UnipolRe
RIASSICURAZIONI

2019
Solvency and Financial Condition Report

Executive Summary

A Business and Performance

A.1 Business

Company Information

UnipolRe Designated Activity Company ('UnipolRe' or 'the Company' hereafter) is a reinsurance undertaking authorised by the Central Bank of Ireland under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015), to carry on Reinsurance business. The Company's registered office is The Watermarque, Ringsend Road, Dublin 4.

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is: Central Bank of Ireland, North Wall Quay, Spencer Dock, PO Box 11517, Dublin 1.

The Company's external auditor is PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

The Company is a wholly owned subsidiary of UnipolSai Assicurazioni S.p.A. based in Italy.

Qualifying Shareholders of the Company:

- Unipol Gruppo S.p.A. – Via Stalingrado 45, 40128 Bologna – 79.30%;
- UnipolSai Assicurizioni S.p.A. – Via Stalingrado 45, 40128 Bologna -100%
- UnipolSai Nederlands B.V. – Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands 100%

Subsidiaries of the Company:

- DDOR Re a.d.o. - 8 Mihajlo Pupin Blvd, 21000, Novi Sad, Serbia – 100%

Areas of Activities

UnipolRe DAC is a reinsurance company that is part of the Unipol Group. UnipolRe is domiciled in Ireland and authorized by the Central Bank of Ireland. UnipolRe was launched in 2014 as a professional reinsurer and has grown substantially in premium volumes and company structure from 2014 to date. UnipolRe is entering a new phase of the business cycle of the company focusing on consolidation of the underwriting portfolio in order to optimize return on capital allocation and strengthening relationships with clients.

UnipolRe's main portfolio of business to date has been motor business which has been written on both a proportional and non-proportional basis. The motor business has been diversified across a number of jurisdictions. The Company is seeking to diversify its lines of business with a focus on non proportional property business. The Company will consider other lines of business within the constraints of its underwriting policy and underwriting guidelines including other motor insurance, fire and other damages, non-proportional casualty and non-proportional property. UnipolRe's business model is to differentiate itself from competitors by offering a full suite of reinsurance solutions for its clients through its capital protection, product know how and building on the data and

technical knowledge at Group level, to grow and strengthen its relationship with its client base. UnipolRe's value proposition is supported by its highly technical team and cutting edge technology. This has been one of the key drivers of success for the business model to date.

The Company's cedants are predominantly based in Europe with some based in other EMEA countries. Some of these cedants have global exposures but this is ancillary to the main exposures of the treaties underwritten. The Company's main exposures are from European non life undertakings. UnipolRe will continue to leverage the expertise of its parent company particularly in the area of Telematics in order to access new business and differentiate itself from its reinsurance competitors.

Significant Events During the Year 2019

UnipolRe suffered a financial loss for the second time (2017 and 2019) as a result of the unforeseen adjustment to the UK Ogden Rate. This was a market wide event for the reinsurance industry. However, the final rate of -0.25% will bring some stability since it is now set for the next five years. As compensation, the 2020 rate increases for UK Motor XOL were higher than expected and all of UnipolRe's UK Motor XOL undertaking are actuarially forecasted to have strong profitable margins. Following four consecutive years of rapid growth, the 2020 renewal was an exercise of consolidation for the Company. UnipolRe took a disciplined approach to the renewal of many of the marginal undertaking allowing for greatly improved underwriting conditions, particularly in the UK, Turkish and Israeli markets. This was very much the case where the business relationship and influence were exceptionally strong with core clients. Furthermore, UnipolRe obtained significant increases in its signed shares with a number of these key clients. This rationalisation meant that UnipolRe declined renewal business and terminated relationships with certain select cedants in the UK, Turkey, France and Israel. The Company also continued to decline a significant amount of new business shown.

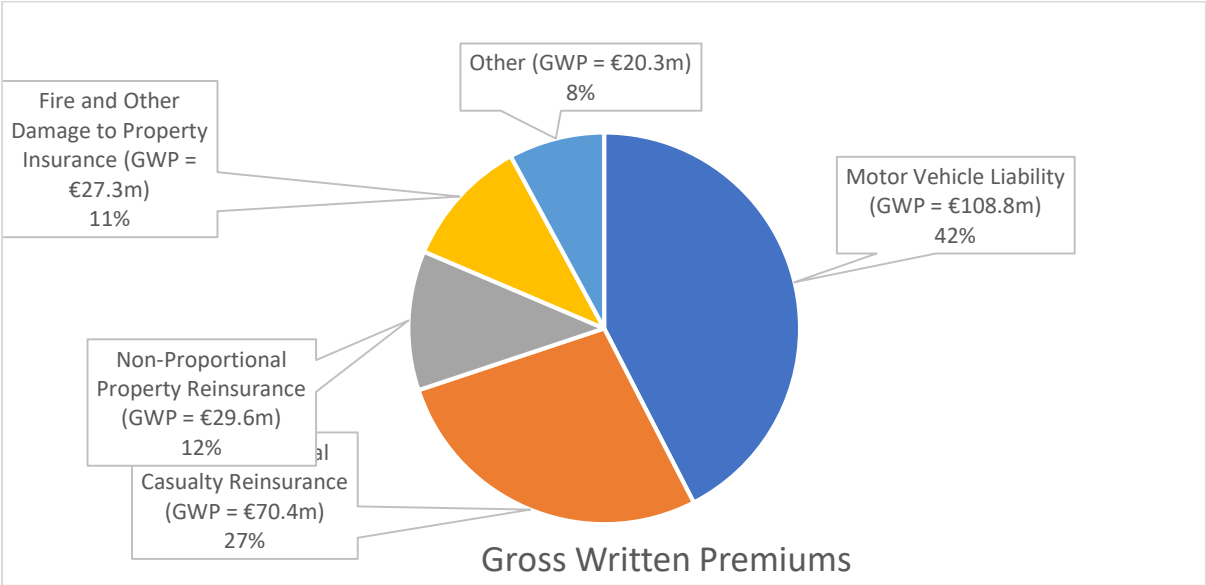
COVID-19

The main subsequent event post year end 2019 is the ongoing pandemic COVID-19. At the time of publication of the report COVID-19 is still in development across the globe. This is a potential risk for the Company. At this stage the Company has carried out a review of its portfolio and determined the risk to be low to medium low given the nature of the exposures in its underlying portfolio. The Company does write a minimal amount of life cover but these are subject to hours clauses with relatively low limits. The Company has continued to operate through the crisis with remote working in place. This has tested the BCP environment which has worked effectively thus far ensuring there is no disruption or impact on the main stakeholders.

A.2 Underwriting Performance

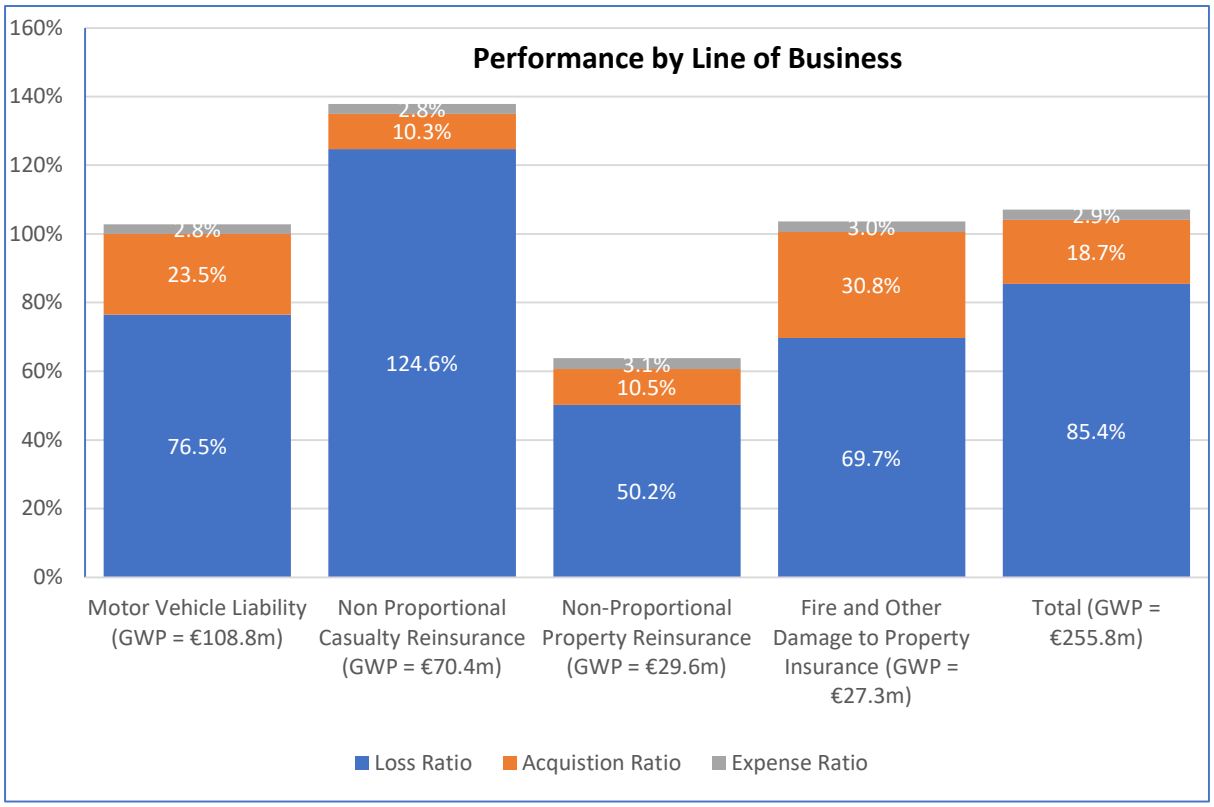
Areas of Activities

The tables and charts below shows a breakdown of the gross written premiums by lines of business, a breakdown of the performance of each line of business and the overall performance of business. This is in line with the QRT S.05.01.02 which is included in the Annexe of this report.



Non-Life GWP & Profit by Line of Business (figures in €000s)

In thousands of Euros	Gross Written Premiums	Net Earned Premiums	Net Incurred Claims	Commissions	Other Expenses	Profit by Line of Business
Motor Vehicle Liability	108,959	98,490	(75,973)	(23,165)	(3,117)	(3,683)
Non-Proportional Casualty Reinsurance	72,455	65,270	(80,685)	(6,660)	(3,452)	(25,513)
Other Motor Insurance	14,866	12,049	(9,900)	(1,468)	(406)	282
Non-Proportional Property Reinsurance	32,121	29,200	(14,392)	(3,056)	(631)	10,887
Fire and Other Damage to Property Insurance	28,111	26,306	(18,556)	(8,123)	(762)	(1,113)
Credit and Suretyship	3,877	1,402	(428)	(119)	(27)	976
Medical Expenses Insurance	1,905	1,275	(681)	(760)	(31)	(195)
Non-Proportional Health Reinsurance	424	427	(322)	(34)	(13)	58
Proportional Marine, Aviation and Transport Insurance	454	503	(413)	(122)	(17)	(51)
Non-Proportional Marine, Aviation and Transport Insurance	109	109	(108)	(11)	(4)	-14
General Liability Insurance	2,256	1,974	(473)	(419)	(76)	1,052
Miscellaneous Non-life insurance	(1,597)	1,597	(1,920)	(626)	(79)	(1,026)
Total	**263,940**	**238,603**	**(203,851)**	**(44,561)**	**(8,615)**	**(18,340)**



Overall the Company had Gross Written Premiums of €255.8m, Net Earned Premiums of €238.6m, Net Incurred Claims of €203.8m and Total Expenses of €51.6m. The main portion of the reserves are in the casualty lines of business which are still in early years of development. The non-proportional property business which on a gross basis returned a healthy profit was protected by a retrocession treaty which was in place for balance sheet protection and the long-term retrocession strategy of the company.

Geographical Areas

In relation to the geographical location of the underwriting activities during the year 2019, the following table shows the gross written premium broken down by geographic area, showing the 5 largest countries by Gross Written Premium, in line with the QRT Report S.05.02.01 annexed.

For proportional and non-proportional reinsurance information, the data relates to where the cedant is located.

Underwriting by Geographical Area - Gross Written Premium by Country

The above map represents the result of the underwriting for the first 5 countries, compared to the overall underwriting result.

As shown above the main geographical areas the Company wrote business in 2019 are France, United Kingdom, Turkey, Belgium and Greece. The Company continues to expand its geographical diversification in line with its business plan and this will continue for 2019 and in future underwriting renewals.

A.3 Investment Performance

This section shows the results of the Company's investments, broken down by asset class and type of income or expense in the period, as reported in the financial statements.

Details of income and assets and liabilities, profits and losses from trading and the investment recoveries and adjustments are reported in the following tables.

