For each peril, a variety of methods are used to come up with the final reserve estimates, meaning a range of estimates are produced before a chosen ultimate level of claims reserve is selected. In estimating the claims reserves, the Chief Actuary engages with the Claims Director to gain an insight into the operational consistency of the claims department, which can supplement statistics in trying to explain levels of uncertainty.

There are a number of recurring adjustments which are applied to the Basic IFRS Claims Reserves in order to reach a Solvency II position. The material adjustments are discussed below.

1. ***Remove IFRS risk margin***
   Solvency II reserves must reflect a true 'best estimate' basis, therefore the IFRS risk margin is removed from the claims reserves

2. ***Consider expense accounting***
   A claims-handling provision is included within the IFRS position, which includes various expenses related to handling policies on an ongoing basis. Solvency II has particular rules as to the expenses to be included within technical provisions. In particular Solvency II requires investment management expenses to be included. Due to the nature of Sabre's business, and the way in which investments are managed, these are wholly immaterial to the calculation.

3. ***Consider Events Not in Data (ENIDs)***
   Solvency II requires the numerical assessment of rare events which are unlikely to be reflected within the underlying claims experience figures. Sabre's management have discussed such unlikely events with the Actuarial Function, with the conclusion that the probability-weighted ENIDs (when both positive and negative factors are taken into consideration) contribute zero to the Solvency II technical provision.

4. ***Discounting***
   The adjusted Basic IFRS Claims Reserves are discounted using the published EIOPA risk-free term rate tables. The future payment patterns used here are derived by the Chief Actuary using historic payment pattern data.

5. ***Remove UPR and DAC***
   Although not strictly within the technical provision, a key adjustment from the IFRS to UK GAAP balance sheet is the removal of deferred income and expense balances.

6. ***Review (re)insurance contract boundaries***

   Under Solvency II, the technical provision must include the minimum amount due to reinsurers under an in-force contract. Mathematical analysis has shown that, if the minimum premium is sufficiently low, there is no net difference between this approach and the IFRS accounting method, where reinsurance is recorded on an earned basis. The Actuarial Function has reviewed the reinsurance programme and is satisfied with this assessment.

7. ***Premium reserve***

   A premium reserve is calculated through applying an expected claims ratio, expense ratio and cancellation rate to the unearned premium reserve. The loss ratio applied is based upon a rating strength model, while the expense ratio and cancellation rate are calculated based upon previous historical financial information. The basic premium reserve figure is discounted in the same way as the claims reserve.

8. ***Solvency II Risk Margin***

   The Solvency II risk margin represents the premium that would be required were Sabre to transfer its technical provision to a third party, and essentially reflects the SCR required to cover a run-off of claims on existing business. This is calculated through modelling the discounted SCR on a projected future balance sheet for each year of claims run-off.

Note that Sabre has not applied a volatility adjustment, transitional interest-rate structure or any other transitional deduction.

The Group's net technical provision balance is shown below.

	Total	**Motor vehicle liability insurance**	**Other motor insurance**	**Non-life annuities**
	£'k	**£'k**	**£'k**	**£'k**
Gross technical provisions - non-life	191,275	189,90	2,085	
Gross technical provisions - life	2,530			2,530
Reinsurers' share of technical provisions - non-life	(43,718)	(43,241)	(477)	
Reinsurers' share of technical provisions - life	(1,980)			(1,980)
Solvency II risk margin	8,986	8,889	97	
Net technical provisions	157,093	154,838	1,705	550

A reconciliation of the Group's technical provisions by Solvency II line of business is given below.

	Total	Motor vehicle liability insurance	Other motor insurance	Non-life annuities
	£'k	£'k	£'k	£'k
IFRS technical provisions	228,937	225,883	2,488	566
Reclassify future premium income	(33,277)	(32,915)	(362)	0
Remove UPR	(97,525)	(96,463)	(1,062)	0
Solvency II premium provision	63,583	62,893	690	0
Remove GAAP risk margin	(12,008)	(11,837)	(130)	(41)
Discount claims provision	(1,604)	(1,581)	(17)	(6)
Solvency II risk margin	8,987	8,858	98	31
Closing net technical provisions	157,093	154,838	1,705	550

D.3 Other Liabilities

The Group has limited liabilities other than claims reserves. These are primarily taxation balances, amounts due to related parties and trade creditors. There are no estimates applied in the calculation of these balances, which are all due within one year. A summary of other liabilities is given below. The Group balance sheet is materially identical to Sabre's, therefore only the Group liabilities are shown here.

