Colonnade Insurance S.A.

Solvency & Financial Condition Report

Year ended 31 December 2020

Contents

Summary 3

A. Business and Performance 4

A.1 Business 4
A.2 Underwriting Performance 6
A.3 Investment Performance 7
A.4 Performance of other activities 7
A.5 Other information 7

B. System of Governance 8

B.1 General information on the system of governance 8
B.2 Fit and proper requirements 10
B.3 Risk management system including the own risk and solvency assessment 11
B.4 Internal control system 14
B.5 Compliance 15
B.6 Internal audit function 15
B.7 Actuarial function 15
B.8 Outsourcing 15
B.9 Other information 16

C. Risk profile 17

C.1 Insurance risk 17
C.2 Market risk 17
C.3 Credit risk 18
C.4 Liquidity risk 18
C.5 Operational risk 19
C.6 Other Material Risks and Stress and Scenario testing 19
C.7 Other information 19

D. Valuation for solvency purposes 20

D.1 Assets 20
D.2 Technical provisions 21
D.3 Other liabilities 25
D.4 Alternative methods for valuation 25
D.5 Other information 25

E. Capital management 26

E.1 Own funds 26
E.2 Solvency capital requirement and Minimum capital requirement 28
E.3 Use of the duration-based equity sub-module in the calculation of the Solvency capital requirement 29
E.4 Difference between the standard formula and any internal model used 29
E.5 Non-compliance with the Minimum Capital requirement with the Solvency Capital requirement 29

Summary

Purpose of report

This document is the Solvency & Financial Condition Report (“SFCR”) for Colonnade Insurance S.A. for the period ending 31 December 2020, as per the Solvency II regulations.

A. Business and Performance

This section summarises how the Company operates and how it has performed during the year ended 31 December 2020. 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” below.

ii. Significant business events during 2020

Since December 2019, a significant number of cases of the Coronavirus, COVID-19, have been reported worldwide. The spread of the virus has resulted in quarantines and travel restrictions imposed by governments and has had a significant impact on travel, global trade and supply chains. It has and will continue to decrease economic activity and has already caused significant volatility on global financial markets.

In mid-March we adopted a “work from home” regime. Our teams have demonstrated full dedication and commitment which resulted in a smooth transition and created competitive advantage as one of the first movers to the new reality. During the summer, the governments lifted many of the restrictions following the positive trends. We reopened most of our offices on a gradual basis, incorporating appropriate safety measures, operating through split teams and maintaining high focus on employee health while maintaining the capability to “lock down” and work from home, if necessary, within 24 hours. At the end of the third quarter of 2020, we were seeing signs of a second wave of the pandemic hence our offices moved back to a full “work from home” mode again. This was executed on a branch by branch basis allowing for local/national trends.

In March 2020 we expected and planned for the following areas to be impacted by the spread of COVID-19:

- Premium volumes to reduce in a number of lines of business, both in specific consumer lines directly impacted (e.g. travel insurance) and in lines of business impacted by any subsequent reduction in economic output.
- Risks to the anticipated loss ratio.
- Our partners and clients to face liquidity issues.
- While our investment portfolio is mostly cash and well rated corporate or government short-dated bonds, a potential for unrealised losses in our investment portfolio, which would only be realised in the event of issuer insolvency (for bonds where we typically hold to maturity) or sale of assets at lower values (for equities or bonds sold before maturity).

The Company took mitigating actions to minimize the impact of the pandemic, such as delaying the planned investment in Company infrastructure and reduced planned external sales expenses due to lockdowns. As the impact of the spread of the virus was not predictable and to manage these uncertainties, we created a comprehensive financial model focusing on three different scenarios – low, medium and high impact. We were expecting the Company’s results to be within the range of the low and the high impact scenarios. Conservative values were picked for the business drivers to ensure the scenarios were on the conservative side of the range of possible outcomes.

At the end of each quarter we compared our actuals to the above-mentioned scenarios. The actuals results are generally most consistent with the low impact scenarios in 2020. The major impact of the pandemic was the reduction of premium volumes in Travel and GAP lines of business. Any loss ratio changes have not materially changed our financial results.

In September 2020 we commenced the Colonnade Transformation program, Project Phoenix. The goal of the program is to transform Colonnade to a modern insurance company that addresses the customer needs in our rapidly changing environment. The project has technology and operating model components. On the technology part, the scope is to implement a new insurance software platform by the end of 2021.

iii. Capital and solvency cover

Colonnade's SCR (standard formula) cover ratio stood at 184% at 31 December 2020 with the SCR being €60.5m.