Investment Income

In thousands of Euros	**2018**	**2019**	**Percentage of Total**
Financial Income and Ordinary Capital			
Interest on Bonds	3,609	5,255	70.20%
Interests on Deposits	1	2	0.03%
Interests on Reinsurance Deposits	477	316	4.22%
Total (a)	**4,087**	**5,574**	**74.46%**
Profits on gains			
Realised and Unrealised Gains on Bonds	175	1,912	25.54%
Total (b)	**175**	**1,912**	**25.54%**
TOTAL	**4,262**	**7,486**	**100.0%**

96% of the Company's total assets are composed of bonds therefore the main driver of the investment return is the bond portfolio. This coupled with the low interest rate environment is the main driver of the investment return of the Company.

Investment Charges

In thousands of Euros	**2018**	**2019**	**Percentage of Total**
Expenses			
Interest Costs on Deposits	233	114	18.39%
Interest Costs on Reinsurance Deposits	-	**5**	0.80%
Total (a)	**233**	**119**	**19.19%**
Realised and Unrealised Losses on Bonds	-	503	80.81%
Total (b)	**-**	**503**	**80.81%**
TOTAL	**233**	**622**	**100.00%**

The main drivers of the expenses are the interest paid on reinsurance deposits and the realised and unrealised losses on the bond portfolio.

A.4 Results of Other Activities

Below are details of other significant income and expenses, which have not already been included in previous sections A.2 and A.3, that the company has incurred in the period.

Other income and expenses

In thousands of Euros	**2019**	**2018**
Other technical income	-	-
Other income	975	938
Foreign Exchange gains	7,604	368
Total Other Income	**8,579**	**1,306**

The Other Income relates to reinsurance services and administration provided to Group Companies.

In thousands of Euros	**2019**	**2018**
Other technical costs	223	68
Other costs	132	141
Foreign Exchange losses	8,011	61
Total Other Expenses	**8,366**	**270**
Deferred Tax	-	-
Current Tax	(1,148)	(674)
Income Tax Charges Total	**(1,148)**	**(674)**

B System of Governance

B.1 General information on the Governance System

B.1.1 Role and Responsibilities of the Board

The Company is classified as a Medium Low Risk firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM or Probability Risk and Impact System and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The Board of Directors is the focal point of the corporate governance system. It is ultimately accountable and responsible for the performance and conduct of the Company. Delegating authority to Board committees or management does not in any way mitigate or dissipate the discharge by the Board of Directors of its duties and responsibilities. In the case of a policy established by the Board, the Board would need to be satisfied that the policy has been implemented and that compliance has been monitored. Similarly, the Board needs to be satisfied that applicable laws and regulations have been complied with. The responsibilities of the governing body must be consistent with the rules on governance structure established in the jurisdiction.

The Board has established a sub-committee structure to assist it in performing its duties. Currently the Board has appointed an Audit Committee and a Risk Committee.

The responsibilities of the Board include (but are not limited to):

a) Setting the direction, strategies and financial objectives of the Company, supported by professional business advisors such as lawyers, tax advisers and actuaries;
b) Oversight of the Company, including its control and accountability systems;
c) Monitoring compliance with statutory and regulatory requirements;
d) Reviewing and ratifying systems of risk management and internal control;
e) Approval of Financial Statements and Report of the Directors;
f) Returns to the Central Bank of Ireland;
g) Election of Directors. Pursuant to the Articles of Association of the Company, the Directors have the power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing Directors;
h) Approval of Appointments. The Directors are responsible for ensuring that any proposed appointment to Director or to senior management meets the Central Bank's "fitness and probity" regime and that a letter of no objection is received from the Central Bank;
i) Monitoring senior management's performance and their implementation of strategies and policies;
j) Ensuring appropriate resources are available for the Company in the pursuit of its objectives;
k) Formal approval of principal Company Procedures;
l) Approval of all policies;
m) Approval of key strategic decisions such as:
    - Renewal of principal third party contracts,
    - New proposed territories/markets,
    - Mergers and Acquisitions, sale and purchase of shareholdings, etc.

The Audit Committee of the Board has been established to assist the Board of Directors in fulfilling its corporate governance and its internal control responsibilities. The Audit Committee assists the Board in discharging its responsibilities for:

- The integrity of the Company's financial statements;
- The effectiveness of the Company's internal controls;
- The Company's arrangements for its employees to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters;
- The effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system; and
- Monitoring the effectiveness, independence and objectivity of the external auditor.

The Risk Committee of the Board has been established to assist the Board of Directors of the Company in fulfilling its oversight responsibilities in relation to enterprise risk management. The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems;
- The implementation of the Company's risk strategy and maintenance thereof;
- The oversight of Solvency II developments;
- The timely reporting of material deviations from defined risk appetite; and
- Monitoring the effectiveness, independence and objectivity of the Risk function.

B.1.2 Role and Responsibilities of the Core Functions

The Head of Internal Audit is responsible for assessing the completeness, functionality, reliability and adequacy of the internal control system and risk management, checking, both on an ongoing basis and in relation to specific needs, the operation and the suitability, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritization of the main risks;

The Chief Risk Officer is responsible for identifying, measuring, assessing and monitoring on an ongoing basis the current and future risks at the individual level and aggregate to which the Company is or could be exposed, and their interdependencies;

The Compliance Officer is responsible for assessing, according to a risk-based approach, the adequacy of the procedures, processes, policies and internal organization in order to prevent the risk of non-compliance, or the risk of incurring legal or regulatory sanctions, material financial losses or reputational damage as a result of noncompliance with relevant regulations.

The Head of Actuarial Function, verifies - based on the principles of Solvency II - the adequacy of technical reserves, the reliability and sufficiency of the data used for the calculation of the same and assesses the adequacy of the global policy underwriting of risks and reinsurance agreements.

B.1.3 Remuneration Policies

The remuneration policy reflects the Company's standards of good corporate governance and it intends to incentivise sustainable long-term value creation and the avoidance of unreasonable risk taking. In addition, it ensures that:

- the Company can attract, develop and retain high-performing and motivated employees in a competitive market
- the Company is only exposed to a reasonable and predictable cost burden
- employees are offered a fair and competitive remuneration package
- employees feel encouraged to create sustainable results and understand the link between shareholder and employee interests

The CEO will implement and the Board of Directors will monitor compliance with the remuneration policy on an annual basis.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the needs of the business unit, the employee's position in the Company and professional contribution as well as reflecting market practice around total reward levels.

The remuneration components are:

- Fixed salary
- Variable component or bonus scheme
- Other benefits including pension.

The fixed remuneration is determined based on the role of the individual employee, including responsibility and job complexity, local market conditions and in keeping with the guidelines issued by the ultimate holding company of the Group.

The variable pay component or bonus scheme may arise subject to the performance of the Unipol Group, the local business that is UnipolRe as well as the individual performance of the staff member.

The defined contribution pension scheme provides the employees with a cover in the event of illness or death, and a pension payment based on the value of the funds on retirement.

The other benefits are awarded based on individual employment contracts.

B.2 Fit and Proper Requirements

The Company has adopted a Fitness and Probity Policy, which sets out the due diligence checks that must be performed in the following areas and which aligns with the Central Bank of Ireland's Guidance on Fitness and Probity Standards 2014. These include:

- Identification (copy of passport)
- Professional qualification(s)
- Continuous Professional Development
- Interview and application
- References
- Record of previous experience
- Record of experience gained outside the State
- Individual Questionnaire

The recruitment process for a candidate for a Control Function role includes the following:

- A written job description outlining the duties and responsibilities of the role;
- An assessment of the level of fitness and probity required for the role, based on the formally documented job description and person specification;
- A process (i.e. number and diversity of interviews) that matches the person with the requirements of the role;
- Verification of identity, relevant qualifications, experience, references and professional memberships.

For key Control Functions (referred to as Pre-Approved Control Functions or "PCFs"), approval from the Company's regulator is required prior to appointment by the Company's Board. Additionally, service providers annually attest to the Company in respect of fitness and probity of those who hold control function roles.

B.3 Risk Management System, Including Own Risk and Solvency Assessment

B.3.1 Risk Management System

The risk management system is the set of processes and tools used to support the risk management strategy of the Company and allows an adequate understanding of the nature and significance of the risks to which the Company is exposed. The risk management system allows the Company to have a unique perspective and a holistic approach to risk management, which is an integral part of running the business. The risk management system consists of the following areas;

- Identification of risks, which is the identification of significant risks, for instance those risks whose consequences may threaten the solvency or reputation of the Company or constitute a serious obstacle to achieving its strategic objectives;
- Current and prospective evaluation of exposure to risks (Own Risk Solvency Assessment, "ORSA"), which is carried out using methodologies provided by regulations and best practices regarding the risks for which the measurement is not regulated or defined by high-level principles;

- Monitoring of exposure to risks and reporting, - based on the principles of completeness, timeliness and effectiveness of the information - to ensure an early and continuous monitoring of the evolution of the risk profile and compliance with the defined Risk Appetite. This system ensures that the quality and quantity of the information provided are commensurate with the needs of different audiences and complexity of managed business, to be used as a strategic and operational tool for the evaluation of the possible impacts of decisions on the risk profile and solvency;
- Mitigation of risks, which consists of identifying and proposing actions and interventions necessary and / or useful to mitigate the risk levels present or prospective that are not in line with the risk objectives defined within the company.

The processes of identification, evaluation and monitoring of risks are carried out on an ongoing basis, considering both the changes in the nature and size of the business and the market environment, and in the occurrence of new risks or change of existing ones.

The risk management system is based on the logic of Enterprise Risk Management, which is based on an integrated perspective of all current and future risks to which the Group is exposed, assessing the impact these risks may have on the achievement of the strategic objectives.

To pursue these high-level goals, the approach considers the need to balance multiple instances from key stakeholders. The risk management system is designed to reflect:

- the need to safeguard net worth and reputation;
- solvency requirements;
- ratings requirements;
- the need to diversify risks and to ensure sufficient liquidity.

To implement these principles and to pursue the objectives assigned, the risk management system is based on a fundamental element: the Risk Appetite. The Risk Appetite is formalized through the Risk Appetite Statement, indicating the risk that the Company intends to take or avoid, setting the limits in terms of quantity as well as quality criteria to be considered for the management of non-quantified risks.

The Risk Appetite can be fixed as a single measure (target) or as a range of possible values (range) and is divided into quantitative and qualitative elements.

The determination of the risk appetite is divided, in quantitative terms, per the following elements:

- risk capital;
- capital adequacy;
- Liquidity / ALM (Asset Liability Management) indicators.

These are defined as objectives in terms of quality regarding non-compliance risk, strategic risks, reputational and emerging risks and operational risk.

The Risk Appetite fits within a frame of reference, the Risk Appetite Framework ("RAF"). The RAF is defined strictly in line, and in a timely connection with the business model, the strategic plan, the process called ORSA, the budget, the organization and the internal control system. The RAF defines the Risk Appetite and other components that allow the management, both in normal conditions, and under stress conditions. These components are:

- the Risk Capacity;
- the Risk Tolerance;
- the Risk Limit (or risk operating limits);
- Risk Profile.

The individual components of the RAF change as the business develops and reflects the strategic objectives of the business. The RAF supports the business in carrying out capital adequacy tests during the course of the normal business process as well as extradinary transactions including (mergers, acquisitions, sales, capital injections etc)

The Risk Management System is formalized by the Risk Management Policy, adopted by the Board of Directors and subjected to periodic updates, the last of which occurred on 12th February 2020, which defines, in reference to the perimeter of competence, the appropriate guidelines for identification, evaluation, monitoring and mitigation of risks and operational limits consistent with the defined Risk Appetite. The parent company ensures that the Risk Management Policy is implemented in a manner consistent and continuous within the entire Group.

The principles and processes of the Risk Management System as a whole are also set out in the following Company policies: "Own Risk and Solvency Assessment Policy" and "Operational Risk management policy".

In the Risk Management System, the Risk Management Department has the responsibility to identify, measure, assess and monitor on an ongoing basis the current and future risks at the individual level and aggregate to which the Company is or could be exposed, and their interdependencies. In the exercise of its role, the Risk Management Department is responsible for the design, implementation, development and maintenance of systems for measuring and controlling risks. The Risk Management Department also contributes to the spread of a risk culture throughout the Company.

B.3.2 Own Risk and Solvency Assessment (ORSA)

Through the Own Risk and Solvency Assessment, the Company intends to pursue the following objectives:

- highlight the link between the business strategy, the process of capital allocation and risk profile;
- a general overview of all the risks facing the Company and those they might be exposed in the future, and the solvency position, current and future;
- provide the Board of Directors and top management feedback on the design and effectiveness of the risk management system and highlighting any shortcomings and suggesting remedial action.

The ORSA process is achieved through:

- the measurement of capital required per current regulations and based on the requirements of Solvency II, in the latter case with the use of the Standard Formula;
- assessment of the capital adequacy of the Company, based on the results obtained above.

