Colonnade Insurance S.A.

Solvency & Financial Condition Report

Year ended 31 December 2018

Contents

Summary

Purpose of report

The Solvency II regulations came into effect on 1 January 2016 and require new reporting and public disclosure arrangements to be implemented by insurance companies within the European Union. This document is the third version of the Solvency & Financial Condition Report ("SFCR") that is required to be submitted to the Commissariat aux Assurances ("CAA").

A. Business and Performance

This section summarises how the Company operates and how it has performed during the year ended 31 December 2018. The Company's financial year runs to 31 December and it reports its results in Euro.

B. System of Governance

The Company maintains a strong framework for the control and management of the business. This section describes the key committees and functions which serve to provide sound and prudent management of our operations.

C. Risk profile

This section provides information regarding our risk management processes, for each of the principal risks faced by the Company.

D. Valuation for solvency purposes

The Solvency II regulations require the Company to value assets and liabilities on a different basis to that used in the Company's financial statements when assessing its solvency requirements. This section describes the main methods and assumptions used in the valuation.

E. Capital management

The Company holds capital in excess of its regulatory requirements, to maintain its ability to pay its policyholders even if extreme events materialise. In order to assess its regulatory Solvency Capital Requirement, the Company uses the standard formula specified in the Solvency II legislation. This section summarises the assets held to meet the regulatory Solvency Capital requirement.

A. Business and Performance

A.1 Business

i. *Business profile*

Colonnade Insurance S.A. ("Colonnade" or "the Company") is a Luxembourg insurer which is authorised to write all classes of non-life insurance business with the exception of class 10a (motor vehicle liability). Colonnade underwrites consumer and commercial business lines through branches established in Hungary, Czech Republic, Slovakia, Bulgaria, Poland and Romania.

The Company's shareholder is Fairfax Luxembourg Holdings S.à r.l., a company registered in Luxembourg.

The Company's ultimate parent is Fairfax Financial Holdings Limited ("Fairfax"), a major Canadian holding company whose common shares are listed on the Toronto Stock Exchange, and whose address is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7, Canada. Further details regarding Fairfax are set out within the section entitled "About Fairfax" overleaf.

ii. *Significant business events during 2018*

The year of 2018 was the first year when the Company has not experienced large scale complex projects, so it could focus on stabilization of operational capabilities of Colonnade. In 2018 the full benefit of the completion of historic transactions has resulted in an underwriting profit for the first time for Colonnade.

The Part VII business transferred from QBE in 2017 was 100% ceded to Polish Re (fully owned subsidiary of the Fairfax group) and the business written in 2017 in Slovakia was retroceded by Polish Re to the Slovakian Branch of Colonnade.

The size of the loss reserves and the unearned premium reserve for the business taken over from the legacy QBE business has significantly reduced as the business has been running off. At the end of 2018 Colonnade and Polish Re have agreed to commute both Polish Re Quota Share reinsurance and Polish Re Retrocession contracts for underwriting years 2015 to 2017.

iii. *Capital and solvency cover*

In order to maintain solvency levels, the Company received capital injections of EUR 11 million during 2018. In addition, EUR 7 million of previously unpaid share capital was paid in 2018. **Colonnade's SCR (standard formula) cover ratio stood at 164% at 31 December 2018.**

iv. *About Fairfax*

Fairfax, through its subsidiaries, has an international insurance and reinsurance business which has a global underwriting reach with longstanding relationships and a broad product range. At each of its subsidiaries there is an experienced management team focused on underwriting discipline and prudent reserving. Management at these companies are committed to Fairfax's goals of underwriting profitability.

Fairfax (http://www.fairfax.ca/) is described in summary detail below:

- Significant player in the P&C industry with US$15.5 billion in gross premium, US$11.8 billion in equity capital and over 13,000 employees (as at 31 December 2018).
- Strong long-term relationships developed over 33 years and multiple cycles.
- Global territorial reach in both insurance and reinsurance.

- Fairfax culture is well known and respected within the industry.

v. Summary Financial Performance

Colonnade's summary income statement for the years ended 31 December 2018 and 2017 is set out below:

Income Statement (EUR'000)	2018	2017
Gross Written Premium	160,596	105,991
Net Earned Premium	105,323	46,730
Claims Incurred	-45,953	-20,695
Net operating expenses	-58,225	-40,807
Allocated investment return	-249	-40,806
Underwriting result	**897**	**-14,771**
Other income and charges	-459	212
Loss before tax	**438**	**-14,559**
Taxes	-1,416	-558
Loss for the financial period	**-978**	**-15,117**

The year of 2018 was the first year when the Company has not experienced large scale complex projects, so it could focus on stabilization of operational capabilities of Colonnade. In 2018 the full benefit of the completion of historic transactions has resulted in an underwriting profit for the first time for Colonnade.

Colonnade recorded an underwriting profit of EUR 0.9 million in 2018 (combined ratio of 98%).

A.2 Underwriting Performance

Colonnade currently underwrites business through six branches established across the CEE region; three of which, being the branches in Hungary, the Czech Republic and Slovakia, commenced underwriting activities during 2016; with underwriting activities commencing in Bulgaria, Poland and Romania on 1 June, 1 July and 1 November 2017 respectively.

During 2018, Colonnade wrote total gross premiums of EUR 161 million, as tabulated below.

Gross Written Premiums (EUR '000s)	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovakia	Grand Total
Credit and Suretyship Insurance	-	-	609	-	-	-	609
Fire and Other Damage to Property Insurance	1,942	7,897	7,084	13,452	5,194	10,335	45,904
General Liability Insurance	1,952	10,974	12,742	15,404	3,017	6,389	50,477
Marine, Aviation and Transport Insurance	411	3,428	263	864	71	128	5,165
Medical expense insurance	725	10,807	16,342	11,883	969	647	41,373
Miscellaneous Financial Loss	9	401	9	3,682	-	24	4,124
Other Motor Insurance	-	2,423	1,175	-	-	9,346	12,943
Grand Total	**5,040**	**35,930**	**38,224**	**45,284**	**9,250**	**26,868**	**160,596**

A comparison to 2017 is below (positive numbers reflect an increase in premium).

Gross Written Premiums (EUR '000s)	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovakia	Grand Total
Credit and Suretyship Insurance	-	-	59	-	-	-	59
Fire and Other Damage to Property Insurance	966	3,439	438	10,478	4,837	651	20,809
General Liability Insurance	1,082	5,379	6,158	8,206	2,498	6	23,328
Marine, Aviation and Transport Insurance	283	2,641	(274)	209	22	38	2,919
Medical expense insurance	473	4,480	5,131	5,588	893	(317)	16,249
Miscellaneous Financial Loss	9	45	(10)	1,098	-	(12)	1,129
Other Motor Insurance	-	(2,667)	(1,207)	-	-	(6,015)	(9,889)
Grand Total	**2,813**	**13,316**	**10,296**	**25,579**	**8,250**	**(5,649)**	**54,604**

The comparison with 2017 is heavily skewed by the renewal of the former AIG business into Colonnade, which took place during both 2017 and 2018. In addition, the reduction in Other Motor Insurance business is driven by the completion of the Part VII transfer from QBE in 2017, which gave rise to a one-off increase in gross written premium in 2017.

A.3 Investment Performance

i. Investment Performance

In December 2018, the Company began changing its investment strategy to move away from holding 100% cash. However, as the investment portfolio was held entirely in cash prior to then, the result was an investment loss of EUR 0.3 million. This reflects the current negative base rates in the Eurozone. In addition, the impact of exchange rates resulted in a further investment loss of EUR 1.2 million.

The company's strategy is that all assets will be invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. Assets will also be invested in a manner appropriate to the nature and duration of the Company's insurance liabilities.

The Company is also parent to TIG (Bermuda) Ltd. and its balance sheet includes an asset of EUR 0.9 million in relation to its ownership of this entity. TIG (Bermuda) Ltd. is an insurance company authorised in Bermuda but has not written any new or renewing business for at least the last 8 years. Its net assets comprise a cash / investment portfolio of approximately $1 million (with nil liabilities).

A.4 Performance of other activities

There are no other activities to disclose.

A.5 Other information

i. Guarantee from Fairfax

The Company benefits from a guarantee provided to it by Fairfax, under which it guarantees the performance of all (re)insurance business written by the Company. Under the terms of this agreement, Fairfax undertakes to pay all valid claims in the event of insolvency of the Company. The agreement remains in force until and automatically terminates on 31 December 2019 (unless renewed or extended by Fairfax) and covers all policies issued or renewed prior to the date of termination of the agreement.

ii. Supervisory Authority

The Company is regulated in Luxembourg by the Commissariat aux Assurances (“CAA”) whose address is 7, boulevard Joseph II, L-1840 Luxembourg.

iii. Auditor

The Company’s auditor is PwC whose address is 2 Rue Gerhard Mercator, 2182 Luxembourg.

iv. Employees

The number of staff employed across the Company’s operations was 458 at 31 December 2018.

v. Head office address

The Company’s head office address is 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg.