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$19.1 billion in gross premium and US$17.5 billion in total Shareholders' equity (as at 31 December 2020).
- Strong long-term relationships developed over 35 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 2020 and 2019 is set out below:

Income Statement (EUR'000)	2020	2019
Gross Written Premium	152,931	162,506
Net Earned Premium	126,156	123,463
Claims Incurred	-46,333	-47,916
Net operating expenses	-67,900	-66,528
Other technical income	428	355
Allocated investment return	946	228
Underwriting result	**13,297**	**9,602**
Other income and charges	-4,146	781
Profit before tax	**9,151**	**10,383**
Taxes	-1,542	-2,398
Profit for the financial period	**7,608**	**7,985**

Colonnade recorded an underwriting profit of EUR 13.3 million in 2020 (combined ratio of 91%) and an overall profit after tax of EUR 7.6 million.

A.2 Underwriting Performance

Colonnade currently underwrites business through six branches established across the CEE region; Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia.

During 2020, Colonnade wrote total gross premiums of EUR 153 million, as tabulated below:

Gross Written Premiums (EUR '000s)	Bulgaria	Czech republic	Hungary	Poland	Romania	Slovakia	Grand Total
Credit and Suretyship Insurance	-	-	453	-	-	-	453
Fire and Other Damage to Property Insurance	2,172	8,822	6,881	14,877	6,786	9,329	48,867
General Liability Insurance	2,960	10,789	12,719	17,988	3,306	5,968	53,730
Income Protection Insurance	186	10,490	7,032	6,889	223	447	25,267
Marine, Aviation and Transport Insurance	640	2,888	238	355	100	84	4,304
Medical expense insurance	309	940	3,172	3,962	391	112	8,885
Miscellaneous Financial Loss	37	829		1,068	-	35	1,969
Motor Vehicle Liability Insurance	-	608	-	565	-	-	1,173
Other Motor Insurance	1	2,928	1,734	-	-	3,619	8,282
Grand Total	**6,304**	**38,294**	**32,229**	**45,704**	**10,807**	**19,594**	**152,931**

A comparison to 2019 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	-	-	(111)	-	-	-	(111)
Fire and Other Damage to Property Insurance	(6)	(90)	(633)	1,428	(61)	510	1,149
General Liability Insurance	856	605	(588)	1,720	249	(602)	2,238
Income Protection Insurance	3	259	(1,199)	(388)	(152)	8	(1,470)
Marine, Aviation and Transport Insurance	(92)	79	73	(101)	1	(8)	(48)
Medical expense insurance	(223)	(749)	(4,387)	(1,442)	(315)	(90)	(7,207)
Miscellaneous Financial Loss	(27)	209		(981)	-	8	(792)
Motor Vehicle Liability Insurance	-	(8)	-	(95)	-	-	(102)
Other Motor Insurance	1	(112)	443	-	-	(3,564)	(3,232)
Grand Total	**511**	**193**	**(6,402)**	**140**	**(278)**	**(3,738)**	**(9,575)**

The comparison with 2019 reflects a reduction in premium for business impacted by the COVID-19 pandemic and economic fallout (Income protection, Medical Expenses and Other Motor insurance).

A.3 Investment Performance

i. Investment Performance

Since December 2018, the Company began changing its investment strategy to move away from holding 100% cash and into bonds and equities. In 2020 the company also began investing in commercial mortgages. Overall an investment loss of EUR 3.3 million was made, driven by a weakening of exchange rates in Eastern Europe compared to the Euro and also due to unrealised losses, particularly on equities.

The company's strategy is that all assets are invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. Assets are also 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 9 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 2021 (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 466 at 31 December 2020.

