Uzbekinvest International Insurance Company Limited

Solvency & Financial Condition Report 2022

Contents

EXECUTIVE SUMMARY

Review of the business

The Local GAAP results of the Company for the year show a loss on ordinary activities before tax of US$4,979K (2021: US$1,145k loss). As a result of negative P&L account, at 31 December 2022, the shareholders' funds of the Company reduced and total was US$48,331k (2021: US$52,067k). The level of gross premiums written has stayed consistent year on year at US$303k (2021: US$311k).

The Company plays an integral part in stimulating trade and investment flow into Uzbekistan by offering a range of insurance services aimed to protect the business and assets of foreign companies investing or doing business in the Republic of Uzbekistan. The insurance policies issued by the Company provide cover for investment transactions and trade financing projects against certain political risks in Uzbekistan, such as CEN (confiscation, expropriation, and nationalization), CR (contract repudiation) and WCG (wrongful calling of guarantees) risks.

The Company's products and services are in stable demand by foreign companies involved into implementation of projects in various industries, mainly in banking, energy, mining, agri-foods, and transport sectors of Uzbekistan.

Business Environment

Uzbekistan has continued demonstrating commitment to a comprehensive reform agenda of the Government that has been maintained through two significant successive crises in the recent years. Despite the coronavirus pandemic and the military conflict between Russia and Ukraine, real GDP growth, fiscal and external indicators have remained strong, reflecting the resilience of the economy and improved policy effectiveness in recent years. In particular, Uzbekistan's GDP grew by 5.7 percent in 2022 (in 2021 GDP's growth was 7.4 percent). and this indicator is expected to moderate to 5.1 percent in 2023 and accelerate gradually in the medium term. (Source: The World Bank).

Further progress is expected on reforms during 2023, including IPOs of large state-owned enterprises and bank privatizations, the privatisation of smaller state-owned enterprises and the separation of state-owned large monopolies, such as gas and electricity companies, which will lead to further increases in productivity and competitiveness, as well as further improvement of investment attractiveness of the economy for foreign investors.

As a result of continued progress and positive changes in the economy, the global rating agencies have updated the Uzbekistan's ratings for 2022 accordingly. Fitch Ratings has affirmed Uzbekistan's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) at "BB-", with a stable outlook. S&P Global Ratings has affirmed the "BB-" Foreign Currency Long-Term credit rating of Uzbekistan with a stable outlook, while the Iinternational rating agency Moody has announced an increase in the sovereign credit ratingg of Uzbekistan from B1 to Ba3 (similar to "BB-" from S&P and Fitch), and also changed the outlook from "positive" to "stable".

The integration of Uzbekistan into the Global trade and economy continued during 2022 and so far, the Country has been granted with a great support from other International Financial Institutions and Organization on this way. The Government is projecting an increase in exports to the EU to benefit from the grant of the Generalised Scheme of Preferences (GSP+) to Uzbekistan, opening prospects and new opportunities for foreign investors and trade partners of Uzbekistan as well.

Uzbekistan demonstrated strong commitment to the World Trade Organisation (WTO) accession as well. The negotiations held with WTO during 2022-2023 moved the country to the next level, where members expressed their support for Uzbekistan's ambition to secure WTO membership while underlying the importance of bringing its trade regime into full conformity with WTO requirements.

Approach to risk

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and monitoring of ethical standards is a high priority for the Company.

The Company's principal risks are reviewed by management on a regular basis and, if required, by the Board on an annual basis. Through this process the Company identifies the risks to which it is exposed, and assesses their impact on economic capital. This process, which is in line with Solvency II requirements, provides guidance in the management of the Company's capital requirements to ensure it has the financial strength and capital adequacy to support the growth of the business as well as meet the requirements of policyholders, regulators and rating agencies.

The Company conforms to a proper internal control framework which exists to manage financial risks and ensures that controls operate effectively.

Principal risks and uncertainties

Appropriate governance structures are in place which continue to monitor and assess risks and uncertainties. The risks considered by the UIIC Board of Directors and Executive Management include, but are not limited to: Insurance, Market, Liquidity, Operational, and Business & Strategy Risk. The primary governance framework looks down to the principal business writing and investment holding in UIIC. This includes a Board approval of each enquiry on insurance risk received, as well as reviewing and amending investment strategy based on the market conditions and constant monitoring by an Executive Management of the financial transactions between UIIC and outsourcing business partner.

The Business Performance

In 2022 the underwriting guideline of UIIC regarding Uzbekistan didn't changed, and we continued operating in-line with our main strategy, aimed to create additional capacity for export-import and investment transactions in Uzbekistan through cooperation with the outsourcing partner. Our pricing strategy regarding Uzbek risks has been in line with the market demand and the insurance rates have remained mostly at the same levels as in the last year.

The level of Gross Premium Written (GPW) has remained within the budgeted figures for 2022. During the reporting period a stable result of business production was mainly driven by the Company's activity in servicing both trade financing projects and syndicated term loan facility. The level of underwriting result was reduced comparing to 2021, however it has remained negative due to both growth of acquisition costs and administrative expenditure. It should be noted here there has been a significant reduction in Other Prepayments compared to the prior year, this is following the release of prepaid amounts in relation to the Expo 2022 Dubai.

Consistent with prior years, no claims have been notified in 2022, as well as no claims or losses reported up to date in 2023. The Directors are of the view that no additional potential claims were incurred but not reported during the year 2022. As a result, no reserve for outstanding claims or IBNR has been established. As a result, as per the local GAAP accounting results no reserve for outstanding claims or IBNR has been established. The Best Estimate and Risk Margin are calculated for Solvency II Valuation purposes as prescribed by the Solvency II regulation.

During 2022, the Company received 24 formal enquiries (in 2021 - 22 enquiries). Four enquires related to trade financing projects of the state-owned banks NBU and Asakabank, as well as one associated with the syndicated term loan facility provided by the biggest company of Uzbekistan - Navoi Mining and Metallurgical Combinate, have been approved and bound. The remaining enquiries related to some investment projects and other Uzbek commercial bank transactions which have been refused due to non-compliance with the underwriting guidelines. In general, the market continues to demonstrate a good appetite for short-term and medium-term Uzbek risks. As a result, the Company has issued 4 new policies and extended one existing policy during 2022. We hope that 2023 will also be productive; in the first quarter of 2023 we have already issued 2 non-binding indicative offers for trade financing projects, while the number of enquires received was 10.

Investment Portfolio Performance

In 2022 there have been another severe negative impact to global economy in whole and investment markets in particular, caused by military conflict between Russia and Ukraine. Ongoing financial volatility and highly inflationary environment on the markets has nocked down the Company's investment return forecast from 2.0% to actual negative result (9.38%) on an annual reporting basis.

The Company's investment portfolio has been heavily impacted by the negative trends on the bond markets. Particularly, high inflation was a dominant force driving the markets down. A surge of inflation led the US Federal Reserve to an unprecedented series of interest-rate increases, reducing the bond market, resulting in stocks having a prolonged decline in price which continued to the end of the year.

However, due to continued growth of US Federal Reserve rates in 2023, the Company has amended its investment strategy by increasing a proportion of the US Treasuries and Sovereign Bonds in its portfolio, while reducing investment in equities and corporate bonds with lower investment rates to improve the investment opportunities.

To minimize a risk of insufficient funds required to cover the operating expenses, as well as to prevent a liquidity risk, the Company will continue monitoring the appropriateness of investment strategy to market situation and conditions in close cooperation with the Company's asset manager and custodian – Credit Suisse AG.

Along with the above changes and conditions, an extraordinary situation has arisen with Credit Suisse, a provider of custodian and asset management services to the Company. Due to turmoil in financial markets around the world, Credit Suisse has been the subject of media comment and speculation that the bank could face insolvency and financial collapse. However, a timely decision by the Swiss regulators, followed by a merger with UBS, helped Credit Suisse to withstand these scandals. Following the completion of the merger, Credit Suisse continued to operate as usual, in close cooperation with UBS, and without any impact to customers. This situation did not have any impact on the Company's portfolio management process and performance.

Business Strategy

The Company continues to embed its strategic mission as an integral part of the national system for promotion of foreign trade and attracting Foreign Direct Investments (FDI) into Uzbekistan.

