Notification IF021 **APPLICATION FOR APPROVAL TO AFFECT MATERIAL ACQUISITIONS OR DISPOSALS**

Pick one of the following:

Select Group Name		
Select Insurer Name	**OAKHURST INSURANCE COMPANY LIMITED**	**I262**

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Valuation date	30/06/2020

OAKHURST INSURANCE COMPANY LIMITED (I262)

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All amounts in R'000

Statement of Solvency Position

	If approval is NOT granted	If approval is granted
Solvency Cover		
MCR	4,26	2,16
SCR	1,97	1,19
Summary of Solvency Position		
Total Assets	503 505	564 465
Total Liabilities	173 661	237 804
Basic Own Funds / Excess Assets	329 843	326 661
Own funds eligible to meet MCR	320 092	316 910
Own funds eligible to meet SCR	329 843	326 661
Summary of Liabilities		
BEL	65 790	126 750
Risk Margin	4 555	8 864
Other liabilities	103 317	102 190
Summary of Capital Requirements		
MCR	75 184	146 991
SCR	**167 076**	**275 156**

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SCR Summary - if approval not granted

Market Risk

Select whether the capital requirement for nominal interest rate risk is zero, or driven by the upward or downward shock	Upward shock
Select whether the capital requirement for currency risk is derived from the risk of the Rand appreciating/depreciating (i.e. downward shock / upward shock)	Downward shock

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Interest Rate Risk	20 628	-	-	20 628
Equity Risk	12 771	-	-	12 771
Property Risk	-	-	-	-
Spread & Counterparty Default Risk	61 223	-	-	61 223
Currency Risk	13 693	-	-	13 693
Concentration Risk	35 720	-	-	35 720
Illiquidity Premium Risk	-	-	-	-
Single Equivalent Scenario adjust to management action	-	-	-	-
Undiversified Capital Charge	**144 034**	**-**	**-**	**144 034**
Diversification factor	**-57 239**			**-57 239**
Diversified Capital Charge	**86 795**			**86 795**

Life Underwriting Risk

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Mortality Risk	-	-	-	-
Longevity Risk	-	-	-	-
Disability / Morbidity Risk	-	-	-	-
Life Lapse Risk	-	-	-	-
Life Expense Risk	-	-	-	-
Life CAT Risk	-	-	-	-
Retrenchment Risk	-	-	-	-
Undiversified Capital Charge	-	-	-	-
Diversification factor	-			-
Diversified Capital Charge	-			-

Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge

Non-Life Underwriting Risk

Premium & Reserve Risk	153 074	-35 160	121	118 035
Lapse Risk	-	-	-	-
Catastrophe Risk	81 875	-34 971	55	46 958

Undiversified Capital Charge	**234 949**	**-70 131**	**176**	**164 993**
Diversification factor	**-44 157**			**-27 484**

Diversified Capital Charge	**190 792**	**-53 283**		**137 509**

Risk Mitigation from Stop-Loss Reinsurance Arrangements (RM_{SL})	-
Risk Mitigation from Other Reinsurance Arrangements (RM_{Other})	-
Impairment of Counterparty Default Risk ($IMP_{SL\&Other}$)	-

Optional Adjustment ($ADJLoss_{abs}$)	-

Simplification for First Party Insurance Structures (SCR_{nl_fp})	-

Capital Requirement for Non-Life Underwriting Risk (SCR_{NL})	**137 509**

BSCR Calculation

Market Risk	86 795
Life Underwriting Risk	-
Non-Life Underwriting Risk	137 509

BSCR	**180 027**

SCR Calculation

BSCR	180 027
Operational Risk	24 000
Loss Absorbing capacity of deferred taxes	-36 951
Participations	-

SCR Adjustment: Cells	-
SCR Adjustment: Other RFFs	-

SCR	**167 076**

COMMENTS

Approach used	Standard Formula

OAKHURST INSURANCE COMPANY LIMITED (I262)

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All amounts in R'000

SCR Summary - if approval is granted

Market Risk

Select whether the capital requirement for nominal interest rate risk is zero, or driven by the upward or downward shock	Upward shock
Select whether the capital requirement for currency risk is derived from the risk of the Rand appreciating/depreciating (i.e. downward shock / upward shock)	Downward shock

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Interest Rate Risk	20 628	-	-	20 628
Equity Risk	12 771	-	-	12 771
Property Risk	-	-	-	-
Spread & Counterparty Default Risk	63 874	-	-	63 874
Currency Risk	13 693	-	-	13 693
Concentration Risk	35 772	-	-	35 772
Illiquidity Premium Risk	-	-	-	-
Single Equivalent Scenario adjust to management action	-	-	-	-
Undiversified Capital Charge	**146 737**	**-**	**-**	**146 737**
Diversification factor	**-57 643**			**-57 643**
Diversified Capital Charge	**89 094**			**89 094**

Life Underwriting Risk

	Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge
Mortality Risk	-	-	-	-
Longevity Risk	-	-	-	-
Disability / Morbidity Risk	-	-	-	-
Life Lapse Risk	-	-	-	-
Life Expense Risk	-	-	-	-
Life CAT Risk	-	-	-	-
Retrenchment Risk	-	-	-	-
Undiversified Capital Charge	-	-	-	-
Diversification factor	-			-
Diversified Capital Charge	**-**			**-**