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

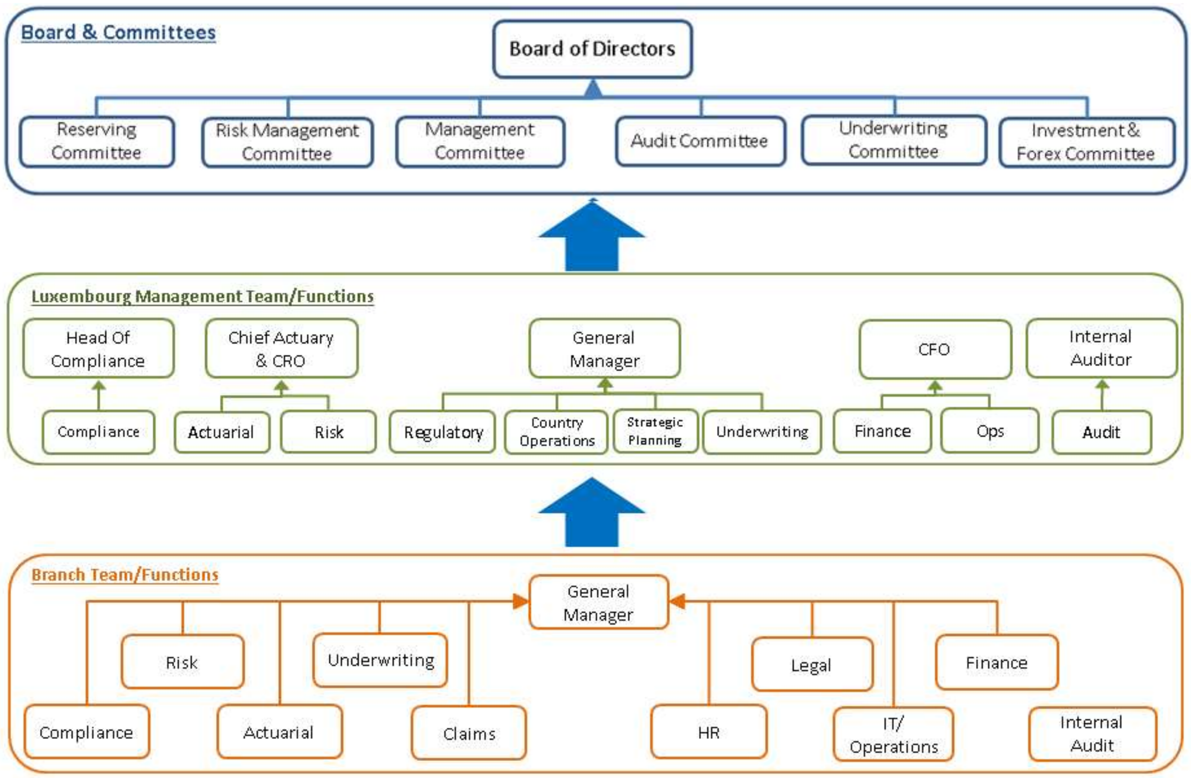
The Company has implemented a system of governance which provides for sound and prudent management. Risk management, compliance, internal audit and actuarial functions which are consistent with the needs of Company's operations are in place. The Company's directors have the skills, knowledge and expertise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

There have been no material changes in the system of governance in 2020.

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 membership of the Board of Directors is:

- 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. It has incorporated a sub-committee for product oversight and governance which oversees the Company's product development and distribution channels as well as the knowledge and ability of the branches local underwriting teams.
- 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.

In addition the company's executive leadership team, including the Luxembourg General Manager, Chief Financial Officer, Chief Risk Officer and the General Managers of each of the six branches meet at least every two weeks by teleconference/video call. At this meeting, the General Manager receives an update from the Branch Managers on operational matters. Legal and regulatory compliance matters are discussed as issues arise and any additional staff members are invited as deemed appropriate.

Furthermore a monthly call is held between the Luxembourg General Manager / Chief Financial Officer and the Branch managers to discuss the performance and development of each branch. A report from the management is presented to the Directors of the Company at each Board of Directors meeting.

Prior to the COVID-19 pandemic, face to face meetings were held in a branch location but during the pandemic, additional teleconference/video calls are scheduled as deemed appropriate.

iii. Remuneration Policy

The Company has a remuneration policy designed to align the interests of all employees with the interests of the Company. The policy aims to promote sound and effective risk management and is therefore designed to discourage risk-taking that breaches risk appetite for individual risks or threatens Colonnade's capital adequacy. The remuneration and the other terms of employment is designed to be competitive in order to ensure that the Company can attract and retain competent executives.

Remuneration typically consists of fixed components (such as salary) and variable components (such as bonuses). Fixed components make up a sizeable proportion of the overall compensation and variable components are usually set on a discretionary basis. Where this is considered appropriate and necessary, the policy requires that part of variable components are deferred for a period. Variable compensation depends on individual and the Company's performance. The variable part of remuneration of the key functions (Actuarial, Risk, Compliance and Internal Audit) is independent from the performance of the operational units and areas that are submitted to their review.