To support the above strategy the Company will continue to use outsourcing arrangements with the local business partner AIG UK. In close cooperation with the outsourcing service provider, through the existing planning and budgeting process, the Company has targeted to increase both quality and quantity of business portfolio while aligning investment and business resources to maximise the impact of the strategic priorities.

The Company continues to be one of a highly valued and reliable partner for AIG UK to support their business portfolio of the Uzbek risks and projects through the reinsurance arrangements existing between the companies whilst being a loyal to other business partners and complying with the regulatory environment.

To adapt to current market trends and business environment, the Company will continue to work closely with the local business partner whilst expanding cooperation with the foreign and Uzbek banks which provide trade financing and investment project support in Uzbekistan.

The Company's Investment portfolio will remain as a key matter of monitoring and control by both Executive and Board with discretionary management of the assets by portfolio managers from Credit Suisse AG.

To minimize a risk of insufficient funds required to cover the operating expenses, as well as to prevent a liquidity risk, the Company has amended its investment strategy from fixed income to mixed portfolio. This change of strategy will allow the Company to maintain real-time capital preservation, as well as to achieve long-term capital growth. From the prospect of risk assessment, it involves investing in average level of risk assets that prioritize stability and security over high returns.

In general, the Company will continue with a conservative investment strategy that focuses on protecting the initial investment and minimizing the risk of loss.

Future Developments

The vision of the business remains committed to being the specialised insurer for foreign companies investing with or having business in the Republic of Uzbekistan, differentiating our value to customers through a unique and tailored underwriting and claims capabilities of our local outsourcing partner AIG UK, as well as client servicing excellence.

During 2023 we expect that the Company will continue to face adverse market forces including the fallout of the Russia - Ukraine conflict, global political uncertainty, and economic recession, as well as a highly competitive London market.

In line with prior years, the vision for the Company is to remain the niche-market insurer in the UK marketplace, with the target to maintain its volume of business within the range of GPW $300-350K per annum. Our expectation is based on the following factors:

- the Uzbek Government continues process of implementation of economic and political reforms to improve investment attractiveness of Uzbekistan for foreign investors.

- Further integration of Uzbekistan into the global trade and economy through WTO accession, as well as more prospects and new opportunities for investors and trade partners granted by a status of beneficiary within the EU's Generalized System of Preferences Plus (GSP+) trade regime. Lifting the global boycott on cotton from Uzbekistan will open the European and American markets for textile goods from Uzbekistan as well.

- Within the official visits of the President of Uzbekistan during 2022-2023 to Europe, to Germany and France in particular, many agreements on new trade, investment, and technological projects have been signed. These projects are aimed at co-operation in the fields of green energy, mining, chemical, pharmaceutical industries, modernisation of transport infrastructure, and other priority areas. The German commercial banks, (KfW Bank, Deutsche Bank, Commerzbank and Landesbank and others) have agreed to provide full-scale partnership support to German companies operating in Uzbekistan.

- The company retains close coordination and affiliation with the Ministry of Investment, Industry and Trade of Uzbekistan (MIIT) and the Ministry of Finance (MOF), as well as with the biggest Uzbek commercial bank – National Bank of Uzbekistan (NBU) that gives the Company a better position on the Uzbek market to provide services to foreign investors and business partners.

DocuSigned by:

Hasan Mamadjonov

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Hasan Mamadjonov
Chief Executive Officer

DIRECTORS' REPORT

Directors

The Directors of the Company who were in office during the Company's financial year were:

S U Umurzakov (Chairman)
S A Vafaev
H Mamadjonov
S O Abdurashidov
R B Khalikov

Statement of Directors' Responsibilities

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

The Solvency II Directive, the Delegated Acts, related Implementation Rules, Technical Standards and Guidelines, as well as PRA rules provide the regulatory framework in which the Company operates. The Solvency II rules and regulations include, but are not limited to, the recognition and measurement of its assets and liabilities including Technical Provisions and Risk Margin, the calculation of its capital requirement and the reporting and disclosures of the Solvency II results.

Compliance with PRA Rules and the Solvency II Regulations

The directors acknowledge their responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

The directors are satisfied that:

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

b) it is reasonable to believe that, at the date of publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in the future.

On behalf of the Board,

"27" July 2023

Director

BUSINESS AND PERFORMANCE

A.1 - BUSINESS

Company Information

Uzbekinvest International Insurance Company Limited (the Company) was set up in November 29, 1994 to offer political risk insurance to potential and existing investors, thereby removing many of the uncertainties of investing in an unknown market. The main objective of the company is to offer political risk insurance to encourage new foreign investment in the infrastructure, natural resource development and industrial production in Uzbekistan.

Since creation of the company and until mid-September 2009 it was a joint venture company with the American International Group Inc. (AIG), and with more than 20 years no-claims history, the Company became strong and well-known company in the political risks insurance market.

All business insured by the Company is accepted on its behalf by an underwriting agency – AIG Uzbekinvest Limited, established for this purpose. The use of such an agency enables the company to be established in a cost-effective way and to employ the considerable world-wide resources of AIG to assist in the production of business. Underwriting process, claim handling and other insurance issues are managed in the United Kingdom. AIG Uzbekinvest Limited is a member company of AIG.

The Company is a private company limited by shares and is incorporated in England. The Company's ultimate parent company is the Government of Uzbekistan and National Bank of Uzbekistan who hold shares of 83.3% and 16.7% respectively.

The Company's registered office and principal place of business and the contact details of its external auditors and supervisory authority are shown below:

Registered Office	External Auditors	Supervisory Authority
The AIG Building 58 Fenchurch Street London EC3M 4AB +44 (0) 20 7954 8397	Mazars LLP 30 Old Bailey London EC4M 7AU United Kingdom+44 (0) 20 7063 4000	Prudential Regulation Authority (PRA) 20 Moorgate London EC2R 6DA +44 (0) 20 7601 4444

The Company is a relatively small entity. The gross premium written for 2022 amounted to $303k (2021, $311k). In line with the EU Solvency II Directive of the European Parliament, Article 4 (1)(a) concludes that the Directive shall not apply to an insurance undertaking with an annual gross written premium income below EUR5m. However, in line with Article 4 (1) (d), the Company writes political risk, under Solvency II ('SII') this falls under credit and suretyship line of business. Thus, this removes the exemption of the EU Directive on the basis of line of business written.

The Solvency and Financial Condition Report (SFCR) is presented in thousands of USD, and the attached public quantitative reporting templates (QRT's) in Section F are presented in thousands of USD as set out in Article 2 of the Commission Implementing Regulation (EU) 2015/2452.

The SFCR has been authorised for issue by the Board of Directors on "27" July, 2023.

Country Branches

The Company does not have any branches.

MATERIAL LINES OF BUSINESS BY OPERATING SEGMENT AND SOLVENCY II

The Company writes one line of business, political risk. For Solvency II purposes, political risk falls under credit and suretyship insurance line of business. This decision is made by the Mapping Committee.

A.2 - UNDERWRITING PERFORMANCE

Underwriting performance by material lines of business and geographical areas

The Company writes one line of business, political risk. Under Solvency II, political risk falls under credit and suretyship insurance. Consistent with prior years no claims have been notified in 2022. The Directors are of the view that no potential claims were incurred but not reported during the year. As a result no reserve for outstanding claims or IBNR has been established under UK GAAP.

Underwriting performance by Solvency II lines of business

The table below provides key performance indicators for major Solvency II lines of business.

Key Performance Indicators, Credit and Suretyship (SII LoB)	**$'000 (USD) 2022**	**$'000 (USD) 2021**
Gross Premium Written	303	311
Change in gross provision for unearned premiums	50	33
Net Premium Earned	**354**	**344**
Claims incurred		
Expenses incurred	(1,081)	(1,112)
Underwriting performance	**(727)**	**(768)**

All premiums relate to the political risk business transacted and underwritten in the United Kingdom. The policy risk location is the Republic of Uzbekistan. The Company's future presence and activity on the market would heavily depend on both global investment flows into the region and demand on insurance of political risk on Uzbekistan.

A.3 - INVESTMENT PERFORMANCE

The Company holds a diversified and prudent investment portfolio consisting of government bonds, corporate bonds, fiduciary short term deposits. The custodian of the investment held by the Company as at 31 December 2022 is Credit Suisse Bank, based in Switzerland. The entire portfolio is held in USD.

