

Bank of England

Prudential Regulation Authority

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	£ / €
2014	0.78425
2015	0.71820
2016	0.90050
2017	0.87853
2018	0.88873

Year	£ / €
2019	0.86133
2020	0.90208
2021	0.84490
2022	0.86115
2023	0.87366

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 2023 year end the year value is that for 31 October 2023 from Official Journal C/2023/273 published on 3 November 2023.

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

Revision of amounts expressed in euro: absolute floor of the minimum capital requirement

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.

The PRA proposed to redenominate the amounts set out in Minimum Capital Requirement 3.2 from euros to sterling as part of Consultation Paper (CP) 12/23. The PRA proposed to implement these changes on 31 December 2024.

Currently, firms are required to interpret the euro amounts in Minimum Capital Requirement 3.2 as being succeeded by the amounts from Official Journal [C423/25](#) published on 19 October 2021, in accordance with Insurance General Application 4.2 of the PRA Rulebook.

Accordingly, the amounts in Minimum Capital Requirement 3.2 must be interpreted as follows:

- in Minimum Capital Requirement 3.2(1), 2,500,000 euro is replaced by 2,700,000 euro and 3,700,000 euro is replaced by 4,000,000 euro;
- in Minimum Capital Requirement 3.2(2), 3,700,000 euro is replaced by euro 4,000,000 euro; and
- in Minimum Capital Requirement 3.2(3), 3,600,000 euro is replaced by 3,900,000 euro and 1,200,000 euro is replaced by 1,300,000 euro.

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.