	IFRS	Reclassification	Revaluation	Solvency II
	£'k	£'k	£'k	£'k
Liabilities				
Insurance liabilities	**182,941**(1)	**(32,370)**	**52,219**	202,790
Unearned premium reserve	**97,525**(2)	**(97,525)**		-
Trade and other payables including insurance payables	**10,172**(3)	**(3,042)**		7,130
Deferred tax liabilities	**5** (4)		**4,911**	4,916
Current tax liabilities	**3,077**			3,077
Accruals and deferred income	**4,162**			4,162
Total liabilities	**297,882**			222,076

(1) Insurance liabilities are revalued under Solvency II. Certain insurance balances, such as not-past due insurance debtors, are reclassified into technical provisions

(2) Unearned premium reserve is eliminated under Solvency II.

(3) Reinsurance payables are reclassified to technical provisions under Solvency II.

(4) The gain in net assets in transitioning from an IFRS to a Solvency II balance sheet gives rise to a proportionate deferred tax liability. The origin of the recognition of deferred tax liabilities and the amount and expiry date (if applicable) of taxable temporary differences, unused tax losses and unused tax credits for which no deferred tax liability arises, is recognised in the balance sheet.

D.4 Alternative Methods for Valuation

The Group's owner-occupied properties are valued based upon non-observable inputs. The fair value was derived using a methodology based upon recent transactions for similar properties, which have been adjusted for the specific characteristics of the property. The significant non-observable inputs used in the valuation are expected rental value per square foot (2016: £213/sq.ft, 2015: £201/sq.ft) and estimated marketing and letting void. The fair value of the owner occupied property would increase (decrease) if the expected rental value per foot were to be higher (lower) and the marketing and letting void were to be lower (higher).

D.5 Any Other Information

No other information is given.

E. Capital Management

E.1 Own Funds

The Board of directors has ultimate responsibility for ensuring that the Group has sufficient funds to meet it liabilities as they fall due. Management carries out detailed modelling of the Group's assets and liabilities and the key risks to which these are exposed. This modelling includes the Group's own assessment of its capital requirements for solvency purposes. During the year, the Company complied fully with all internal and external regulatory capital requirements. Note that the Group's capital position is materially identical to Sabre's.

From 1 January 2016, the Group managed its Solvency with reference to the Solvency Capital Requirement (SCR) calculated using the Standard Formula. The Group has developed sufficient processes to ensure that the capital requirements under Solvency II are not breached, including the maintenance of capital at a level higher than that required through the Standard Formula. In previous years the firm managed its capital position on both a Solvency II basis and on the previous regulatory basis. From 1 January 2016, the Group considers its capital position to be its net assets on a Solvency II basis and monitors this in the context of the Solvency II SCR. As at 31 December 2016, the Group holds significant excess Solvency II capital.

The Group's capital position is summarised below.

	2016	2015
	£'k	£'k
Available own funds	74,288	76,691
Solvency Capital Requirement	57,852	54,895
Excess capital (£)	16,437	21,796
SCR Coverage (%)	128%	140%

Change in own funds is analysed as below.

