GIRO Plenary Session: PRA Update

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Internal Model Output

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18 October 2017

SCR Movements (indicative results)

Movements in Internal Model Firms Total 1Yr SCR

SCR (£m)

+2.4% +4.3% +2.4% -0.0% -0.1% +0.7% +1.4% +0.3% +9.2% -1.4% -7.4%

2015YE | Chg in res risk | Chg in prem risk | Chg in mkt risk | Chg in credit risk | Chg in Op risk | Chg in other risk | Chg in diversification due to chg in mix | Chg in diversification due to chg in corr | Chg in uw profit | Chg in investment income | Chg in mean credit, Op and other risks | 2016YE
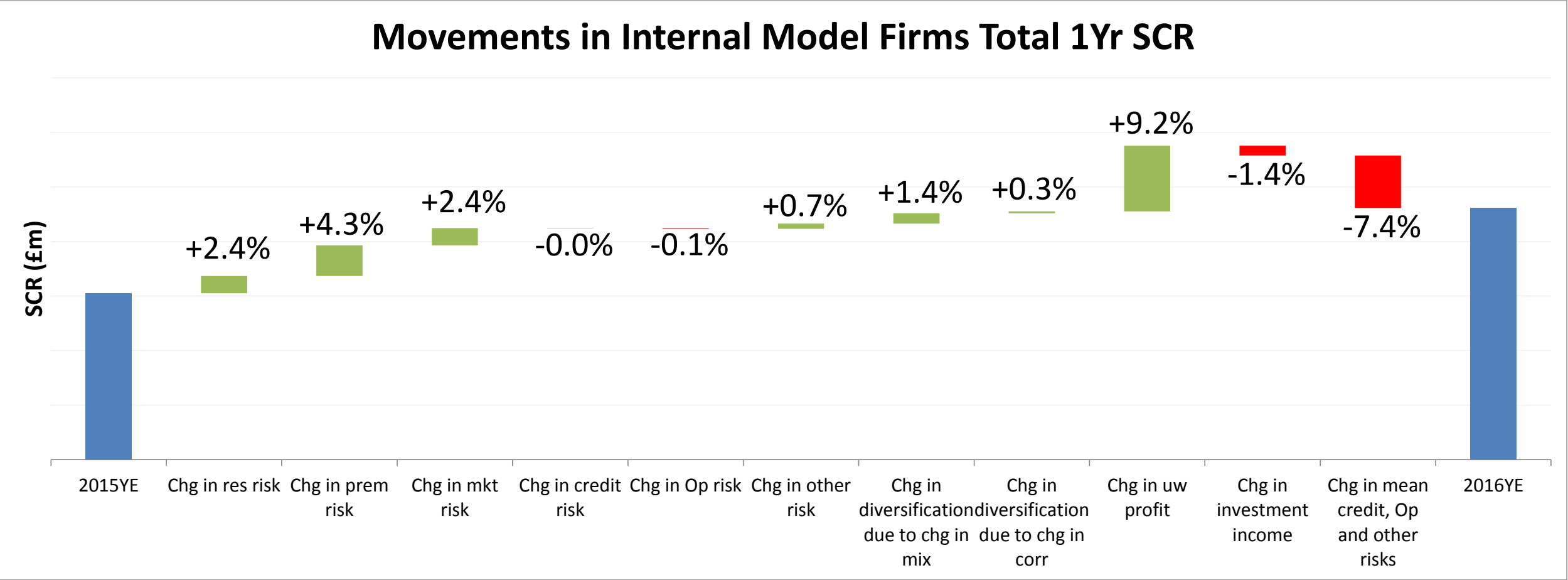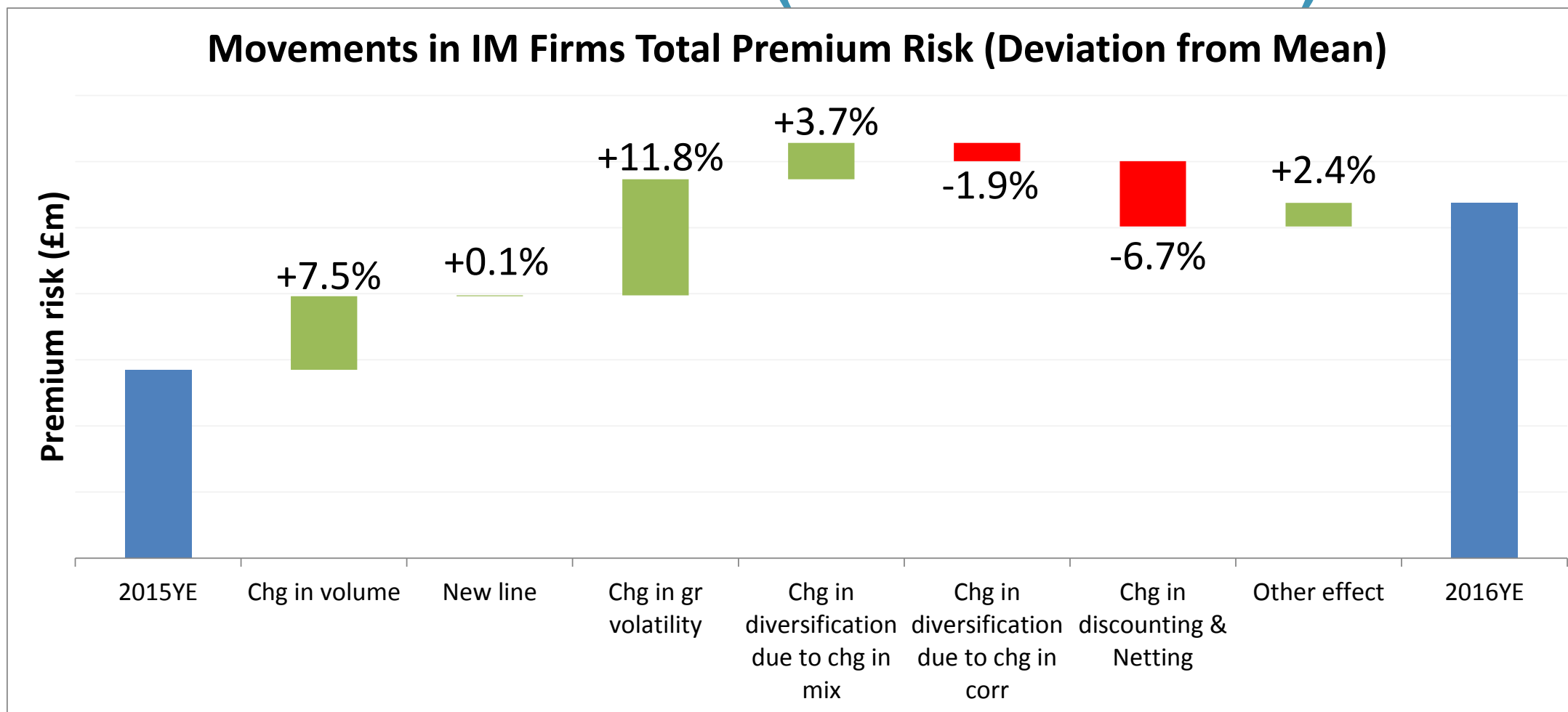
Graph shows the causes of change in the aggregated overall SCR for internal model firms.