The Company classifies debt securities and other fixed income securities at fair value through profit or loss, as they are managed and their performance evaluated on a fair value basis. The fair values of listed securities are based on the current market bid prices at the balance sheet date or the last trading day before that date.

Any gains or losses arising from changes in the fair value of the investments are presented in the profit and loss account within net unrealised gains or net unrealised losses on investments in the period in which they arise.

Interest on debt securities is recorded on an accruals basis with amounts owed at year end being shown within accrued interest on the balance sheet.

INVESTMENT RETURN

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses.

Realised gains and losses on investments carried at fair value through profit and loss are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and either their purchase price or their fair value at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Investment Return	**$'000 (USD) 2022**	**$'000 (USD) 2021**
Investment Income		
Interest on other financial investments	**895**	**891**
Investment expenses and charges		
Investment management expenses including interest expense	(130)	(127)
Gains on the realisation of investments	(1,507)	76
	(1,637)	**(51)**
Unrealised gains/(losses) on investments	**(3,512)**	**(1,160)**
Total investment (loss)/income	**(4,254)**	**(320)**

The investment portfolio structure can be split as follows:

Investment Portfolio – Solvency II Valuation Basis	$'000 (USD) 2022	$'000 (USD) 2021	Accrued Interest 2022	Accrued Interest 2021	% of Portfolio 2022	% of Portfolio 2021
Cash & Cash Equivalents	1,277	1,095	5	0	3%	2%
Bonds	45,749	50,402	197	161	97%	98%
Portfolio Total	**47,026**	**51,497**	**202**	**161**	**100%**	**100%**

In line with the prudent investment approach over 59% of bonds have investment grade A or greater which is highlighted in the below rating overview:

Bonds – Investment Grade Solvency II Valuation Basis	$'000 (USD) 2022	$'000 (USD) 2021	% of Portfolio 2022	% of Portfolio 2021
AAA	6.687	8,807	14.6%	17.5%
AA	3,343	596	7.3%	1.2%
A	16.992	16,297	37.1%	32.3%
BBB	15,445	13,360	33.8%	26.5%
NR	3,282	11,342	7.2%	22.5%
Total	**45,749**	**50,402**	**100%**	**100%**

A.4 - PERFORMANCE FROM OTHER ACTIVITIES

The 'Performance from other activities' subsection of the report aims to provide an overview of the qualitative and quantitative information regarding income from other activities and other expenses.

OTHER MATERIAL INCOME AND EXPENSES

Other Material Income and Expenses	$'000 (USD) 2022	$'000 (USD) 2021
Administrative expenses	1,081	1,112

Administrative expenses are incurred to support the infrastructure of the organisation and include but are not limited to personnel costs and service provider fees. A large portion of the expenses in 2022 were related to the consultancy and marketing services fees paid to international organizations, within the projects realised jointly with the Ministry of Inductry, Investment and Trade of Uzbekistan and aimed to improve investment attractiveness of the country. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions at year end exchange rates are recognised in the income statement as part of other income. Administrative expenses also include audit fees in respect of the audit of the Company.

A.5 - ANY OTHER MATERIAL INFORMATION

In order to improve investment opportunities and stabilise investment income, the Company had amended its investment strategy by changing from a conservative Fixed Income allocation to Mixed Portfolio. This change has enabled the Company to continue a capital preservation approach with taking an average level of risk, while the investment horizon has been increased from 3 up to 7 years.

B - SYSTEM OF GOVERNANCE

B.1 – GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

The 'General Information on the System of Governance' subsection of the report aims to provide details of the Company's management structure, Board, Chief Executive Officer and the outsourced functions.

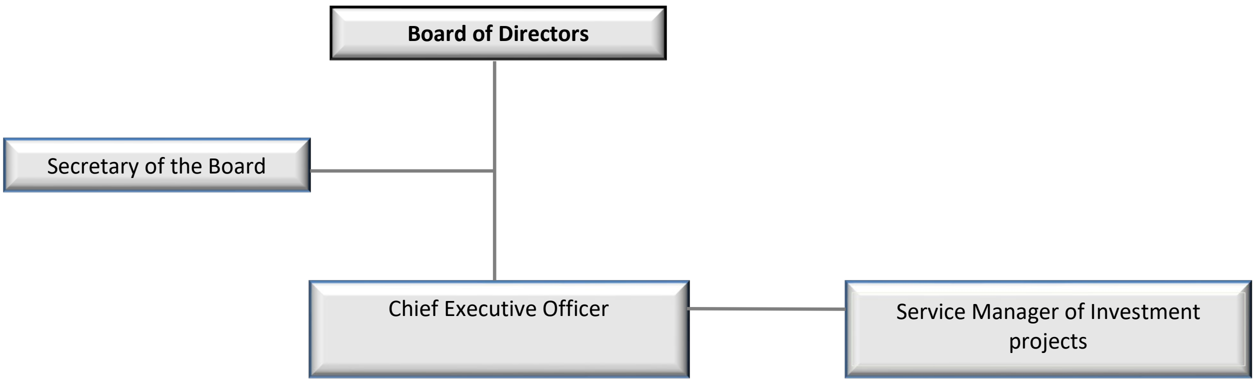
The Company depends on AIG Uzbekinvest Limited who acts as its agent for business development and also manages the outsourcing arrangements with AIG UK (Services) Limited such as accounting, actuarial, claims, company secretary, risk management and underwriting. The investment managers and custodian of the asset portfolio is outsourced to Credit Suisse Bank (as at 31 December 2022).

Governance starts with the Company's Board, which has overall responsibility for management of the company by overseeing the operations of the company and providing leadership.

The Company has two employees as per the organisation chart below. The Chief Executive Officer manages the operations and outsourcing activities of the Company and also sits on the Board of Directors. The Service Manager of Investment projects reports directly to the Chief Executive Officer.

The governance structure has been designed to ensure that the Chief Executive Officer is able to provide the appropriate levels of oversight to business development and outsourcing arrangements.

Organisation chart



The Board of Directors

The main objective of the Board is to provide effective oversight of the Company and ensure risk is properly monitored and managed. The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance and regulations, legal and technical standards is a high priority for the Company. The Company's Risk Register is reviewed internally by the company on a regular basis.

B.2 – FIT AND PROPER

The 'Fit and Proper' subsection of the report aims to provide a description of the Company's processes for assessing the fitness for persons who run the Company or who have key functions. Persons who effectively run the Company or have other key functions are required to meet the fit and proper requirements which comply with the current Approved Persons regime.

The Senior Insurance Managers Regime (SIMR) came into force on 7 March 2016 and replaces the Approved Persons regime. The regime applies to the most senior executive management and directors who are subject to regulatory approval. Under section 59 of the Financial Services and Markets Act 2000 (FSMA), authorised firms are required to ensure that individuals seeking to perform one or more of the PRA- designated Senior Management Functions seek PRA approval prior to taking up their position.

B.3 – RISK MANAGEMENT

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the Company. The Company's Risk Register is reviewed internally by the CEO on a regular basis and by the Board on an annual basis. The Company conforms to an appropriate internal control framework which exists to manage financial risks and ensures that controls operate effectively. Through this process the Company identifies the risks to which it is exposed, and assesses their impact on own funds. This process is risk based to manage the Company's capital requirements and ensure it has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policyholders, regulators and rating agencies.

This Own Risk and Solvency Assessment (ORSA) provides details of the Company's current and forward looking risk profile and is completed annually. The ORSA process has been developed to draw together the suite of risk management activity carried out at the entity to ensure the most material risks the firm faces are identified, assessed, monitored, managed and mitigated.

This ORSA specifically highlights to the entity's senior management the set of current and emerging risks faced by the Company and the steps being taken to address these.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the Company. The Risk Register is reviewed internally by the Company on a quarterly and by the Board on an annual basis. The Company conforms to a proper internal control framework which exists to manage financial risks and ensures that controls operate effectively.

Through this process the Company identifies the risks to which it is exposed, and assesses their impact on economical capital. This process is risk based to manage the Company's capital requirements and ensure it has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policyholders, regulators and rating agencies.

In particular, the Company is vulnerable to various political or economic events within the Republic of Uzbekistan, which if triggered could result in insurance claims. In addition, the Company is exposed to financial risks through its financial assets and financial liabilities.