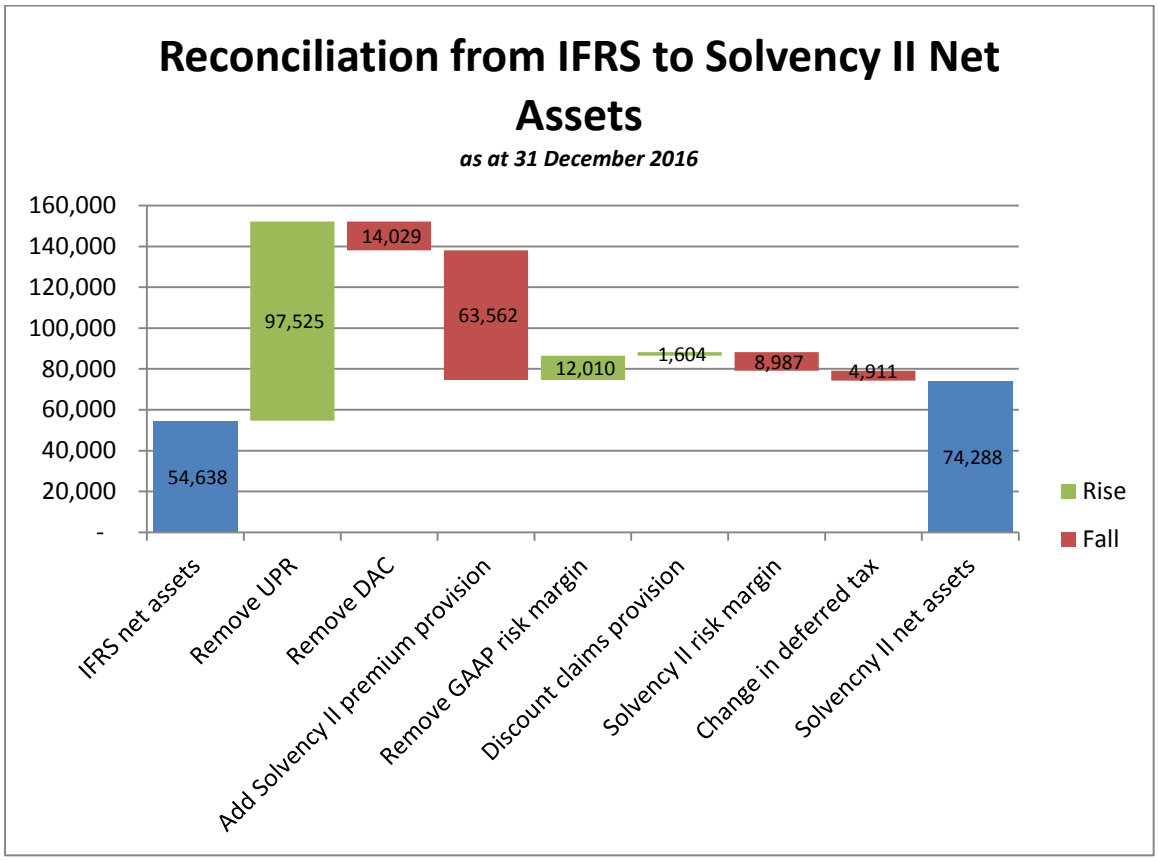
	£'k
Opening own funds at 1 January 2016	76,675
Increase in capital due to profits generated	51,588
Capital distributions (dividends)	(53,975)
Closing own funds at 31 December 2016	74,288

An explanation of the key elements of the Solvency II reconciliation reserve is given below

	£'k
Excess of Solvency II assets over liabilities	74,288
Less: Ordinary share capital	(415)
Reconciliation reserve	73,873

Sabre calculates its capital position on a monthly basis and prepares a full 3-year business plan on an annual basis. Prior to any material capital event, such as the payment of a dividend, Sabre performs a series of capital projections over a one-year time horizon. Sabre's strategy is to manage its capital such that it is highly unlikely that SCR will be breached under any reasonably foreseeable scenario.

All of the Group's capital is tier one, ordinary share capital. Therefore the entirety of the Group's own funds are eligible to cover the SCR and MCR. A reconciliation between Group IFRS and Solvency II net assets (which are materially identical to Sabre's net assets) is shown below. All material movements are discussed in section D.2 "Technical Provisions".



E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Group's SCR, split by risk module, is shown below. This is identical for Sabre and the Group.

	Dec-16 (£'k)		
Interest rate risk			495
Illiquidity premium risk			0
Equity risk			0
Property risk			859
Spread risk			94
Currency risk			185
Concentration risk			0
Correlation impact			-519
Market risk		1,113	
Counterparty risk		1,444	
Life underwriting risk		62	
Non-life underwriting Risk		55,981	
Correlation impact		-1,591	
Basic SCR	57,009		
Operating Risk	5,753		
Loss absorbing effect of deferred taxes	(4,911)		
Total Solvency Capital Requirement	57,852		

The UK regulator has made use of the member state option not to require disclosure of capital add-ons until 2020. No simplified calculations have been used in the calculation of the SCR. The SCR is subject to supervisory assessment.

