The Solvency and Financial Condition Report for 2024

Table of contents

A. Business and Performance

A.1 Business

Barents Reinsurance S.A. ("Barents Re" or the "Company") was incorporated in the Grand-Duchy of Luxembourg on 14 January 2015 as a société anonyme under Luxembourg law. The Company is registered with the "Registre de Commerce et des Sociétés" of the Grand-Duchy of Luxembourg under the number B194011. The Company is held directly by BRM Barents S.C.A. and it is an indirect subsidiary of Barents Re Reinsurance Company, Inc ("Barents Re Cayman").

The registered office is located 14, Allée Marconi, L-2120 Luxembourg. Barents Reinsurance S.A. is under the supervision of the Commissariat aux Assurances (CAA) in Luxembourg. In addition, the UK branch is supervised in run-off by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

Their respective contact details are set out below:

Commissariat aux Assurances	Prudential Regulation Authority	Financial Conduct Authority
11, Rue Robert Stumper L-2557 Luxembourg Grand-Duché de Luxembourg	Bank of England Threadneedle Street London EC2R 8AH	12 Endeavour Square London E20 1JN

The external auditor is KPMG Audit S.à r.l. with the following address:

KPMG Audit S.à r.l.

39, Avenue John F. Kennedy

L-1855 Luxembourg

Mrs Stéphanie SMETS

Email: stephanie.smets@kpmg.lu

The important lines of business of Barents Re as of 31 December 2024 were:

- Energy, consisting of Fire and other damage to property insurance and proportional reinsurance and Marine, aviation and transport insurance and proportional reinsurance
- Non-proportional property reinsurance
- Life and health reinsurance

The 10 most important geographic areas as of 31 December 2024 were: India, Switzerland, Poland, Mexico, Japan, United Kingdom, Saudi Arabia, Bermuda, Bulgaria and France.

The subscribed capital remained at EUR 29,000,000.

AM Best has confirmed the stable outlooks and affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a" (Excellent) of Barents Re Reinsurance Company, Inc. and its affiliate, Barents Reinsurance S.A.

On 21 August 2024 Moody's confirmed the Company's A3 long-term credit rating with stable outlook, reflecting the strength of its standalone credit profile and strong explicit and implicit support by its ultimate parent, Barents Re Reinsurance Company, Inc. (Barents Re Cayman).

As noted in the Solvency and Financial Condition Report for the year ended 31 December 2023, the Company's governance arrangements and operations were significantly enhanced during 2024 following the successful implementation of a programme to strengthen its governance.

A.2 Underwriting Performance

Financial results for the year ended 31 December:

Description (in EUR'000)	2024	2023
Technical Account - Non-life Insurance Business		
Earned Premiums, Net of Reinsurance	**25,526**	**34,834**
A) Gross Premium Written	126,820	174,076
B) Outward Reinsurance Premiums	- 102,159	- 135,769
C) Change in The Gross Provision for Unearned Premiums	- 948	- 15,242
D) Change in The Gross Provision Unearned Premium, Reinsurance Share	1,814	11,769
Claims Incurred, Net of Reinsurance	**- 9,505**	**- 6,274**
A) Claims Paid	- 4,626	- 5,758
aa) Gross Amount	- 50,956	- 68,897
bb) Reinsurers' Share	46,329	63,139
B) Change in the Provision for Claims	- 4,879	- 516
aa) Gross Amount	- 92,138	- 32,536
bb) Reinsurers' Share	87,259	32,020
Net Operating Expenses	**- 30,504**	**- 35,186**
A) Acquisition Costs	- 20,257	- 27,582
B) Change In Deferred Acquisition Costs	- 662	2,186
C) Administrative Expenses	- 16,436	- 18,344
D) Reinsurance Commissions and Profit Participation	6,851	8,554
Other technical income, net of reinsurance (*)	**14,758**	**17,689**
Allocated Investment Return transferred from the non-technical account	**2,012**	**928**
A) Income from other investment	1,770	690
B) Value adjustments on Investments	242	238
Other technical charge, net of reinsurance	**- 65**	**- 120**
Other income and expenses	**524**	**- 989**
Taxes	**262**	**- 2,115**
Change in the Equalisation Provision	**- 3,008**	**- 8,767**
Profit or Loss for the Financial Year	**-**	**-**

(*) Other technical income represents 90% share of operating expense as per the QS agreement with Barents Re Reinsurance Company, Inc, in addition to other intragroup services income.

Barents Reinsurance S.A.'s underwriting performance for the year ended 31 December 2024 is set out below:

Description (in EUR'000)	2024	2023
Gross Earned Premium	**125,872**	**158,834**
Gross Ultimate Loss Ratio (%)	**114%**	**64%**
Commission Ratio (%)	**17%**	**16%**
Expense Ratio (%)	**13%**	**12%**
Combined Ratio (%)	**144%**	**92%**
Net income before equalization reserve	**3,008**	**8,767**
Profitability margin (%)	**3%**	**6%**
Return-on-equity (%)	**12%**	**30%**
Solvency ratio (%)	**179%**	**189%**

In 2024, net income before equalisation reserve was driven by the technical results.

The decrease in gross earned premium was mainly driven by the Company's decision to exit and discontinue writing business in respect of Marine Cargo, Financial Lines, Surety and Liability.

The increase in the gross ultimate loss ratio was driven by the impact of two large Energy losses and one large Property loss. However, the net impact of these large losses was mostly sheltered by the internal and external retrocession protection the Company has in place.

The increase in expense ratio was mainly driven by lower gross written premium and the impact from several projects executed during 2024 to enhance the Company's governance and operations.

The decrease in the return-on-equity ratio was mainly driven by the impact of the aforementioned three factors.