When setting the ORSA process, the Company was guided by the following principles:

- the ORSA, in addition to being a regulatory requirement, constitutes an internal processto support operational and strategic decisions; the ORSA and strategic planning processes are interconnected:
- the forecast within the latest Business Plan approved by the Board of Directors is the basis of the ORSA evaluation;
- the ORSA process considers all the risks that can lead to a significant reduction in the Own Funds of the Company or have impact on the ability to meet commitments towards the policyholders, in line with the Risk Management Policy. A qualitative assessment is produced for risks not included in the calculation of capital requirements under the first Pillar of Solvency II. Therefore, the assessment of these risks is substantially finalizedcompleted, not by quantification of rather than to quantify the possible loss, but rather by to verifying the effectiveness of control measures in place and the proper functioning of the management and monitoring processes.
- the ORSA process is carried out in compliance with the standards of data provided by the Standard Quality of Data Governance and Data Quality Management Policy in force, adopted by the Board of Directors.
- the current process provides for the monitoring of the indicators defined in the Risk Appetite Statement and is carried out on at least a quarterly basis and, in any case, where circumstances arise that could significantly alter the risk profile. Such circumstances are primarily attributable to events such as the sale of business branches or other extraordinary events, that provide evidence of the need to perform additional ORSA assessment compared with the standard schedule.
- the performance of ORSA and editorial activities of its report shall be initiated following the closing of the reporting period and closed within timelines consistent with the deadlines set out by supervisory regulations.

The ORSA process is an integral part of the risk management system and decision-making of the Company and therefore has close links with other core business processes such as:

- strategic planning and capital allocation;
- definition of Risk Appetite;
- monitoring and mitigation of risks.

As described above, the present evaluation, carried out on a quarterly basis at least, provides for the monitoring of the defined indicators in the Risk Appetite Statement. The Company ORSA forms part of the overall Group ORSA which is submitted to the Group Supervisory Authority IVASS and the Company's supervisory authority the CBI.

The ORSA process goes through a strict governance process involving all aspects of the Company including the business planning process, the risk management process and the capital management process. The Risk Committee plays a key part in setting and approving the material risks which form the basis of the company specific scenarios in the ORSA. The ORSA is approved by the Board of Directors where all parts of the ORSA are considered before approval including the need for any management actions.

B.4 Internal Control System

The system of internal control and risk management is a key element of the corporate governance system; it consists of a set of rules, procedures and organizational structures which aim to ensure:

- the effectiveness and efficiency of business processes;
- monitoring and mitigation of current and future risks;
- prevention of the risk that the company is involved, even unintentionally, in illegal activities, especially those related to money laundering and the financing of terrorism;
- prevention and proper management of potential conflicts of interest with Related Parties and Connected Persons, as identified by the relevant regulations;
- verifying the implementation of corporate strategies and policies;
- safeguarding the company's assets, in the medium to long term, and the management of those held on behalf of customers;
- the reliability and integrity of information provided to the corporate bodies and the market and IT systems;
- the adequacy and timeliness of business information reporting system;
- the compliance of the company and of the operations carried out on behalf of customers with the law, supervisory regulations, self-regulatory standards and internal rules.

The Company implements an articulated and efficient internal control system and risk management, considering the different applicable regulations and of the various fields of activity, consistent with the guidelines provided by the parent, with the aim of ensuring that the main risks relating to its activities are properly identified, measured, managed and controlled.

The system of internal control and risk management is an integral part of the company and must permeate all its sectors and its facilities, involving every resource, each for their own level of competence and responsibilities to ensure steady and effective risk management.

The system of internal control and risk management is defined in the Internal Control Policy approved by the Board of Directors.

The Board of Directors is responsible for the internal control system and risk management, which, in accordance with the guidelines laid down by the parent company, periodically checks itsthe adequacy and effective functioning, the systems of internal control system and risk management - and ensuring that the main business risks (current and prospective) are identified, evaluated - also prospectively - and adequately controlled. The Board of Directors is also responsible for , as well as approving an organizational structure that ensures, through an adequate and coherent articulation of the same, the separation of roles in the performance of the process activities, the traceability and visibility of the operations and the transparency of the decision-making processes involved in each of the operating processes.
The senior management team supports the Board of Directors in the design and implementation of the internal control system and risk management, including those resulting from regulatory non-compliance, consistent with the policies and the risk management policies defined by the administrative body and the guidelines set out by the parent company.

The internal control system and risk management is set per the guidelines outlined below:

- separation of duties and responsibilities: the skills and responsibilities are allocated among the functions and structures clearly, in order to avoid gaps or overlaps that may affect the business functionality;

- integrity, completeness and correctness of the data stored: the data recording system and the related reporting procedures must ensure that they have adequate information about the elements that can affect the risk profile of the company and on its solvency;
- independence of the controls: the necessary independence of the inspection structures with respect to the operating units must be ensured.

The system of internal control and risk management is regularly subjected to evaluation and review..

The internal control system and risk management are divided up into several levels:

i. line controls ("first level controls"), aimed at ensuring the proper conduct of operations. They are carried out by the operational structures (for instance hierarchical controls, systematic and random), even across different units which report to the heads of operational structures or executed as part of the back-office; as far as possible, they are incorporated in IT procedures. The operational structures are the first line responsible for the risk management process and must ensure compliance with the procedures adopted and compliance with the tolerance level established at risk;

ii. controls on risk and compliance ("second-level controls"), which aim to ensure the correct implementation of the risk management process, the implementation of activities entrusted to them by the risk management process, respect the operational limits for the various functions and compliance with corporate operations standards. The functions assigned to these controls are distinct from operational ones; they contribute to the definition of governance policies of risks and of the risk management process;

iii. internal audit ("third-level controls"), checks on completeness, functionality and adequacy of the internal control system and risk management (including the first and second level) as well as the consistency with company operations.

As part of the internal control system and risk management, the task of assessing that the organization and internal company procedures are adequate to prevent the risk of non-compliance – i.e. the risk of incurring legal or administrative sanctions, financial losses and reputational damage because of violations of laws, regulations or supervisory authority measures or self-regulation - is attributed to the Anti-Money Laundering and Compliance function. The compliance operational process is divided into the following phases:

- regulatory analysis;
- assessment of risk;
- identification of adjustments;
- monitoring;
- reporting.

B.5 Internal Audit Function

The Audit Department is responsible for assessing the completeness, functionality and adequacy of the internal control system and risk management, including through support and advisory services to other business functions. The role of Head of Internal Audit is outsourced to KPMG Ireland.

The main role of the Internal Audit Function is as follows;

- Develop and execute a comprehensive, risk-based financial, operational, and IT systems audit program, with a goal of both maximizing Company performance and control, while minimizing risk. The plan must reflect a thorough understanding of the company's business and operations, as well as the changing regulatory environment and its impact on corporate governance and internal controls.
- Continue to evolve the scope and perspective of audit so that it aligns with cross-functional business processes, rather than solely around discrete functions.
- Respond effectively to management's request for specific and/or special audit projects.
- Prepare the annual internal audit plan and submit to the Audit Committee for approval.
- Carry out the activities planned in the annual internal audit plan and report regularly to the Audit Committee
- Assist management in responding to his/her findings and recommendations;

Meet the external auditor in conjunction with the Chief Financial Officer to discuss their remit and any issues arising from the audit; this shall include, but not be limited to, the following:

- Discuss any major issues that arose during the audit;
- Consider any accounting and audit judgements;
- Review levels of errors identified during the audit.
- Review any representation letter requested by the external auditor before being signed by management; and
- Review the management letter and management's response to the auditor's findings and recommendations.
- Ensure that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:
    - a clear statement on the effectiveness of internal controls;
    - major internal (financial) control weaknesses discovered;
    - progress on the implementation of internal audit recommendations;
    - progress against plan over the previous year;
    - strategic audit plan covering the coming five years;
    - a detailed plan for the coming year.

B.6 Actuarial Function

The Head of Actuarial Function role is outsourced to Allied Risk Management. The Head of Actuarial Function works closely with the Company's Reserving Actuary.

The key responsibilities of the HoAF include:

- Co-ordination of the calculation of technical provisions. This consists of assessing the sufficiency of the provisions, assessing the uncertainty in the estimates and justifying the differences between successive periods.
- Review the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience. There is also a requirement to consider the verifiability of assumed management actions.

The HoAF is responsible for the production of the following for submission to the Board of Directors;

- Opinion on the overall Underwriting Policy
- Opinion on the adequacy of Reinsurance arrangements
- Opinion on the ORSA
- Opinion to the CBI on the adequacy of the Technical Provisions
- Actuarial Report on Technical Provisions
- Actuarial Function Report

B.7 Outsourcing

The guidelines for outsourcing are defined in the policy on outsourcing ("Outsourcing Policy") of the Group, adopted by the Board of Directors and subject to periodic updates, which governs the decision making, responsibilities, tasks and controls expected in terms of outsourcing of activities and business functions within the Unipol Group, as well as to third parties, thus strengthening the supervision of the risks arising from outsourcing choices.

The policy specifically states:

- criteria for the identification of activities to outsource;
- criteria for the qualification of activities as essential or important and important operational functions;
- constraints for outsourcing;
- the subjects of the lending service selection criteria;
- the decision-making process to outsource functions or operations;
- the minimum content of the outsourcing contracts and the logical definition of expected service levels of outsourced activities;
- the key performance indicators within the agreement with the outsourced providers.
- internal reporting mechanisms to ensure that the various corporate bodies and control functions have full knowledge and governance of risk factors related to the outsourced functions;
- guidelines to be followed in case of inadequate execution of the outsourced functions by the service provider, including those relating to contingency plans and exit strategies in case of outsourcing of functions and activities essential or important;
  communication obligations to the Supervisory Authority.

The Company considers as essential or important functions or activities, those that meet at least one of the following conditions:

i. failure to perform can seriously affect:
   a. the financial results, the strength of the Company or the continuity and quality of services rendered; or,
   b. the Company's ability to continue to comply with the requirements for the preservation of its authorization to carry or the obligations required by the applicable regulatory provisions;

ii. that regard operational processes of corporate control functions or have a significant impact on corporate risk management.

For the qualification of the activities or functions as essential or important, the economic activity importance and the volumes of the same compared to the total volumes and the degree of autonomy of the supplier in the performance of activities included in the outsourcing contract, can be considered as additional elements for assessment.

The use of outsourcing cannot:

- delegate their responsibilities or liability of corporate bodies.
- affect the quality of the internal control system and the Company's governance;
- alter the relationship and obligations towards customers;
- jeopardize their ability to fulfil their obligations under the regulatory provisions or under Company or other relevant laws.;
- outsource the underwriting of risks.

The table below is information relating to the essential or important functions or activities outsourced and the jurisdiction in which the suppliers of those functions or activities are located.

#	**Outsourced Essential or Important Activities**	**Name of the provider**	**Legal Office**
1	Investment Management	UnipolSai Assicurazioni S.p.A.	Via Stalingrado 45, 40128 Bologna. Italy
2	Head of Actuarial Function	Allied Risk	13 Fitzwilliam St Upper, Dublin 2, Ireland.
3	Head of Internal Audit	KPMG	1 Harbourmaster Place, Dublin 1, Ireland.

B.8 Other Information

The Board of Directors has assessed its corporate governance system and has concluded that it provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

C Risk Profile

C.1 Underwriting Risk

Non-Life and Health Insurance Risk

The Non-Life and Health Insurance Risk is represented within the Standard Formula, through the following risk sub-modules:

- Premium Risk: This is the risk resulting from fluctuations in the timing, frequency and severity of insured events related to contracts in force at the valuation date or that will be signed in the following year.
- Reserve Risk: This is the risk resulting from fluctuations in the timing and amount of future payments for claims already occurred at the valuation date.
- Catastrophe Risk: this is the risk of loss or adverse changes in the value of insurance liabilities due to extreme or exceptional events.
- Lapse Risk: this is the risk of early termination - on the insurer's initiative – of multi-year contracts.

The following table shows the volume measures for premium and reserve risk of Non-Life and Health. The data are reported for each of the LOB in which the Company operates.

Volume Measures for Non-Life and Health Premium Risk and Reserve Risk

Values in thousands of euro	Premium Volume	% of total	Reserve Volume	% of total
Motor Third Party Liability	155,329	39.1%	75,431	27.8%
Fire and Other Damage to Property	36,617	9.2%	17,677	6.5%
General Liability	3,547	0.9%	8,147	3.0%
Other Motor	29,051	7.3%	4,761	1.8%
Marine, Aviation and Transport	889	0.2%	653	0.2%
Credit and Suretyship	1,402	0.4%	1,804	0.7%
Miscellaneous Financial Loss	1,764	0.4%	1,062	0.4%
Non- Proportional Property Reinsurance	61,779	15.6%	19,209	7.1%
Non- Proportional Casualty Reinsurance	102,223	25.7%	140,357	51.7%
Non- Proportional Marine, Aviation and Transport	131	0.0%	117	0.0%
Medical Expenses	4,048	1.0%	1,436	0.5%
Non- Proportional Health	426	0.1%	631	0.2%
Total	**397,206**	**100.0%**	**271,285**	**100.0%**

The Total SCR for Non-Life and Health Insurance Risk module calculated using the Standard Formula as at 31 December 2019 was €234,207,863. The material change in Non-Life SCR during the period relates to the increase in business written aligned to the business plan.