B. System of Governance

B.1 General information on the system of governance

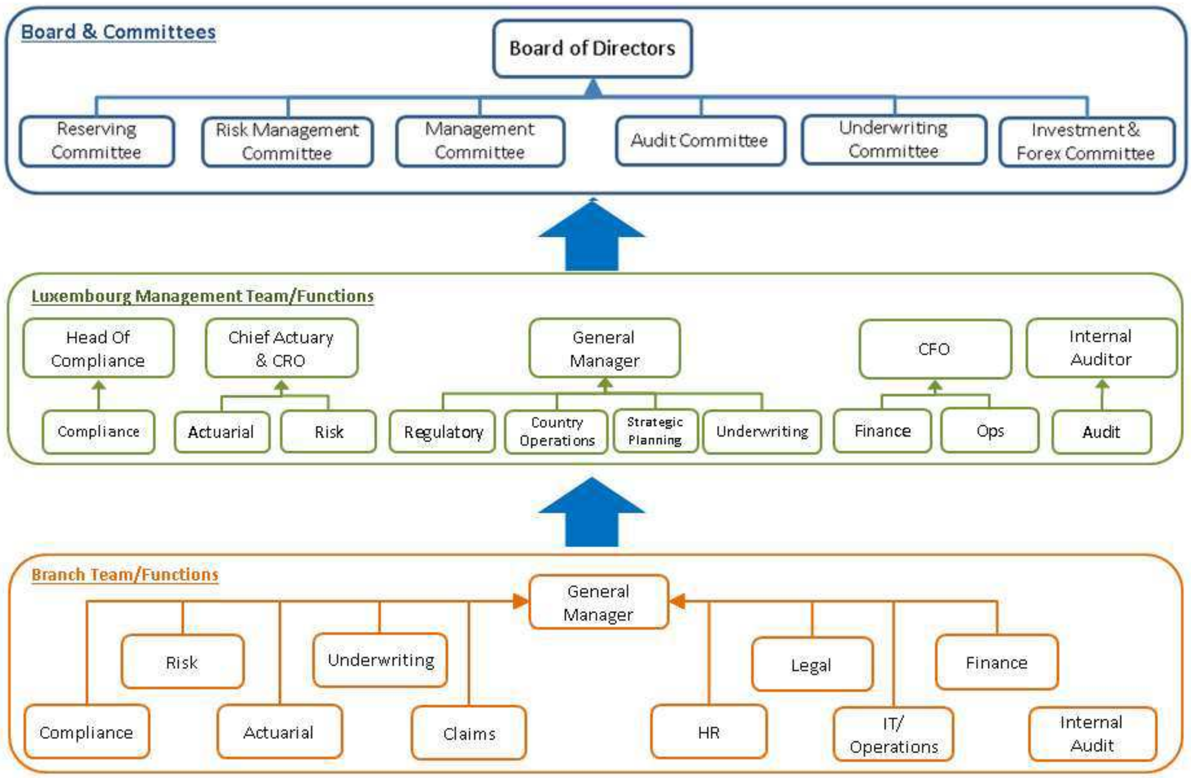
i. Introduction

The Company has implemented a system of governance which provides for sound and prudent management. Risk management, compliance, internal audit and actuarial functions which are consistent with the needs of Company's operations have been established. The Company's staff and directors have the skills, knowledge and expertise to fulfil their allocated responsibilities. The system of governance is therefore considered proportionate to the nature, scale and complexity of the Company's business.

ii. Management and Governance Structure

The Company has a Board of Directors and, currently, six board committees being the Reserving Committee, Risk Management Committee, Management Committee, Underwriting Committee, Investment & Foreign Exchange Committee as well as an Audit Committee.

The following diagram summarises the Company's governance structure.



The Board of Directors currently comprises six Directors: an executive Chairman, two executive Directors and three independent non–executive Directors.

The Board of Directors are:

- Mr. Ronald Schokking (Chairman)
- Mr. Frederick Gabriel (Independent)
- Mr. Marnix Wielenga (Independent)

- Mr. Leo de Waal (Independent)
- Mr. Jean Cloutier
- Mr. Bijan Khosrowshahi

With the exception of Mr. Khosrowshahi, who was appointed to the Board on 28 September 2017, all of the above have been Directors of the Company since it was licenced as a non-life insurer by the CAA on 24 July 2015. Under the Board's terms of reference, the Board is required to meet at least four times a year.

The responsibilities of the Board, and its committees, are set out below:

- The **Board of Directors** has ultimate responsibility for the oversight of the business, senior management and setting the strategy and risk appetite. The Board is responsible for ensuring the maintenance of a sound system of internal control and risk management and for the approval of any changes to the capital, corporate and/or management structure of the Company.
- The **Reserving Committee** oversees the setting of the Company's reserves, liaising closely with the Company's actuarial function.
- The **Risk Management Committee's** role is to ensure the development and implementation of the Company's Enterprise Risk Management Framework, to ensure that appropriate procedures are in place to identify, assess and manage risk from a strategic and operational perspective and to monitor implementation of risk management procedures.
- The objective of the **Management Committee** is to take decisions, or to establish the basis on which all decisions are taken, required to execute the strategy determined by the Board, including all major operational decisions.
- The responsibilities of the **Audit Committee** include monitoring the Company's financial reporting process; monitoring the effectiveness of the Company's systems of internal control, internal audit and risk management; monitoring the statutory audit of the statutory financial statements; and reviewing and monitoring of the independence of the statutory auditors.
- The **Underwriting Committee** oversees the development of and adherence to the Company's Underwriting Policy, including setting protocols for underwriting authorities, guidelines and rate monitoring as well as rules of conduct for the distribution of our products.
- The **Investment & Foreign Exchange Committee** oversees the management of the Company's investment portfolio by Hamblin Watsa (a Fairfax company), ensuring compliance with the investment guidelines established by the Board.

The independent, non-executive Directors do not have any executive relationship with the wider Fairfax group. They bring a wide range of experience and expertise from both the insurance and general business sectors.

B.2 Fit and proper requirements

The Company has adopted a Fitness and Probity policy to ensure that individuals who effectively run the Company or otherwise exercise control functions have adequate qualifications, knowledge and experience to enable sound and prudent management (fit) and are of good repute and integrity (proper).

The Directors, senior managers and those exercising control functions must meet the following criteria, amongst others, to be deemed fit and proper:

- Possess appropriate experience, educational or professional qualifications;

- Display a high degree of competency in current and previous roles;
- Demonstrate at all times good integrity, honesty and sound ethical character;

The ongoing assurance of fitness and propriety of the Directors and senior managers is re-assessed annually. A register of all persons falling within the Fit and Proper regime is maintained by the Compliance function.

Consistent with the requirements of the Insurance Distribution Directive ("IDD") and its transposition into Luxembourg Insurance law, the company is in the process of introducing policies and procedures around ensuring the fitness and probity of our customer-facing employees who are directly involved in the distribution of our products. A listing of all persons falling within these particular Fit and Proper requirements is also maintained by the Compliance function.

B.3 Risk management system including the own risk and solvency assessment

i. Risk Management Philosophy

Fairfax is the indirect 100% shareholder and ultimate capital provider to the Company. Fairfax expects its operating divisions, of which Colonnade is one, to act in an autonomous de-centralised way within the guiding principles (the "Guiding Principles") established by the Fairfax group.

Colonnade's corporate risk strategy is, therefore, set in the context of the Fairfax Guiding Principles, elements of which are described below:

- We always look at opportunities but emphasize downside protection and look for ways to minimize loss of capital.
- We are entrepreneurial. We encourage calculated risk taking. It is alright to fail but we should learn from our mistakes.
- We will never bet the company on any project or acquisition.

The Company's risk management framework is described below.

ii. Risk Management Framework ("RMF")

The Company's Enterprise Risk Management Framework ("ERM") has been designed to:

- Provide management and the Board of Directors with reasonable assurance that the organisation's business objectives will be achieved by aligning risk appetite and strategy, proactively responding to risks, reducing the number of operational incidents and losses, and identifying and managing cross-enterprise risks.
- Facilitate deployment of capital.
- Ensure appropriate corporate governance practices are in place and successfully respond to a changing business environment.
- Assist management in implementing a sound and risk-based internal control system and provide the risk reporting tools to be used to identify significant control lapses/weaknesses and monitor corrective action.
- Guide staff in understanding the risk assessment methodology and strengthen their risk awareness and capability to identify, manage and control business risks.

- Assist the internal audit function in implementing a risk-based audit process for their independent review of the Company's processes.

The key elements of the ERM are:

- **Identification:** Risk events, risks and relevant controls are identified, classified and recorded in the Company's risk register.
- **Monitoring:** Risks are assessed and controls are evaluated. This includes reviewing the Risk Register for any changes in the risk assessment (both inherent and residual).
- **Management:** The information resulting from risk identification and measurement is used to improve how the business is managed. For example, key risk indicators (KRIs) are monitored quarterly to provide early warning of any changes in the entities risk profile.