A.2.1 Analysis of underwriting performance by geographic area

The Company's underwriting performance by lines of business for the year ended 31 December 2024 is set out in the table below:

Description (in EUR'000)	Energy	Life and Health	Marine	Property	Surety	Financial Lines	Liability	Total
Gross Written Premium	68,621	39,486	1,797	7,188	3,154	926	5,647	**126,820**
Gross Earned Premium	63,589	36,500	3,348	9,772	3,804	3,259	10,046	**125,872**
Gross Claims Incurred	- 103,572	- 27,784	- 949	- 6,434	- 3,498	- 2,188	17,467	**- 143,094**
Net Claims Incurred	- 4,761	- 2,776	- 401	- 477	409	- 521	3	**- 9,505**
Gross Ultimate Loss Ratio (%)	163%	76%	28%	66%	92%	67%	-174%	**114%**
Commission Ratio (%)	14%	21%	25%	20%	41%	30%	0%	**17%**
Expense Ratio (%)	6%	8%	45%	32%	43%	51%	12%	**13%**
Combined Ratio (%)	183%	104%	99%	118%	176%	149%	-162%	**143%**

A.2.2 Analysis of underwriting performance by geographic area

Description (in EUR'000)	India	Switzerland	Poland	Mexico	Japan	Other	Total 2024
Gross written premium	27,510	15,954	10,994	8,342	7,482	56,539	**126,820**
Reinsurers' share	- 24,065	- 15,623	- 10,967	- 6,064	- 6,669	- 38,771	**- 102,159**
Net written premium	3,445	330	27	2,277	813	17,768	**24,661**
Gross Claims incurred	- 25,818	- 15,202	- 4,036	- 4,844	15,290	- 108,484	**- 143,094**
Reinsurers' share	23,398	14,070	3,779	4,415	- 15,473	103,399	**133,588**
Net claims incurred	- 2,420	- 1,132	- 257	- 429	- 183	- 5,085	**- 9,505**
Net Commission	508	626	- 153	- 1,340	- 436	- 12,563	**- 13,358**
Technical Results	1,533	- 175	- 382	508	194	120	**1,798**

A.3 Investment Performance

The composition of Barents Reinsurance S.A.'s investment portfolio is shown in the table below:

Composition (in %)	2024	2023
Bonds & other fixed income securities	**30%**	16%
- Government bonds	***28%***	*10%*
- Corporate bonds	***2%***	*6%*
Shares and other variable yield transferable securities	**1%**	1%
Deposits with credit institutions	**54%**	40%
Cash at bank and in hand	**15%**	43%

The decrease in cash at bank and in hand since 31 December 2023 was in order to fund the increase investment in government bonds and deposits with credit institutions. As a result of this the Company's income from other investments increased significantly since 2023, as disclosed in the table under section A.3.1 below.

A.3.1 Net Investment Income

The net investment income is disclosed in the table below:

Description (in EUR'000)	2024	2023
Income from other investments	**1,770**	690
Value adjustments on Investments	**242**	238

A.4 Performance of other activities

There was no other material income and expenses incurred over the reporting period.

A.5 Any other information

In the first quarter of 2024 the Company decided to discontinue writing Financial Lines, Marine Cargo and Liability business.

B. System of Governance

B.1 General information on the system of governance

The Board of Directors ("the Board") is collectively responsible for delivering the long-term success of Barents Re, and for compliance with the prevailing laws, regulations, and administrative provisions adopted pursuant to prudential regulation. Meeting at least five times a year, it operates within an established Corporate Governance Charter, under which it retains ultimate responsibility for all aspects of the Barents Re's operations. Certain matters are reserved specifically for decision by the Board, to ensure the prosperity of Barents Re by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and relevant stakeholders. Other matters are delegated to the Board's Committees, in accordance with a set of prescribed Terms of Reference, each of which is detailed within the Corporate Governance charter.

The Board and Committee structure is as below (as of 31 December 2024)

Board Membership (as of 31 December 2024)

Name	Title
Thierry Brevet	Chair and non-executive director
Ronan Davit	Independent director
Henry Chalhoub	Non-executive director
Gerardo Garcia	Non-executive director
Amandine Motte	Executive director
Réjean Besner	Executive director

In January 2023, Ronan Davit and John Harbor joined the Board as independent non-executive directors. Peter Sydenham joined the Board as an independent non-executive director in April 2023. Mr. Harbor and Mr. Sydenham resigned as directors of the Company in March 2024 and July 2024 respectively. Amandine Motte, the Company's CEO and Dirigeant Agréé became an executive director of the Company in January 2024. Réjean Besner, the Company's Dirigeant Agréé became an executive director of the Company in March 2024.

The Company has a Corporate Governance Charter that is designed to facilitate the proper functioning of the 'Three Lines of Defence' model across the entirety of the business. This model provides a recognised system of risk management and internal controls, combined with a mechanism for assessing and monitoring operational effectiveness.

B.1.1 Board

The Board is collectively responsible for the company's performance and long-term success. To carry out its responsibilities effectively, the Board retains decision making responsibility for the following key issues:

- Strategy
- Corporate Culture
- Capital Management and financing
- Financial reporting, Controls, and Investments
- Compliance, Risk Management and Internal Control Framework
- Actuarial and Reserving

B.1.2 Audit Committee

This is a Committee of the Board, whose responsibilities include the review of, and challenge to:

- Financial Reporting
- External Audit
- Internal Audit

B.1.3 Risk Committee

This is a Committee of the Board, whose responsibilities include the review of, and challenge to:

- Risk Management
- Actuarial
- Compliance

B.1.4 Remuneration and Nomination Committee

This is a Committee of the Board whose responsibilities include recommendations for:

- Board changes relating to new appointments, structure, size, and / or composition
- Succession Plans
- A performance framework and Remuneration Policy
- Compensation practice alignment with the business strategy, company objectives / corporate values

B.1.5 Executive Committee

This is a management committee responsible for management and oversight of the day-to-day business activities. The areas for which the committee has management and oversight responsibility includes:

- Financial Performance (including Investment)
- Underwriting Strategy (including Retrocession)
- All business support functions
- New business opportunities (including cedant acceptance and review)
- Actuarial and Reserving
- Information Technology Framework
- Legal & Compliance
- Environmental, Social and Governance (ESG)

The Executive Committee has furthermore oversight over the following sub-committees: Information Technology Steering Committee, ESG Committee, Counterparty Acceptance and Review Committee, Underwriting Committee and Investment Committee.