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 has introduced policies and procedures around ensuring the good repute and appropriateness of knowledge and ability of our customer-facing employees who are directly involved in the distribution of our products. A listing of all persons falling within these particular requirements is centrally maintained and professional training requirements and completion are centrally monitored.

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. This includes 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 and reinsurance 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 key 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 sufficiently material.

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 Management, 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.

An annual report was prepared which summarised the outputs of the ORSA process and which covered the three-year period to 31 December 2023. This report was approved by the Board of Directors and was submitted to the CAA in December 2020.

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 a quarterly basis, 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.

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 annually by the Audit Committee and the Board. 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 is 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 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 and any other required support to the Company.

Concerning the claims handling function, and more particular the assistance services under our travel and health covers, these are outsourced to an external assistance provider in all our branches with the exception of travel in Hungary.

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. A summary by Solvency II line of business and branch is in section A.2 ("*Underwriting Performance*").

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 110.3 million (which are in addition to a gross unearned premium reserve amounting to EUR 70.6 million) in the Luxembourg GAAP financial statements at 31 December 2020.

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 quarterly. 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 2020, the Company's investment portfolio comprised cash (EUR 54.2 million), bonds (EUR 124.2 million), Collective Investment Undertakings (EUR 22.3 million), mortgages (EUR 1.5 million) and an investment in a subsidiary, TIG (Bermuda) Ltd., recorded at EUR 0.8 million. The Company's market risk exposure mainly resulted from currency risk exposure (given that the Company undertakes business in multiple currencies) and equity risk, with interest rate, spread and concentration risks in addition.

The market risk management policy covers the various market risks. For example, 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, are monitored to assess the appropriateness and riskiness of market risk exposures.

The Investment and Foreign Exchange Committee reviews and oversees market risks, including ensuring that the investments made are in accordance with the Company's risk appetite and investment policy, which is consistent with the 'prudent person principle'. For example, the net exposure to currencies is measured in the KRIs and reported regularly to the Investment and Foreign Exchange Committee.

During 2021 the investment portfolio is expected to continue evolve to include more assets such as mortgages and equities. This risk is being overseen by the Investment and Foreign Exchange 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 2020, the Company's largest balance sheet exposure to reinsurers is with AIG, rated A2 by Moody's.

The Company's premium debtors arising from direct insurance and reinsurance operations are EUR 32.2 million and EUR 6.0 million respectively as at 31 December 2020. 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 2020, the Company has an exposure to credit risk in relation to cash held with credit institutions (EUR 54.2 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 2020 (EUR 54.2 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 13.5 million at 31 December 2020.

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, a 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 predominantly 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

In 2020 the Company commenced the Colonnade Transformation program, Project Phoenix. The goal of the program is to transform Colonnade to a modern insurance company that addresses the customer needs in our rapidly changing environment. It is anticipated that this project will positively impact the operational capability of the Company and therefore change both the operational risk profile as well as our ability to support customers through insurance.

In addition, the company's risk profile was impacted by the COVID-19 pandemic as detailed elsewhere in this report.

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 featured 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 own funds to absorb the losses under each scenario considered and remain viable.

C.7 Other information

The Risk Management Committee, including the Chief Risk Officer, monitor the company's risk profile, including KRIs as set out int the RMF. This includes monitoring where they are supported by risk mitigation methods, such as reinsurance, and their continued effectiveness.

D. Valuation for solvency purposes

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

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

Balance sheet as at 31 December 2020 (EUR'000)	Lux GAAP	Solvency II	Difference
Assets			
Subscribed, uncalled and unpaid capital	-	-	-
Deferred acquisition costs	16,765.0	-	(16,765.0)
Intangible assets	3,091.1	-	(3,091.1)
Deferred tax assets	-	3,731.8	3,731.8
Holdings in related undertakings, including participations	828.8	828.8	-
Reinsurance recoverables	37,486.1	14,068.1	(23,418.0)
Insurance, reinsurance and intermediaries receivables	38,204.8	8,171.9	(30,032.9)
Cash and cash equivalents	54,230.5	54,230.5	-
Bonds	124,218.7	125,329.0	1,110.3
Other Loans and Mortgages	1,499.1	1,502.4	3.3
Collective Investments Undertakings	22,299.4	22,299.4	-
Property, plant & equipment held for own use	1,277.5	1,277.5	-
Other assets, not elsewhere shown	8,611.6	7,498.0	(1,113.6)
Total Assets	**308,512.6**	**238,937.4**	**(69,575.2)**
Liabilities			
Technical Provisions	180,924.3	115,365.4	(65,558.9)
Insurance & intermediaries payables	14,706.2	-	(14,706.2)
Reinsurance payables	6,608.3	-	(6,608.3)
Deferred tax liabilities	-	-	-
Payables (trade, not insurance)	13,399.3	12,009.6	(1,389.7)
Total Liabilities	**215,638.1**	**127,375.1**	**(88,263.0)**
Excess of assets over liabilities	**92,874.5**	**111,562.4**	**18,687.8**