Sabre has applied an Undertaking Specific Parameter ("USP") in respect of the benefit gained through its excess of loss reinsurance programme. Were this USP not to be applied, Sabre's SCR would increase to £69,756k.

The only material changes to the Group's SCR arise during the period arise as a result of the Group's organic growth. The increase in forecast net earned premium and technical provisions arising from a greater volume of business written have generated additional capital requirement within the underwriting risk module.

The inputs to the Group's MCR calculation, and the resultant MCR, are shown below.

	Net best estimate technical provision £'k	**Net written premium (last 12 months) £'k**
Motor vehicle liability insurance and proportional reinsurance	141,983,522.69	159,523,637.50
Other motor insurance and proportional reinsurance	5,549,890.30	27,075,540.77
Annuities stemming from non-life contracts	550,177.00	N/A

	£'k
Linear MCR	29,522
SCR	57,851
MCR cap	26,033
MCR floor	14,463
Combined MCR	26,033
Absolute floor of the MCR	3,332

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

The UK regulator has not exercised the member state option to permit firms to use this risk module.

E.4 Difference Between the Standard Formula and Any Internal Model Used

Sabre does not use an internal model, therefore this section is not applicable.

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

Both Sabre and the Group have complied fully with the Solvency Capital Requirement and Minimum Capital Requirement throughout the period.

E.6 Any Other Information

There is no other information to disclose.

APPENDIX I – PUBLIC QUANTITATIVE REPORTING TEMPLATES (SABRE)

Sabre Insurance Company Limited

Solvency and Financial Condition Report

Disclosures

31 December

2016

(Monetary amounts in GBP thousands)

General information

Undertaking name	Sabre Insurance Company Limited
Undertaking identification code	213800NUSW1TGRWVEL06
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2016
Currency used for reporting	GBP
Accounting standards	The undertaking is using IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.12.01.02 - Life and Health SLT Technical Provisions
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	4,034
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	235,678
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	235,678
R0140	*Government Bonds*	235,100
R0150	*Corporate Bonds*	578
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	45,697
R0280	*Non-life and health similar to non-life*	43,717
R0290	*Non-life excluding health*	43,717
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	1,980
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	1,980
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	23
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	10,076
R0420	Any other assets, not elsewhere shown	855
R0500	**Total assets**	296,363

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	200,260
R0520	*Technical provisions - non-life (excluding health)*	200,260
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	191,274
R0550	*Risk margin*	8,987
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	2,530
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	0
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	2,530
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	2,530
R0680	*Risk margin*	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	4,916
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	7,136
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	7,239
R0900	**Total liabilities**	222,081
R1000	**Excess of assets over liabilities**	74,282

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business				168,090	28,529												196,619
R0120	Gross - Proportional reinsurance accepted				0	0												0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share				8,566	1,454												10,020
R0200	Net				159,524	27,076												186,599
	Premiums earned																	
R0210	Gross - Direct Business				163,947	27,826												191,773
R0220	Gross - Proportional reinsurance accepted				0	0												0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share				8,264	1,403												9,667
R0300	Net				155,683	26,424												182,107
	Claims incurred																	
R0310	Gross - Direct Business				95,590	16,287												111,876
R0320	Gross - Proportional reinsurance accepted				0	0												0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share				16,322	2,833												19,155
R0400	Net				79,267	13,454												92,721
	Changes in other technical provisions																	
R0410	Gross - Direct Business				0	0												0
R0420	Gross - Proportional reinsurance accepted				0	0												0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share				0	0												0
R0500	Net				0	0												0
R0550	**Expenses incurred**				33,418	5,672												39,090
R1200	**Other expenses**																	
R1300	**Total expenses**																	39,090