B.1.6 Solvency II Key Functions

Key functions, appointed by the Board, are one of the pillars of the organisational structure of Barents Re and contribute to the strategic objectives of the organisation, and the proper conduct of its operations. The composition, role and responsibilities and the reporting line of each function is detailed below. The appointment of the person or persons responsible for representing each function is in accordance with the principles of management of conflicts of interest, and with the fit and proper requirements.

Risk Management Function

The Risk Management Function assists the senior management and the Board of Directors in producing the risk strategy for the company, including defining risk appetites and tolerances for all the risks it faces in the normal course of its business. These Risk Appetite Statements are reviewed at least annually and a combination of monitoring, management and mitigation aims to keep the company within its limits. The Risk Management Function works with the business to identify, define and categorise the full range of risks to which Barents Re is exposed and ensures a robust risk governance structure is in place, through the companies risk policies, with clearly defined roles and responsibilities for risk taking across the business.

Compliance Function

The Compliance function's role and purpose includes the advising of senior management and the Board of Directors on compliance with applicable laws, regulations and administrative provisions. The Compliance function is responsible for assessing the adequacy of Barents Re's framework and controls to prevent non-compliance. The Compliance function exercises its duties and responsibilities under the oversight of Barents Re's Board of Directors as per the Compliance Policy and the annual Compliance plan. The Compliance function assesses the impact of any changes in the legal environment on the operations of Barents Re and ensures its compliance framework of policies and procedures is updated accordingly.

Actuarial Function

The Actuarial function is responsible for overseeing the calculation of technical provisions (including ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions). It is also responsible for assessing the sufficiency and quality of the data used in the calculation of technical provisions as well as providing opinions on the underwriting and reinsurance arrangements of Barents Re. It shall ensure that actuarial regulatory requirements are complied with.

Internal Audit Function

The Internal Audit function plays a critical role in providing independent and objective assurance to senior management and the Board of Directors regarding the effectiveness of Barents Re's governance, risk management, and internal control processes. It is responsible for evaluating the adequacy and efficiency of the company's control framework to mitigate financial, operational, and compliance risks. The Internal Audit function operates under the oversight of Barents Re's Board of Directors through its Audit Committee, in accordance with the Internal Audit Charter and the annual Audit Plan, ensuring alignment with best practices and regulatory expectations. Additionally, it assesses the impact of changes in the business, operational, and regulatory environment on Barents Re's risk landscape and ensures audit methodologies, policies, and procedures are updated accordingly to maintain effectiveness and relevance. The Internal Audit function must be aligned with the objectives and responsibilities of the Audit Committee, Board of Directors, and Executive Committee. It should be independent of any other department or position within the company, reports and takes directives to/from the Audit Committee.

B.1.7 Changes to the governance system during the reporting period

The Company separated the Audit and Risk Committee into two distinct committees: the Audit Committee and the Risk Committee.

On 25 June 2024, the Executive Committee approved the creation of a new Investment Committee reporting to the Executive Committee. The objective was to ensure that investment-related matters shall be considered at a more appropriate level within the Company. In other words, by members of its management team. Ultimately, the new Investment Committee still reports to the Board via the Executive Committee, and any changes to the Company's Investment Policy still require Board approval.

B.2 Fit and Proper requirements

B.2.1 Fit and Proper Policy

Barents Re maintains a Fit and Proper Policy which articulates the basis upon certain individuals must demonstrate:

1. Their knowledge, skills, and experience are adequate to ensure sound and prudent management (Fit) continues; and
2. They carry out their responsibilities with integrity and good repute (Proper) at all times.

The Policy applies to all Board Directors / Committee Members, Executive Committee Members, and Key Function Holders, who collectively represent the Barents Re's senior management. New senior management appointments are subject to individual assessments dependent upon the role being undertaken, and thereafter, are subject to an annual assessment of fitness & propriety, in keeping with the requirements of the Fit & Proper Policy. This is to evidence that all aspects of the management of the Barents Re are, and remain, suitable on an on-going basis.

B.2.2 Fit and Proper assessment process

The annual process is designed to demonstrate the continued suitability of senior management, based on assessments against suitable standards. These standards include:

- Evidential Honesty & Integrity within the working environment
- Individual and collective performance
- Continued financial soundness
- Skills & knowledge enhancements through personal development