The key categories of risk facing the Company include: insurance, market, credit, liquidity and operational risks.

The Company's strategy for managing its risks includes:

- Identifying and analysing risk through a disciplined risk management process;
- Mitigating, transferring or avoiding risks that do not fit our business objectives; and
- Retaining risk within an agreed risk appetite with appropriate levels of capital.

Risk appetite

The Board sets the Company's risk appetite at an overall level and each of the key categories of risk.

As the strategy and associated strategic objectives evolve, risk appetite is re-evaluated and updated as appropriate. Should a material change to the risk appetite be required outside of the normal annual review process, an evaluation of proposed changes is presented to senior management and then to the Risk Management Committee and the Board for approval.

Risk appetite for each of the key risks, being insurance risk, market risk, liquidity risk, credit risk, operational risk, reinsurance risk and strategic risk, is aligned with the Company's overall risk appetite.

Business decisions are made based on the impact of a decision on the overall risk appetite. Committee reporting at all levels is aligned to risk appetite measures.

The Board receives a quarterly update on performance against the risk appetites. Regular management team meetings and committee meetings taken place that monitor limits and implement remedial actions as required.

iii. Risk Management processes

This section summarises the Company's processes and tools to identify, measure, monitor, manage and report the risks to which the Company is exposed.

Risk identification

The following tools and processes are used in the risk identification process:

- **Risk Register**: The Chief Risk Officer maintains a Risk Register which ensures all risks and controls are recorded and categorised.
- **Monitoring of risk events**: All employees are required to report all actual and near-miss risk events to the Chief Risk Officer.

- **Emerging risk analysis**: The Board and senior management periodically review the potential for risks not yet on the register to adversely impact the Company. These risks are reviewed and monitored in the business, and then added to the Risk Register if material enough.

Risk measurement

The following tools and processes are used to quantify the risks faced by the Company:

- **Stress testing:** The Company performs stress testing as part of its ORSA process and reports the results to the Risk Committee.
- **Qualitative assessments:** where identified risks are not quantifiable, a view on the likely materiality and nature of such risks is undertaken by the Chief Risk Officer. These risks are reported to the Risk Committee in the same way as quantifiable risks.

Risk management, monitoring and reporting

One of the key objectives of the RMF is to provide senior management and the Board with relevant risk information. The following processes and tools are in place to ensure risks are effectively monitored and escalated:

- **Risk policies:** The Company has developed policies for each of the key risk categories which set out the roles of each committee and the process to be followed to monitor and report risks.
- **Oversight by the Risk, Investment & Foreign Exchange, Reserving and Underwriting committees:** These Board-level committees, which meet quarterly, receive periodic updates from the Chief Risk Officer to ensure that risks are effectively monitored and reported.
- **Chief Risk Officer updates to Board:** A quarterly update from the Company's Chief Risk Officer is provided which sets out the key changes to the Company's key risk indicators ("KRIs") and a summary of the key risk activities since the last update.

iv. Own Risk and Solvency Assessment ("ORSA")

The ORSA is defined as the series of processes used to:

- Identify and assess the risks to which Colonnade is or could be exposed to in the short and long term.
- Determine the own funds necessary to ensure that overall solvency needs are met at all times.

The ORSA process undertaken by the Colonnade's Board of Directors (the "Board") and management involved:

- Establishing an appropriate risk management framework;
- Establishing the business strategy;
- Determining the maximum level of risk that Colonnade is willing to tolerate in pursuit of its business strategy;
- Comparing these risk tolerances for individual risks to the risk appetite, and establishing the risk management policies and procedures to manage such risks;
- Identifying risks that may prevent Colonnade from achieving its strategic objectives;
- Performing a forward-looking assessment of solvency needs with a medium or long-term perspective; and
- Stress testing the Company's capital levels for key risks over the business planning period.

A report was prepared which summarised the outputs of the ORSA process and which covered the three-year period to 31 December 2021. This report was approved by the Board of Directors and was submitted to the CAA in December 2018.

The ORSA process is proportionate to the nature, scale and complexity of risks at Colonnade and is an integral part of the business decision making process.

v. Summary and Effectiveness of the Risk Management Process

On a quarterly basis, the Risk Management Committee and Board of Directors will monitor the business against the various tolerances and appetites as set out in the Enterprise Risk Management Framework and as agreed by the Board of Directors. This is a key part of the ongoing management of the company that contributes to an effective ORSA process.

Accountability for risk management responsibilities is set forth in the Company's ERM framework and risk management policies. The governance hierarchy of risk management is illustrated in the chart set out in section B.1.ii ("*Management and Governance Structure*").

This structure leads to an effective Risk Management structure as:

- Sufficient oversight is provided to the Board of Directors.
- The assessment of the effectiveness of controls is documented in the risk register and approved by the Board.
- The Luxembourg based management team have sufficient oversight around the management of risk in the company and risks which must be managed holistically.
- Sufficient ownership and accountability is delegated to the branches where many of the day to day risks are taken.

Risk management is implemented through the branches via a number of ways:

- General Managers are responsible for embedding good risk management practices in their branches.
- All employees are required to practice risk awareness and risk management as part of the working culture of the Company.
- Each branch has a Risk Manager who oversees risk management at a branch level. This is overseen by the Chief Risk Officer.

B.4 Internal control system

i. Overview

The Company's internal controls framework is made up of:

- The control environment - the culture and organisational structures that support sound internal control;
- Risk assessment – to determine controls that should be implemented to manage identified risks to within tolerance levels;
- Control activities – the elements of effective control design and operation;
- Information and communication – reporting lines to report achievement of goals and adverse reporting to the Board and its sub-committees; and
- Monitoring and oversight - supporting the oversight and governance of internal control.

In order to ensure the ongoing effectiveness and efficiency of the control framework, the Company operates a **"three lines of defence model**". Each of these three "lines" plays a distinct role within the Company's wider governance framework, as described overleaf.

- Controls are the responsibility of the business and relevant line management, i.e. the '**first line of defence**'. As the first line of defence, line management is responsible for monitoring day to day adherence to this framework within its area of jurisdiction. There is close interaction between management based in Luxembourg and those located in the Company's branch offices.
- Assurance, or the '**second line of defence'**, is provided by employees who are independent from business line management. Assurance functions include Risk Management and Compliance. Second line of defence assurance functions monitor compliance to the control framework. Breaches are reported to the Board and the Risk Committee on an exceptions-basis as appropriate.
- The '**third line of defence'** is provided by Internal Audit and the Audit Committee. Independent non-executive directors comprise the majority of the Audit Committee.

Ultimate responsibility for implementing and monitoring the Internal Control Framework resides with the Board. The Internal Control Framework is reviewed and approved by management and the Board on an annual basis.

B.5 Compliance

The Company's Head of Compliance has overall responsibility for overseeing compliance related activities across the Company and reports directly to the Board on compliance related matters and activities of relevance to the Company.

In executing the Company's risk-based compliance monitoring programme, the Head of Compliance works closely with local branch compliance officers appointed by the branch managers. The branch compliance officers are responsible for carrying out compliance monitoring activities within their respective branch. They are also responsible for ensuring their branch complies with applicable local legal and regulatory requirements. Each branch compliance officer reports directly to their branch manager and the head of compliance in respect of their duties.

In the event that any compliance breaches or deficiencies are identified, the Head of Compliance will report these to the Board together with corrective measures recommended to address them, and on corrective measures already taken.

B.6 Internal audit function

The Company's Internal Auditor is based in its head office in Luxembourg, with a remit extending to the Company's branch operations. The Internal Auditor is responsible for evaluating the effectiveness and adequacy of the internal control system and other areas of governance within the Company.

Internal Audit activity is driven by a three year Internal Audit planning cycle which covers all areas of the Company's activities. A "rolling" three year Internal Audit plan, together with the proposed internal audit activities for the coming year, is approved by the Board annually. This utilises a risk based approach to ensure that the internal audit plan provides adequate coverage of business activities with a particular focus on the higher risk areas of the business and taking into account the specificities of the Company.

The Internal Auditor does not assume any other key functions within the Company.

B.7 Actuarial function

The Company's Luxembourg based Chief Actuary is responsible for setting the Company's technical provisions, which are developed in accordance with Fairfax Group reserving policies and local requirements (including Solvency II). The Chief Actuary is also a member of the Company's Reserving Committee and Underwriting Committee. Additionally, amongst other duties, the Chief Actuary is responsible for preparing an opinion on the Company's underwriting policy and the adequacy of the reinsurance arrangements in place as well as contributing to the effective implementation of the risk management system.

In discharging these duties, the Chief Actuary works closely with actuarial resources located in the Company's branches as well as other business functions; namely Underwriting, Finance, Risk Management, Claims and Operations.

B.8 Outsourcing

The Board of Directors are responsible for all of Colonnade's activities, irrespective of whether the function is outsourced or not.

Intra company outsourcing arrangements are subject to the same level of diligence and monitoring as third-party service providers. Terms are negotiated on an arm's length basis.