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross									0
R1420	Reinsurers' share									0
R1500	Net						0			0
	Premiums earned									
R1510	Gross									0
R1520	Reinsurers' share									0
R1600	Net						0			0
	Claims incurred									
R1610	Gross						368			368
R1620	Reinsurers' share						368			368
R1700	Net						0			0
	Changes in other technical provisions									
R1710	Gross									0
R1720	Reinsurers' share									0
R1800	Net						0			0
R1900	**Expenses incurred**						0			0
R2500	**Other expenses**									
R2600	**Total expenses**									0

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	196,619						196,619
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	10,020						10,020
R0200	Net	186,599	0	0	0	0	0	186,599
	Premiums earned							
R0210	Gross - Direct Business	191,773						191,773
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	9,667						9,667
R0300	Net	182,107	0	0	0	0	0	182,107
	Claims incurred							
R0310	Gross - Direct Business	111,876						111,876
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	19,155						19,155
R0400	Net	92,721	0	0	0	0	0	92,721
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	39,090						39,090
R1200	**Other expenses**							
R1300	**Total expenses**							39,090

S.05.02.01

Premiums, claims and expenses by country

Life

R1400		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross							0
R1420	Reinsurers' share							0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	368						368
R1620	Reinsurers' share	368						368
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**							0
R2500	**Other expenses**							
R2600	**Total expenses**							0

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**										0						
R0020	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole										0						
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**								2,530		2,530						
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								1,980		1,980						
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re								550		550						
R0100	**Risk margin**										0						
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole										0						
R0120	Best estimate										0						
R0130	Risk margin										0						
R0200	**Technical provisions - total**								2,530		2,530						

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**				0	0												0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross				24,256	267												24,523
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				-1,021	-11												-1,032
R0150	**Net Best Estimate of Premium Provisions**				25,277	278												25,555
	Claims provisions																	
R0160	Gross				164,905	1,845												166,750
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				44,749	0												44,749
R0250	**Net Best Estimate of Claims Provisions**				120,156	1,845												122,001
R0260	**Total best estimate - gross**				189,161	2,112												191,274
R0270	**Total best estimate - net**				145,433	2,123												147,557
R0280	**Risk margin**				8,889	98												8,987
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**				198,050	2,210												200,260
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**				43,728	-11												43,717
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**				154,322	2,221												156,543

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0010 Accident year / underwriting year: Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											108	108	108
R0160	N-9	14,266	12,850	5,435	3,319	4,267	3,815	643	85	-118	4		4	44,565
R0170	N-8	17,354	13,799	5,398	2,969	3,718	3,570	1,651	391	7			7	48,856
R0180	N-7	18,770	17,025	7,106	4,927	5,451	3,066	2,104	258				258	58,707
R0190	N-6	21,267	20,435	14,081	7,619	3,808	1,359	538					538	69,107
R0200	N-5	25,594	25,099	11,772	7,538	3,750	5,538						5,538	79,291
R0210	N-4	27,432	19,934	12,950	7,030	5,789							5,789	73,135
R0220	N-3	22,452	15,959	5,653	4,005								4,005	48,070
R0230	N-2	24,209	16,740	6,366									6,366	47,316
R0240	N-1	31,226	22,099										22,099	53,325
R0250	N	38,964											38,964	38,964
R0260												Total	83,676	561,445

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											4,604	4,606
R0160	N-9	39,979	24,985	15,913	13,007	6,661	2,813	284	21	7	12		12
R0170	N-8	38,449	15,667	8,786	8,506	5,238	2,732	702	245	258			257
R0180	N-7	34,776	18,021	13,890	12,369	7,064	3,998	2,355	2,432				2,429
R0190	N-6	55,748	30,160	20,173	9,437	4,535	2,769	5,578					5,570
R0200	N-5	66,907	41,484	25,891	13,873	7,529	1,145						1,143
R0210	N-4	70,028	53,528	32,149	24,087	23,394							23,319
R0220	N-3	57,499	29,823	17,747	16,364								16,286
R0230	N-2	46,858	22,445	13,483									13,398
R0240	N-1	66,328	33,855										33,568
R0250	N	66,568											66,162
R0260												Total	166,750

