



### **Euro-Sterling value for insurance regulatory purposes**

The Sterling value of the Euro for insurance regulatory purposes is stated in the table below. This value should be used for the calculation of capital resources requirements and will apply to the relevant regulatory returns that insurers are required to deposit under PRA rules.

Year	£ / €
2013	0.85020
2014	0.78425
2015	0.71820
2016	0.90050
2017	0.87853

Year	£ / €
2018	0.88873
2019	0.86133
2020	0.90208
2021	0.84490

In accordance with Article 299 of the Solvency II Directive, the exchange rate from the euro to the pound sterling to be used to calculate the absolute floor for the Minimum Capital Requirement with effect from the year beginning on 31 December is the rate applicable on the last day of the preceding October for which the exchange rates for the currencies of all the European Union member states were published in the Official Journal of the European Union.

For 2021 year end the year value is the value for 29 October from Official Journal C446 published on 3 November.

It is important to note that the rate to be applied in calculations for the regulatory returns applies from 31 December (not 1 January).

### **EU Commission's review of minimum capital requirements**

There are no changes to the euro amounts of the minimum capital requirements for 2021 year end.

For Solvency II firms the absolute floor of the Minimum Capital Requirement is set out in Minimum Capital Requirement 3.2 of the PRA Rulebook.

For Non-Directive insurers the Base Capital Resources Requirement is set out in Insurance Company – Capital Resource Requirements 6.1 of the PRA Rulebook.

For Non-Directive friendly societies the Minimum Guarantee Fund is set out in Friendly Society – Overall Resources and Guarantee Fund 6.1 of the PRA Rulebook.