B.4 – B.6 - KEY FUNCTIONS, ROLES AND RESPONSIBILITIES

Chief Executive Officer

The Chief Executive Officer is responsible for the management of all functions within the Company. This involves ensuring that all functions are compliant and support each other and combine to meet the strategy of the Company. The role of the CEO also involves the establishment and ongoing review of internal systems and internal controls that is appropriate to the scale, nature and complexity of the company.

The duties of the CEO are summarised below by function:

1. Commercial Lines

- Adherence to profit centre targets both in term of overall booking of premium, and for successful identification of new clients, cross selling and renew business.
- Management of ongoing broker relationships to ensure maximum opportunity presented for business.
- Close integration with broker and client strategy to ensure UIIC product and price offering competitive.

2. Finance

- Implementation and ongoing review of agreed business plans.
- Oversight of management information and effective review of functions performance as per business plan.
- Adherence to all statutory financial requirements for the Company.

3. Legal and compliance

- Has responsibility for represent the UIIC at Appropriate levels in the Industry, Government and Press. Specifically on the FCA/PRA, ABI, CBI and GISC.
- Management of reporting and control of the businesses to ensure compliance with both legal and regulatory requirements.
- Commits and adheres to the FCA/PRA Code of Practice and Statement of Principle for Approved Persons in respect of the controlled functions for which the job holder is registered and approved.
- Adherence to the requirements of being an Approved Person for the "Chief Executive Officer" and "Apportionment & Oversight" Controlled Functions.

4. Claims

- Oversight of terms negotiated with principals third part suppliers.
- Oversight of claims management procedures.
- Monitoring and analysis of major losses, trends and developments.

5. Marketing

- Ensures Corporate image is enhanced and protected by adherence with UIIC and AIG Corporate standards.
- Provides support for industry/business seminar of Uzbekistan.

6. Operations & systems

- Ensures IT strategy fits and support the business strategy.
- Ensures the building and infrastructure is adequate and conforms to levels of security and Health & Safety.
- Establishes and maintains systems and operational practice appropriate to the scale, nature and complexity of the UK Operation and subsidiary companies which cover exposures from underwriting, clams reserving, investment and other business activities and ensure compliance with Group, Legal and Regulatory requirements including both Statutory FSA and Voluntary GISC codes.
- Oversight of terms negotiated with principal third party suppliers.

The Company's business activity is expected to increase when the global economy is fully stabilised and foreign investors return to the country, however the Company anticipates that implementation of current structural reforms and new market incentives of the Government (e.g., internal currency market liberalization, tax benefits, business registration and licencing easing), while reducing bureaucratic and legal barriers, will contribute substantially to growth of trade and investment attractiveness of Uzbekistan and, therefore, to the growth of business and premiums of the Company.

For the above reason, the Company will continue to outsource the key functions of the business. Refer to outsourcing subsection for a detailed listing.

B.7 – OUTSOURCING ARRANGEMENTS

The 'Outsourcing' subsection of the report aims to provide a description of the Company's outsourcing activities and the outsource service providers. The Company utilises outsourcing arrangements in order to reduce operational costs and gain access to qualified professionals.

The Chief Executive Officer of the company liaises and manages all of the outsourced relationships. An established relationship between the Company and the outsourcing providers has been built upon over the years.

Administrative and Service Providers	Nature of Outsourced Service	Jurisdiction
Accommodation	AIG Europe (Services) Limited	United Kingdom
Accounting and Tax Function	AIG Europe (Services) Limited	United Kingdom
Actuarial Function	AIG Europe (Services) Limited	United Kingdom
Asset Management Function	Credit Suisse AG (from June 2021)	Switzerland
Claims Function	AIG Europe (Services) Limited	United Kingdom
Company Secretarial	AIG Europe (Services) Limited	United Kingdom
Internal Audit Function	AIG Europe (Services) Limited	United Kingdom
Investment Custodian	Credit Suisse Bank	Switzerland
IT Management and Support	AIG Europe (Services) Limited	United Kingdom
Risk Management	AIG Europe (Services) Limited	United Kingdom
Underwriting Function	AIG Europe (Services) Limited	United Kingdom
HR Services	AIG Europe (Services) Limited	United Kingdom

Remuneration Policy

The remuneration policy of the Company is decided by the Board due to the limited number of employees. The entitlement of each employee is decided on a case by case basis depending on experience and qualifications.

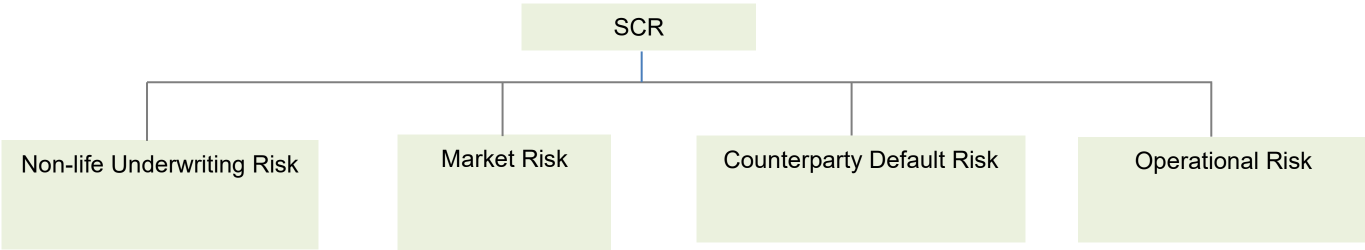
B.8 - ANY OTHER MATERIAL INFORMATION

There were two directors who were paid an emolument during the year (in the prior year there was one Director paid). No Directors exercised share options or received shares in respect of qualifying services under any long-term incentive scheme. No compensation was paid to the Directors during the year for loss of office. There have been no post-employment benefits under defined benefit pension scheme during the year.

C - RISK PROFILE

The Company believes that a strong, effective and embedded risk management framework is crucial to maintaining successful business operations and delivering sustainable, long-term profitability.

The Company's Solvency Capital Requirement (SCR) is calculated using the Standard Formula.



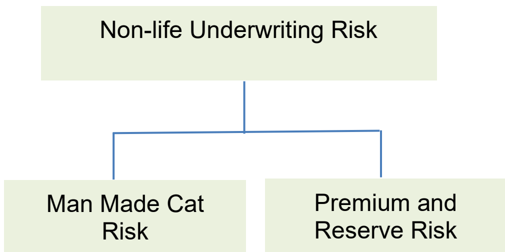
Risk Profile, Measurement and Assessment

The Company's Risk Management Framework supports the identification, measurement, management, monitoring and reporting of the four major risk groupings the Company is exposed to, including:

- Underwriting Risk;
- Market Risk;
- Counterparty Default Risk;
- Operational Risk.

C.1 - INSURANCE RISK (UNDERWRITING RISK)

Insurance Risk encompasses the risks the Company is exposed to arising from its insurance underwriting operations and is broadly split and assessed between the following risk categories:



Insurance risk exposures

1. **PREMIUM AND RESERVE RISK**

Premium risk arises from the failure of pricing, product or strategy. It encompasses the risk of loss due to the potential timing, frequency and severity of covered loss events differing from that assumed at the time of underwriting and pricing a risk. Premium risk arises during market and/or investment cycles where there is pressure on pricing margins, which results in being unable to charge an appropriate price without undermining its market position.

Reserve risk arises from adverse reserve development through failing to set sufficient cash reserves or through failing to adopt a robust and consistent reserve strategy offered to insureds and countries. It represents the difference between the actual versus expected variability in the timing or amount (size/severity and count/ frequency) of loss costs including indemnity, legal and loss adjustment expenses.

PROCESS FOR MONITORING THE EFFECTIVENESS OF MARKET RISK MITIGATION TECHNIQUES

Risk measurement is the process used to assess the Company's exposure to insurance risk. The Company uses a combination of quantitative and qualitative methods to measure potential exposure, depending on the nature of the risk.

Risk monitoring is the process used to ascertain that the Company's exposure to insurance risk is within its appetite. A list of measurement methods by key risk, and the monitoring procedures in place, follows below:

Selection of risks

The potential impact of inappropriate risk selection is assessed by past history, market developments, and changes in statute and case law. Risk selection is monitored both locally through regular audit.