A Fairfax group company, ***ffh*** Management Services, located in Ireland, provides IT Administration & Support services, as may be required.

Prior to December 2018, the Company was solely invested in cash. However, from December 2018 Hamblin Watsa Investment Counsel Ltd, a wholly owned subsidiary of Fairfax, have been investing in a more diverse portfolio of assets, including bonds and equities.

Furthermore, Fairfax's head office (in Toronto) provides legal, tax and tax planning, actuarial (as may be required) support to the Company.

Responsibility for overseeing each of the outsourced activities is assigned to an individual within the Company who has the requisite knowledge and experience.

The Company's outsourcing policy is reviewed and approved by both management and the Board each year and more frequently, if required.

B.9 Other information

All relevant information regarding the Company's governance and control structures is considered to be included in sections B1-B7 above.

C. Risk profile

The Company's activities expose it to a number of key risks which have the potential to affect its ability to achieve its business objectives. The main risks facing the Company's business include insurance (underwriting and reserving), market, credit, liquidity and operational risks. The Company's approach to managing these risks is as follows:

C.1 Insurance risk

i. Underwriting risk

Underwriting risk includes both the risk of inappropriate underwriting and inadequate pricing.

The insurance risk management policy covers the underwriting, claims and actuarial department and addresses risks such as inappropriate or unauthorised underwriting and pricing and inadequate controls around recording and reporting of underwriting results and exposures. Metrics have been developed for the ongoing monitoring of insurance risks.

Control structures are in place to mitigate the risk of accumulations of loss from catastrophic events and the Company is further protected by the reinsurance programme comprising a range of quota share and excess of loss contracts that cover the different lines of business written by the Company (for example, the Company's net exposure to a natural catastrophe event is limited to EUR 2 million).

ii. Reserving risk

This is the risk that unpaid loss reserves prove to be inadequate. The Company has recorded gross reserves for unpaid losses of EUR 73.1 million (which are in addition to a gross unearned premium reserve amounting to EUR 69.7 million) in the Luxembourg GAAP financial statements at 31 December 2018.

Colonnade has an Actuarial Function, to assess reserving levels, working in close cooperation with underwriting and claims staff within each of the branches. Oversight and reserve setting and compliance with the reserving policy (as established by the Board of Colonnade) are the responsibility of the Reserving Committee which meets at least three times per year. Fairfax's actuarial team will also periodically review final reserve selections as part of the independent peer review process.

C.2 Market risk

At 31 December 2018, the Company's investment portfolio comprised cash (EUR 71.5 million), Bonds (EUR 67.8 million) and an investment in a subsidiary, TIG (Bermuda) Ltd., recorded at EUR 0.9 million. With that investment portfolio, the Company's market risk exposure predominately resulted from currency risk exposure (given that the Company undertakes business in multiple currencies).

The market risk management policy covers interest rate risk, currency exchange rate risk, commodity price risk and equity price risk. The Company has established limits for each asset class and for net unhedged foreign currency exposure. Key risk indicators such as interest rates, credit quality and investment return, will be monitored to assess the appropriateness and riskiness of market exposures.

The Investment and Foreign Exchange Committee reviews and oversees currency risk. The net exposure to currencies is measured in the KRIs and reported regularly to the Risk Management Committee.

C.3 Credit risk

This is the risk that one party to a financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The main sources of credit risk relate to:

- **Reinsurers:** through the failure to pay valid claims against a reinsurance contract held by the Company.
- **Premium debtors**: where a broker, intermediary or policyholder fails to pass on premiums or claims collected or paid on behalf of the Company.
- **Investments:** through the issuer default of all or part of the value of a financial instrument or the market value of that instrument.

Reinsurance credit risk

Credit risk from reinsurers is controlled through only transacting with reinsurers that meet certain minimum requirements and that have been approved by the Fairfax Reinsurance Security Committee in advance.

At 31 December 2018, the Company's largest balance sheet exposure to reinsurers is with AIG Europe S.A., a Luxembourg domiciled insurance company, rated A2 by Moody's.

The Company's premium debtors arising from direct insurance and reinsurance operations are EUR 35.9 million and EUR 5.6 million respectively as at 31 December 2018. Debtors are valued at the lower of their nominal or estimated realisable value. The credit risk associated with these receivables is considered low.

Investment credit risk

Credit risk relating to financial investments and cash and cash equivalents is monitored by the Investment & Foreign Exchange Committee, which is responsible for the management of investment credit risk.

At 31 December 2018, the Company has an exposure to credit risk in relation to cash held with credit institutions (EUR 71.5 million). Cash is placed, in accordance with established policy, with credit institutions having a rating of at least A-, except for immaterial exposures approved by the Risk Management Committee.

C.4 Liquidity risk

This is the risk the Company, though solvent, may encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Company monitors the levels of cash and investments to ensure liquidity requirements are addressed. The Company's exposure to liquidity risk is considered low, given the significant cash balances held at 31 December 2018 (EUR 71.2 million) and throughout the reporting period.

The Expected Profit in Future Premiums (EPIFP) is the profit relating to existing contracts with premium due in the future but not yet received at the valuation date. The EPIFP amounts to EUR 15.2 million at 31 December 2018.

C.5 Operational risk

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

Managing day-to-day operational risk is the responsibility of the line managers, both within Luxembourg and the branch offices. This includes responsibility for managing claims risks through policies and procedures including defining authority levels, protocols for management oversight, an automated system to support and report on major claims activity and a formal review process for major claims. The Company's investment managers, along with the company management, are responsible for establishing processes and controls to ensure an effective risk management framework with regard to investments. Operational risks through exposures to key counterparties like banks are managed by the Luxembourg management team whereas risks arising from relationships with brokers and other local counterparties are the responsibility of local branch managers.

C.6 Other Material Risks and Stress and Scenario testing

2018 was the first year when the Company has not experienced large scale complex projects, so it could focus on stabilization of operational capabilities of Colonnade. Therefor the risks facing the company were reflective of the ongoing portfolio.

Stress and Scenario testing

As part of the ORSA process, stress and scenario testing was undertaken to ensure the key risks identified were modelled to assess their impact on the SCR, income statement and resulting solvency ratio. This considered events considerably more severe than the Company's experience to date. The results of the testing are summarised in the annual ORSA report reviewed by the Board and submitted to the CAA. The latest exercise confirms that the Company has sufficient capital and liquidity to absorb the losses under each scenario considered and remain viable.

C.7 Other information

During 2019 the investment portfolio is expected to evolve to include other assets, such as equities, aside from cash and bonds. This risk is being overseen by the Investment and Foreign Exchange Committee.

D. Valuation for solvency purposes

The Company prepares its financial statements on a going concern basis and in accordance with Luxembourg GAAP ("Lux GAAP").

The table below summarises the Company's balance sheet under Lux GAAP and Solvency II bases:

Balance sheet as at 31 December 2018 (EUR'000)	Lux GAAP	Solvency II	Difference
Assets			
Deferred acquisition costs	16,303.9	-	(16,303.9)
Intangible assets	4,819.6	-	(4,819.6)
Deferred tax assets	-	3,332.7	3,332.7
Holdings in related undertakings, including participations	907.3	907.3	-
Reinsurance recoverables	44,122.5	14,613.3	(29,509.2)
Insurance and intermediaries receivables	41,416.8	-	(41,416.8)
Cash and cash equivalents	71,530.0	71,530.0	(0.0)
Bonds	67,795.5	68,257.1	461.6
Property, plant & equipment held for own use	1,767.1	1,767.1	-
Other assets, not elsewhere shown	4,228.7	3,767.1	(461.6)
Total Assets	**252,891.4**	**164,174.5**	**(88,716.9)**
Liabilities			
Technical Provisions	142,812.2	68,236.8	(74,575.4)
Insurance & intermediaries payables	13,900.7	-	(13,900.7)
Reinsurance payables	11,772.9	-	(11,772.9)
Payables (trade, not insurance)	17,123.9	14,180.0	(2,943.9)
Total Liabilities	**185,609.7**	**82,416.9**	**(103,192.9)**
Excess of assets over liabilities	**67,281.7**	**81,757.7**	**14,476.0**

The difference between the shareholder equity in the Lux GAAP financial statements (EUR 67.3 million) and the excess of assets over liabilities on the Solvency II balance sheet (EUR 81.8 million) amounts to EUR 14.5 million and results from the differing valuation / balance sheet treatment of certain assets and liabilities, such as technical provisions, under Lux GAAP and Solvency II. These are described below.