The difference between the shareholder equity in the Lux GAAP financial statements (EUR 92.9 million) and the excess of assets over liabilities on the Solvency II balance sheet (EUR 111.6 million) amounts to EUR 18.7 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 3.7 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, future due insurance and intermediary receivables are incorporated within the Solvency II technical provisions, whereas they are shown separately on the Lux GAAP balance sheet.

vi. Investments

Investments are calculated in accordance with international accounting standards, as per the Solvency II guidelines, which differs from Lux GAAP.

D.2 Technical provisions

i. Solvency II Technical Provisions as at 31 December 2020

A breakdown of the Solvency II technical provisions as at 31 December 2020 is provided below (amounts in EUR'000):

EUR'000	Best Estimate	Risk Margin	Total
Gross	104,800	10,566	**115,365**
Reinsurers' share	-14,068	0	**-14,068**
Net	**90,732**	**10,566**	**101,297**

Details of the net technical provisions by Solvency II LoB as at 31 December 2020 are as follows (amounts in EUR'000s):

Solvency II LoB	Net Best Estimate	Risk Margin	Total
Medical Expense Insurance	3,952	460	**4,412**
Income Protection Insurance	6,701	780	**7,481**
Motor Vehicle Liability Insurance	908	106	**1,014**
Other Motor Insurance	3,027	352	**3,379**
Marine, Aviation and Transport Insurance	2,019	235	**2,254**
Fire and Other Damage to Property Insurance	29,736	3,463	**33,199**
General Liability Insurance	42,184	4,912	**47,096**
Credit and Suretyship Insurance	281	33	**314**
Miscellaneous Financial Loss	1,476	172	**1,648**
Non Proportional Casualty Reinsurance	88	10	**99**
Non Proportional Property Reinsurance	360	42	**402**
Total	**90,732**	**10,566**	**101,297**

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 2020 is shown below (amounts in EUR'000s):

Solvency II LoB	Net Insurance Liabilities	Reclassification Adjustments	Solvency II Basis Change	Solvency II TPs
Medical Expense Insurance	5,350	-499	-439	**4,412**
Income Protection Insurance	10,097	-1,315	-1,301	**7,481**
Motor Vehicle Liability Insurance	1,269	-291	36	**1,014**
Other Motor Insurance	29,842	-18,976	-7,486	**3,379**
Marine, Aviation and Transport Insurance	2,966	-579	-133	**2,254**
Fire and Other Damage to Property Insurance	42,467	-9,628	360	**33,199**
General Liability Insurance	59,934	-4,834	-8,003	**47,096**
Credit and Suretyship Insurance	72	270	-28	**314**
Miscellaneous Financial Loss	5,458	-2,779	-1,031	**1,648**
Non Proportional Casualty Reinsurance	146	-34	-14	**99**
Non Proportional Property Reinsurance	544	-134	-8	**402**
Total	**158,144**	**-38,800**	**-18,047**	**101,297**

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 historic 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 or assumptions 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 adjustments** - 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. Also, any additional reserves set by the management on a GAAP basis are removed, in line with the Solvency II rules.
- **Discounting** - the impact of discounting using yield curves provided by EIOPA as at 31 December 2020.
- **Risk Margin** – the load required for the Risk Margin as at 31 December 2020.

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 LuxGAAP 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 management 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.

Aligned to the process for the ORSA described in section B.3.1v ("*Own Risk and Solvency Assessment")*. The company performs capital assessments over a 3-year time horizon on an annual basis to ensure the company is very adequately capitalised in the medium term. The objectives, process and policy have not materially changed in 2020.

ii. Capital requirements

With effect from 1 January 2016, the Solvency II regime 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 111.6 million at year end 2020) 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 2020).

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).

Deferred taxes are calculated in accordance with international financial reporting standards, for the purposes of valuing the balance sheet. The SCR has not been adjusted for the loss absorbing capacity of technical provisions.

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 2020.