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

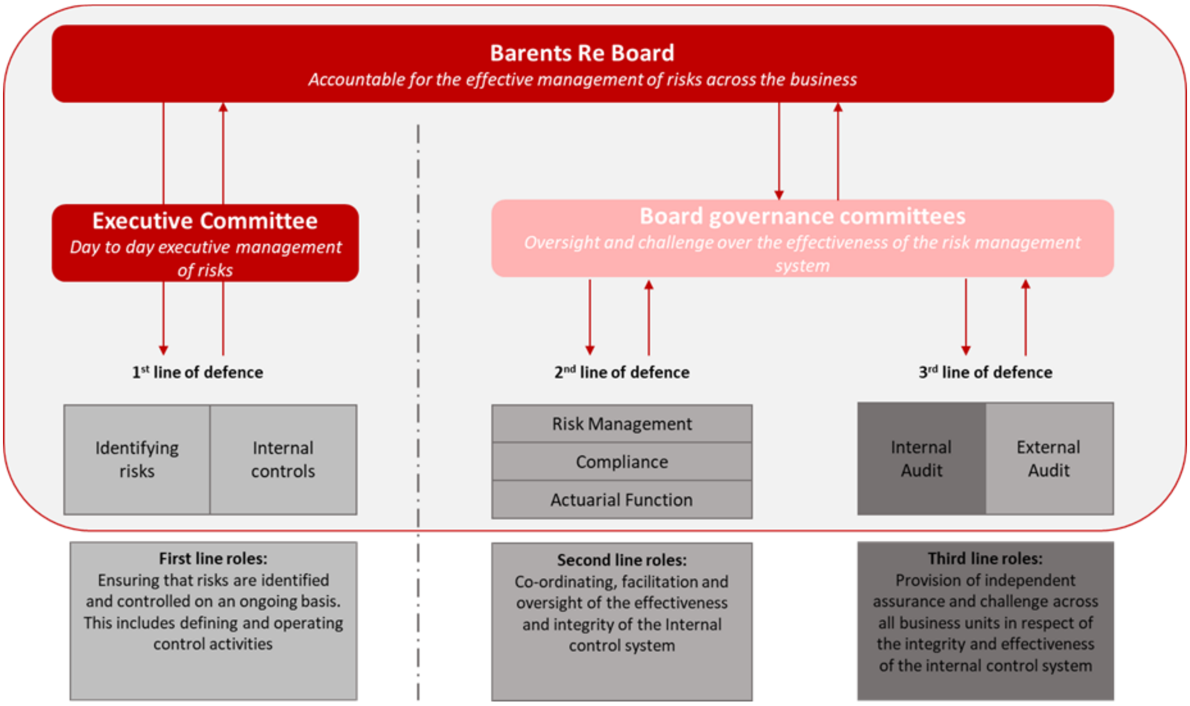
The purpose of Enterprise Risk Management is to ensure risk is appropriately managed within the firm by achieving the acceptable balance of risk and reward, through a suitable culture and governance. It is integrated within each area of the business.

The Risk Management Policy sets out the company's Risk Management Strategy as well as the system and framework that is used to ensure that is aligned to the business strategy. The policy helps ensure that:

- There is a controlled risk-taking environment
- There is a consistent mechanism to identify, measure, monitor, manage, and report on, on a continuous basis, risks across the business
- There is appropriate risk governance in place with accountability correctly apportioned
- The level of risk taken is known and understood across the business and that the risk appetites set are being adhered to
- Information is made available, transparent and appropriate for the assessment of risk and reporting and monitoring

B.3.1 Risk management system

Barents Re's risk management system is based the three-lines-of-defence model.



First line of defence:

The first line of defence is the operational management having ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. The relevant functions are Underwriting, Claims, Compliance, Finance, Technical Accounting, HR, IT, Actuarial, Investment Management and Retrocession Management.

Second line of defence:

The second line of defence consists of the Risk, Compliance and Actuarial functions. Between them, they monitor and facilitate the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk-related information up and down the organisation.

Third line of defence:

The third line of defence consists of the Internal Audit function. This function provides independent assurance to the Board of Directors and senior management on the effectiveness of the first and second lines of defence. In addition to the Internal Audit function, the external audit process provides independent assurance on certain key items including opining on Barents Re's financial statements.

B.3.2 ORSA

The Own Risk and Solvency Assessment (ORSA) is the process which identifies and assesses all material risks that may impact the Barents Re over the full strategic planning period, to allow for sufficient capital to be maintained (on a continuous basis) to meet those risks and obligations. The assessment of risks and capital is an ‘own view’ by the firm rather than a process to assess regulatory capital (that is the SCR process).

Assessments are required to be forward-looking taking into account the business plan, projections and assumptions made and set out the key conclusions and actions required (as appropriate). The financial projection is performed based on:

- the best estimate scenario of the business plan,
- stress scenarios based on the key risks identified during the risk survey,
- potential additional scenarios which might be relevant,
- at least one reverse stress scenario which would lead to a depletion of eligible own funds.

Inputs for the ORSA are also used for the business plan which is used to project the Solvency II balance sheet, the Solvency Condition Report and Minimum Capital Requirement over the next five years.

Barents Re performs the ORSA at least annually. Nonetheless, events that would trigger the need for an ORSA outside of the regular timescales are, for example:

- material changes to the business plan,
- material changes to the Barents Re’s risk profiles,
- extreme loss events having an impact on the Barents Re’s capital level,
- material changes to Barents Re’s retrocession,

The ORSA report is submitted to the CAA after Board approval.

The Company has determined that the Solvency II Standard Formula is appropriate to calculate the required solvency capital needs. The Standard Formula employs a mathematical model that provides a risk-based framework to determine appropriate levels of capitalisation.

At this stage, there are no reasons to believe that the Barents Re’s risk profile significantly deviates from the underlying assumptions of the Standard Formula. This assessment will be reviewed in future reporting years.