Appropriate contractual provisions are assessed by:

- Considering past history, market developments, and changes in statute and case law.
- Underwriting guidelines, which contain guidance on the appropriate contractual provisions to be used

Adequacy of risk pricing

Actuarial reviews are carried out on written business and actuarial input is obtained on the pricing of new products. Cross-product subsidies are not acceptable.

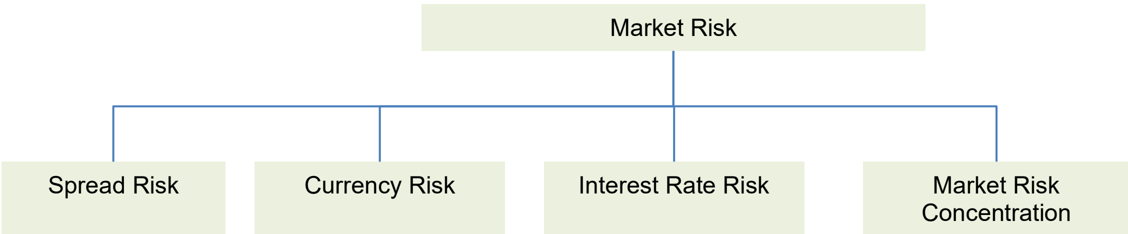
All policies have a complaints procedure for customers.

C.2 - MARKET RISK

Market risk is the risk that the Company is adversely affected by movements in the fair value of its financial assets arising from market movements, such as credit spreads, interest rates and foreign exchange rates or other price risks.

The Company is exposed to Market Risk on the asset side of its balance sheet, through balance sheet exposures including, but not limited to:

- Assets in the Company's investment portfolio includes both Government and Corporate bonds..



MARKET RISK EXPOSURE

A description of the Company's components of Market Risk is shown below:

Market Risk Components	Description
Spread risk	The potential financial loss due to the increase in the spread that an asset trades at relative to a comparable government bonds hence a decrease in the asset's market value.
Currency risk	The potential financial loss arising from the change in value of currency exchange rates or from closing out a currency position at a loss due to adverse movements in exchange rates.
Interest rate risk	The potential financial loss arising from the reduction in the value of the investment portfolio and liabilities due to changes in the level of interest rates.
Market Risk Concentration	The potential financial loss arising from the accumulation of exposure with the same counterparty. The concentration risk does not include other types of concentration risks, such as geographical or sector concentrations of the assets held.

The CEO monitors the overall market risk landscape and the implications of changes thereof via reports issued by the investment manager.

MARKET RISK CONCENTRATION

The Company holds and maintains a diversified investment portfolio in corporate bonds and government bonds. The Company has a well-defined Risk Appetite for Market Risk (and its Investment activities) and it manages its Investment portfolio so that the Total Return is maximized.

Market Risk Concentration – by Credit Rating

Bond Ratings	**Market Risk Concentration $'000 (USD)**	**Market Risk Concentration %**
AAA	6.687	14.6%
AA	3,343	7.3%
A	16.992	37.1%
BBB	15,445	33.8%
NR	3,282	7.2%
Total	**45,749**	**100%**

Bonds (government and corporate) comprise the the Company's investment portfolio out of which 59% were rated AAA, AA, or A in 2022.

Market Risk Concentration – by Issuer

The top exposures (by Solvency II market values) are:

Issuer names	Market Risk Concentration $'000 (USD)	Market Risk Concentration %
U.S. Government	5,812	13%
CREDIT SUISSE AG LONDON	3,766	8%
PTG SHS ISHARES	3,034	7%

The largest concentration is with the U.S. Government which are majority from A to AAA rated government bonds. Therefore, the associated market risks are considered to be low.

Market Risk Concentration – by Currency

The base currency of the Company's portfolio is US dollars. As at 31 December 2022, the Company held investments only in US dollars. The Company's main currency risks include its trading cash accounts, debtors and creditors relating to net operating expenses which are held in pound sterling.

PROCESS FOR MONITORING THE EFFECTIVENESS OF MARKET RISK MITIGATION TECHNIQUES

The Company manages its investment portfolio with respect to the market risk profile of its liabilities in order to minimise the impact on its solvency position due to adverse market movements. Risk mitigation of market risk is executed through the combined use of investment limits, guidelines and principles detailed below.

Risk Mitigation and the Prudent Person Principle

The Company's investment management policy ensures its continued compliance with the Prudent Person Principle (PPP) as laid down in Article 132 of the Directive 2009/138/EC.

The company's investment limits are set out in the Investment Portfolio Guidelines. The Guidelines are reviewed on an annual basis. The investment limits are set by the Board.

C.3 - COUNTERPARTY DEFAULT RISK

Counterparty Default Risk (Credit Risk) is defined as the change in the value of assets and liabilities caused by unexpected default or deterioration in the credit standing of independent counterparties and debtors.

Counterparty Default Risk excludes investments which are assessed within the Market Risk profile.

COUNTERPARTY DEFAULT RISK EXPOSURE

The Company is exposed to Credit Risk on both asset and liability side of its balance sheet and its Credit Risk is categorised into two components below:

- Type 1 exposures include cash at bank and short term deposit.

Type 2 exposures include receivable from intermediaries, policyholder debtors etc.

CREDIT RISK CONCENTRATION

Credit Risk concentration is associated with any single exposure or group of exposures with the potential to produce large losses to threaten the Company's core operations. It may arise in the form of single name concentration.

The Company's most material Credit Risk concentration relates to type 1 exposure of Cash at Bank on the balance sheet and Short Term Deposit that amounted to $1,277k as at 2022.

The details of the cash balances by counterparties are:

Counterparty	Credit Risk Concentration $'000 (USD)
Credit Suisse Bank	1,256
Citi Bank	21
Total	1,277

C.4 - LIQUIDITY RISK

Liquidity refers to the ability to generate sufficient cash resources to meet the Company's payment obligations. It is defined as unencumbered cash and assets that can be monetized in a short period of time at a reasonable cost in both normal and stressed market conditions.

The company has a large portfolio of very liquid and marketable assets in relation to the size of the liability on the balance sheet.

C.5 - OPERATIONAL RISK

Operational risk is defined as the risk of loss, or other adverse consequences, resulting from inadequate or failed internal processes, people, systems or external events.

Operational risks can have many impacts, including but not limited to unexpected economic losses or gains, reputational harm due to negative publicity, regulatory action from supervisory agencies, operational and business disruptions and damage to customer relationships.

OPERATIONAL RISK CONCENTRATION

The only Solvency II line of business that is exposed to Operational Risk is Credit and Suretyship which is also the only business the Company writes.

OPERATIONAL RISK MITIGATION TECHNIQUES

The Company Board of Directors bears ultimate responsibility for the management of Operational Risk. The management of Operational Risk includes the following elements:

- Overseeing the establishment of an appropriate risk management strategy;
- Ensuring the Company maintains adequate financial resources;
- Ensuring that management has the requisite skills to manage Operational Risks;
- Monitoring the Operational Risk profile of the Company on a regular basis;
- Taking reasonable steps to ensure that material Operational Risk is adequately identified, measured, monitored and controlled.

- Operational risk is controlled through the avoidance, transfer, prevention or reduction of the likelihood of occurrence or potential impact of a material operational risk exposure. This includes:
- Embedding a risk culture throughout the Company
- Ensuring robust internal processes and systems are maintained
- Utilising outsourcing/Third Party Administrator (‘TPA’) arrangements, where appropriate
- Accepting operational risks within the stated risk tolerance level.

C.6 – OTHER MATERIAL RISKS

There are no other other material risks to report.

C.7 – ANY OTHER INFORMATION

There is no additional material information to present as at year end.

D - Valuation for Solvency Purposes

VALUATION BASIS, METHODS AND MAIN ASSUMPTIONS

In accordance with Article 75 of the Solvency II Directive, the Company's assets and liabilities other than technical provisions are measured in accordance with principles of an arm length transaction between knowledgeable willing parties using market consistent valuation methods.