D.1 Assets

The differences in valuation between Lux GAAP and Solvency II are discussed below.

i. Deferred Acquisition Costs

Deferred Acquisition Costs on the Lux GAAP balance sheet are recognised under Solvency II rules, in line with the recognition of the best-estimate cashflows associated with the gross Unearned Premium reserve.

ii. Intangible assets

In accordance with Solvency II requirements, intangible assets recognised in the Lux GAAP financial statements (being policy data rights; software; and concessions, patents, licences and trademarks) have been ascribed a nil value.

iii. Deferred Tax Assets

The Solvency II balance sheet includes a deferred tax asset of EUR 3.3 million, which largely results from trading losses incurred at the level of the Company's branches, which is not recognised under Lux GAAP.

iv. Reinsurance recoverables

The reinsurance recoverables have been determined on a best estimate basis and consider those associated with the premium provision and claims provision, in line with the Solvency II rules.

v. Insurance, reinsurance and intermediaries receivables

Consistent with the Solvency II regulations, the technical provisions include claims expenses and premium cash flows. Therefore, insurance and intermediary receivables are incorporated within the Solvency II technical provisions whereas they are shown separately on the Lux GAAP balance sheet.

vi. Bonds and other assets

The differences shown relate to the treatment of accrued income/gains.

D.2 Technical provisions

i. Solvency II Technical Provisions as at 31 December 2018

A breakdown of the Solvency II technical provisions as at 31 December 2018 is provided below (amounts in EUR'000):

EUR'000	Best Estimate	Risk Margin	Total
Gross	59,695	8,542	**68,237**
Reinsurers' share	-14,613	0	**-14,613**
Net	**45,082**	**8,542**	**53,624**

Details of the net technical provisions by Solvency II LoB as at 31 December 2018 are as follows (amounts in EUR'000s):

Solvency II LoB	Net Best Estimate	Risk Margin	Total
Medical Expense Insurance	5,775	1,094	**6,870**
Other Motor Insurance	4,093	775	**4,868**
Marine, Aviation and Transport Insurance	1,568	297	**1,865**
Fire and Other Damage to Property Insurance	16,833	3,189	**20,022**
General Liability Insurance	15,380	2,914	**18,294**
Credit and Suretyship Insurance	255	48	**303**
Miscellaneous Financial Loss	1,068	202	**1,270**
Total	**45,082**	**8,542**	**53,624**

An analysis of the difference between the technical provisions on a Lux GAAP and Solvency II basis by Solvency II Line of Business as at 31 December 2018 is shown below (amounts in EUR'000s):

Solvency II LoB	Lux GAAP Net Insurance Liabilities	Reclassification Adjustments	Solvency II Basis change	Solvency II TPs
Medical Expense Insurance	15,439	-5,283	-3,287	**6,870**
Other Motor Insurance	27,077	-15,014	-7,195	**4,868**
Marine, Aviation and Transport Insurance	3,334	-1,230	-238	**1,865**
Fire and Other Damage to Property Insurance	32,403	-11,820	-561	**20,022**
General Liability Insurance	27,730	-5,883	-3,552	**18,294**
Credit and Suretyship Insurance	419	45	-161	**303**
Miscellaneous Financial Loss	6,189	-3,822	-1,097	**1,270**
Total	**112,590**	**-43,007**	**-15,960**	**53,624**

The 'Net Insurance Liabilities' include earned reserves and UPR net of reinsurance and commissions.

The reclassification adjustments reflect where cash flows in (such as insurance balances receivable) are offset against cash flows out (such as future claims payments) in the Solvency II balance sheet and do not result in a difference in the valuation of balance sheet equity. The differences in basis that impacts the equity are discussed further below (see sub-section vii).

ii. Reserving Process and Governance

The Company's reserving process to determine the technical provisions on GAAP and Solvency II bases broadly comprises the following steps, as part of a robust and rigorous process for setting reserves:

- Determination and recommendation of ultimate claims by the Actuarial Function;
- Review/validation by the branches;
- Determination of the technical provisions to adopt in the GAAP/Solvency II technical provisions; and
- Review and approval by the Reserving Committee / Board.

iii. Key methodology and assumptions used to determine ultimate premiums and claims

To determine the estimate for ultimate premiums and claims, analysis is undertaken separately for each line of business.

For the majority of the classes of business, the following standard actuarial projection techniques are used to calculate ultimate premiums and claims:

- Basic Chain Ladder (based on paid and incurred claims)
- Bornhuetter-Ferguson (based on paid and incurred claims)
- Initial Expected Loss Ratio

Claim experience on the most recent years of account is relatively immature. As a result, the Basic Chain Ladder methods produce estimates with a relatively higher level of uncertainty. When projecting estimates for these years of account, the Bornhuetter-Ferguson and Initial Expected Loss Ratio methods are used instead.

Specific adjustments may be made to projected ultimate claims at either a class or an individual claim level. This may be due to a known large loss and/or loss experience on a particular contract.

When choosing between methods, the maturity of each year of account, volume of data, benchmark information and other business-specific issues that are known about at the time of valuation are taken into account.

iv. Key methodologies and assumptions used to determine best estimate technical provisions on a GAAP and Solvency II basis

Having determined the ultimate premiums and claims to form the basis for the technical provisions, a number of additional material assumptions are required to determine the technical provisions on a GAAP and Solvency II basis:

- **Writing and earnings patterns** – used to determine the level of earned, unearned and bound but not incepted (BBNI) premiums. These are based on the inception and expiry dates of the underlying contracts.
- **Expense provisions** – an Unallocated Loss Adjustment Expenses (ULAE) provision is held within the GAAP technical provisions. In addition, expense provisions are required within the Solvency II technical provisions in respect of premiums, claims and investments which represent the on-going servicing of the business included in the valuation.
- **Payment patterns** – used to determine the cash flow profiles. When calculating technical provisions to demonstrate solvency on a Solvency II basis, the time-value of money must be allowed for. This requires the estimation of timing and quantum of future cash flows associated with the technical provisions. These cash flows are then discounted back to present value using risk-free yield curves.
- **Risk free yield curves** – by currency and based on those set by EIOPA.
- **Events Not In Data (ENID)** – designed to capture those potential future cashflows that do not exist in any historical data used for the LuxGAAP calculation.

A Risk Margin, being the expected cost of capital to support the run-off of the technical provisions, is also added and is calculated based on the standard formula and discounted using a yield of 6% as set by EIOPA.

v. Reserve Uncertainty

The key uncertainties surrounding the technical provisions relate to the ultimate unpaid claims reserves. These uncertainties are present on both a financial accounting and Solvency II basis. However, in determining the ultimate unpaid claims reserves, it was established that the Company was not exposed to any individual or aggregation of large losses which increased the uncertainty of the Company’s reserves beyond the normal range of uncertainty for insurance liabilities at this stage of development.

vi. Impact of Reinsurance

The impact of reinsurance on the Solvency II technical provisions is quantified above.

vii. Material differences between technical provisions on GAAP and Solvency II bases

The key differences between the GAAP and Solvency II technical provisions are:

- **Profit on Unearned Premiums** – the UPR is based on 100% of unearned premium on a GAAP basis, whereas under Solvency II, profit relating to the unearned premium is recognised at the relevant expected loss ratio plus an allowance for expenses.
- **Additional Solvency II loads** - in addition to the Unallocated Loss Adjustment Expenses (ULAE) and bad debt held on a GAAP basis, provisions are required in respect of premiums, claims and investment expenses, as well as ENID.
- **Discounting** - the impact of discounting using yield curves provided by EIOPA as at 31 December 2018.
- **Risk Margin** – the load required for the Risk Margin as at 31 December 2018.

In valuing the Solvency II technical provisions:

- There are no matching adjustments applied.
- There are no volatility adjustments used.
- There are no transitional risk-free interest term structures applied.
- There are no transitional deductions applied.

D.3 Other liabilities

For all liabilities other than the technical provisions, there are no valuation differences between the GAAP and Solvency II bases.

D.4 Alternative methods for valuation

There are no alternative valuation methods to disclose.

D.5 Other information

All relevant information regarding the Company's valuation methodologies is considered to be included in sections D1-D4 above.

E. Capital management

E.1 Own funds

i. Policy

The Company's capital policy sets out capital requirements and principles of funding and states the importance of ensuring that the Company is sufficiently capitalised at all times and complies with the Solvency II requirements. Responsibility for ensuring compliance with this policy rests with the Board.

ii. Capital requirements

With effect from 1 January 2016, the regulatory and solvency requirements for most insurers and reinsurers underwent a major change with the introduction of Solvency II, which provides for the valuation of both assets and liabilities on a market consistent basis.

The Solvency Capital Requirement ("SCR") is the amount of capital required to ensure continued solvency over a one-year time frame with a probability of 99.5%. The Company calculates its SCR using the standard formula specified in detail in the Solvency II legislation.

The absolute minimum level of capital required under Solvency II is the Minimum Capital Requirement (MCR). This amount is lower than the SCR and defines the point of intensive regulatory intervention.

Under Solvency II, capital is referred to as Own Funds and a distinction is made between Basic Own Funds (BOF) and Ancillary Own Funds (AOF). Capital starts with the excess of assets over liabilities on the Solvency II balance sheet (EUR 81.8 million at year end 2018) to which qualifying subordinated debt are added (the Company has no subordinated debt) to arrive at Basic Own Funds. Off balance sheet items that may absorb losses are known as Ancillary Own Funds (the Company has none at 31 December 2018).