B.4 Internal control system

B.4.1 Internal Control System

The internal control system is the framework through which Barents Re implements and maintains a suitable and effective internal control system and provides assurance of compliance with all regulatory requirements. Effective internal controls help to mitigate against material risks, thus maintaining risks within the agreed appetite levels. It is designed to ensure that Barents Re:

- operates in a manner which is effective and efficient to achieve its business objectives
- can produce reliable financial and non-financial information
- complies with applicable laws and regulations
- promotes management accountability for controls
- has a continuous and ongoing process for the identification, assessment and monitoring of risks and controls

The Board has ultimate responsibility for ensuring that Barents Re has an effective and proportionate internal control framework which enables risks to be assessed and managed on an ongoing basis. Day-to-day responsibility for control oversight responsibilities lies with the Compliance, Risk Management and Internal Audit Functions. Each head of function within the 1st line of defence is responsible for ensuring controls operated by their function are effective, operating as designed and that staff adhere to agreed and documented procedures.

The internal control system includes controls at different levels of the organisational and operational structure, and at different time periods. Control activities include but are not limited to approvals, authorisations, verifications, reconciliations, management reviews, exceptions monitoring and peer reviews.

Internal controls are currently being enhanced and centrally reviewed by the Risk Management function. The review of internal controls and second line monitoring shall test and challenge the adequacy of the Barents Re's internal control system given the nature, scale and complexity of its activities. Ongoing monitoring and reporting to senior management and the Board by all relevant functions shall ensure that Barents Re is able to evidence a robust system of governance.

B.4.2 Compliance function

The Board mandates the Compliance function to support the effective management of Barents Re's compliance obligations to reflect the compliance risk appetite defined by the Board, protect the Company's long-term ability to achieve its objectives, meet its stakeholders and customer expectations, adhere to regulatory requirements and prevent any adverse effects of non-compliance.

The Compliance function is responsible for:

- Establishing, implementing, and maintaining a full suite of compliance policies and procedures, an annual compliance risk assessment, an annual compliance plan and a second line monitoring program and reporting framework which is subject to review and support by the Executive management and approval of the Board.
- Providing the executive management with compliance reports detailing the results, identified control failings and agreed mitigating actions resulting from the Compliance Monitoring Plan
- Overseeing as well as providing appropriate training and support to relevant business functions to establish, implement, and maintain first line compliance controls.
- Providing primary assurance oversight covering compliance with the Code of Conduct and internal policies and standards in relation to Compliance Risks

The risks assigned to the Compliance function and the respective tasks are described in the Compliance policy which is implemented throughout Barents Re and reviewed and updated at least on an annual basis. The risk areas handled by the Compliance function include:

- Anti-money laundering (AML) and combating financing of terrorism (CFT).
- Compliance with financial sanctions and international embargoes.
- Anti-bribery and corruption.
- Prevention of internal fraud.
- Market integrity.
- Anti-trust compliance.
- Conflicts of interest.
- Data protection.

The Compliance Function maintains strong ties with other key functions, including Internal Audit, Risk Management and the Legal Functions. The Compliance Function has sufficient authority to maintain its independence at all times:

- The compliance function has a dedicated policy describing its formal status and standing within the Barents Re’s organizational structure.
- The Compliance function reports to the Dirigeant Agréé and has direct access to the Board of Directors, management team, and governance committees of the Company.
- The outsourcing of the compliance function is prohibited, and the integrity framework is set up in accordance with applicable laws and regulations.

B.5 Internal Audit function

The Internal Audit function provides independent assurance to the Board of Directors and Audit Committee on the effectiveness and adequacy of the processes for risk management, internal control, and governance, and will furnish management with analysis, recommendations, counsel, and information focused on advancing the goals and objectives of the company. The role of the Internal Audit function is to:

- Ensure that the annual internal audit plan is designed to assist in attaining the objectives set by management in their annual business plan;
- Review established systems, policies, and procedures to determine if they are adequate to ensure the organization is in compliance with the pertinent laws and regulations;
- Review and appraise the soundness, adequacy, and application of accounting, financial, and other operating controls and promoting effective control at reasonable cost;
- Review financial reporting and disclosure controls and advise management in their representations and assertions regarding these controls;
- Advise in the design of new business systems and computer systems by providing consultancy of standard of controls;
- Submit tri-annual audit plan to the Audit Committee who will make a recommendation to the board of directors for approval;
- Report audit findings and status of corrective action to the Audit Committee and CEO;
- Provide adequate follow-up to ensure corrective action is taken and evaluate its effectiveness and report results;
- Liaise with the External Auditors to discuss key emerging risks, minimize duplication of efforts, and to ensure that issues raised as a result of their reviews are appropriately addressed;
- Monitor and evaluate the effectiveness of the organization’s risk management process;

The Internal Audit function has no direct executive responsibility or authority over any of the operations reviewed. It does not create and / or implement procedures, prepare records, or engage in any other activity that it would normally review and assess, that could reasonably be interpreted to compromise its independence and objectivity.

To effectively discharge its responsibilities, the Internal Audit function has unrestricted access to all records, properties, functions and personnel, relevant to its scope and the subject under review. All operations of Barents Re fall within scope of the Internal Audit function and are catered for in its annual assessment exercise from which the annual audit is derived. Any scope limitation is communicated in writing to the Audit Committee.

B.6 Actuarial function

The actuarial function plays a fundamental role in coordinating the calculation of technical provisions, advising on the underwriting policy and reinsurance arrangements as well as contributing to an effective implementation of the risk management system, including providing support in the calculation of capital requirements. The main responsibilities are:

- Independently assessing the adequacy of the technical provisions using appropriate methodologies, models and underlying assumptions that are applicable to the lines of business written.
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions.
- Providing an opinion to the board on the underwriting policy.
- Providing an opinion to the board about the reinsurance arrangement of the business.
- Ensuring compliance with actuarial standards and regulatory requirements.

B.6.1 Coordination of Technical provisions

The Actuarial function performs an independent valuation of the Unearned Premium Reserve (UPR) and will assess the necessity for additional reserves for unexpired risks. IBN(E)R reserves (gross reserves and retro share) are calculated on a quarterly basis by the Reserving team, using input provided by different departments e.g. Finance, Underwriting and Claims Functions.