Non Life and Health SCR Risk Sub Modules

Values in thousands of euro

Sub Module	2018	2019	Variation with 2018
Non Life	**201,935**	**234,208**	**32,273**
Premium and Reserve Risk	*121,468*	*166,512*	*45,044*
Non Life Lapse Risk	*4,540*	*10,485*	*5,945*
Non Life CAT	*133,721*	*127,931*	*5,790*
Health	**1,755**	**1,488**	**267**
Non Life and Health SCR	**201,938**	**234,213**	**32,275**

Risk Mitigation Techniques

The company uses retrocession as a major technique for risk mitigation.

The Company uses the impact of the retrocession agreements when calculating the volume measures for the Premium and Reserve Risk Module.

The Company used the methodology in line with the EIOPA Guidelines on the Reinsurance to assess the impact of the retrocession on the Non-Life Catastrophe Risk.

C.2 Market Risk

Market risk refers to all the risks which result in impairment of financial investments or real estate as a result of adverse developments of the relevant market variables:

Interest rate risk, the risk of a loss in value of a financial asset in the portfolio in relation to movements in market interest rates;

- Equity Risk, the risk linked to losses due to movements in share prices;
- Exchange Rate Risk, the risk of possible losses on foreign currency positions in the portfolio due to changes in exchange rates;
- Spread Risk, the risk associated to a possible increase of spreads required by the market to a debtor.
- Real Estate Risk, the risk linked to losses due to movements in property prices;
- Concentration risk: the additional risk due to limited diversification of financial asset portfolio or from high exposure to the default risk to a single issuer.

The financial portfolio at 31 December 2019 is made up of 80.4% of government bonds and 19.6% corporate bonds.

Financial Portfolio Composition

Type	Fair value	% Total exposure to TFP
Property Plant and Equipment held for Own Use	1,390	0.2%
Participations and related Undertakings	5,475	0.8%
Equities	6	0.0%
Equities Unlisted	6	0.0%
Bonds	680,567	99.0%
Government bonds	546,409	79.5%
Corporate bonds	134,159	19.5%
Total Portfolio	**1,368,012**	**100%**

All assets, in particular those covering the Minimum Capital Requirement and the Solvency Capital Requirement, are invested so as to ensure the security, quality, liquidity and profitability of the portfolio as a whole.

The following table shows the Market Risk SCR as per the Standard Formula as at 31 December 2019:

Standard Formula SCR Market Risk

Values in thousands of euro

Risk Sub Module	Market Risk SCR 2018	Market Risk SCR 2019	Variation from 2018
Interest Rate	6,838	6,984	146
Equities	1,218	1,208	12
Property	0	0	0
Spread	*5,668*	13,637	7,969
Currency	*3,714*	15,491	11,777
Concentration	11,676	0	11,676
Total SCR Market Risk	**16,320**	**25,883**	**9,563**

The change in the market risk over the period is mainly driven by an increase in concentration risk arising from an investment in a term deposit which was held in cash deposits which increased the market risk but there was an associated decrease in credit risk. There was also an increase in interest rate risk and spread risk mainly arising from the increase in the size of the overall portfolio of assets.

Mitigation Risk Techniques

The company does not adopt any risk mitigation techniques for market risk.

C.3 Credit Risk

Credit Risk (Counterparty Default Risk) identifies the risk that a debtor or guarantor from which payment is due fails to comply, fully or partially, to its financial obligation accrued to the Company. Credit risk thus reflects the potential loss due to an unexpected default of the counterparties and debtors of insurance and reinsurance companies in the next 12 months.

The methodology adopted to assess the risk of default is the Standard Formula under Solvency II. The main driver of the Counterparty Default Risk at 31 December 2019 is cash deposited with banks.

The Solvency Capital Requirement relating to credit risk as at 31 December 2019 is as follows:

Credit - Exposures

In thousands of euro

Type of Risk	Exposure	% of Total
Type 1	337,177	100.0%
Type 2	152	0.0%
Total	**337,329**	**100.0%**

Standard Formula SCR Credit

In thousands of euro

Type of Risk	SCR 2018	SCR 2019	Variation on 2018
Type 1	25,425	42,333	16,908
Type 2	34	23	(11)
Credit SCR	**25,451**	**42,350**	**16,799**

Risk Mitigation Techniques

No specific guarantees are in place to cover the exposures in the portfolio.

C.4 Liquidity risk

Gains Expected in Future Premiums

Liquidity risk is the risk of not having the cash resources necessary to meet its commitments, balance sheet and off-balance sheet, without having to suffer economic losses resulting from forced sales of assets in the event that adverse scenarios occur.

In order to assess the company's liquidity profile and its ability to meet its commitments without having to incur significant losses, even under stressful conditions, specific analysis is carried out. This analysis involves determining the liquidity gap between cash outflows and cash inflows on maturities up to 12 months, the cumulative liquidity gap and the liquidity buffer which considers any contingency instruments, both under normal conditions in situations of stress of the technical variables. The total amount of expected profits in future premiums calculated in accordance with Article 260, paragraph 2 of the Delegated Regulation (EU) 2015/35 is €24.48m.

C.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events such as fraud or the activities of service providers. Part of the operational risks, in terms of the identification and quantitative assessment are the legal risk, the risk of non-compliance and IT risk, while strategic risk and reputational risk is not included (covered in C.6).

As part of the Internal Control System and risk management, the operational risk management system facilitates the achievement of the following high-level goals:

- Avoiding exposure to operational risk is inconsistent with the defined Risk Appetite;
- Improve the overall efficiency of the processes ensuring that the potential operational risk is identified,
- Measured, controlled and operated in accordance with methodologies defined and consistent within the Group.

The Company calculates the capital requirement for operational risk in accordance with the standard formula as reported in the Delegated Regulation (EU) 2015/35.

The SCR for Operational Risk in accordance with the Standard Formula as at 31 December 2019 is €10.99m

The identification of operational risk is based on the collection of information on potential events or actual events from all relevant sources of information and classified in a coherent and coordinated way to represent and contribute to a continuous overall database on operational risk.

The identification activity consists in gathering as much information as possible about the event risk, its possible causes and effects with the aim of increasing knowledge specific exposure of the different business areas. Furthermore, this activity aims also at assessing the adequacy of controls and at identifying the best solutions for the management of any critical situations. The main method used by the Company for identifying and assessing operational risk is the risk register. This involves the compilation of a full suite of risks for each business area of the company. Where a risk falls outside of the risk tolerance approved by the Board, a mitigation must be raised and agreed with the relevant line manager.

Business Continuity is a material operational risk within the Company. i.e. the evaluation of the impacts resulting from the interruption of business processes, following the occurrence of a disaster event.

The Company has a Business Continuity Policy, which lays down the guidelines of operational continuity with the aim to minimize the impact of disaster events on the relevant services, whether they are caused by events of sectoral scope, corporate, local or extended (Business Continuity Management).

C.6 Other substantial risks

The Company also identifies as significant the following risks:

- Strategic Risks: As the company is growing and developing as a professional reinsurer it faces strategic business risks in positioning itself in the market, obtaining and maintaining its reputation in the market and ensuring that the company is in line with its business plan and risk appetite. This is closely monitored through tracking of the business plan against actual results and monitoring of the risk appetite. The Company is developing into new markets and there is a risk that full analysis of all aspects of the markets particularly in motor business have not been considered. UnipolRe relies on the full set of data provided by the cedant as well as market proxies available on each market. The Underwriters also have key knowledge of each market regularly attending market wide events in each country.
- Cyber Risk: As the company writes business in new territories and with new cedants that are exposed to new types of risks such as cyber risk. The Company does not write stand-alone cyber treaties but does have some cyber risks within its overall portfolio that can be silent within the treaty. There are a number of treaties which have specific individual limits for cyber risk within the treaty and these are tracked within the underwriting process. On an operation risk basis the Company has put in place a number of IT measures to counter cyber risks including firewalls and other mitigation methods. Penetration tests are carried out on the security measures to test them on a regular basis. The Company does not have an outward website which allows for the capture of public data therefore a quantitative cyber risk scenario was not considered within the ORSA Scenarios.
- Reputational Risks: The obtaining and maintenance of an A- rating from AM Best is a key part of the business plan of the company. There is a number of treaties with cedants which have downgrade clauses in them which would not allow UnipolRe to continue on the programme. In addition, UnipolRe would not be allowed to participate on the majority of its programmes if it falls below the current rating of A-.
- Political Risks: Three of the Company's key markets face significant political risk in the near future including the following;
    - UK (Brexit). The Company regularly reviews its Brexit exposure and from its assessment it is not a material risk. The Company is not limited from a regulatory basis to write business solely in the EEA however it is still not clear as to the position of reinsurance companies following any future agreement between the UK and the EU post Brexit.
    - Turkey (increasingly autocratic government). The Company has reduced its exposures in Turkey significantly in 2019 and again in 2020 which should limit the exposures to this type of political risk. The volatility in the fx mismatch can cause potential issues for Turkish exposures, this is closely monitored within the finance, pricing and reserving processes.
    - Israel (potential conflict with Iran). The main mitigation for this risk is that any acts of war and/or terror events in Israel are covered by a government pool and excluded from the treaties covered by UnipolRe.
- Climate Change: UnipolRe writes catastrophe cover through its non-proportional property treaties both on a per risk and per event basis. These exposures are subject to climate change where the current historical models and historical losses do not reflect the potential of future exposures.

Sensitivity Analysis

To monitor the sensitivity to risks, the Company has defined a set sensitivity analysis. The analysis of sensitivities on the main economic and financial variables of interest are carried out at least annually and used to assess the impact on the solvency ratio of the Company in the face of variations of the main risk factors.

Below is the list of sensitivities analysis carried out and their descriptions.

Sensitivities to the Interest Rate Curve

In order to analyse the impact of a shock on the interest rate curve, two sensitivity analysis on movements of the interest rate curve were carried out. These were a parallel shift up and a shift down of all yield curves (Euro and the rest of the world), shift of +50 bps and -10 bps.

Sensitivity to Bond Yields

In order to analyse the impact of a shock on bonds yields, an increase of plus 100 bps for all Government bonds and financial and corporate.

Below are the results of the sensitivity analysis carried out by the Company using the hypotheses and methodologies described above. The analyses assume, as the Central Scenario, the risk profile determined according to the Standard Formula.

Description *In thousands of Euro*	**Impact on Central Scenario**	**Impact on SCR Ratio**
Interest Rate Stress Up	+ 50 bps	+1.00%
Interest Rate Stress Down	-10 bps	0%
Bond Yield Stress	Corporate Bond Spreads + 100 bps	-2.00%
Bond Yield Stress	Government Bond Spreads + 100 bps	0%

D Valuation for Solvency Purposes

The calculation of the solvency requirement set out in the Directive is defined as the economic capital that insurance and reinsurance undertakings must hold to ensure that the event of "ruin" does not occur in more than once in 200 cases or, alternatively, that the undertakings in question will still be able, with a probability of at least 99.5%, to meet their obligations towards policy holders and beneficiaries over the following twelve months. The capital is estimated based on a balance sheet prepared on "Market Consistent" criteria. These criteria are generally based on the fair value evaluation as defined by international accounting standards (IFRS 13), determined on the following hierarchy:

i. quoted prices in active markets for the same assets and liabilities;
ii. quoted prices in active markets for similar assets and liabilities, suitably adjusted to take account of the differences with the assets and liabilities listed;
iii. evaluations derived from internal valuation models ("Mark to Model"). The data used in these models must derive as far as possible from information implicit in the market valuations of the previous points.

Consequently, the preparation of the Market Consistent Balance Sheet (MCBS) of the Company was made through the following phases:

- restatement of the individual assets and liabilities of the Company based on the classification criteria for compiling the QRT S.02.01 (Balance Sheet);
- evaluation of individual assets and liabilities under the criteria of the Regulations, in accordance, where applicable, with the assessments of the consolidated financial statements prepared in accordance with IAS / IFRS principles.

Below is the content of the QRT S.02.01.02 (MCBS) as at 31/12/2019, which contains a valuation of the assets and liabilities of the Company to market consistent values (Solvency II Value) and a consistent evaluation with that adopted by the Company to prepare its financial statements (Statutory Account value).