Solvency II Economic Balance Sheet as at 31 December 2022, $'000 (USD).	Notes	UK GAAP	Revaluation & Reclassification	Solvency II	Solvency II
		2022	2022	2022	2021
Assets					
Deferred acquisition costs	2	24	(24)	-	-
Intangible assets					
Deferred tax assets		1,530	-	1,530	-
Pension benefit surplus					
Property, plant & equipment held for own use					
Investments	1	46.979	(1,230)	45,749	50,402
Property (other than for own use)					
Participations					
Equities					
Equities – listed					
Equities – unlisted					
Bonds	1	45,749	-	45,749	50,402
Government Bonds	1	9,334	-	9,334	10,491
Corporate Bonds	1	36,415	-	36,415	39,911
Structured notes					
Collateralised securities					
Other Investments	1	1,230	(1,230)	-	-
Deposits other than cash equivalents					
Loans & mortgages					
Other loans & mortgages					
Reinsurance recoverable from:					
Non-life excluding health					
Health similar to non-life					
Life excluding Health and index-linked and unit-linked					
Insurance & intermediaries receivables	3	422	-	422	688
Reinsurance receivables					
Receivables (trade, not insurance)	1	13	-	13	19
Cash and cash equivalents	4	50	1,227	1,277	1,094
Any other assets, not elsewhere shown					
Total assets		**49,017**	**(26)**	**48,991**	**52,203**
Liabilities					
Technical Provisions		94	(94)	-	
Technical provisions – non-life (excluding health)	5	-	(64)	(64)	(379)
TP Calculated as a whole					
Best Estimate		-	(75)	(75)	(391)
Risk Margin		-	11	11	12
Liabilities other than Technical Provisions					
Provisions other than technical provisions					
Pension benefit obligations					
Deposits from reinsurers					
Deferred tax liabilities					
Financial liabilities other than debts owed to credit institutions					
Insurance & intermediaries payables					
Reinsurance payables					
Payables (trade, not insurance)	6	592	-	592	486
Subordinated liabilities					
Subordinated liabilities not in BOF					
Subordinated liabilities in BOF					
Any other liabilities, not elsewhere shown					
Total Liabilities		**686**	**(158)**	**528**	**107**
Excess of Assets over Liabilities		**48,331**	**132**	**48,463**	**52,096**

D.1 - ASSETS

NOTE 1: INVESTMENTS

Under Solvency II, investments are measured using fair value principles. The valuation difference between UK GAAP and Solvency II are as follows:

- Accrued interest has been reclassified from Receivables (trade, not insurance) to Investments.

The Company's investments are segregated into the following categories:

- Government Bonds,
- Corporate Bonds,
- Cash,
- Short term deposits.

In line with the Company investment portfolio, the following valuation hierarchy is used:

- Level 1 – quoted market prices in active markets for same assets. Level 1 valuation hierarchy is applied to cash and short term deposits.
- Level 2 – quoted market prices in active markets for similar assets. Level 2 valuation hierarch is applied to government and corporate bonds.

NOTE 2: DEFERRED ACQUISITION COST

Deferred acquisition costs are defined as acquisition costs relating to contracts in force at the balance sheet date which are carried forward from one reporting period to subsequent reporting periods, relating to the unexpired periods of risks. In accordance with Article 12 of the Solvency II Delegated Acts, deferred acquisition costs are valued at nil for Solvency II purposes.

All cash-flows arising from expenses that will be incurred in servicing all recognised insurance and reinsurance obligations over their lifetime should, therefore, be considered in determining the best estimate technical provisions. The relevant adjustment is made in the Economic Balance Sheet under technical provisions.

NOTE 3: INSURANCE AND INTERMEDIARIES RECEIVABLES

This represents debtor balances which are past due. Insurance and intermediaries balances that are not past due are future cash flows and hence are reclassified to Solvency II Technical Provisions.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash at bank and in hand.

D.2 - TECHNICAL PROVISIONS

NOTE 5: TECHNICAL PROVISIONS

The technical provisions are defined as the probability-weighted average of future cash flows, discounted to take into account the time value of money considering all possible future scenarios.

Technical provisions are grouped into the following key components:

- Gross premium provisions: Best estimate of provisions that relate to the unearned exposure (i.e. driven from unearned premium and policies which are bound but not yet incepted (BBNI) at the valuation date.
- Gross claims provisions: Best estimate of provisions that relate to the earned exposure.
- Risk margin: Additional provision to bring the best estimates to the level required to transfer the obligations to a third party undertaking.

GROSS PREMIUM PROVISION

The Unearned Premium Reserve (UEPR) is used as the starting point to estimate gross best estimate premium provisions before the following adjustments are applied:

- Application of budget loss ratios to reduce the unearned premium reserve for claims liability
- Bound but not Incepted (BBNI) business
- Expenses
- Events Not in Data (ENID)
- Discounting credit
- Future premium (payables and receivables)

The calculation of premium provision involved benchmark loss ratios, ENID loadings and expenses assumptions. No BBNI was recognised as policies do not automatically renew. No cash flow projections are needed to calculate the premium provision. No unbundling was used to calculate the technical provisions.

The premium provision was reduced by the insurance receivables amount and increased by the insurance payables amounts.

The Company does not have any reinsurance ceded.

CLAIMS PROVISION

UK GAAP claims reserves are used as the starting point to estimate gross claims provisions before the following adjustments are applied:

- Expenses
- ENID
- Discounting credit
- Reinsurance recoveries (less bad debt)
- Any segmentation required to complete the calculations.

There are no claims reserves under UK GAAP reporting. No claims have been notified during 2020 or since the inception of the Company. As a result, no reserve has been established for outstanding claims or IBNR.

The political risk ENID was applied to the gross written premium as the reserve value for the Company is zero.

The Company does not have any reinsurance ceded.

SOLVENCY II ADJUSTMENTS

The Solvency II adjustments that are applied to UK GAAP reserves to determine Best Estimates of Technical Provisions are as follows:

A. EXPENSES

Solvency II requires the best estimates to take into account expenses which relate to recognised insurance obligations of insurance and reinsurance undertakings.

Assumptions on the percentage loadings of Solvency II expenses are based on Gross Operating Expenses. Key assumptions are applied around the proportion of administration expenses to include in the Solvency II expense loading.

B. EVENTS NOT IN DATA (ENID)

The ENID adjustment is designed to capture those potential future claims that do not exist in the historical data used for UK GAAP reserves calculation. These claims are typically caused by low-frequency, high-severity man-made hazards. Historical events which are contained within the Company's historical loss experience are also considered to ascertain whether further scenarios or loadings need to be applied.

C. DISCOUNTING CREDIT

Claims and premium provisions are converted to future cash flows by application of payment patterns to determine how much of the provisions will be paid out in each of the future calendar years.

The risk-free yield curves (with no volatility adjustment and matching adjustment) provided by EIOPA for each currency are used to discount future cash flows of premium and claim provisions to the valuation date, to take account of the time-value of money. The cash flows are discounted mid-year which assumes that the average claim is paid mid-year.

D. FUTURE PREMIUM (PAYABLES AND RECEIVABLES)

The Solvency II regime allows liability cash flows to be offset by premium receivables cash flows that are expected to be received but are not overdue, in the technical provisions calculation. Similarly, premiums payables which have not yet been paid by the Company also need to be taken into account.

Due to nature of the business, premium receivables and payables relate to first year of projected cash flows and therefore, are not discounted. Premium receivables are much higher than premium payables and therefore, result in reduction of premiums provision.

RISK MARGIN

The risk margin was calculated as a percentage of the unhedgeable SCR. The percentage used is the cost of capital prescribed in the Delegated Acts.

UNCERTAINTY IN THE CALCULATION OF TECHNICAL PROVISIONS

Since there has been no claims since the inception of the Company and therefore the claim experience has been very stable, the uncertainty is at a very low level.

UNCERTAINTY IN THE EXPENSES ESTIMATE

The expense allocation is based on incurred historical expenses and expert judgement is applied to convert these expenses to a Solvency II valuation basis.

VALUE OF TECHNICAL PROVISIONS FOR EACH MATERIAL LINE OF BUSINESS

The Company only writes Credit and Surteyship business. Therefore, all technical provisions relate to Credit and Surteyship lines of business. In 2022, there were no methodology updates in the calculation of Solvency II technical provisions.

D.3 - OTHER LIABILITIES

NOTE 6: PAYABLES (TRADE, NOT INSURANCE)

Payables (trade, not insurance) are carried at amortised cost using the effective interest method.

Trade payables include amounts due to suppliers, public entities and UK tax authorities and which are not insurance-related.