The underlying actuarial assumptions are updated at least annually using Barents Re own historical data. Final approval of all actuarial estimates including IBN(E)R reserve estimates is with the Reserving Committee.

B.6.2 Pricing and Product Management

The Actuarial function oversees the pricing models and benchmarks to assess the price adequacy. The actual pricing activity resides in each underwriting team, and it is generally based on:

- Estimates of the expected losses
- Tax and commission payments
- Expenses

B.6.3 Actuarial Function Report

The Actuarial Function produces an actuarial function report to the Board at least annually in accordance with the European Standard of Actuarial Practice 2 (ESAP 2) “Actuarial Function Report Under Directive 2009/138/EC”.

B.7 Outsourcing

B.7.1 The Outsourcing and Third-Party Risk Management (OTPRM) Policy

The OTPRM Policy sets out the governance framework for the management and oversight of outsourcing and non-outsourcing third-party arrangements, in keeping with regulatory requirements and industry best practice. It covers all types of outsourcing and third-party arrangements, which includes sub-contracting and intragroup arrangements. The policy itself defines the key phases of the life cycle of any arrangement falling within the scope of the policy. Each phase is subject to a specific set of procedural requirements, to ensure that the appropriate scrutiny and management of any arrangement is effective, both at the time of due diligence, and during the life cycle of the arrangement.

The key phases are:

- Pre-agreement due diligence, including an assessment of whether the arrangement is deemed a 'material' arrangement (and subject to enhanced process requirements)
- Effective monitoring and management of risks during the life cycle of an arrangement
- Considerations prior to implementing contract change amendments, which includes additional due diligence checks and / or monitoring enhancements, to reflect the specific nature of any contract change
- Exit strategies and contract termination, to ensure there are no outstanding matters at the point of exit or termination

The Board is ultimately responsible for ensuring that the outsourcing framework is in keeping with regulatory requirements, specifically the following legislations: Insurance Law of 7 December 2015 ("LSA"), Article 7 & 8 of the Circular Letter 21/12 of the Commissariat Aux Assurances, Article 300 of the LSA, Article 81(3) of the LSA, Article 71 of the LSA, Article 65 of the LSA, Circular Letter 22/16 and Circular Letter 21/15 of the Commissariat Aux Assurances. Adherence to the policy and its underlying process is monitored by Operations, with Risk Management and Internal Audit providing the Board with independent assurance on the continuing effectiveness of material outsourcing arrangements.

As per Article 294, paragraph 8, of Delegated Regulation 2015/35, below is the list of critical or important operational functions or activities that are outsourced by the company:

Outsourced critical service / activity	Service Provider	Territorial jurisdiction	Overview and comments
Provision of physical servers	DADE2	Iceland / Germany	DADE2 provides the company with physical servers to store all company data. As per Barents' strategy to move its IT applications infrastructure to the cloud by end of 2025, this contract and its materiality will be revisited end of 2025.

B.8 Any other information

The governance system of Barents Re is in line with the complexity of the risks inherent in its business.

In an effort to mitigate the risks associated with the outsourcing of critical functions to Barents Risk Management Ltd ("BRM"), the Company's Board decided in October 2023 to terminate its outsourcing relationship with BRM by 30 June 2024.

All critical outsourced functions were moved internally by hiring resources in the Luxembourg office (including Claims and Technical Accounting) of Barents Re.

Non-critical functions are outsourced to a new affiliated entity, Pleiad, in the UK and Europe. These services will be overseen by the Company.

The retrocession management arrangement with Barents Re Cayman was reclassified as a non-material arrangement due to recent organisational changes and the increasing role of other offices in managing retrocession negotiations. This reclassification was approved by the Board.

C. Risk Profile

Barents Re's risk profile is analysed based on the Solvency II standard formula, and each contract has been allocated a Solvency II class of business based on the underlying coverage and type of contract.

Barents Re's risk profile has a material counterparty default risk exposure driven by internal and external reinsurance retrocession. The second material risk exposure is non-life underwriting risk, mainly driven by the non-life catastrophe due to the exposure to high severity – low-frequency losses in the portfolio.

The risk profile of the business continues to evolve. The sections below provide analysis of the risk profile of the business This will also draw links to the risks noted in the risk map and quantified using the standard formula model.

C.1 Insurance risk

C.1.1 Risk Description

Insurance risk is made up of two components: Underwriting risk and Reserve risk.

Underwriting risk is defined as the risk that insurance premiums will not be sufficient to cover future insurance claims and associated expenses. Barents Re writes a book of reinsurance predominantly on a facultative basis. The portfolio concentrates on the protection of primary insurers excluding USA and Canadian risks unless the coverage is incidental to the main risk. The portfolio also seeks to avoid exposures located in territories where the risk of natural catastrophes is considered to be high.

Underwriting risk is likely to increase in line with the business plan and business strategy in the medium to long term, as Barents Re grows its existing lines of business. Additionally underwriting risk will increase as the market softens.

Reserve risk is defined as the risk of unsuitable case reserves (for example, over or under reserving) and/or insufficient technical reserves in place to meet incurred losses and associated expenses. Barents Re makes financial provisions for unpaid claims, legal costs, and related expenses to cover liabilities both from reported claims and from 'incurred but not reported' (IBNR) claims. Insufficient reserves could adversely impact Barents Re's future earnings and capital. The statutory IBNR reserves includes a provision for adverse deviation to account for insufficient data experience and reliance on external benchmarks.

Reserving risk is currently stable given the prudent approach to reserving. It will continue to be managed using the same approach.

C.1.2 Risk Mitigation

The Company has established a framework to enable the business to regularly assess and monitor performance drivers on a portfolio basis.