Market Consistent Balance Sheet (MCBS)

Assets

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**
Deferred Acquisition Costs	-	15,976
Intangible assets	-	449
Deferred tax assets	2,702	-
Property, plant and equipment held for own use	1,390	193
Investments (other than assets held for contracts index-linked and unit-linked)	686,048	684,613
Units held in related undertakings, including investments	5,474	5,130
Equities	6	6
Equities – Unlisted	6	6
Bonds	680,567	679,477
Government bonds	546,409	546,301
Corporate Bonds	134,159	133,175
Reinsurance recoverable from:	95,844	104,850
Non- life and health similar to non-life	95,844	104,850
Non-life excluding health	95,832	0
Health similar to non-life	12	0
Life and health similar to life, excluding health, linked to an index and linked to shares	0	0
Life, excluding Health, linked to an index and linked to shares	0	0
Deposits with ceding undertakings	74,271	74,271
Cash and cash equivalents	16,231	16,231
Reinsurance Receivables	30,019	117,432
All other assets not elsewhere shown	3,291	3,291
Total assets	**909,797**	**1,017,308**

Liabilities

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**
Technical reserves - non-life	444,873	516,593
Technical reserves - non-life (excluding health)	441,469	516,593
Best estimate	363,093	-
Risk Margin	78,375	-
Technical reserves - Health (similar to non-life)	3,404	-
Best estimate	3,077	-
Risk Margin	327	-
Technical reserves - Life (excluding index linked and unit linked)		1,464
Technical reserves - Life (except illness, linked to an index and linked to shares)	935	1,464
Best estimate	867	-
Risk Margin	69	-
Deposits from reinsurers	14,711	14,710
Deferred tax liabilities	-	2,219
Payables (commercial, non-insurance)	746	1,511
Reinsurance Payables	12,376	12,226
Debts owed to non-credit institutions resident domestically	1,205	
All other liabilities not reported elsewhere	3,724	2,959
Total liabilities	**478,569**	**551,682**
Surplus of assets over liabilities	**431,228**	**465,625**

Please see below comments on the differences between the two valuations

D.1 Assets

D.1.1 Evaluation Criteria

This section sets out the criteria, methods and models used by the Company for the detection and measurement of assets in MCBS.

Deferred Acquisition Costs

Deferred Acquisition Costs are set to zero under Solvency II as under a market consistency cash flow basis the deferred acquisition costs are zero.

Intangible Assets

The Regulations set out that intangible assets must be assigned a value equal to zero. Exceptions are intangible assets that can be sold separately from the rest of the Company and for which a quotation is available in an active market for similar assets. No asset of this type is held by the Company.

Financial Assets and Liabilities (Excluding Equity Investment) and Properties

The financial assets and liabilities are measured at fair value within the hierarchy set out by the Regulations. The valuation principles of fair value as adopted by the Company as part of the Unipol Group in accordance with IFRS 13 are set out below.

In accordance with IFRS 13, to determine the fair value of financial instruments, in instruments traded in an "active and liquid market", a market price is used (Mark to Market).
"Active and liquid market" means:

- the regulated market where the instrument being valued is regularly quoted and traded;
- The multilateral trading facility (MTF) where the instrument being valued is regularly traded or quoted;
- quotes and transactions performed on a regular basis, or with high-frequency transactions and with low bid / offer spread, by an authorized intermediary (the "contributor").

In the absence of the availability of prices on a liquid and active market, valuation methodologies that maximize the use of observable parameters and minimize the use of non-observable parameters are used. These methods could be summarized in Mark to Model evaluations, evaluations by the counterparty or evaluation to the book value in respect of certain categories of non-financial assets.

Equity Investments

The carrying value of equity investments[1] in MCBS is determined based on the following hierarchy:

- quoted prices in active markets for the same assets and liabilities;
- percentage held in shareholders' equity determined based on the evaluation criteria MCBS;
- percentage held in shareholders' equity determined based on international accounting standards, considering the evaluation criteria of intangible assets reported in paragraph 2.2.1;
- internal valuation models.

Deferred Taxes

The calculation of deferred taxes recognized in MCBS was made by applying the criteria identified by the International Accounting Standards (IAS 12).

Other Activities

For all other activities not included in the categories set out above, in view of its characteristics, the book value in the MCBS is consistent with the value of the specified purposes of the consolidated financial statements prepared and then by applying the relative IAS / IFRS.

D.1.2 Quantitative Information on the Valuation of Assets

[1] Equity Investments are identified by the Regulation and the Directive such as investments in entities or subsidiaries, or those for which the Company holds at least 20% of the voting rights or capital.

Intangible Assets

The Company, in line with the regulatory requirements of the Directive, for solvency purposes, does not attribute value to goodwill or other intangible assets, as a quotation on an active market for similar assets in not available.

Intangible Assets

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Deferred Acquisition Costs	-	15,976	(15,976)
Intangible assets	-	449	(449)
Total	**-**	**16,425**	**(16,425)**

Following the adjustments required for the two above items in MCBS, the Company recorded a decrease in equity resulting from the statutory financial statements of €16.42m, gross of the related tax effects.

Land Buildings and Other Tangible Assets

The land and buildings have been booked in MCBS at fair value. The measured value in the financial statements of the Company is the acquisition cost, adjusted to take account of revaluations provided for by laws, allocations of merger, or write-downs for permanent loss in value.

Tangible Assets

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Property, plant and equipment held for own use	1,390	193	1,196
Total	**1,390**	**193**	1,196

Note that, in respect of other tangible assets (eg. Equipment, plant, machinery, cars,), the book value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and significance of those assets, has been considered adequately representing the fair value. Therefore there is no difference between the two valuations.

Other Investments (Other Than Equity Investments)

As a general principle, all investments are stated at fair value as required by the Directive.
The measured value in the financial statements of the Company corresponds instead:

- in the case of investments qualified as long-term, at acquisition cost less any permanent impairment losses;
- in the case of other investments, at the lower of cost or fair value determined based on market developments.

In relation to investments consisting of deposits with financial institutions ("Deposits other than cash equivalents") and loans and mortgages ("loans & mortgages") the book value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and the significance of those assets, it was considered as adequately representing the fair value.

Other Financial Investments

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Equities	6	6	-
Equities – Unlisted	6	6	-
Bonds	680,567	679,477	1,090
Total	**680,573**	**679,483**	**1,090**

As most of the other financial investments are held at market value on the statutory balance sheet there is only a very small non material difference in the Solvency II value.

Equity Investments

The carrying value of equity investments[2] in MCBS is determined based on the following hierarchy:

- quoted prices in active markets for the same assets and liabilities;
- percentage held in shareholders' equity determined based on the evaluation criteria MCBS;
- percentage held in shareholders' equity determined based on international accounting standards, considering the evaluation criteria of intangible assets described in paragraph D.1.1;
- internal valuation models.

As UnipolRe does not have subsidiary companies whose securities are quoted in active markets, it was decided to adopt the following guidelines:

- investments in subsidiaries are valued based on the share of net assets of the associate, determined on the basis of preparation of the MCBS criteria;
- interests in associates are accounted for based on the share of net assets of the associate, determined on the basis of IFRS (less any intangible assets of the subsidiary).

These criteria differ from the valuation method of shareholdings in the financial statements of the Company. Based on local accounting standards, equity investments intended for a lasting nature must be valued at cost less any impairment losses also considered permanent.

Equity Investments

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Shares held in related undertakings, including equity investments	5,475	5,130	344

The different methods to determine the value of the equity investments, recorded an increase in MCBS compared to the statutory financial statements, gross of the related tax effect.

Deferred Taxes

[2] Equity Investments are identified by the Regulation and the Directive such as investments in entities or subsidiaries, or those for which the Company holds at least 20% of the voting rights or capital.

The calculation of deferred taxes recognized in MCBS was made by applying the criteria identified by the International Accounting Standards (IAS 12).

Deferred tax is provided on temporary differences between the carrying value of assets and liabilities in the MCBS and their value for tax purposes.

Deferred Tax Assets and Liabilities

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Deferred tax assets	2,703	-	2,703
Deferred tax liabilities	-	2,219	(2,219)
Net total	**2,703**	**2,219**	**4,922**

The differences compared to the figure recorded in the financial statements, are related to the deferred tax effect of temporary differences arising from adjustments of assets and liabilities valuations commented in paragraphs D.1, D.2 and D.3.

The Solvency II item is the tax asset generated by the change in valuation basis.

Other Assets

The following table shows the differences detected among other activities described in MCBS and the corresponding evaluations of the same, in the balance sheet.

Other Assets

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Deposits with ceding undertakings	74,271	74,271	-
Cash and equivalent to cash	16,231	16,231	-
Reinsurance Receivables	30,019	117,432	87,359
All other activities not mentioned elsewhere	3,291	3,291	-
Total	**123,812**	**211,225**	**87,359**

In relation to the other activities listed in the table above, the carrying value in the MCBS is consistent with the carrying value in the financial statements, which, given the nature and the significance of those assets, has been considered as adequately representing the fair value.

The main change relates to the reinsurance receivables balance of which part have been determined under the Delegated Acts to be part of the overall Technical Provisions.

D.2 Technical Reserves

D.2.1 Evaluation criteria

Non-Life Technical Reserves

In accordance with what is defined in the Directive, the technical reserves are determined as the sum of a best estimate (Best Estimate of Liability or BEL) and a margin for risk (Risk Margin).

The main difference in relation to the legislation applicable for the preparation of financial statements is represented by the transition from an evaluation carried out according to the principle of prudence to the adoption of a "market" evaluation. The value of technical reserves should be "*the amount an insurance or reinsurance undertaking would have to pay if it transferred immediately its rights and its contractual obligations to another company*."

The risk margin therefore signifies the risk premium or, elements for contingencies, while prudence is included in the holding of an adequate level of capital.

These principles are reflected in the adoption of a Discounted Cash Flow (DCF) method for the evaluation of BEL, the elimination of all forms of prudence (for instance an evaluation at ultimate cost for reserves for outstanding claims, inclusion of the reserves for unexpired risks and additional reserves for unearned premiums) and the inclusion - in the evaluation - of all the variables that can affect the amount of future cash flows both inwards and outwards.

BEL corresponds to the expected present value of future cash flows calculated using the relevant term structure of interest rates without risk, taking into consideration of volatility adjustment.

The Best Estimate was calculated, per the principles laid down in the legislation, net of recoveries from recognisable risk mitigation contracts by applying appropriate statistical / actuarial models.

In relation to BEL of claims reserves, the Company's Booked Reserves from its Management Accounts as at 31 December 2019 were taken as the basis for the undiscounted Best Estimate Claims Reserve with the Margin for Uncertainty deducted. As such, there are no material differences between the bases, methods and main assumptions used by that undertaking for the valuation for solvency purposes and those used for their valuation in financial statements. The above reserves are then discounted using risk free yield curve of the relevant currencies in accordance with a payment pattern that is based on the historic runoff of the book and analyses performed when pricing.

The Company considers this approach to be appropriate, given the risk profile and nature of their business. The methodology underlying the booked reserves involves reserving on a treaty by treaty basis based on the pricing loss ratios while considering actual claims experience to date. These pricing loss ratios, estimated using actuarial techniques, reflect the best estimate of ultimate cost of claims for the risks exposed in the Company's book given the limited data available and include considerations for events not in data.

An explicit allowance for expenses relating to the claims provision was made in accordance with Article 78 of the Solvency II Directive.

A portion of the payable and receivables have been included in the technical provisions as per Article 28 of the Delegated Acts. The Company has made the following assumptions in relation to how to treat these payables and receivables:

- Payables and receivables are allocated between the claims provisions and the premium provisions in accordance with type of outstanding balance involved;
- The allocation to technical provisions are those which are within credit terms.
- All other receivables and payables remain on the Solvency II balance sheet outside of technical provisions.

The BEL of premium provisions was calculated by considering all cashflows arising from the unexpired risk period of all existing contracts consistent with EIOPA's "Guidelines on contract boundaries". The cash flows consider all assets, incoming and outgoing, generated by the combination of written but not yet incepted business, future premiums, claims not yet incurred, claims handling expenses allocated and unallocated and administrative/overhead expenses in servicing those contracts.

Written but not incepted business (WBNI) are those 1 January 2020 reinsurance renewals for which contracts have been signed by the Company prior to the valuation date of 31 December 2019. They have been included in the technical provisions as part of the premium provisions as per Guideline 68 of EIOPA's "Guidelines on the valuation of technical provisions". The cash outflows relating to WBNI were estimated based on the pricing loss ratios and expenses assumptions which incorporated both expected commission ratio and all expenses incurred in servicing the related obligations as per Article 78 of the Solvency II Directive. The Company has made the following simplified assumptions, considering the proportionality principle:

- WBNI premiums are assumed to be fully received in the next 12 months;
- Expenses are to be paid in the next 12 months.
- Retrocession program relating to the WBNI businesses has been included as Future Management Actions, consistent with Article 23 of the Delegated Acts.

The risk margin as part of the technical provisions is calculated formulaically and represents the cost of holding the capital required to run-off the current portfolio. The weighted average cost of capital to be applied is prescribed at 6%. Undertakings are permitted to use simplification methods in order to calculate the risk margin as stated in Guideline 61 of EIOPA's "Guidelines on the valuation of technical provisions". The Company uses Method 2 of the simplifications in the document referred to above.

Solvency II requires the company to take into account all possible outcomes in settling its technical provisions, not just the reasonably foreseeable. This should allow for uncertainty and possibilities of events that have not occurred before within the company data or across the insurance industry. This typically involves binary events that are not part of the data available to the company within its pricing or claims data which is known as ENID or Events Not in Data.