Reserve Risk Movements (indicative results)

Movements in IM Firms Total Reserve Risk (Deviation from Mean)

Reserve risk (£m)

+10.5% — Chg in volume

+3.8% — New line

-0.4% — Chg in gr volatility

-3.0% — Chg in diversification due to chg in mix

-0.7% — Chg in diversification due to chg in corr

-1.3% — Chg in discounting & Netting

-0.3% — Other effect

2015YE   2016YE
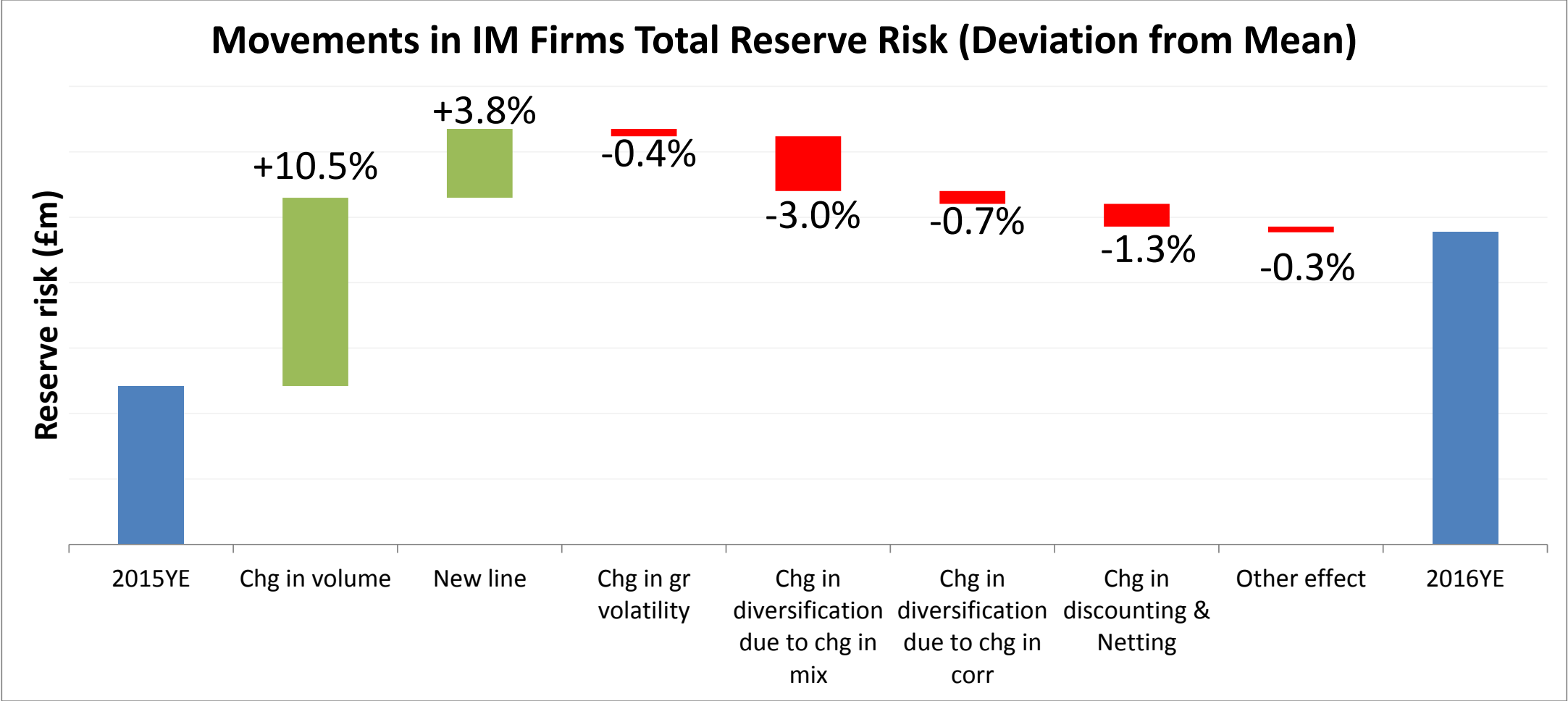
Graph shows the causes of change in the aggregated reserve risk for internal model firms.