Underwriting Guidelines are documented for each class of business, including maximum line sizes, accumulation limits for single events and risk preferences. The risk profile of each class of business is regularly monitored against these guidelines. Material variations are reported to the relevant Committee, where remediation actions are considered.

Underwriting Authority Letters are the primary tool for defining and implementing underwriting risk preferences and limits. The Authority Letters are consistent with established underwriting strategy and guidelines and detail an underwriter's ability to legally bind contracts on behalf of the Company. The underwriting process is supported by pre- and post-bind peer reviews, the framework and reporting of which is overseen by the Underwriting Committee.

Additionally, Barents Re purchases Excess-of-Loss and quota share retrocession protection on particular programmes to mitigate the impact of large claims and/or to manage accumulations of risk.

The Claims Team performs regular reviews of emerging claims trends. The Claims Team meets with underwriting teams regularly to provide feedback on specific losses and identified trends to inform risk selection and coverage considerations.

The Actuarial Function maintains a best estimate reserving process that integrates planning, pricing and exposure information to establish a feedback loop between the reserving, underwriting and claims processes.

A list of high-risk points connected with the reserving process is monitored by the Actuarial Function on quarterly basis, highlighting the control description, scope, mitigation action in place and evidence of the effectiveness of the control.

C.1.3 Measures used to assess risk

Barents Re uses several internal tools to assess risk, while pricing and reserving use internal solutions of which the outputs are assessed against external data.

C.1.4 Risk Concentration

Notwithstanding the comments made in the above section, the portfolio is still exposed to the concentration of risk (across counterparties, industries, and geographic locations). In this regard, the risk is monitored through the licensing of RMS and Xuber which are both proprietary exposure management tools.

Underwriting reviews are carried out internally and by third parties. The control environment will continue to be further developed and enhanced as mentioned in section B.4.

C.1.5 Stress and Sensitivity Testing

Stress and scenario testing is carried out as part of the ORSA process, which is conducted at least annually. These tests consider moderate as well as extreme but plausible stresses and assess the impact on Barents Re's capital position.

C.1.6 Material changes over the reporting period

Measurement of insurance risk exposure has reduced due to modelling enhancement.

C.2 Market risk

C.2.1 Risk description

Market risk is the threat of unfavourable or unexpected movements in the value of Barents Re's assets and/or the income driven by movements in market prices (e.g. generating negative investment returns). Barents Re chooses to assume market risk in order to optimise the return on assets while ensuring that funds are available to pay claims when required. Within the Risk and Control Register, market risk is sub-categorised into (i) foreign exchange risk and (ii) investment risk.

Market risk is assessed using risk parameters in the SCR models, stress and scenario testing and reverse stress testing. The modelling tool that is used allows a measurement of actual exposure against parameters that articulate the amount of risk it is prepared to accept.

Barents Re writes business in different currencies while its reporting currency is Euros. As a result of this, the company is exposed to foreign exchange risk. The risk is overseen by the investment Committee. Barents Re does not actively seek to generate investment returns by taking positions on currency movements.

Market risk has decreased as the Company is now calculating interest rate risk with reference to interest sensitive assets and liabilities only, whereas previously all balance sheet items were included, regardless as to whether those were subject to interest rate sensitivity or not. .

C.2.2 Investment management in accordance with the 'Prudent Person' Principle

The Prudent Person Principle is embedded in Solvency II and is used to guide Barents Re's investments.

Barents Re invests in assets and instruments that can be properly identified, measured, monitored, managed, controlled, and reported on. They are invested in a manner to ensure the security, quality, liquidity and profitability of the portfolio, and such that they are available to the company in the relevant currency as required. Assets held to cover technical provisions are also invested in a manner appropriate to the nature and duration of Barents Re's liabilities. They are invested in the best interests of all stakeholders.

C.2.3 Key Mitigating Controls

The Prudent Person Principle is embedded in Solvency II and is used to guide Barents Re's investments.

Investments are managed by Barents Re following a conservative approach. As defined by the Investment Policy, the Company will endeavour to invest assets, held to cover technical provision, in a manner appropriate to match nature, currency and duration of the liabilities, any tactical deviations from this policy need approval from the Investment Committee.

The Company manages market risk through both a system of limits and a strategy to optimise the interaction of risks and opportunities which are documented in an Investment Management Policy. Investment Guidelines are structured to ensure sufficient liquidity and prevent over exposure to any one risk sector.

C.2.4 Risk Concentration

The majority of the Company's asset are currently held in cash or cash equivalents (including term deposits), intrinsically limiting the market risk the Company is exposed to. This is expected to change with an increase allocation to more profitable asset class in line with the company strategy to better use the company capital without affecting its solvency capital position. This will nevertheless increase the market risk exposure.

Assets are diversified in such a way that there is no over reliance on, or concentration of risk in, any particular asset, issuer, group of undertaking, geography, asset class or other risk.

C.2.5 Material changes over the reporting period

No material changes in the market risk profile during the period.

C.3 Counterparty Default risk

C.3.1 Risk Description

Counterparty default risk is defined as the risk of loss or adverse financial impact due to default by counterparties to which Barents Re is exposed. Barents Re considers three types of counterparties that could affect its counterparty default risk: brokers/debtors, financial institutions and reinsurance entities

A large component of the risk is due to the potential default of debtors.

With regards to financial institutions, the Company holds most of its assets in entities with strong ratings and proven records.

The inherent counterparty default risk exposure for Barents Re is material with a Whole Account Quote Share treaty with the parent company, Barents Re Cayman. Additionally, Barents Re Cayman provides the Company with Stop Loss cover. This is mitigated in part by the policies being written on a funds withheld basis.