The Company has included an allowance for ENID within its premium provisions such that a specific loading where necessary in the pricing loss ratio. Within the claims provisions the Company has including an allowance for ENID based on one of the scenarios in the ORSA.

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the prior year Technical Provisions calculations.

As with all reinsurance undertakings the Technical Provisions are subject to uncertainty. Sources of uncertainty particular to UnipolRe are as follows:

<u>Claim Provisions</u>

- Emergence of new claims, latent claims or new types of claims;

Premium Provisions

- Exposure to natural catastrophe events in Europe;
- Large events being more frequent or severe than expected.

The above risks are mitigated by a comprehensive retrocession programme. Sliding scale and profit commission structures with quota share cedants mitigates the uncertainty attaching to these contracts. Inclusion of ENID loadings as described above also ensures that the Company's Technical Provisions allow for such uncertainty. The uncertainty around the discount rate to be applied in the UK and other jurisdictions in calculating the damages payable for loss of earnings and long-term care adds additional uncertainty to the Technical Provisions. The Company is of the view that it is adequately reserved in this regard.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC. The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC. The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC. The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC

D.2.2 Quantitative information on the valuation of assets
Non-Life Technical Reserves

The value of the entry in the Non-Life Technical Reserves of the MCBS corresponds to their fair value determined on the basis of the methodologies described in the previous paragraph 2.2.4.

Below are the values of the Non-Life Technical reserves divided into Line of Business (LoB).

Segmentation of the LoB Business Non-Life Technical Reserves

In thousands of Euro	**Total Best Estimate Gross**	**Total Best Estimate Net**	**Risk Margin**	**Reinsurance Recoverables**	**Total**
Proportional Lines of Business					
Medical expense insurance	2,542	2,542	162	-	2,704
Motor vehicle liability insurance	82,985	82,802	13,049	-183	95,851
Other Motor	4,815	4,815	633	0	5,448
Marine, aviation and transport insurance	1020	715	34	-305	749
Fire and other damage to property insurance	31,314	16,556	3,160	-14758	19,716
General liability insurance	11,162	9,217	1,528	-1945	10,745
Credit and suretyship insurance	68,278	3,142	1,694	-65136	4,836
Miscellaneous financial loss	422	411	72	-10	484
Non-Proportional					0
Non-proportional health reinsurance	535	524	165	-11	689
Non-proportional casualty reinsurance	170,199	157,856	48,731	-12,343	206,587
Non-proportional marine, aviation and transport reinsurance	82	82	7	0	89
Non-proportional property reinsurance	-7,184	-8,335	9,467	-1,151	1,132
Total	**366,170**	**270,327**	**78,702**	**-95,842**	**349,030**

The table below summarizes the differences between the value measured in accordance with Solvency and evaluation for the purposes of the financial statements of the Company in non-life technical reserves (direct and indirect) net of amounts ceded to reinsurers.

Non-Life Reserves

In thousands of Euro	**Solvency II Value**	**Statutory Account Value**	**Difference**
Technical Reserves - non-life	366,170	516,593	(150,423)
Amounts recoverable from reinsurance: Non- life and health similar to non-life	95,842	104,850	(9,008)
Total	**270,328**	**411,743**	**(141,415)**

Please refer to paragraph D.2.1 for comments on the differences between the techniques for determining the non-life technical reserves for the Solvency II balance sheet and that recorded in the financial statements.

D.3 Other Liabilities

D.3.1 Evaluation Criteria

Financial Liabilities

The valuation of other financial liabilities (non-technical) fair value is determined by considering the merit of credit due to the time of issue (at inception) and not considering any subsequent changes in the merit of enterprise credit.

Other Liabilities

For all other liabilities not included in the categories set out in the previous paragraphs, taking into account its characteristics, the entry value in the MCBS is consistent with the value of the same determined for the purposes of the consolidated financial statements prepared and then by applying the IAS / IFRS of reference.

D.3.2 Quantitative information on the valuation of liabilities other than technical reserves

The following table shows the differences in other liabilities reported in the MCBS and the corresponding evaluations of the same in the balance sheet.

Other Liabilities

In thousands of Euro	Solvency II Value	Statutory Account Value	Difference
Deposits from reinsurers	14,711	14,711	-
Debts (commercial, non-insurance)	746	746	-
Reinsurance Payables	12,376	12,226	150
All other liabilities not reported elsewhere	3,724	3,724	-
Total	**31,557**	**31,407**	**150**

There is no material changes to these balances between the Solvency II values and the statutory accounts value.

D.4 Alternative Evaluation Methods

The table below shows the breakdown of valuation of the assets and liabilities recognized in MCBS, in order to identify the portions of assets and liabilities for which alternative methods of evaluation have been used, if the conditions provided by art. 10 of Regulation (lack of quoted prices in active markets for identical assets or liabilities or similar to those being valued, or other valuation methodologies defined in Articles 11 (contingent liabilities), 12 (intangible assets), 13 (holdings), 14 (financial liabilities), 15 (deferred taxes) and Chapter III (technical Reserves) of the Regulations, are met.

Alternative Evaluation Methods

In thousands of Euro	**Total**	**Of which evaluated based on prices of active markets for identical assets or liabilities or similar assets and liabilities**	**Of which evaluated based on other evaluation criteria specified in the Regulations**	**Of which evaluated using alternative methods of assessment**
Assets				
Deferred tax assets	2,703	-	2,703	-
Property, plant and equipment held for own use	1,390	-	-	1,390
Investments (other than assets held for contracts index-linked and unit-linked)	686,048	680,567	5,475	6
Shares held in investee companies, including investments	5,475	-	5,475	-
Equities	6	-	-	6
Equities - Unlisted	6	-	-	6
Bonds	680,567	680,567	-	-
Government bonds	546,409	546,409	-	-
Corporate Bonds	134,159	134,159	-	-
Reinsurance Recoverables:	95,844	-	95,844	-
Non-life and health similar to non-life	95,844	-	95,844	-
Non- life excluding health	95,832	-	95,832	-
Health similar to non - life	12	-	12	-
Life and life similar to health, excluded health, linked to an index and linked to shares	-	-	-	-
Life, excluded health, linked to an index and linked to shares	-	-	-	-
Deposits with ceding undertakings	74,271	-	-	74,271
Reinsurance Receivables	30,019	-	-	30,019
Cash and cash equivalents	16,231	-	-	16,231
All other assets not mentioned elsewhere	3,291	-	-	3,291
Total	**909,797**	**680,567**	**104,022**	**125,208**

In thousands of Euro	**Total**	**Of which evaluated based on prices of active markets for identical assets or liabilities or similar assets and liabilities**	**Of which evaluated based on other evaluation criteria specified in the Regulations**	**Of which evaluated using alternative methods of assessment**
Liabilities				
Technical reserves - non-life	444,873	-	444,873	-
Technical reserves - non-life (without health)	441,469	-	441,469	-
Best estimate	363,093	-	363,093	-
Risk Margin	78,375	-	78,375	-
Technical reserves – Health (similar to non-life)	3,404	-	3,404	-
Best estimate	3,007	-	3,077	-
Risk Margin	327	-	327	-
Technical reserves- Life (except linked to an index and linked to shares)	935	-	935	-
Best estimate	869	-	869	-
Risk Margin	68	-	68	-
Deposits from reinsurers	14,710	-	14,710	-
Debts owed to non-credit institutions resident domestically	1,205			1,205
Reinsurance Payables	12,376		12,376	
Debts (commercial, non-insurance)	746	-	746	-
All other liabilities not reported elsewhere	3,724	-	-	3,724
Total	**478,569**	**0**	**473,641**	**4,929**

Alternative methods of evaluation were used for all the assets and liabilities for which an upper hierarchy evaluation input was not available or for which other methods of assessing were not envisaged by the Regulations.

The description of the methods used and of valuation uncertainty is shown as a comment of the evaluation criteria in sections D.1.1 and D.3.1.

E Capital Management

E.1 Own funds

E.1.1 Scope

Own Funds (the "Own Funds" or "OF") represent the financial resources permanently acquired by the company and at its disposal to absorb losses and to meet the risks generated by the business.

The process of calculation of own funds eligible to cover the capital requirements (SCR and MCR) develops primarily in the determination of available own funds. These are then restated according to the eligibility criteria laid down in the Regulations, in order to get eligible own funds.

The Directive divides the Own Funds available in Basic OF and Ancillary Own Funds.

The Basic OF are constituted by the excess of assets over liabilities, measured at fair value in accordance with art. 75 of the Directive. The constituent elements are classified into 3 levels (Tier 1, Tier 2, Tier 3) based on their technical characteristics with the aim of stability and absorption of losses.

The reconciliation reserve within Tier 1 is equal to the amount which is the total surplus of assets over liabilities, reduced by the value:

- Of the own shares of the Company;
- Of expected dividends;
- Of own funds of Tier 2 and Tier 3;
- Of the elements of Tier 1 different, of course, from the reconciliation reserve itself;
- Of surplus of own funds on the notional SCR of Ring Fenced Funds.

Ancillary OF, which the Company does not have as at 31/12/2019, are based on elements, which can be called up to absorb losses.
Within this category are included:

- share capital or initial fund unpaid and uncalled;
- letters of credit and guarantees;
- any other legally binding commitments received by the company.

Such elements, whose inclusion is subject to approval by the supervisory authority, cannot be computed in the Tier 1 and are not eligible to cover the MCR.

The eligibility limits used are those established by art. 82 of the Regulations, which provides the following criteria to satisfy the solvency capital requirement (SCR):
- the proportion of Tier 1 must be at least equal to 50% of the SCR;
- the amount of the elements belonging to Tier 3 must be less than 15% of the SCR;
- the sum of the elements of Tier 2 and Tier 3 cannot be higher than 50% of the SCR.

To cover the minimum solvency capital requirement (MCR), art. 82 of the Regulation provides for more restrictive requirements:
- the share of Tier 1 capital must be at least equal to 80% of the MCR;
- the amount of the elements belonging to the Tier 2 must be less than 20% of the MCR;

Tier 3 and ancillary own funds are not allowed to cover the MCR.

Within the limits of the above subordinated liabilities belonging to Tier 1 (defined as "Tier 1 restricted") may not exceed the limit of 20% of the total of the elements of Tier 1. The elements that should be included in higher Tier levels, but more than the limits referred to above, they can be classified in the lower levels.

E.1.2 Capital Management Policy

The Company's Capital Management Policy approved by the Board of Directors sets out the Company's aim to hold Own Funds to meet its capital requirements on an ongoing basis. The capital planning process sets out the main needs of capital management, the sources of capital management if required and the roles and responsibilities in the capital management process. There were no additional Own Funds through the year. There were no distributions on Own Funds during the year including no payments of dividends. The time horizon of the Capital Management Planning Process is five years.

Based on the evaluations carried out for solvency purposes, the following tables represents the structure and the amount of OF to cover the SCR and the MCR determined for 2019.

E.1.3 Information on eligible own funds

Annual Movements of Own Funds of the Company

The table below shows the situation of the basic own funds and eligible in the Company, according to the tier level, between the 01/01/2019 and the situation at 31/12/2019.

In thousands of Euro	**Situation at 1/1/2019**	**Issues**	**Refunds**	**Adjustments for Valuation Movements**	**Adjustments for Regulatory Interventions**	**Situation at 31/12/2019**
Total own funds	435,444	-	-	(4,216)	-	431,228
Of which tier 1 unrestricted	431,998	-	-	(3,473)	-	428,525
Of which tier 1 restricted	-	-	-	-	-	-
Of which tier 2	-	-	-	-	-	-
Of which tier 3	*3,446*	-	-	*(743)*	-	*2,703*
Adjustments for eligibility limits	-	-	-	-	-	-
Of which tier 1 unrestricted	-	-	-	-	-	-
Of which tier 1 restricted		-	-	-	-	-
Of which tier 2		-	-		-	-
Of which tier 3	-	-	-	-	-	-
Total eligible own funds to cover the SCR	435,444	-	-	(4,216)	-	431,228
Of which tier 1 unrestricted	431,998	-	-	(3,473)	-	428,525
Of which tier 1 restricted	-	-	-	-	-	-
Of which tier 2	-	-	-	-	-	-
Of which tier 3	3,446	-	-	(743)	-	2,703

The following table shows in detail the annual movement of the core capital of the Company divided by type:

In thousands of Euro	**Situation at 1/1/2019**	**Issues**	**Refunds**	**Adjustments for valuation movements**	**Adjustments for regulatory interventions**	**Situation at 31/12/2019**
ordinary share capital paid	300,635		-	-	-	300,635
Share premium on common shares	-	-	-	-	-	-
Reconciliation Reserve	104,879	-		(3,473)		101,406
Other elements of own funds approved by the supervisory authority	26,484	-	-	-	-	26,484
Total "Tier 1 unrestricted"	431,998	-	-	**(3,473)**	-	**428,525**
ordinary share capital called but not yet paid	-	-	-	-	-	
subordinated liabilities	-	-	-	-	-	-
Total "Tier 1 restricted"	-	-	-	-	-	-
subordinated liabilities	-	-	-	-	-	-
Total "Tier 2"	-	-	-	-	-	-
subordinated liabilities	-	-	-	-	-	-
Amount net deferred tax assets	3,446	-		**(743)**		2,703
Total "Tier 3"	3,446	-	-	**(743)**	-	2,703
Total own funds	**435,444**	-	-	**(3,547)**	-	**431,228**

Composition and Characteristics of the Company Own Funds

The following are the substantive conditions underlying the individual elements of the own funds of the Company.