D.4 - ALTERNATIVE VALUATION METHODS

The Company did not use the alternative methods for valuation treatment during 2022.

D.5 - OTHER MATERIAL INFORMATION

There is no additional material information to present as at year end.

E – CAPITAL MANAGEMENT

E.1 - OWN FUNDS

The Company's basic own funds are comprised of ordinary share capital and the reconciliation reserve. The Company has no off balance sheet items. This sub-section of the report aims to provide an overview of the capital management of the Company including capital structure, amount and quality of own funds.

The objective of the Company is to have sufficient working capital to meet projected liabilities without requiring additional capital contributions. The provision for claims was recorded at nil due to lack of policyholders notifications. The Company continues to review the need for claims provision on a policy by policy basis.

The ratio of eligible own funds for SCR and MCR calculated using the standard formula as at 31 December 2022 amounts to 1,254% and 1,811% respectively. The Company is steadfast in its approach in maintaining a strong capital position and thus safeguarding the solvency level.

The Company advocates capital preservation. The Company identifies the risks to which it is exposed, and assesses their impact on own funds over the business planning period. This process is risk based to manage the Company's capital requirements and ensure it has the financial strength and capital adequacy to support the growth of the business.

COMPOSITION AND QUALITY OF OWN FUNDS

For 2022, the Company holds Tier 1 capital only which consists of ordinary share capital and reconciliation reserve. The composition and total available own funds for the Company as at 31 December 2022 is provided below:

Own Funds, $'000 (USD)	Tier 1- Unrestricted	Tier 1 – Restricted	Tier 2	Tier 3	Total
Ordinary Share Capital	50,000	-	-	-	50,000
Share Premium Account related to Ordinary Share Capital	-	-	-	-	-
Reconciliation Reserve	(1,537)	-	-	-	(1,537)
Subordinated Liabilities	-	-	-	-	-
Letters of Credit (Ancillary Own Funds)	-	-	-	-	-
Net Deferred Tax Assets	-	-	-	-	-
Total Own Funds	**48,463**	**-**	**-**	**-**	**48,463**

The Company's ordinary share capital and reconciliation reserve are classified as Tier 1 capital. There are 500 authorised, issued and fully paid ordinary shares of $100,000 each. The Company currently has no restricted tier 1 capital (paid-in subordinated mutual member accounts, paid-in preference shares and the related share premium account, paid-in subordinated liabilities and items that are included in tier 1 basic own funds under the transitional arrangements).

For comparative purposes, the 2021 Own Funds is presented below:

Own Funds, $'000 (USD)	Tier 1- Unrestricted	Tier 1 – Restricted	Tier 2	Tier 3	Total
Ordinary Share Capital	50,000	-	-	-	50,000
Share Premium Account related to Ordinary Share Capital	-	-	-	-	-
Reconciliation Reserve	2,096	-	-	-	2,096
Subordinated Liabilities	-	-	-	-	-
Letters of Credit (Ancillary Own Funds)	-	-	-	-	-
Net Deferred Tax Assets	-	-	-	-	-
Total Own Funds	**52,096**	**-**	**-**	**-**	**52,096**

ELIGIBLE OWN FUNDS

The classification into tiers is relevant to establish eligible own funds. These are the own funds that are eligible for covering the regulatory capital requirements – the solvency capital requirement and the minimum capital requirement. As at reporting date, the Company only holds tier 1 capital which is eligible to cover both the SCR and MCR.

ELIGIBLE OWN FUNDS TO COVER CAPITAL REQUIREMENTS

The Solvency Capital Requirement (SCR) reflects a level of eligible own funds that enables the Company to absorb significant losses and that gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due.

The minimum capital requirements should ensure a minimum level below which the amount of resources should not fall. It is necessary that it is calculated in accordance with the standard formula, which is subject to a defined floor and cap based on the risk-based Solvency Capital Requirement.

The table below presents the ratio of eligible own funds that the Company holds to cover the solvency capital requirement and minimum capital requirement:

Eligible Own Funds	$'000 (USD)	$'000 (USD)
	2022	**2021**
SCR (SF Calculation)	3,863	3,935
MCR	2,677	2,911
Ratio of eligible own funds to SCR	1,254%	1,324%
Ratio of eligible own funds to MCR	1,811%	1,789%

MATERIAL DIFFERENCES BETWEEN EQUITY IN THE FINANCIAL STATEMENTS AND THE EXCESS OF ASSETS OVER LIABILITIES

Capital resources are calculated differently under Solvency II and UK GAAP. This results in a difference between equity shown in the annual financial statements and the own funds QRT for Solvency II purposes. The most prominent difference is the calculation of technical provisions. Under Solvency II, technical provisions are recalculated on a discounted best estimate basis.

Excess of Assets over Liabilities – Attribution of Valuation Difference	$'000 (USD)	$'000 (USD)
	2022	**2021**
Difference arising from Solvency II valuation of assets	(26)	(31)
Difference arising from Solvency II valuation of technical provisions	(158)	379
Difference arising from Solvency II valuation of other liabilities	-	-
Total of reserves and retained earnings from financial statements	(1,669)	1,748
Reserves from financial statements adjusted for Solvency II valuation differences	**(1,537)**	**2,096**
Ordinary share capital	50,000	50,000
Share premium account related to ordinary share capital		
Excess of assets over liabilities	**48,463**	**52,096**
Add: Subordinated liabilities	-	-
Less: Foreseeable dividends	-	-
Basic own funds	**48,463**	52,096
Add: Letter of Credit	-	-
Total own funds	**48,463**	**52,096**

CAPITAL INSTRUMENTS AND RING FENCED FUNDS

During the period, no capital instruments were issued or redeemed. In addition, there were no restricted own funds due to ring fencing

E.2 - SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The SCR and MCR requirement section of the report aims to provide a comprehensive view to assess the adequacy of the Company's capital in line with regulatory requirements.

SOLVENCY CAPITAL REQUIREMENT (SCR)

The SCR is the amount of funds that the Company is required to hold in line with the Solvency II Directive. The SCR calculation is a formula based figure calibrated to ensure that all quantifiable risks are taken into account.

The assessment of the SCR using the standard formula approach is based on a modular approach consisting of; non-life, market, and counterparty default risks with associated sub-modules. These are aggregated in the standard formula using correlation matrices, both at the sub-module and the main module level. The operational risk component and adjustments for risk absorbing effect of future profit sharing and deferred taxes are then allowed for, to give the overall SCR.

The table below highlights the capital requirements for each risk module:

Capital requirement for each risk module	Standard Formula, $'000 (USD)	Standard Formula, $'000 (USD)
	2022	2021
Market risk	3,718	2,516
Counterparty default risk	301	265
Non-life underwriting risk	151	2,275
Diversification	(324)	(1,135)
Intangible asset risk		-
Basic Solvency Capital Requirement	**3,852**	**3,921**
Operation Risk	11	14
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	-	-
Diversification effect due to RFF in SCR aggregation for article 304	-	-
Solvency Capital Requirement	**3,863**	**3,935**

INSURANCE RISK MODULE (UNDERWRITING RISK MODULE) NON-LIFE UNDERWRITING RISK SUB-MODULE:

$151k of Premium and Reserve Risk driven by earned premiums and forecast premiums.

Non-life lapse risk removed since prior year as a result of a refinement in the calculation methodology between Insurance risk and Market risk.

Non-Life Underwriting Risk	Standard Formula, $'000 (USD)	Standard Formula, $'000 (USD)
	2022	2021
Non-life premium and reserve risk	151	147
Non-life lapse risk	-	2,270
Non-life catastrophe risk	-	-
Diversification benefit	-	(142)
Non-Life Underwriting Risk	**151**	**2,275**

MARKET RISK MODULE

Market Risk is the largest component of SF-SCR and it mainly arises from:

The Market Risk component of SF-SCR is driven by risks inherent within the Company's assets and liabilities portfolio and the details of the changes over the reporting period are as follows:

- $3,718k of Market Risk SF-SCR arises from:
- $2,282k Spread Risk mainly driven by the Company's investments in bonds.
- $2,935k Interest Rate Risk driven by exposures to fixed income securities.
-

Market Risk	Standard Formula $'000 (USD)	Standard Formula $'000 (USD)
	2022	2021
Spread risk	2,282	2,270
Currency risk	-	-
Interest rate risk	2,935	1,085
Concentration risk	-	-
Diversification within market risk module	(1,499)	(839)
Total Market Risk	**3,718**	**2,516**

COUNTERPARTY DEFAULT RISK MODULE (CREDIT RISK MODULE)

$307k Counterparty Default Risk SF-SCR arises from risk of default of the Custodian Bank and Cash at Bank.