The Own Funds are classified into tiers of Own Funds and restrictions are applied to limit the extent to which the components of Own Funds can be used to meet the capital requirements (SCR and MCR).

iii. Reconciliation of Lux GAAP Net Equity to Solvency II Own Funds

The following table compares shareholders' equity as set out in the Company's Lux GAAP financial statements to the Solvency II Available Own Funds at 31 December 2018.

	EUR'000
Lux GAAP shareholders' equity	**67,282**
Intangibles	-4,820
Net Deferred Tax Assets	3,333
Revaluation of Non-Life reserves	15,963
Solvency II Available Own Funds	**81,758**

The composition of the Company's Solvency II Available Own Funds at 31 December 2018 is set out in the following section.

iv. *Own Funds structure as at 31 December 2018*

Whilst Basic Own Funds may fall within one of three tiers, Ancillary Own Funds are only permitted to form part of Tier 2 or 3 reflecting the fact they are not on the balance sheet.

EUR'000	Tier 1 Unrestricted BOF	Tier 2 Ancillary	Tier 3 BOF	Total
Paid up share capital	9,500			9,500
Uncalled and unpaid share capital		0		0
Share Premium	84,876			84,876
Legal reserve	0			0
Net Deferred Tax Assets			3,333	3,333
Reconciliation reserve	-15,951			-15,951
Total Own Funds	**78,425**	**0**	**3,333**	**81,758**

The Company's paid up share capital, share premium and legal reserve have each been classified as Tier 1 capital. The reconciliation reserve is also classified as Tier 1 capital in accordance with the Solvency II guidelines. The reconciliation reserve has been calculated as follows:

Reconciliation reserve	EUR'000
Excess of assets over liabilities	81,758
Less:	
Paid up Ordinary Share Capital	-9,500
Share Premium	-84,876
Legal Reserve	0
Net Deferred Tax Assets	-3,333
Reconciliation Reserve	**-15,951**

v. *Eligible Own Funds at 31 December 2018*

The classification into tiers is relevant to the determination of eligible own funds – being the own funds that are eligible to cover the MCR and SCR.

The MCR may only be covered by Tier 1 and Tier 2 basic own funds (Tier 2 ancillary own funds and Tier 3 basic own funds are not eligible to cover the MCR).

The table below shows the amount of eligible own funds to cover the SCR and MCR by tier:

EUR'000	Total eligible own funds	Tier 1 Unrestricted BOF	Tier 2 Ancillary	Tier 3 BOF
Total eligible own funds to meet the **SCR**	**81,758**	78,425	0	3,333
Total eligible own funds to meet the **MCR**	**78,425**	78,425	0	0

EUR 78.4 million (96%) of the company's eligible own funds are unrestricted tier 1 capital. This consists of the Company's paid up share capital, share premium, legal reserve and the reconciliation reserve.

vi. Eligible Own Funds to cover capital requirements (SCR and MCR)

The table below presents the ratio of eligible own funds that the Company holds to cover its capital requirements at 31 December 2018.

EUR'000	2018
SCR	49,963
MCR	14,222
Capital available for SCR	81,758
Capital available for MCR	78,425
Ratio SCR	**164%**
Ratio MCR	**551%**

E.2 Solvency capital requirement and Minimum capital requirement

The Company uses EIOPA's Solvency II Standard Formula to calculate its SCR. It does not use Company specific parameters and does not use simplified calculations in its computation. The table below sets out the capital requirements for each risk module of the Standard Formula.

Capital requirement for each risk module (EUR'000)	Net solvency capital requirement
Non-life underwriting risk	30,323
Life underwriting risk	0
Health underwriting risk	7,320
Market risk	5,568
Counterparty default risk	15,018
Diversification	-14,794
Basic Solvency Capital Requirement	**43,434**
Operational risk	6,529
Solvency Capital Requirement ("SCR")	**49,963**

As at 31 December 2018, the main component of the Company's SCR is non-life underwriting risk, particularly premium risk, in expectation of the premiums to be earned in 2019. Also included within non-life underwriting risk is a catastrophe risk charge which relates primarily to flood and earthquake exposures.

The next most significant component is counterparty default risk which includes risks associated with reinsurance, insurance balances receivable and cash at bank.

The other components of Colonnade's SCR are market risk, which is predominantly currency risk related, health underwriting risk, related to the medical expenses Solvency II line of business, and operational risk.

The Minimum Capital Requirement at 31 December 2018 is EUR 14.2 million which is based on the Linear SCR calculation.

E.3 Use of the duration-based equity sub-module in the calculation of the Solvency capital requirement

As the Company does not write life insurance business, the duration-based equity risk sub-module set out in Article 304 is not relevant for the Company.

E.4 Difference between the standard formula and any internal model used

As the Company does not utilise an internal capital model, this is not relevant.

E.5 Non-compliance with the Minimum Capital requirement with the Solvency Capital requirement

There has been no non-compliance with the MCR or SCR during the reporting period, and the Company is expected to remain compliant going forward.

APPENDICES

The following QRTs are included as appendices:

S.02.01 - Balance Sheet

S.05.01 - Premiums, claims and expenses by line of business

S.05.02 - Premiums, claims and expenses by Country

S.17.01 - Non-Life Technical Provisions

S.19.01 - Non-Life Insurance Claims Information

S.23.01 - Own Funds

S.25.01 - Solvency Capital Requirement – for undertakings on Standard Formula

S.28.01 - Minimum Capital Requirement – only life or non-life insurance or reinsurance activity

S.02.01 - Balance Sheet

As at 31 December 2018, amounts in €000 unless stated

		Solvency II value	Statutory accounts value
	Column	C0010	C0020
Assets	Row		
Goodwill	R0010		
Deferred acquisition costs	R0020		16,303.9
Intangible assets	R0030		4,819.6
Deferred tax assets	R0040	3,332.7	
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060	1,767.1	1,767.1
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	69,164.4	67,795.5
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090	907.3	907.3
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	68,257.1	67,795.5
Government Bonds	R0140	60,736.7	41,330.2
Corporate Bonds	R0150	7,520.4	26,465.3
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180		
Derivatives	R0190		
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230		
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	14,613.3	44,122.5
Non-life and health similar to non-life	R0280	14,613.3	44,122.5
Non-life excluding health	R0290	14,595.5	44,122.5
Health similar to non-life	R0300	17.8	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310		
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330		
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360		35,863.6
Reinsurance receivables	R0370		5,553.2
Receivables (trade, not insurance)	R0380		
Own shares (held directly)	R0390		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	71,530.0	71,530.0
Any other assets, not elsewhere shown	R0420	3,767.1	4,228.7
Total assets	**R0500**	**164,174.5**	**252,891.4**
Liabilities			
Technical provisions – non-life	R0510	68,236.8	142,812.2
Technical provisions – non-life (excluding health)	R0520	61,504.4	142,812.2
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	54,032.5	
Risk margin	R0550	7,472.0	
Technical provisions - health (similar to non-life)	R0560	6,732.4	
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580	5,662.8	
Risk margin	R0590	1,069.5	
Technical provisions - life (excluding index-linked and unit-linked)	R0600		
Technical provisions - health (similar to life)	R0610		
Technical provisions calculated as a whole	R0620		
Best Estimate	R0630		
Risk margin	R0640		
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650		
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670		
Risk margin	R0680		
Technical provisions – index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750		
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780		
Derivatives	R0790		
Debts owed to credit institutions	R0800		
Financial liabilities other than debts owed to credit institutions	R0810		
Insurance & intermediaries payables	R0820		13,900.7
Reinsurance payables	R0830		11,772.9
Payables (trade, not insurance)	R0840	14,180.0	17,123.9
Subordinated liabilities	R0850		
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870		
Any other liabilities, not elsewhere shown	R0880		
Total liabilities	**R0900**	**82,416.9**	**185,609.7**
Excess of assets over liabilities	**R1000**	**81,757.7**	**67,281.7**