Premium Risk Movements (indicative results)

Movements in IM Firms Total Premium Risk (Deviation from Mean)
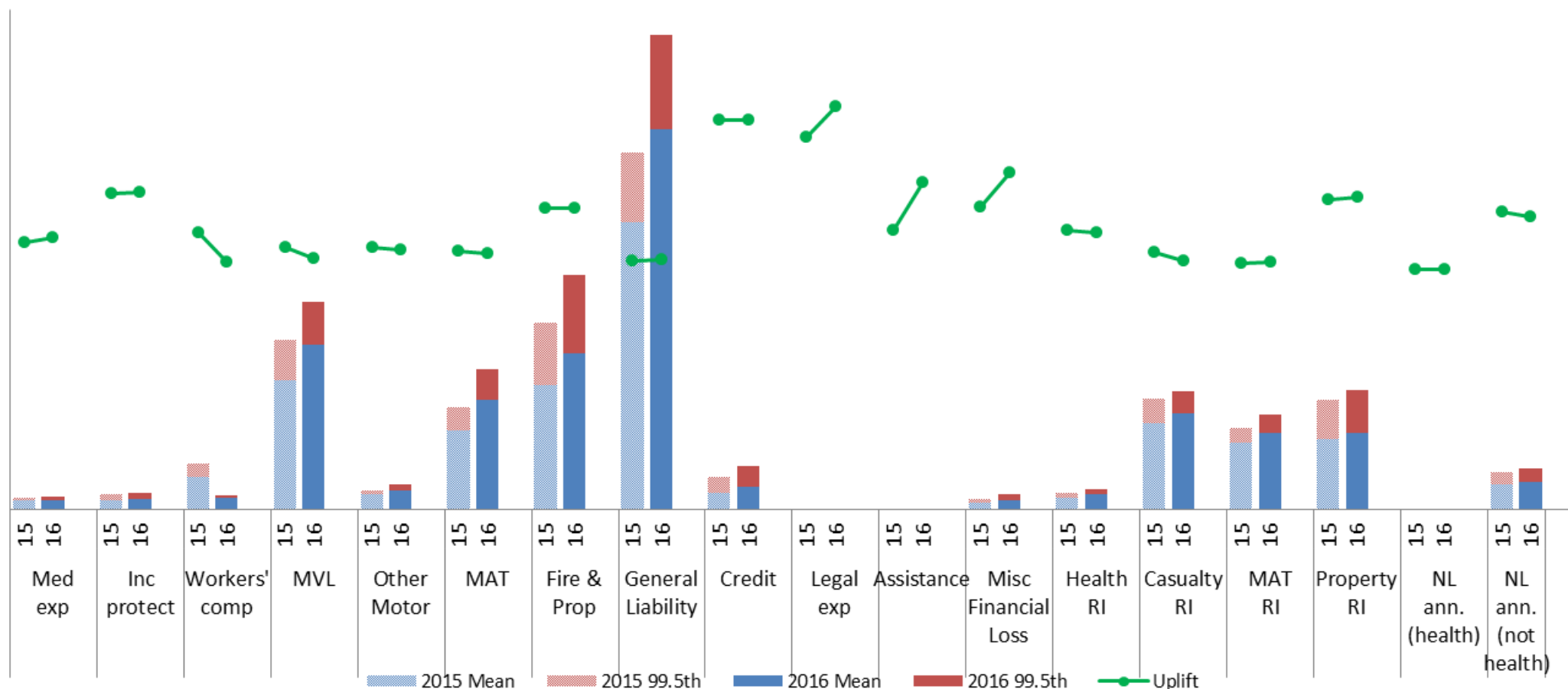
Graph shows the causes of change in the aggregated premium risk for internal model firms.