EUR'000	31/12/2020	31/12/2019
Lux GAAP shareholders' equity	**92,875**	**85,266**
Intangibles	-3,091	-3,733
Net Deferred Tax Assets	3,732	3,632
Revaluation of Non-Life reserves	18,047	18,628
Solvency II Available Own Funds	**111,562**	**103,793**

The composition of the Company's Solvency II Available Own Funds at 31 December 2020 is set out in the following section.

iv. Own Funds structure as at 31 December 2020

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
Subscribed capital	9,500			9,500
Share premium account	94,876			94,876
Net Deferred Tax Assets			3,732	3,732
Reconciliation reserve	3,454			3,454
Total Own Funds	**107,831**	**0**	**3,732**	**111,562**

The Company's subscribed capital and share premium 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	111,562
Less:	
Subscribed Capital	-9,500
Share Premium	-94,876
Net Deferred Tax Assets	-3,732
Reconciliation Reserve	**3,454**

v. Eligible Own Funds at 31 December 2020

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**	**111,562**	107,831	0	3,732
Total eligible own funds to meet the **MCR**	**107,831**	107,831	0	0

EUR 107.8 million (97%) of the company's eligible own funds are unrestricted tier 1 capital. This consists of the Company's subscribed capital, share premium and the reconciliation reserve. The approach to classifying Own Funds by tier has remained consistent during 2020 with only Net Deferred Tax Assets classified as Tier 3 and the remainder as Tier 1.

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 2020.

Metric	EUR'000
SCR	60,506
MCR	21,262
Capital available for SCR	111,562
Capital available for MCR	107,831
Ratio SCR	**184%**
Ratio MCR	**507%**

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	38,110
Life underwriting risk	0
Health underwriting risk	10,552
Market risk	15,204
Counterparty default risk	14,533
Diversification	-22,569
Basic Solvency Capital Requirement	**55,830**
Operational risk	4,676
Solvency Capital Requirement ("SCR")	**60,506**

As at 31 December 2020, 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 2021. Reserve risk, based on the claims provisions within the technical provisions is also a major component. Also included within non-life underwriting risk is a catastrophe risk charge which relates primarily to natural catastrophe exposures (flood, earthquake, windstorm and hail).

The next most significant component of the SCR is market risk. Market risk mainly results from currency risk exposure (given that the Company undertakes business in multiple currencies), equity risk, with additional interest rate, spread and concentration risks.

The subsequent 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 health underwriting risk and operational risk. Health underwriting risk mainly relates to the Medical Expenses and Income Protection Solvency II lines of business.

The Minimum Capital Requirement at 31 December 2020 is EUR 21.3 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 forwards.

Colonnade Insurance S.A.

Solvency and Financial Condition Report

Disclosures

31 December

2020

(Monetary amounts in EUR thousands)

General information

Undertaking name	Colonnade Insurance S.A.
Undertaking identification code	222100IUSAKCDAYTMX08
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	LU
Language of reporting	en
Reporting reference date	31 December 2020
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

S.05.01.02 - Premiums, claims and expenses by line of business

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	3,732
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	1,277
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	148,457
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	829
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	125,329
R0140	*Government Bonds*	76,774
R0150	*Corporate Bonds*	48,555
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	22,299
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	1,502
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	1,502
R0270	Reinsurance recoverables from:	14,068
R0280	*Non-life and health similar to non-life*	14,068
R0290	*Non-life excluding health*	14,318
R0300	*Health similar to non-life*	-250
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	8,172
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	54,231
R0420	Any other assets, not elsewhere shown	7,498
R0500	**Total assets**	238,937

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	115,365
R0520	*Technical provisions - non-life (excluding health)*	103,723
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	94,398
R0550	*Risk margin*	9,325
R0560	*Technical provisions - health (similar to non-life)*	11,642
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	10,402
R0590	*Risk margin*	1,240
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	12,010
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	127,375
R1000	**Excess of assets over liabilities**	111,562