S.05.01 - Premiums, claims and expenses by line of business

As at 31 December 2018, amounts in €000 unless stated

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				
		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	Health	Casualty	Marine, aviation, transport	Property	Total
	Column	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written	Row																	
Gross - Direct Business	R0110	39,274.1				12,738.6	5,035.4	42,419.2	48,489.8	609.0			4,074.4					**152,640.4**
Gross - Proportional reinsurance accepted	R0120	2,099.2				204.9	129.9	3,484.4	1,987.7				49.8					**7,955.8**
Gross - Non-proportional reinsurance accepte	R0130																	
Reinsurers' share	R0140	338.0				-2,852.2	616.9	17,356.7	23,172.0	231.4			-35.0					**38,827.7**
Net	R0200	41,035.3				15,795.7	4,548.4	28,546.8	27,305.5	377.6			4,159.2					**121,768.5**
Premiums earned																		
Gross - Direct Business	R0210	37,252.1				10,404.6	5,011.2	34,376.0	40,646.6	606.3			1,047.7					**129,344.5**
Gross - Proportional reinsurance accepted	R0220	2,691.1				960.6	349.1	6,072.1	5,409.5				239.5					**15,721.8**
Gross - Non-proportional reinsurance accepte	R0230																	
Reinsurers' share	R0240	369.5				3,041.8	676.2	13,873.6	21,494.4	221.4			66.0					**39,743.0**
Net	R0300	39,573.7				8,323.4	4,684.0	26,574.5	24,561.6	384.9			1,221.2					**105,323.4**
Claims incurred																		
Gross - Direct Business	R0310	13,121.9				5,682.8	2,198.8	24,599.4	13,889.7	16.2			328.4					**59,837.2**
Gross - Proportional reinsurance accepted	R0320	322.1				215.1	88.4	3,850.3	2,963.6				-69.5					**7,370.0**
Gross - Non-proportional reinsurance accepte	R0330																	
Reinsurers' share	R0340	-108.0				721.1	-4.5	12,506.7	9,706.2	-12.8			28.7					**22,837.5**
Net	R0400	13,552.1				5,176.8	2,291.6	15,943.0	7,147.0	29.0			230.2					**44,369.7**
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non- proportional reinsurance accept	R0430																	
Reinsurers' share	R0440																	
Net	R0500																	
Expenses incurred	R0550	24,846.3				5,362.7	2,176.3	13,619.5	11,674.3	-81.0			1,375.8					**58,973.9**
Administrative expenses																		
Gross - Direct Business	R0610	4,571.9				1,375.9	519.4	3,817.0	3,641.4	69.7			161.7					**14,157.1**
Gross - Proportional reinsurance accepted	R0620	298.0				-10.0	43.7	571.2	370.4				44.2					**1,317.5**
Gross - Non-proportional reinsurance accep	R0630																	
Reinsurers' share	R0640																	
Net	R0700	4,869.9				1,365.9	563.1	4,388.2	4,011.8	69.7			206.0					**15,474.6**
Investment management expenses																		
Gross - Direct Business	R0710																	
Gross - Proportional reinsurance accepted	R0720																	
Gross - Non-proportional reinsurance accep	R0730																	
Reinsurers' share	R0740																	
Net	R0800																	
Claims management expenses																		
Gross - Direct Business	R0810	525.5				295.6	81.7	350.3	319.8	-3.9			14.1					**1,583.1**
Gross - Proportional reinsurance accepted	R0820																	
Gross - Non-proportional reinsurance accep	R0830																	
Reinsurers' share	R0840																	
Net	R0900	525.5				295.6	81.7	350.3	319.8	-3.9			14.1					**1,583.1**
Acquisition expenses																		
Gross - Direct Business	R0910	17,367.9				4,395.7	1,508.3	9,657.9	12,342.8	77.7			1,086.8					**46,437.3**
Gross - Proportional reinsurance accepted	R0920	1,971.2				86.9	50.2	866.3	489.6				87.4					**3,551.5**
Gross - Non-proportional reinsurance accep	R0930																	
Reinsurers' share	R0940	-111.9				781.4	27.0	1,643.2	5,489.8	224.6			18.6					**8,072.7**
Net	R1000	19,451.0				3,701.2	1,531.5	8,881.0	7,342.7	-146.9			1,155.7					**41,916.1**
Overhead expenses																		
Gross - Direct Business	R1010																	
Gross - Proportional reinsurance accepted	R1020																	
Gross - Non-proportional reinsurance accep	R1030																	
Reinsurers' share	R1040																	
Net	R1100																	
Other expenses	**R1200**																	**833.7**
Total expenses	**R1300**																	**59,807.6**

S.05.02 - Premiums, claims and expenses by Country

As at 31 December 2018, amounts in €000 unless stated

		Country (by amount of gross premiums written) - non-life obligations						
	Country	BULGARIA	CZECHIA	HUNGARY	POLAND	SLOVAKIA	Home country	Total Top 5 and home country
Premiums written	Row							
Gross - Direct Business	R0110	34,048.2	37,627.6	42,400.8	9,097.1	24,818.0		**147,991.7**
Gross - Proportional reinsurance accepted	R0120	1,881.7	596.9	2,882.8	152.9	2,050.2		**7,564.5**
Gross - Non-proportional reinsurance accepte	R0130							
Reinsurers' share	R0140	7,698.0	5,370.5	15,090.9	4,849.3	4,058.1		**37,066.8**
Net	R0200	28,231.9	32,854.0	30,192.7	4,400.7	22,810.2		**118,489.4**
Premiums earned								
Gross - Direct Business	R0210	29,945.8	35,597.9	31,153.5	6,448.5	22,365.7		**125,511.4**
Gross - Proportional reinsurance accepted	R0220	3,674.2	1,611.1	5,673.6	401.2	3,719.1		**15,079.2**
Gross - Non-proportional reinsurance accepte	R0230							
Reinsurers' share	R0240	9,543.6	6,508.1	11,424.0	3,357.0	7,498.5		**38,331.2**
Net	R0300	24,076.4	30,701.0	25,403.1	3,492.7	18,586.3		**102,259.4**
Claims incurred								
Gross - Direct Business	R0310	11,938.4	13,628.8	22,956.2	1,972.4	8,067.6		**58,563.3**
Gross - Proportional reinsurance accepted	R0320	723.2	1,842.8	3,177.3	82.2	1,424.9		**7,250.5**
Gross - Non-proportional reinsurance accepte	R0330							
Reinsurers' share	R0340	4,035.6	2,450.4	13,638.4	639.4	1,890.7		**22,654.5**
Net	R0400	8,626.0	13,021.2	12,495.1	1,415.2	7,601.8		**43,159.3**
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepte	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	12,645.7	15,624.7	15,348.8	1,584.5	9,933.5		**57,331.9**
Other expenses	R1200							
Total expenses	R1300							**57,331.9**

S.17.01 - Non-Life Technical Provisions

As at 31 December 2018, amounts in €000 unless stated

		Direct business and accepted proportional reinsurance												accepted non-proportional reinsurance				
		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	Total Non-Life obligation
	Row/Col	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Direct business	R0020																	
Accepted proportional reinsurance business	R0030																	
Accepted non-proportional reinsurance	R0040																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross - Total	R0060	-2,105.0			-80.1	-1,670.3	-571.6	-4,949.2	-5,833.5	-239.1			609.1		0.9		4.9	**-14,833.9**
Gross - direct business	R0070	-2,105.3			-80.1	-1,596.8	-558.5	-4,979.7	-5,612.6	-239.1			427.2					**-14,745.1**
Gross - accepted proportional reinsurance business	R0080	0.4				-73.4	-13.1	30.5	-220.9				181.9					**-94.6**
Gross - accepted non-proportional reinsurance business	R0090														0.9		4.9	**5.8**
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counte	R0100	78.3			-31.7	136.6	-91.2	816.7	-4,416.9	-29.2			7.7		0.1		7.4	**-3,522.3**
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	78.3			-31.7	136.6	-91.2	816.7	-4,416.9	-29.2			7.7		0.1		7.4	**-3,522.3**
Recoverables from SPV before adjustment for expected losses	R0120																	
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counter	R0140	78.3			-31.7	136.6	-91.2	816.7	-4,416.9	-29.2			7.7		0.1		7.4	**-3,522.3**
Net Best Estimate of Premium Provisions	R0150	-2,183.2			-48.5	-1,806.9	-480.4	-5,766.0	-1,416.6	-209.9			601.4		0.8		-2.5	**-11,311.7**
Claims provisions																		
Gross - Total	R0160	7,906.3				6,135.9	2,735.7	29,798.0	27,527.4	303.8			487.3	-138.5	4.4		-231.1	**74,529.3**
Gross - direct business	R0170	6,711.7				6,383.0	2,701.3	26,815.8	23,726.0	308.9			512.5					**67,159.1**
Gross - accepted proportional reinsurance business	R0180	1,194.6				-247.0	34.4	2,982.2	3,801.4	-5.1			-25.3					**7,735.3**
Gross - accepted non-proportional reinsurance business	R0190													-138.5	4.4		-231.1	**-365.1**
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counte	R0200	-50.9				244.4	697.4	7,336.0	10,866.1	-159.1			21.3	-8.1	1.6	-8.5	-504.4	**18,435.7**
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	-50.9				244.4	697.4	7,336.0	10,866.1	-159.1			21.3	-8.1	1.6	-8.5	-504.4	**18,435.7**
Recoverables from SPV before adjustment for expected losses	R0220																	
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counter	R0240	-52.3				236.2	687.2	7,199.1	10,730.9	-160.7			21.0	-8.1	1.6	-8.5	-510.7	**18,135.5**
Net Best Estimate of Claims Provisions	R0250	7,958.6				5,899.7	2,048.5	22,598.9	16,796.6	464.5			466.3	-130.3	2.8	8.5	279.7	**56,393.7**
Total Best estimate - gross	R0260	5,801.3			-80.1	4,465.7	2,164.1	24,848.7	21,693.9	64.7			1,096.4	-138.5	5.3		-226.1	**59,695.3**
Total Best estimate - net	R0270	5,775.4			-48.5	4,092.9	1,568.1	16,832.9	15,380.0	254.6			1,067.7	-130.3	3.6	8.5	277.2	**45,082.0**
Risk margin	R0280	1,094.2			-9.2	775.5	297.1	3,189.3	2,914.0	48.2			202.3	-24.7	0.7		54.1	**8,541.5**
Amount of the transitional on Technical Provisions																		
TP as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320	6,895.6			-89.3	5,241.1	2,461.2	28,038.0	24,607.9	112.9			1,298.6	-163.2	6.0		-172.0	**68,236.8**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due	R0330	25.9			-31.7	372.8	596.0	8,015.8	6,314.0	-190.0			28.7	-8.1	1.7	-8.5	-503.3	**14,613.3**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	6,869.7			-57.6	4,868.4	1,865.2	20,022.2	18,294.0	302.9			1,270.0	-155.0	4.3	8.5	331.3	**53,623.6**
Line of Business: further segmentation (Homogeneous Risk Groups)																		
Premium provisions - Total number of homogeneous risk groups	R0350	30			6	18	12	24	36	12			12					
Claims provisions - Total number of homogeneous risk groups	R0360	30			6	18	12	24	36	12			12					
Cash-flows of the Best estimate of Premium Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0370	3,815.9			86.6	7,106.2	619.6	9,140.4	8,457.3	296.6			1,047.4		0.8		19.3	**30,590.0**
Future expenses and other cash-out flows	R0380	1,264.8			51.8	1,273.0	262.4	3,039.8	2,748.1	68.4			293.4		0.1		2.0	**9,003.6**
Cash in-flows																		
Future premiums	R0390	-7,163.2			-217.6	-10,031.6	-1,447.5	-17,076.5	-16,976.5	-601.5			-738.2				-16.5	**-54,269.1**
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400	-22.5			-0.9	-17.8	-6.1	-52.9	-62.3	-2.6			6.5		0.0		0.1	**-158.5**
Cash-flows of the Best estimate of Claims Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0410	7,041.7				4,713.4	3,195.1	29,196.7	25,477.2	305.0			164.5		4.0		33.6	**70,131.2**
Future expenses and other cash-out flows	R0420	2,031.5				2,575.9	244.4	5,302.6	3,571.1	0.8			512.1	5.7	0.4		10.8	**14,255.3**
Cash in-flows																		
Future premiums	R0430	-1,251.4				-1,218.9	-733.0	-5,019.7	-1,815.0	-5.3			-194.5	-142.7			-273.0	**-10,653.6**
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440	84.5				65.6	29.2	318.4	294.1	3.2			5.2	-1.5	0.0		-2.5	**796.3**
Percentage of gross Best Estimate calculated using approximations	R0450																	
Best estimate subject to transitional of the interest rate	R0460																	
Technical provisions without transitional on interest rate	R0470																	
Best estimate subject to volatility adjustment	R0480																	
Technical provisions without volatility adjustment and without others transitional measures	R0490																	