Cross-risk Dependency As-if Analysis (indicative results)
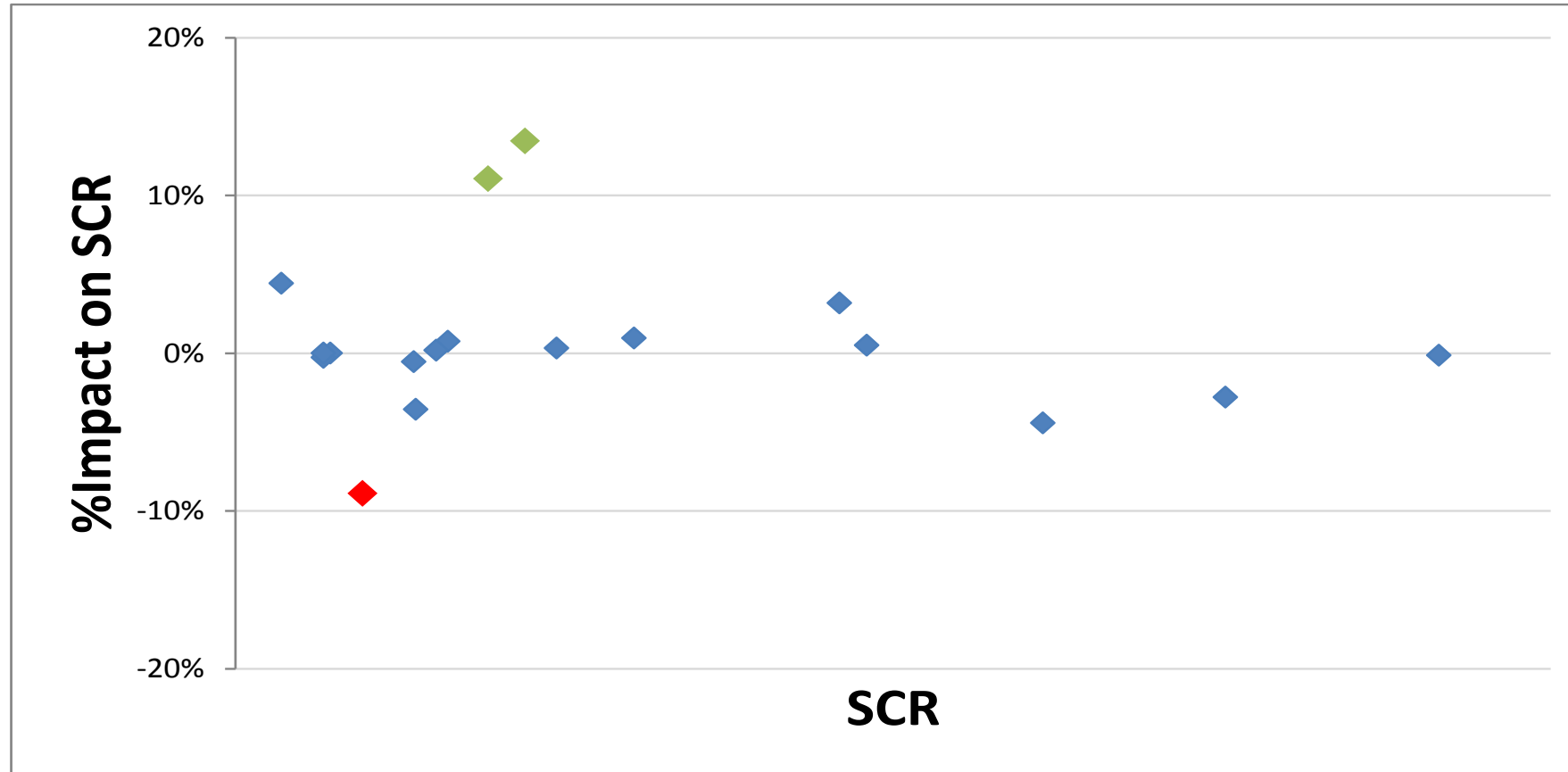
Graph shows the impact on SCR per firm of changes in cross-risk correlations from the previous year.

Reserve risk (indicative results)

Graph shows year-on-year movement in aggregated gross reserve risk, both mean and tail, by lines of business.

Q&A

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