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	20,000	20,000		0	
R0030	Share premium account related to ordinary share capital	114	114		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	54,167	54,167			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	74,282	74,282	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	74,282	74,282	0	0	0
R0510	Total available own funds to meet the MCR	74,282	74,282	0	0	
R0540	Total eligible own funds to meet the SCR	74,282	74,282	0	0	0
R0550	Total eligible own funds to meet the MCR	74,282	74,282	0	0	
R0580	**SCR**	57,851				
R0600	**MCR**	26,033				
R0620	**Ratio of Eligible own funds to SCR**	128.40%				
R0640	**Ratio of Eligible own funds to MCR**	285.33%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	74,282				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges					
R0730	Other basic own fund items	20,114				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	54,167				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	26,391				
R0790	**Total Expected profits included in future premiums (EPIFP)**	26,391				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
R0010	Market risk	1,113		
R0020	Counterparty default risk	1,444		
R0030	Life underwriting risk	62		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	55,981	Adjustment factor for non-proportional	
R0060	Diversification	-1,591		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	57,009		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	5,753
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-4,911
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	57,851
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	57,851

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

S.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	C0010
R0010	MCR_{NL} Result	29,547

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	145,433	159,524
R0060	Other motor insurance and proportional reinsurance	2,123	27,076
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	12

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations	550	
R0250	Total capital at risk for all life (re)insurance obligations		

	Overall MCR calculation	C0070
R0300	Linear MCR	29,559
R0310	SCR	57,851
R0320	MCR cap	26,033
R0330	MCR floor	14,463
R0340	Combined MCR	26,033
R0350	Absolute floor of the MCR	3,332
R0400	**Minimum Capital Requirement**	26,033

APPENDIX II – PUBLIC QUANTITATIVE REPORTING TEMPLATES (BINOMIAL GROUP)

Binomial Group Limited

Solvency and Financial Condition Report

Disclosures

31 December

2016

(Monetary amounts in GBP thousands)

General information

Participating undertaking name	Binomial Group Limited
Group identification code	213800XVYZ79L2DG7I50
Type of code of group	LEI
Country of the group supervisor	GB
Language of reporting	en
Reporting reference date	31 December 2016
Currency used for reporting	GBP
Accounting standards	The group is using IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.23.01.22 - Own Funds
S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
S.32.01.22 - Undertakings in the scope of the group

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	4,034
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	235,678
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	235,678
R0140	*Government Bonds*	235,100
R0150	*Corporate Bonds*	578
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	45,697
R0280	*Non-life and health similar to non-life*	43,717
R0290	*Non-life excluding health*	43,717
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	1,980
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	1,980
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	23
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	10,092
R0420	Any other assets, not elsewhere shown	855
R0500	**Total assets**	296,380

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	200,260
R0520	*Technical provisions - non-life (excluding health)*	200,260
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	191,274
R0550	*Risk margin*	8,987
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	2,530
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	0
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	2,530
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	2,530
R0680	*Risk margin*	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	4,916
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	7,130
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	7,239
R0900	**Total liabilities**	222,075
R1000	**Excess of assets over liabilities**	74,304

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business				168,090	28,529												196,619
R0120	Gross - Proportional reinsurance accepted				0	0												0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share				8,566	1,454												10,020
R0200	Net				159,524	27,076												186,599
	Premiums earned																	
R0210	Gross - Direct Business				163,947	27,826												191,773
R0220	Gross - Proportional reinsurance accepted				0	0												0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share				8,264	1,403												9,667
R0300	Net				155,683	26,424												182,107
	Claims incurred																	
R0310	Gross - Direct Business				95,590	16,287												111,876
R0320	Gross - Proportional reinsurance accepted				0	0												0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share				16,322	2,833												19,155
R0400	Net				79,267	13,454												92,721
	Changes in other technical provisions																	
R0410	Gross - Direct Business				0	0												0
R0420	Gross - Proportional reinsurance accepted				0	0												0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share				0	0												0
R0500	Net				0	0												0
R0550	**Expenses incurred**				33,418	5,672												39,090
R1200	**Other expenses**																	
R1300	**Total expenses**																	39,090