S.19.01 - Non-Life Insurance Claims Information by Underwriting Year

As at 31 December 2018, amounts in €000 unless stated

Total		Development year (absolute amount) 0	1	2	In Current year	Sum of years (cumulative)
Gross Claims Paid (non-cumulative)		C0010	C0020	C0030	C0170	C0180
2016	R0230	1,205.4	639.6	2,725.2	2,725.17	4,570.11
2017	R0240	-7,023.0	13,828.3		13,828.26	6,805.22
2018	R0250	11,170.2			11,170.17	11,170.17
Total					**27,723.60**	**22,545.51**
Reinsurance Recoveries received (non-cumulative)		C0600	C0610	C0620	C0760	C0760
2016	R0430	3.1	-186.6	7,275.2	7,275.16	7,091.63
2017	R0440	-13,320.8	3,773.3		3,773.30	-9,547.46
2018	R0450	841.4			841.37	841.37
Total					**11,889.84**	**-1,614.47**
Net Claims Paid (non-cumulative)		C1200	C1210	C1220	C1360	C1360
2016	R0630	1,202.3	826.2	-4,550.0	-4,549.99	-2,521.51
2017	R0640	6,297.7	10,055.0		10,054.96	16,352.69
2018	R0650	10,328.8			10,328.80	10,328.80
Total					**15,833.77**	**24,159.98**

Total		Development year (absolute amount) 0	1	2	Year end (discounted data)
Gross Claims Paid (non-cumulative)		C0200	C0210	C0220	C0360
2016	R0230	2,338.4	2,044.6	4,161.3	4,095.40
2017	R0240	16,880.2	32,001.7		31,279.72
2018	R0250	40,365.8			39,154.14
Total					**74,529.26**
Reinsurance Recoveries received (non-cumulative)		C0600	C0610	C0620	C0960
2016	R0430	158.5	173.3	968.6	960.68
2017	R0440	6,756.7	8,652.5		8,359.14
2018	R0450	9,242.0			8,815.71
Total					**18,135.53**
Net Claims Paid (non-cumulative)		C1200	C1210	C1220	C1560
2016	R0630	2,179.9	1,871.3	3,192.7	3,134.72
2017	R0640	10,123.4	23,349.2		22,920.58
2018	R0650	31,123.7			30,338.43
Total					**56,393.73**

Total		Development year (absolute amount) 0	1	2	Year end (discounted data)
Gross Claims Paid (non-cumulative)		C0400	C0410	C0420	C0560
2016	R0230	758.6	2,554.7	8,152.8	8,152.84
2017	R0240	14,396.3	10,867.8		10,867.82
2018	R0250	23,888.5			23,888.51
Total					**42,909.17**
Reinsurance Recoveries received (non-cumulative)		C0600	C0610	C0620	C1160
2016	R0430	115.3	1,725.6	6,174.4	6,174.36
2017	R0440	10,409.9	3,036.3		3,036.30
2018	R0450	12,266.0			12,265.97
Total					**21,476.62**
Net Claims Paid (non-cumulative)		C1200	C1210	C1220	C1760
2016	R0630	643.3	829.1	1,978.5	1,978.49
2017	R0640	3,986.5	7,831.5		7,831.52
2018	R0650	11,622.5			11,622.54
Total					**21,432.54**

S.23.01 - Own Funds

As at 31 December 2018, amounts in €000 unless stated

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	Column	C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of D	Row					
Ordinary share capital (gross of own shares)	R0010	9,500.0	9,500.0			
Share premium account related to ordinary share capital	R0030	84,876.3	84,876.3			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-15,951.3	-15,951.3			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	3,332.7				3,332.7
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve						
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	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	**81,757.7**	**78,425.0**			**3,332.7**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	81,757.7	78,425.0			3,332.7
Total available own funds to meet the MCR	R0510	78,425.0	78,425.0			
Total eligible own funds to meet the SCR	R0540	81,757.7	78,425.0			3,332.7
Total eligible own funds to meet the MCR	R0550	78,425.0	78,425.0			
SCR	R0580	**49,963.0**				
MCR	R0600	**14,222.1**				
Ratio of Eligible own funds to SCR	R0620	**164%**				
Ratio of Eligible own funds to MCR	R0640	**551%**				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	81,757.7
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	97,709.0
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-15,951.3
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S.25.01 - Solvency Capital Requirement – for undertakings on Standard Formula

As at 31 December 2018, amounts in €000 unless stated

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	5,567.6		
Counterparty default risk	R0020	15,017.5		
Life underwriting risk	R0030			
Health underwriting risk	R0040	7,320.3		
Non-life underwriting risk	R0050	30,322.9		
Diversification	R0060	-14,794.2		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	43,434.2		

		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	6,528.8
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance v	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	49,963.0
Capital add-on already set	R0210	
Solvency capital requirement	R0220	49,963.0
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	

S.28.01 - Minimum Capital Requirement – only life or non-life insurance or reinsurance activity

As at 31 December 2018, amounts in €000 unless stated

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	14,222.1

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expenses insurance and proportional reinsurance	R0020	5,775.4	41,035.3
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060	4,092.9	15,795.7
Marine, aviation and transport insurance and proportional reinsurance	R0070	1,568.1	4,548.4
Fire and other damage to property insurance and proportional reinsurance	R0080	16,832.9	28,546.8
General liability insurance and proportional reinsurance	R0090	15,380.0	27,305.5
Credit and suretyship insurance and proportional reinsurance	R0100	254.6	377.6
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	1,067.7	4,159.2
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150	3.6	
Non-proportional marine, aviation and transport reinsurance	R0160	8.5	
Non-proportional property reinsurance	R0170	277.2	

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation		C0070
Linear MCR	R0300	14,222.1
SCR	R0310	49,963.0
MCR cap	R0320	22,483.3
MCR floor	R0330	12,490.7
Combined MCR	R0340	14,222.1
Absolute floor of the MCR	R0350	3,700.0
Minimum Capital Requirement	R0400	14,222.1