The **ordinary share capital** corresponds to the amount paid by the shareholders of the Company which, in the right level of stability of the same and the capacity to absorb losses, qualify as equity-type "Tier 1 unrestricted".

The reconciliation reserves, based on the provisions of art. 69 of the Regulations, is the residual amount of own funds of the Company qualifies as an element of own funds Type "Tier 1 unrestricted", which is determined by making some deductions to the amount of the difference between assets and liabilities resulting from MCBS. The table below shows the detail of the calculation of the reconciliation reserve.

Reconciliation Reserve

In thousands of Euro	**Tier 1 unrestricted**
Surplus of assets over liabilities (A)	431,228
Own shares (held directly and indirectly) (B)	-
Dividends, distributions and predictable costs (C)	-
Other Basic Own Funds Items (D)	329,822
Adjustments for restricted own funds items in respect of matching adjustment portfolios and ring fenced funds (E)	-
Reconciliation reserve (A-B-C-D-E)	**101,406**

Included within the original own funds are the amount of the paid up share capital classified as "Tier 1 unrestricted" (thousands of 428,725 Euro), and the amount of own resources which qualify as "Tier 3", corresponding to the value of deferred tax assets recognized in net MCBS (2,703 thousands of Euro), net of these shares that do not rely on future profitability (74,890 thousands of Euro).

Own Funds Eligible

The following table shows the structures and the OF to cover the SCR and the MCR, as at year end 2019:

Own Funds Available and Eligible for Coverage of the SCR

In thousands of Euros	Own funds available ("available")	Adjustments for eligibility	Own funds eligible 2019	Own funds eligible 2018
Tier 1 unrestricted	428,725	-	428,725	431,998
Tier 1 restricted	-	-	-	
Tier 2	-	-	-	
Tier 3	2,703	-	2,703	3,446
Total OF	**431,228**	**-**	**431,228**	**435,444**
Total SCR	**243,580**		**243,580**	**199,732**
Surplus / (deficiency)	**187,648**		**187,648**	**235,712**

Own Funds Available and Eligible for Coverage of the MCR

In thousands of Euros	Own funds available ("available")	Adjustments for eligibility	Own funds eligible 2019	Own funds eligible 2017
Tier 1 unrestricted	428,725	-	428,725	431,998
Tier 1 restricted	-	-	-	
Tier 2	-	-	-	
Total OF	**428,725**	**-**	**428,725**	**431,998**
Total MCR	**70,029**		**70,029**	**49,933**
Surplus / (deficiency)	**358,696**		**358,696**	**382,065**

Reconciliation with the Equity from Financial Statements

The MCBS as at 31/12/2019 closed with a surplus of assets over liabilities, amounting to €431.29m thousand compared to shareholders' equity in the financial statements of the Company on that date (the "Financial Statements") of €465.63m. This difference is due to the different evaluation of the equity components, as evidenced by the following statement of reconciliation:

Reconciliation of Equity as Financial Statements and MCBS

A	**Equity from financial statements**	**465,625**
1	Intangible Assets and DAC	-16,425
2	Other Financial Investments	344
3	Reinsurance Recoverables	-9,006
4	Other Assets	1,083
4	Non-Life Gross Reserves	71,720
5	Life Gross Reserves	529
6	Reinsurance Receivables	-87,413
7	Reinsurance Payables	-150
8	Deferred Tax	4,922
	Total Adjustments	**-34,397**
B	**Equity from MCBS**	431,228

Section D sets out the evaluation criteria adopted for the purposes of preparing the MCBS, as well as quantitative information of greater detail about the comparison with the balance of values.

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds.

E.2 Solvency Capital Requirement and the Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement and Minimum Capital Requirement at the end of the reporting period are €243.58m and €70.03m respectively.

SCR - Standard Formula

Risk Modules	**2019**	**2018**
Non-Life Insurance Risk	234,208	201,935
Health underwriting risk	1,488	1,127
Market Risks	25,883	16,319
Credit Risk	42,350	25,450
Diversification Benefit	-37,719	-24,126
BSCR	**266,210**	**220,706**
Operational Risk	10,989	7,558
ALAC DT	-33,618	-13,081
SCR Estimate - Standard Formula	**243,580**	**215,183**

The Company uses simplified calculations in relation to Article 108 and Article 111 of the Delegated Regulations.

The table below outlines the components of the MCR:

	2018	**2018**
Linear MCR	70,028,963.36	40,192,750.62
SCR	243,580,391.34	215,183,339.78
MCR cap	109,611,176.10	96,832,502.90
MCR floor	60,895,097.83	53,795,834.95
Combined MCR	70,028,963.36	53,795,834.95
Absolute floor of the MCR	7,400,000.00	7,400,000.00
Minimum Capital Requirement	70,028,963.36	53,795,834.95

E.3 Use of the Equity Risk Sub-Module based on the Length in the Calculation of the Solvency Capital Requirement

The Company is not using the sub module on the equity risk sub art. 304 for the calculation of the SCR.

E.4 Differences Between the Standard Formula and Internal Model Used

The Company calculates its Solvency Capital Requirement in accordance with the Standard Formula.

E.5 Non-Compliance with the Minimum Capital Requirements and Non-Compliance with the Solvency Capital Requirement

During the year, there were no periods in which the Company has not covered its Solvency Capital Requirement, or its Minimum Capital Requirement.

E.6 Other Information

There has been no additional material information on the Company's capital management.

F Attachments

F1. Balance Sheet (S.02.01.02)

F.2 Premiums, Claims and Expenses per LOB (S.05.01.02)

F3. Premiums Claims Expenses by Country (S.05.02.01)

F4. Life and Health STL Technical Reserves (S.12.01.02)

F5. Non-Life Technical Reserves (S.17.01.02)

F6. Non-life Insurance Claims Information (S.19.01.21)

F7. Own Funds (S.23.01.01)

F8. SCR - Undertakings for Using the Standard Formula (S.25.01.21)

F9. MCR - Only Life or Only Non-Life Insurance or reinsurance Activity (S.28.01.01)

UnipolRe DAC

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S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0.00
Deferred tax assets	**R0040**	2,702,992.92
Pension benefit surplus	**R0050**	
Property, plant & equipement held for own use	**R0060**	1,390,108.85
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	686,048,384.28
Property (other than for own use)	**R0080**	
Participations and related undertakings	**R0090**	5,474,589.96
Equities	**R0100**	6,402.00
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	6,402.00
Bonds	**R0130**	680,567,392.32
Government Bonds	**R0140**	546,408,677.74
Corporate Bonds	**R0150**	134,158,714.58
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**	95,843,560.98
Non-life and health similar to non-life	**R0280**	95,843,560.98
Non-life excluding health	**R0290**	95,831,683.07
Health similar to non-life	**R0300**	11,877.91
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**	74,270,888.35
Insurance and intermediaries receivables	**R0360**	0.00
Reinsurance receivables	**R0370**	30,018,868.81
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**	16,230,530.36
Any other assets, not elsewhere shown	**R0420**	3,291,237.68
Total assets	**R0500**	909,796,572.23
		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	444,872,543.66
Technical provisions – non-life (excluding health)	**R0520**	441,468,523.59
Technical provisions calculated as a whole	**R0530**	0.00
Best Estimate	**R0540**	363,093,461.32
Risk margin	**R0550**	78,375,062.27
Technical provisions - health (similar to non-life)	**R0560**	3,404,020.07
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	3,077,022.19
Risk margin	**R0590**	326,997.88
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	935,168.35
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**	935,168.35
Technical provisions calculated as a whole	**R0660**	0.00
Best Estimate	**R0670**	866,534.00
Risk margin	**R0680**	68,634.35
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**	14,710,536.66
Deferred tax liabilities	**R0780**	0.00
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	1,204,503.50
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	12,376,234.13
Payables (trade, not insurance)	**R0840**	745,570.23
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	3,724,006.51
Total liabilities	**R0900**	478,568,563.04
Excess of assets over liabilities	**R1000**	431,228,009.19

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

		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	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**	1,904,499.69	0.00	0.00	108,959,094.46	14,865,704.26	453,856.34	28,110,586.70	2,255,545.21	3,877,299.46	0.00	0.00	-1,596,525.21					158,830,060.91
Gross - Non-proportional reinsurance accepted	**R0130**													423,518.88	72,455,145.47	109,444.28	32,120,626.84	105,108,735.47
Reinsurers' share	**R0140**	0.00	0.00	0.00	150,000.00	0.00	0.00	761,889.98	32,262.43	2,581,646.60	0.00	0.00	0.00	10,450.00	2,045,674.62	0.00	2,509,864.33	8,091,787.96
Net	**R0200**	1,904,499.69	0.00	0.00	108,809,094.46	14,865,704.26	453,856.34	27,348,696.72	2,223,282.78	1,295,652.86	0.00	0.00	-1,596,525.21	413,068.88	70,409,470.85	109,444.28	29,610,762.51	255,847,008.42
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**	1,274,763.35	0.00	0.00	98,490,346.98	12,048,814.47	503,067.61	28,850,295.91	2,049,504.02	8,582,429.22	0.00	0.00	1,597,486.20					153,396,707.76
Gross - Non-proportional reinsurance accepted	**R0230**													437,847.23	67,351,827.38	109,444.28	32,844,611.19	100,743,730.08
Reinsurers' share	**R0240**	0.00	0.00	0.00	150,000.00	0.00	0.00	2,544,032.62	75,213.85	7,180,295.93	0.00	0.00	0.00	10,450.00	1,931,743.68	0.00	3,644,947.15	15,536,683.23
Net	**R0300**	1,274,763.35	0.00	0.00	98,340,346.98	12,048,814.47	503,067.61	26,306,263.29	1,974,290.17	1,402,133.29	0.00	0.00	1,597,486.20	427,397.23	65,420,083.70	109,444.28	29,199,664.04	238,603,754.61
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**	671,818.38	0.00	0.00	75,149,501.67	9,812,802.29	420,647.44	18,162,555.47	114,106.74	2,429,138.04	0.00	0.00	1,911,157.59					108,671,727.62
Gross - Non-proportional reinsurance accepted	**R0330**													-171,314.08	69,803,694.19	27,259.69	13,060,091.41	82,719,731.21
Reinsurers' share	**R0340**	0.00	0.00	0.00	-107,503.89	0.00	11,265.67	-183,745.36	-343,614.83	2,063,746.08	0.00	0.00	2,610.36	-490,483.72	##########	-80,000.00	-1,593,122.60	-12,460,601.68
Net	**R0400**	671,818.38	0.00	0.00	75,257,005.56	9,812,802.29	409,381.77	18,346,300.83	457,721.57	365,391.96	0.00	0.00	1,908,547.23	319,169.64	81,543,447.58	107,259.69	14,653,214.01	203,852,060.51
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**	795,266.18	0.00	0.00	25,817,555.53	1,788,734.14	135,827.77	8,905,909.21	471,154.30	355,957.85	0.00	0.00	663,015.33	46,045.71	8,623,447.97	13,999.49	3,971,987.62	51,588,901.10
Other expenses	**R1200**																	
Total expenses	**R1300**																	51,588,901.10

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	294,349.33	294,349.33
Reinsurers' share	**R1420**									
Net	**R1500**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	294,349.33	294,349.33
Premiums earned										
Gross	**R1510**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	228,991.20	228,991.20
Reinsurers' share	**R1520**									
Net	**R1600**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	228,991.20	228,991.20
Claims incurred										
Gross	**R1610**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-327,034.48	-327,034.48
Reinsurers' share	**R1620**									
Net	**R1700**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-327,034.48	-327,034.48
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105,543.42	105,543.42
Other expenses	**R2500**									
Total expenses	**R2600**									105,543.42