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross						0			0
R1420	Reinsurers' share						0			0
R1500	Net						0			0
	Premiums earned									
R1510	Gross						0			0
R1520	Reinsurers' share						0			0
R1600	Net						0			0
	Claims incurred									
R1610	Gross						368			368
R1620	Reinsurers' share						368			368
R1700	Net						0			0
	Changes in other technical provisions									
R1710	Gross						0			0
R1720	Reinsurers' share						0			0
R1800	Net						0			0
R1900	**Expenses incurred**						0			0
R2500	**Other expenses**									0
R2600	**Total expenses**									0

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	196,619						196,619
R0120	Gross - Proportional reinsurance accepted	0						0
R0130	Gross - Non-proportional reinsurance accepted	0						0
R0140	Reinsurers' share	10,020						10,020
R0200	Net	186,599	0	0	0	0	0	186,599
	Premiums earned							
R0210	Gross - Direct Business	191,773						191,773
R0220	Gross - Proportional reinsurance accepted	0						0
R0230	Gross - Non-proportional reinsurance accepted	0						0
R0240	Reinsurers' share	9,667						9,667
R0300	Net	182,107	0	0	0	0	0	182,107
	Claims incurred							
R0310	Gross - Direct Business	111,876						111,876
R0320	Gross - Proportional reinsurance accepted	0						0
R0330	Gross - Non-proportional reinsurance accepted	0						0
R0340	Reinsurers' share	19,155						19,155
R0400	Net	92,721	0	0	0	0	0	92,721
	Changes in other technical provisions							
R0410	Gross - Direct Business	0						0
R0420	Gross - Proportional reinsurance accepted	0						0
R0430	Gross - Non-proportional reinsurance accepted	0						0
R0440	Reinsurers' share	0						0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	39,090						39,090
R1200	**Other expenses**							
R1300	**Total expenses**							39,090

S.05.02.01

Premiums, claims and expenses by country

Life

R1400		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	0						0
R1420	Reinsurers' share	0						0
R1500	Net	0	0	0	0	0	0	0
	Premiums earned							
R1510	Gross	0						0
R1520	Reinsurers' share	0						0
R1600	Net	0	0	0	0	0	0	0
	Claims incurred							
R1610	Gross	368						368
R1620	Reinsurers' share	368						368
R1700	Net	0	0	0	0	0	0	0
	Changes in other technical provisions							
R1710	Gross	0						0
R1720	Reinsurers' share	0						0
R1800	Net	0	0	0	0	0	0	0
R1900	**Expenses incurred**	0						0
R2500	**Other expenses**							
R2600	**Total expenses**							0

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	415	415		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0	0			
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	73,889	73,889			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0230	**Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	74,304	74,304	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	74,304	74,304	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	74,304	74,304	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	74,304	74,304	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	74,304	74,304	0	0	
R0610	**Minimum consolidated Group SCR**	26,033				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	285.42%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	74,304	74,304	0	0	0
R0680	**Group SCR**	57,851				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	128.44%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	74,304
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0730	Other basic own fund items	415
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	73,889
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	26,391
R0790	**Total Expected profits included in future premiums (EPIFP)**	26,391

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
R0010	Market risk	1,113		
R0020	Counterparty default risk	1,444		
R0030	Life underwriting risk	62		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	55,981	Adjustment factor for non-proportional reinsurance	
R0060	Diversification	-1,591		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	57,009		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	5,753
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-4,911
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	57,851
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement for undertakings under consolidated method**	57,851
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	26,033
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0
R0520	*Institutions for occupational retirement provisions*	0
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D&A	0
R0570	**Solvency capital requirement**	57,851

S.32.01.22

Undertakings in the scope of the group

	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	GB	213800NUSW1TGR	LEI	Sabre Insurance Company Limited	Non life insurance undertaking	Limited Company	Non-mutual	Prudential Regulation Authority
2	GB	213800XVYZ79L2D	LEI	Binomial Group Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited Company	Non-mutual	

S.32.01.22

Undertakings in the scope of the grou

				Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0030	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	GB	213800NUSW1TGR	LEI	100.00%	100.00%	100.00%	1	Dominant	100.00%	Included in the scope		Method 1: Full consolidation
2	GB	213800XVYZ79L2D	LEI							Included in the scope		Method 1: Full consolidation