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	8,885	25,244		1,173	7,791	4,302	44,055	51,025	453			1,969					144,896
R0120	Gross - Proportional reinsurance accepted	0	23		0	491	3	4,251	2,551	0			0					7,318
R0130	Gross - Non-proportional reinsurance accepted													0	155	0	561	717
R0140	Reinsurers' share	46	123		61	-1	406	16,527	11,105	233			0	0	11	0	62	28,574
R0200	Net	8,840	25,144		1,111	8,282	3,898	31,779	42,470	219			1,969	0	144	0	499	124,357
	Premiums earned																	
R0210	Gross - Direct Business	9,855	26,547		1,174	9,892	4,465	44,433	50,813	460			2,770					150,410
R0220	Gross - Proportional reinsurance accepted	-159	-69		0	341	-23	2,740	1,848	0			566					5,244
R0230	Gross - Non-proportional reinsurance accepted													0	52	0	134	185
R0240	Reinsurers' share	46	123		62	0	448	16,361	12,409	235			0	0	0	0	0	29,683
R0300	Net	9,650	26,355		1,113	10,234	3,994	30,812	40,252	225			3,336	0	52	0	134	126,156
	Claims incurred																	
R0310	Gross - Direct Business	2,557	5,900		474	2,430	862	14,909	24,917	532			497					53,078
R0320	Gross - Proportional reinsurance accepted	-18	-37		-6	145	8	2,025	1,440	0			49					3,606
R0330	Gross - Non-proportional reinsurance accepted													0	54	0	179	232
R0340	Reinsurers' share	0	0		0	0	-225	3,608	9,355	340			0	0	0	0	0	13,079
R0400	Net	2,538	5,863		469	2,575	1,095	13,325	17,002	192			547	0	54	0	179	43,838
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	0	0		0	0	0	0	0	0			0	0	0	0	0	0
R0550	**Expenses incurred**	8,855	14,915		626	6,744	1,820	15,158	18,283	28			2,821	0	52	0	168	69,472
R1200	**Other expenses**																	924
R1300	**Total expenses**																	70,396

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			CZ	HU	PL	RO	SK	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		36,168	31,494	43,566	10,541	17,284	139,053
R0120	Gross - Proportional reinsurance accepted		2,126	19	2,137	265	2,309	6,857
R0130	Gross - Non-proportional reinsurance accepted		0	717	0	0	0	717
R0140	Reinsurers' share		5,455	3,984	11,984	3,977	1,816	27,216
R0200	Net	0	32,839	28,245	33,720	6,829	17,778	119,411
	Premiums earned							
R0210	Gross - Direct Business		36,316	32,253	44,052	12,698	19,532	144,851
R0220	Gross - Proportional reinsurance accepted		1,915	477	2,498	-2,411	2,327	4,806
R0230	Gross - Non-proportional reinsurance accepted		0	185	0	0	0	185
R0240	Reinsurers' share		5,480	4,151	12,494	4,390	1,790	28,305
R0300	Net	0	32,751	28,765	34,056	5,896	20,070	121,538
	Claims incurred							
R0310	Gross - Direct Business		13,778	9,705	13,948	3,159	7,795	48,385
R0320	Gross - Proportional reinsurance accepted		1,062	-198	1,079	56	1,478	3,479
R0330	Gross - Non-proportional reinsurance accepted		0	232	0	0	0	232
R0340	Reinsurers' share		3,304	871	2,580	985	2,734	10,476
R0400	Net	0	11,536	8,868	12,447	2,230	6,539	41,620
	Changes in other technical provisions							
R0410	Gross - Direct Business		0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0430	Gross - Non-proportional reinsurance accepted		0	0	0	0	0	0
R0440	Reinsurers' share		0	0	0	0	0	0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	-258	15,885	16,903	19,894	2,650	11,933	67,007
R1200	**Other expenses**							856
R1300	**Total expenses**							67,863

S.17.01.02

Non-Life Technical Provisions

		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	208	-763	0	75	-3,140	-358	-1,323	1,077	-63		0	1,200	0	36	0	182	-2,869
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-54	-163	0	-58	0	-200	-5,105	-4,520	-2		0	0					-10,101
R0150	**Net Best Estimate of Premium Provisions**	262	-601	0	133	-3,140	-158	3,782	5,597	-61		0	1,200	0	36	0	182	7,232
	Claims provisions																	
R0160	Gross	3,662	7,295	0	813	6,016	2,767	31,939	54,296	374		0	276	0	53	0	178	107,669
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-27	-6	0	38	-150	590	5,985	17,709	32		0	0	0	0	0	0	24,169
R0250	**Net Best Estimate of Claims Provisions**	3,689	7,301	0	776	6,166	2,177	25,954	36,587	342		0	276	0	53	0	178	83,499
R0260	**Total best estimate - gross**	3,870	6,532	0	888	2,876	2,409	30,616	55,372	311		0	1,476	0	89	0	360	104,800
R0270	**Total best estimate - net**	3,952	6,701	0	908	3,027	2,019	29,736	42,184	281		0	1,476	0	88	0	360	90,732
R0280	**Risk margin**	460	780	0	106	352	235	3,463	4,912	33		0	172	0	10	0	42	10,566
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**	4,330	7,312	0	994	3,229	2,644	34,079	60,285	344		0	1,648	0	99	0	402	115,365
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	-81	-169	0	-20	-150	390	880	13,188	30		0	0	0	0	0	0	14,068
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	4,412	7,481	0	1,014	3,379	2,254	33,199	47,096	314		0	1,648	0	99	0	402	101,297