Before Risk Mitigation	Effect of Risk Mitigation	Counterparty Default Adjustment	Net Capital Charge

Non-Life Underwriting Risk

Premium & Reserve Risk	229 066	-36 297	126	192 895
Lapse Risk	-	-	-	-
Catastrophe Risk	99 135	-31 867	52	67 320
Undiversified Capital Charge	**328 201**	**-68 165**	**179**	**260 216**
Diversification factor	**-56 810**			**-40 594**
Diversified Capital Charge	**271 392**	**-51 770**		**219 621**

Risk Mitigation from Stop-Loss Reinsurance Arrangements (RM_{SL})	-
Risk Mitigation from Other Reinsurance Arrangements (RM_{Other})	-
Impairment of Counterparty Default Risk ($IMP_{SL\&Other}$)	-
Optional Adjustment ($ADJLoss_{abs}$)	-
Simplification for First Party Insurance Structures (SCR_{nl_fp})	-
Capital Requirement for Non-Life Underwriting Risk (SCR_{NL})	**219 621**

BSCR Calculation

Market Risk	89 094
Life Underwriting Risk	-
Non-Life Underwriting Risk	219 621
BSCR	**256 816**

SCR Calculation

BSCR	256 816
Operational Risk	44 311
Loss Absorbing capacity of deferred taxes	-25 971
Participations	-
SCR Adjustment: Cells	-
SCR Adjustment: Other RFFs	-
SCR	**275 156**

COMMENTS

Approach used	Standard Formula

OAKHURST INSURANCE COMPANY LIMITED (I262)

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All amounts in R'000

Statement of Assets, Liabilities and Basic Own Funds

1)Assets

Balance Sheet - Assets	If approval is NOT granted	If approval is granted
Goodwill		
Intangible assets		-
Equipment	2	2
Owner occupied property		-
Deferred Acquisition Costs		
Reinsurance deposits		-
Total Reinsurance recoverables	59 552	59 552
Reinsurance share of TP - non-life	23 028	23 028
Reinsurance share of TP - life	-	-
Other reinsurance recoverables	36 524	36 524
Total Participations	-	-
Total in Asset Holding Intermediaries	-	-
Total Investments	403 305	464 252
Government Bonds	10 332	10 332
Corporate Bonds	102 682	102 682
Equity	41 761	41 761
Investment Funds	146 515	146 515
Structured Notes	-	-
Collateralised Securities	-	-
Cash and Deposits	79 086	140 032
Mortgages and Loans	22 929	22 929
Property	-	-
Total Derivatives	-	-
Futures	-	-
Call Options	-	-
Put Options	-	-
Swaps	-	-
Forwards	-	-
Credit Derivatives	-	-
Deferred tax assets	15 257	15 257
of which realisable in year 1	15 257	15 257
of which realisable after year 1	-	-
CGT	-	-
Current assets	25 389	25 389
Other assets	-	-
Total Assets	503 505	564 451

2)Liabilities

Balance Sheet - Liabilities

Gross Technical provisions – non-life	70 345	135 614
TP calculated as a whole ***or***	-	-
Best Estimate ***and***	65 790	126 750
Risk margin	4 555	8 864
Gross Technical provisions – life	-	-
TP calculated as a whole ***or***		
Best Estimate ***and***		
Risk margin		
Subtotal technical liabilities	70 345	135 614
Reinsurance deposits		
(Re)insurance accounts payable	41 030	41 030
Debentures/Mortgages/Linked units/Loan stocks		
Subordinated liabilities	-	-
of which Dated		
of which undated with a call option		
of which Undated with no contractual opportunity to redeem		
Bank overdraft		
Amounts due to holding company and subsidiaries		
Payables (trade, not insurance)	21 603	21 603
Contingent liabilities		
Provision for current taxation	-	
Deferred tax liabilities	5 506	4 379
of which realisable in year 1	5 506	4 379
of which realisable after year 1		
CGT		
Other liabilities	35 179	35 179

Total Liabilities	173 661	237 804
Assets less Liabilities	329 843	326 647

3) Basic Own Funds

Basic Own Fund Items		
Ordinary share capital (net of own shares)	1	1
Paid up	1	1
Called up		
The initial fund (less item of the same type held)	-	-
Paid up		
Called up		
Callable		
Share premium account	19 999	19 999
Other capital movements		
Retained earnings including profits for the year net of foreseeable dividends	330 651	324 573
Other reserves from accounting balance sheet	-10 741	-10 741
Reconciliation reserve	(10 066)	(7 170)
Adjustments to assets	-2 434	-2 434
Adjustments to technical provisions	-7 632	-3 610
of which equalisation provisions		
less surrender value gap (SVG excl. risk margin)	-	-
Adjustments to other liabilities		-1 126
Others		
Surrender value gap (SVG excl. risk margin)		
Other paid in capital instruments	-	-
Preference shares	-	-
of which Dated		
of which undated with a call option		
of which Undated with no contractual opportunity to redeem		
Subordinated liabilities	-	-
of which Dated		
of which undated with a call option		
of which Undated with no contractual opportunity to redeem		
Subordinated mutual member accounts		
Other items not specified above		
Total basic own funds before adjustments	329 843	326 661

COMMENTS