Credit (Counterparty default) Risk	Standard Formula, $'000 (USD)	Standard Formula, $'000 (USD)
	2022	**2021**
Credit (Counterparty default) Risk	307	265

OPERATIONAL RISK SCR

Operation Risk SF-SCR amounts to $11k which is mainly driven by premiums.

Operational Risk	Standard Formula, $'000 (USD)	Standard Formula, $'000 (USD)
	2022	**2021**
Operational risk	11	14

MINIMUM CAPITAL REQUIREMENT (MCR)

The Company uses the Standard Formula to calculate its Minimum Capital Requirement (MCR). The amount of the MCR for the reporting period is $2,677k.

The following table shows the MCR calculation:

Overall MCR Calculation	Standard Formula, $'000 (USD)	Standard Formula, $'000 (USD)
	2022	**2021**
Linear MCR	36	33
SCR	3,863	3,935
MCR cap	1,738	1,771
MCR floor	966	984
Combined MCR	966	984
Absolute floor of the MCR	2,677	2,911
Minimum Capital Requirement	**2,677**	**2,911**

INFORMATION ON THE INPUTS USED TO CALCULATE THE MCR

The MCR is based on factors applied to net premiums written amounts in the previous 12 months and the net best estimate technical provisions, where posititive, both split by Solvency II class of business. The charge for premium and technical provision elements are then summed to create a total charge.

Calculation of MCR (inputs)	Net (of reinsurance/SPV) best estimate and TP calculated as a whole. $'000 (USD)	Net (of reinsurance) written premiums in the last 12 months. $'000 (USD)	Net (of reinsurance/SPV) best estimate and TP calculated as a whole. $'000 (USD)	Net (of reinsurance) written premiums in the last 12 months. $'000 (USD)
	2022	2022	2021	2021
Medical Expenses				
Income protection insurance				
Workers' compensation insurance				
Motor vehicle liability insurance and proportional reinsurance				
Marine, aviation and transport insurance and proportional reinsurance				
Fire and other damage to property insurance proportional reinsurance				
General liability insurance and proportional reinsurance				
Credit and surteyship insurance and proportional reinsurance	-	303	-	290
Legal expenses insurance and proportional reinsurance				
Assistance and proportional reinsurance				
Miscellaneous financial loss insurance and proportional reinsurance				
Non-proportional health reinsurance				
Non-proportional casualty reinsurance				
Non-proportional marine, aviation and transport reinsurance				
Non-proportional property reinsurance				

APPROACH TO CAPITAL MANAGEMENT

The Company advocates capital preservation and therefore requires investment in high quality, fixed interest bonds. The Company is prudent in its approach to investment and this is reflected in the agreements it has with its investment manager.

CAPITAL MANAGEMENT PLAN

The intention of the plan is to ensure the Company meets regulatory capital requirements and other business expectation. It is the aim of the Company to have sufficient working capital to meet projected liabilities of existing policyholders in one year's time, without requiring additional capital.

CAPITAL MANAGEMENT PROCESS AND POLICY

The Company maintains an efficient capital structure of shareholders' funds, consistent with the Company's risk profile and the regulatory and market requirements of its business.

The Company's objectives in managing its capital are:

- to maintain financial strength to support new business growth;
- to satisfy the requirements of its policyholders and regulators;
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth.

E.3 - USE OF DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The Company did not make use of the duration-based equity risk sub-module in the reporting during the reporting period.

E.4 - DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The Company uses the Standard Formula to calculate the SCR and therefore no differences exist.

E.5 - NON-COMPLIANCE

During the reporting period, there were no instances of non-compliance with the Solvency II capital requirements. In addition, the Company held Own Funds in excess of the SCR/MCR requirements over the reporting period.

E.6 – ANY OTHER INFORMATION

There is no additional material information to present as at year end.

F - APPENDICES TO THE SOLVENCY AND FINANCIAL CONDITION REPORT

General information

Undertaking name	Uzbekinvest International Insurance Company
Undertaking identification code	213800PW548AU92DES43
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 2022
Currency used for reporting	USD
Accounting standards	Local GAAP
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.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

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

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

S.02.01.02

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	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	45,749
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	45,749
R0140	*Government Bonds*	9,334
R0150	*Corporate Bonds*	36,415
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	
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:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	422
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	13
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	1,277
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	48,991

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	-64
R0520	*Technical provisions - non-life (excluding health)*	-64
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	-75
R0550	*Risk margin*	11
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)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	592
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	528
R1000	**Excess of assets over liabilities**	48,463

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									303								303
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share																	0
R0200	Net									303								303
	Premiums earned																	
R0210	Gross - Direct Business									354								354
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share																	0
R0300	Net									354								354
	Claims incurred																	
R0310	Gross - Direct Business																	0
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net																	0
	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
R0550	**Expenses incurred**									1,206								1,206
R1200	**Other expenses**																	
R1300	**Total expenses**																	1,206

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010		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
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	303						303
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share							0
R0200	Net	303						303
	Premiums earned							
R0210	Gross - Direct Business	354						354
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share							0
R0300	Net	354						354
	Claims incurred							
R0310	Gross - Direct Business							0
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	0						0
	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
R0550	**Expenses incurred**							0
R1200	**Other expenses**							
R1300	**Total expenses**							0

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
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									-75								-75
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0150	**Net Best Estimate of Premium Provisions**									-75								-75
	Claims provisions																	
R0160	Gross									0								0
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0250	**Net Best Estimate of Claims Provisions**									0								0
R0260	**Total best estimate - gross**									-75								-75
R0270	**Total best estimate - net**									-75								-75
R0280	**Risk margin**									11								11
	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**									-64								-64
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**									0								0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**									-64								-64

S.19.01.21
Non-Life insurance claims

Total Non-life business

Z0020	**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											0	0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2012	0	0	0	0	0	0	0	0	0			0	0
R0180	2013	0	0	0	0	0	0	0	0				0	0
R0190	2014	0	0	0	0	0	0	0					0	0
R0200	2015	0	0	0	0	0	0						0	0
R0210	2016	0	0	0	0	0							0	0
R0220	2017	0	0	0	0								0	0
R0230	2018	0	0	0									0	0
R0240	2019	0	0										0	0
R0250	2020	0											0	0
R0260												**Total**	0	0

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											0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0
R0170	2012	0	0	0	0	0	0	0	0	0			0
R0180	2013	0	0	0	0	0	0	0	0				0
R0190	2014	0	0	0	0	0	0	0					0
R0200	2015	0	0	0	0	0	0						0
R0210	2016	0	0	0	0	0							0
R0220	2017	0	0	0	0								0
R0230	2018	0	0	0									0
R0240	2019	0	0										0
R0250	2020	0											0
R0260												**Total**	0

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)	50,000	50,000		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
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	-1,537	-1,537			
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				
R0290	**Total basic own funds after deductions**	48,463	48,463	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	48,463	48,463	0	0	0
R0510	Total available own funds to meet the MCR	48,463	48,463	0	0	
R0540	Total eligible own funds to meet the SCR	48,463	48,463	0	0	0
R0550	Total eligible own funds to meet the MCR	48,463	48,463	0	0	
R0580	**SCR**	3,863				
R0600	**MCR**	2,677				
R0620	**Ratio of Eligible own funds to SCR**	1254.51%				
R0640	**Ratio of Eligible own funds to MCR**	1810.51%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	48,463
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	50,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-1,537
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	3,718		
R0020	Counterparty default risk	307		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	151		
R0060	Diversification	-324		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	3,853		

USP Key

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

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

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	11
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
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**	3,863
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	3,863
	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

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	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	38

		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	0	
R0060	Other motor insurance and proportional reinsurance	0	
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	303
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	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	36
R0310	SCR	3,863
R0320	MCR cap	1,738
R0330	MCR floor	966
R0340	Combined MCR	966
R0350	Absolute floor of the MCR	2,677
R0400	**Minimum Capital Requirement**	2,677