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	**Development year** 0	1	2	3	4	5	6	7	8	9	10 & +	**In Current year**	**Sum of years (cumulative)**
R0100	Prior											0	0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2012	0	0	0	0	0	0	0	0	0			0	0
R0180	2013	0	0	0	0	0	0	0	0				0	0
R0190	2014	0	0	0	0	0	0	0					0	0
R0200	2015	0	0	0	0	0	0						0	0
R0210	2016	1,131	640	2,725	1,598	1,121							1,121	7,215
R0220	2017	-7,023	13,828	4,258	2,865								2,865	13,928
R0230	2018	11,170	17,104	11,441									11,441	39,716
R0240	2019	11,393	17,068										17,068	28,461
R0250	2020	8,913											8,913	8,913
R0260												**Total**	41,409	98,233

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	**Development year** 0	1	2	3	4	5	6	7	8	9	10 & +	**Year end (discounted data)**
R0100	Prior											0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0
R0170	2012	0	0	0	0	0	0	0	0	0			0
R0180	2013	0	0	0	0	0	0	0	0				0
R0190	2014	0	0	0	0	0	0	0					0
R0200	2015	0	0	0	0	0	0						0
R0210	2016	2,335	2,045	4,161	2,243	1,387							1,396
R0220	2017	16,880	32,002	21,839	16,751								16,651
R0230	2018	40,366	35,385	24,548									24,269
R0240	2019	45,516	31,353										30,977
R0250	2020	34,719											34,375
R0260												**Total**	107,669

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	9,500	9,500		0	
R0030	Share premium account related to ordinary share capital	94,876	94,876		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	3,454	3,454			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	3,732				3,732
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	111,562	107,831	0	0	3,732
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	111,562	107,831	0	0	3,732
R0510	Total available own funds to meet the MCR	107,831	107,831	0	0	
R0540	Total eligible own funds to meet the SCR	111,562	107,831	0	0	3,732
R0550	Total eligible own funds to meet the MCR	107,831	107,831	0	0	
R0580	**SCR**	60,506				
R0600	**MCR**	21,262				
R0620	**Ratio of Eligible own funds to SCR**	184.38%				
R0640	**Ratio of Eligible own funds to MCR**	507.15%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	111,562
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	108,108
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	3,454
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	15,204		
R0020	Counterparty default risk	14,533		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	10,552		
R0050	Non-life underwriting risk	38,110		
R0060	Diversification	-22,569		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	55,830		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	4,676
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	60,506
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	60,506
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	21,262

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	3,952	8,840
R0030	Income protection insurance and proportional reinsurance	6,701	25,144
R0040	Workers' compensation insurance and proportional reinsurance		
R0050	Motor vehicle liability insurance and proportional reinsurance	908	1,111
R0060	Other motor insurance and proportional reinsurance	3,027	8,282
R0070	Marine, aviation and transport insurance and proportional reinsurance	2,019	3,898
R0080	Fire and other damage to property insurance and proportional reinsurance	29,736	31,779
R0090	General liability insurance and proportional reinsurance	42,184	42,470
R0100	Credit and suretyship insurance and proportional reinsurance	281	219
R0110	Legal expenses insurance and proportional reinsurance		
R0120	Assistance and proportional reinsurance		
R0130	Miscellaneous financial loss insurance and proportional reinsurance	1,476	1,969
R0140	Non-proportional health reinsurance		
R0150	Non-proportional casualty reinsurance	88	144
R0160	Non-proportional marine, aviation and transport reinsurance		
R0170	Non-proportional property reinsurance	360	499

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	21,262
R0310	SCR	60,506
R0320	MCR cap	27,228
R0330	MCR floor	15,126
R0340	Combined MCR	21,262
R0350	Absolute floor of the MCR	
R0400	**Minimum Capital Requirement**	21,262