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Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations				
		C0010	C0020	C0020	C0020	C0020	C0020
	R0010		UNITED KINGDOM	ISRAEL	FRANCE	BELGIUM	GREECE
		C0080	C0090	C0090	C0090	C0090	C0090
Premiums written							
Gross - Direct Business	R0110						
Gross - Proportional reinsurance accepted	R0120		25,418,700.56	60,643,969.01	30,188,966.20	866,851.99	8,674,154.04
Gross - Non-proportional reinsurance accepted	R0130	1,634,721.82	67,765,388.73	988,377.34	13,638,877.80	9,690,988.69	554,897.74
Reinsurers' share	R0140		2,484,143.92	47,784.73	690,421.62	157,822.92	32,265.98
Net	R0200	1,634,721.82	90,699,945.37	61,584,561.62	43,137,422.38	10,400,017.76	9,196,785.80
Premiums earned							
Gross - Direct Business	R0210						
Gross - Proportional reinsurance accepted	R0220		12,816,618.32	54,739,225.27	39,126,381.05	900,089.02	8,457,483.13
Gross - Non-proportional reinsurance accepted	R0230	1,634,721.82	63,960,655.02	1,038,226.02	13,575,671.14	9,463,823.79	588,793.43
Reinsurers' share	R0240		1,737,586.12	73,573.05	959,430.16	224,783.84	48,435.01
Net	R0300	1,634,721.82	75,039,687.22	55,703,878.24	51,742,622.03	10,139,128.97	8,997,841.55
Claims incurred							
Gross - Direct Business	R0310						
Gross - Proportional reinsurance accepted	R0320		8,718,407.81	44,329,139.99	29,633,094.91	745,227.66	5,435,630.22
Gross - Non-proportional reinsurance accepted	R0330	1,179,076.80	75,294,642.86	630,611.90	7,097,583.19	8,979,704.43	428,776.86
Reinsurers' share	R0340						
Net	R0400	1,179,076.80	84,013,050.67	44,959,751.89	36,730,678.10	9,724,932.09	5,864,407.08
Changes in other technical provisions							
Gross - Direct Business	R0410						
Gross - Proportional reinsurance accepted	R0420						
Gross - Non- proportional reinsurance accepted	R0430						
Reinsurers'share	R0440						
Net	R0500						
Expenses incurred	R0550	163,472.22	12,384,345.73	11,290,971.56	13,516,689.55	1,287,299.33	3,428,949.28
Other expenses	R1200						
Total expenses	R1300						

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0.00	0.00			0.00			.	0.00	0.00	.			.	.	.
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	R0020	0.00	.			0.00			.	0.00	0.00	.			.	.	.
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030	0.00		0.00			0.00	.	.	866,534.00	866,534.00		.	.	.	.	.
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0.00		.			0.00	.	.	0.00	0.00		.	.	.	.	.
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	0.00		0.00			0.00	.	.	866,534.00	866,534.00		.	.	.	.	.
Risk Margin	R0100	0.00	0.00			0.00			.	68,634.35	68,634.35	.			.	.	.
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110																
Best estimate	R0120																
Risk margin	R0130																
Technical provisions - total	R0200	0.00	0.00			0.00			.	935,168.35	935,168.35	.			.	.	.

S.17.01.02

Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
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	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	1,105,479.50	0.00	.	7,370,804.49	53,746.32	61,807.49	1,871,672.58	1,198,944.36	6,732,994.28	0.00	0.00	-650,934.04	-107,530.73	14,896,390.20	-34,961.35	-27,865,566.61	4,632,846.49
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0.00	0.00	.	0.00	0.00	0.00	2,992,617.00	129,043.25	5,394,231.63	0.00	0.00	0.00	0.00	-2,602,731.66	0.00	-321,029.61	5,592,130.61
Net Best Estimate of Premium Provisions	**R0150**	1,105,479.50	0.00	.	7,370,804.49	53,746.32	61,807.49	-1,120,944.42	1,069,901.11	1,338,762.65	0.00	0.00	-650,934.04	-107,530.73	17,499,121.86	-34,961.35	-27,544,536.99	-959,284.11
Claims provisions																		
Gross	**R0160**	1,436,073.82	0.00	.	75,614,656.72	4,761,180.34	958,090.48	29,441,956.75	9,962,880.53	61,545,472.34	0.00	0.00	1,072,442.61	642,999.60	155,302,689.39	117,309.40	20,681,885.06	361,537,637.02
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0.00	0.00	.	183,487.92	0.00	304,820.69	11,765,325.01	1,816,145.60	59,741,907.55	0.00	0.00	10,009.27	11,877.91	14,945,333.86	0.00	1,472,522.57	90,251,430.37
Net Best Estimate of Claims Provisions	**R0250**	1,436,073.82	0.00	.	75,431,168.80	4,761,180.34	653,269.79	17,676,631.74	8,146,734.93	1,803,564.79	0.00	0.00	1,062,433.34	631,121.69	140,357,355.53	117,309.40	19,209,362.49	271,286,206.65
Total Best estimate - gross	**R0260**	2,541,553.32	0.00	.	82,985,461.21	4,814,926.66	1,019,897.97	31,313,629.33	11,161,824.89	68,278,466.63	0.00	0.00	421,508.56	535,468.87	170,199,079.59	82,348.04	-7,183,681.55	366,170,483.51
Total Best estimate - net	**R0270**	2,541,553.32	0.00	.	82,801,973.28	4,814,926.66	715,077.27	16,555,687.32	9,216,636.04	3,142,327.44	0.00	0.00	411,499.29	523,590.96	157,856,477.39	82,348.04	-8,335,174.50	270,326,922.54
Risk margin	**R0280**	161,929.47	0.00	.	13,049,135.09	633,216.05	33,742.91	3,159,639.99	1,528,423.83	1,693,869.53	0.00	0.00	72,366.39	165,068.41	48,730,886.62	7,233.86	9,466,548.00	78,702,060.15
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Best estimate	**R0300**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Risk margin	**R0310**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Technical provisions - total																		
Technical provisions - total	**R0320**	2,703,482.79	0.00	.	96,034,596.29	5,448,142.71	1,053,640.88	34,473,269.32	12,690,248.72	69,972,336.16	0.00	0.00	493,874.95	700,537.28	218,929,966.21	89,581.90	2,282,866.46	444,872,543.67
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0.00	0.00	.	183,487.92	0.00	304,820.69	14,757,942.01	1,945,188.85	65,136,139.19	0.00	0.00	10,009.27	11,877.91	12,342,602.19	0.00	1,151,492.95	95,843,560.98
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	2,703,482.79	0.00	.	95,851,108.37	5,448,142.71	748,820.18	19,715,327.31	10,745,059.87	4,836,196.97	0.00	0.00	483,865.69	688,659.38	206,587,364.01	89,581.90	1,131,373.51	349,028,982.69

S.19.01.21
Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											3,572,890.42	R0100	3,572,890.42	3,572,890.42
N-9	R0160	15,336,117.54	16,028,452.96	8,642,832.21	14,816,624.49	4,567,384.72	3,176,556.19	7,154,993.96	2,374,085.28	859,940.41	1,038,775.81		R0160	1,038,775.81	73,995,763.56
N-8	R0170	15,062,939.09	14,244,661.98	6,717,371.09	6,766,179.50	2,321,370.09	3,238,032.07	6,269,275.22	2,747,188.15	246,473.01			R0170	246,473.01	57,613,490.26
N-7	R0180	9,092,880.83	45,026,153.65	33,426,800.87	6,359,049.86	4,395,979.29	-1,688,260.98	2,493,873.66	1,608,636.47				R0180	1,608,636.47	100,715,113.65
N-6	R0190	8,515,378.35	7,899,338.42	2,961,053.42	1,229,373.48	1,425,504.40	1,180,904.44	741,775.25					R0190	741,775.25	23,953,327.73
N-5	R0200	120,354.92	525,899.53	577,092.95	735,975.90	217,043.72	151,042.05						R0200	151,042.05	2,327,409.07
N-4	R0210	8,596,162.48	2,874,838.02	2,603,988.10	181,293.14	669,744.96							R0210	669,744.96	14,926,026.66
N-3	R0220	8,378,918.08	5,907,636.19	2,340,036.23	1,774,067.05								R0220	1,774,067.05	18,400,657.56
N-2	R0230	13,925,860.27	11,665,960.54	8,052,364.04									R0230	8,052,364.04	33,644,184.89
N-1	R0240	5,013,773.59	30,688,978.08										R0240	30,688,978.08	35,702,751.73
N	R0250	6,911,672.54											R0250	6,911,672.54	6,911,672.54
													Total R0260	55,456,419.70	371,763,288.07

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											48,659,111.41	R0100	48,821,612.90
N-9	R0160							22,799,311.59	21,706,515.20	21,446,761.52	12,404,541.28		R0160	12,301,907.31
N-8	R0170						23,251,979.69	17,524,040.15	14,515,971.33	8,951,301.57			R0170	8,887,324.87
N-7	R0180					20,490,534.67	20,348,090.06	18,000,028.89	14,518,438.61				R0180	14,319,688.16
N-6	R0190				12,574,307.65	8,769,226.71	7,620,685.79	5,475,525.65					R0190	5,399,136.59
N-5	R0200			4,688,791.78	5,497,374.70	5,448,076.65	5,177,519.85						R0200	5,208,722.79
N-4	R0210		235,243.00	2,351,505.05	897,459.50	538,779.89							R0210	526,600.39
N-3	R0220	6,294,686.39	17,546,754.76	11,842,894.96	17,960,276.24								R0220	17,289,653.75
N-2	R0230	47,715,133.63	40,842,594.48	45,449,226.48									R0230	43,826,706.69
N-1	R0240	54,211,674.01	102,772,363.59										R0240	99,628,015.43
N	R0250	107,828,983.05											R0250	105,328,268.15
													Total R0260	361,537,637.04

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	300,635,000.00	300,635,000.00		0.00	
Share premium account related to ordinary share capital	R0030					
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	101,406,077.27	101,406,077.27			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	2,702,992.92				2,702,992.92
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	26,483,939.00	26,483,939.00	0.00	0.00	0.00
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						
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	431,228,009.19	428,525,016.27	0.00	0.00	2,702,992.92
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	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	431,228,009.19	428,525,016.27	0.00	0.00	2,702,992.92
Total available own funds to meet the MCR	R0510	428,525,016.27	428,525,016.27	0.00	0.00	
Total eligible own funds to meet the SCR	R0540	431,228,009.19	428,525,016.27	0.00	0.00	2,702,992.92
Total eligible own funds to meet the MCR	R0550	428,525,016.27	428,525,016.27	0.00	0.00	
SCR	R0580	243,580,391.34				
MCR	R0600	70,028,963.36				
Ratio of Eligible own funds to SCR	R0620	1.77				
Ratio of Eligible own funds to MCR	R0640	6.12				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	431,228,009.19
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	329,821,931.92
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	101,406,077.27
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	28,480,120.58
Total Expected profits included in future premiums (EPIFP)	R0790	28,480,120.58

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	25,883,487.21		
Counterparty default risk	R0020	42,349,886.90		
Life underwriting risk	R0030	0.00	None	
Health underwriting risk	R0040	1,487,647.17	None	
Non-life underwriting risk	R0050	234,207,863.06	None	
Diversification	R0060	-37,719,242.06		
Intangible asset risk	R0070	.		
Basic Solvency Capital Requirement	R0100	266,209,642.27		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	10,989,013.91
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	-33,618,264.84
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	.
Solvency Capital Requirement excluding capital add-on	R0200	243,580,391.34
Capital add-on already set	R0210	.
Solvency capital requirement	R0220	243,580,391.34
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 Requirement for ring fenced funds	R0420	0.00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0.00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0.00

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

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

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
MCR_{NL} Result	R0010	70,007,807.60

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expenses and proportional reinsurance	R0020	2,541,553.32	1,951,063.23
Income protection insurance and proportional reinsurance	R0030	0.00	0.00
Workers' compensation insurance and proportional reinsurance	R0040	.	.
Motor vehicle liability insurance and proportional reinsurance	R0050	82,801,973.28	108,177,842.38
Other motor insurance and proportional reinsurance	R0060	4,814,926.66	14,858,739.83
Marine, aviation and transport insurance and proportional reinsurance	R0070	715,077.27	474,342.43
Fire and other damage to property insurance and proportional reinsurance	R0080	16,555,687.32	27,537,419.33
General liability insurance and proportional reinsurance	R0090	9,216,636.04	2,254,338.20
Credit and suretyship insurance and proportional reinsurance	R0100	3,142,327.44	1,295,652.86
Legal expenses insurance and proportional reinsurance	R0110	0.00	0.00
Assistance and proportional reinsurance	R0120	0.00	0.00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	411,499.29	0.00
Non-proportional health reinsurance	R0140	523,590.96	412,156.08
Non-proportional casualty reinsurance	R0150	157,856,477.39	69,709,323.62
Non-proportional marine, aviation and transport reinsurance	R0160	82,348.04	109,444.28
Non-proportional property reinsurance	R0170	0.00	29,485,188.58

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	21,155.77

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0.00	
Obligations with profit participation - future discretionary benefits	R0220	0.00	
Index-linked and unit-linked insurance obligations	R0230	0.00	
Other life (re)insurance and health (re)insurance obligations	R0240	866,534.00	
Total capital at risk for all life (re)insurance obligations	R0250		4,226,504.00

Overall MCR calculation		C0070
Linear MCR	R0300	70,028,963.36
SCR	R0310	243,580,391.34
MCR cap	R0320	109,611,176.10
MCR floor	R0330	60,895,097.83
Combined MCR	R0340	70,028,963.36
Absolute floor of the MCR	R0350	7,400,000.00
Minimum Capital Requirement	R0400	70,028,963.36