Additionally, Barents Re is exposed to counterparty default risk through its retro purchases.

C.3.2 Key Mitigating Controls

Controls include:

- A Quarterly recoverables report
- Reinsurance counterparty limits
- Minimum counterparty Security Ratings
- Bank exposure monitoring

Broker default risk is regularly monitored for due and overdue premium. Receivable balance has been significantly reduced in 2024 due to process enhancements, and it is expected to further improve the next years.

To reduce counterparty default risk exposure to reinsurers, Barents Re has limits in place to manage exposures to reinsurers based on their credit rating. Barents Re can also request collateral to be held from reinsurers, which can be used to pay claims if the reinsurer is downgraded, or it defaults on its obligations.

C.3.3 Measures used to assess risk.

Barents Re's exposure to counterparty default risk is represented by the values of financial assets and reinsurance assets included in the balance sheet at any given point in time. Barents Re's gross receivables are exposed to the underlying internal intermediary's broker default risk.

Reinsurance default risk and broker default risk are both explicitly modelled within the risk profile.

C.3.4 Risk Concentration

The Company's counterparty default risk exposures are actively reduced as far as possible, in order to avoid the concentration of reinsurers, bonds issuers, brokers or other counterparties.

C.3.5 Stress and Sensitivity Testing

Due to the high level of reinsurance ceded, Barents Re is exposed to a material amount of counterparty default (credit risk). As one of the Company's most material risks, a downgrade of the Company's retrocessionnaires was considered as a reverse stress scenario in the ORSA. In this scenario it is assumed that the company could not renew its external retrocession agreement and remains without external reinsurance coverage once the existing contracts expire and two large losses materialise after the expiration of the contracts. All retrocessionnaires ratings are downgraded by one step. Under this stress scenario, the Company is able to withstand the shock of the downgrade whilst maintaining its SCR ratio above the Company's risk appetite.

C.3.6 Material changes over the reporting period

There have been no material movements in the management of the counterparty default risk at Barents Re during the current period.

C.4 Liquidity risk

C.4.1 Risk Description

Liquidity risk arises from the need to pay insurance claims and other liabilities, which may have an uncertain timing or quantum. Barents Re has to balance the liquidity of assets with the return.

The characteristics of liquidity risk mean that it should be viewed across three different time horizons:

- Short-term – cash required in the coming months to cover normal trading activity including payment of known claims, expenditure, and salaries;
- Medium-term – cash required to meet medium-term funding requirements including tax and dividend payments and planned project and capital expenditure; and
- Long-term – cash required to support the longer-term ambitions of Barents Re including underwriting capital to meet growth ambitions and funding to support potential future stress scenarios such as catastrophe losses.

C.4.2 Key Mitigating Controls

Barents Re has established controls to manage and mitigate its key liquidity risks that include:

- Minimum cash limits
- Cash-Flow projections and the monitoring of them
- Solvency II monitoring and quarterly projections

Barents Re has a minimum amount of cash that must be retained at all times. This helps to ensure planned and unforeseen liabilities can be covered in a timely manner, without impacting the investment portfolio.

C.4.3 Expected profit included in future premiums

The net expected profit included in future premiums as of 31 December 2024 is EUR 6.7m. This represents the profit that is expected to materialise from contracts which have been bound by Barents Re but the Company is yet to commence risk exposure period to which the premium relates.

C.4.4 Risk Concentration

Barents Re's liquidity risk concentration is managed by holding assets with a variety of approved banks, bond issuers and credit institutions.

C.4.5 Stress and Sensitivity Testing

Barents Re's sources of cash inflows typically are premiums, returns on investments and cash from maturing investments or investment disposals and reinsurance payments. In normal circumstances, total inflows should be higher than expected outflows. In case of a reduction of QS together with a downgrade of the credit rating of the banks holding Barents Re's cash deposits, SCR ratio would be affected in the long run but the mitigation actions in place are considered adequate to manage the risk.

C.4.6 Material changes over the reporting period

There have been no material movements in the management of the liquidity risk at Barents Re during the current period.

C.5 Operational risk

C.5.1 Risk description

Operational risk is the risk of direct or indirect loss resulting from internal processes, people or systems, or external events. Operational Risk is calculated in the standard formula as a percentage of the maximum between the premiums volume and the Solvency Technical Provision. The company has therefore limited capacity to impact the capital required for this risk.

Barents Re believes that the proper management of operational risk is crucial for the success of the Company and it manages the risk through a combination of approaches with the aim of covering the entire scope of the risk.

Operational Losses and Near Misses event are reported to the Risk Function for analysis and for better understanding of the event's root causes in order to implement adequate mitigating measures.

Risk and Control Assessment is performed regularly by each risk area, with the support (and challenge) of the Risk Management department, to evaluate the adequacy and effectiveness of the control system and the risk exposure of the company. Dedicated mitigation actions are defined for each risk considered outside company appetite.

Finally, scenario analysis for Operational risk is incorporated in the ORSA process allowing the Company to understand the potential financial impact of severe operational events. It also enables Barents Re to understand the correlations and aggregations of operational risks and other risk types through the definition of the scenarios.

Operational Risk is likely to remain stable as the business grows in line with the continued strengthening of the control system.

C.5.2 Key Mitigating Controls

Below is a summary of the mitigating controls for the different components of operational risk:

- People risks
    - Training and development
    - Benefits and Remuneration review
- System risks
    - IT Disaster Recovery
    - Data back-up
    - Systems access controls
    - IT security (e.g., firewalls, email scanning and content filters)
    - IT security training (e.g., phishing, best practices)
- Process risks
    - Appropriate segregation of duties across all functions
    - Four-eyes oversight of all key areas
    - All outsourced arrangements conducted under formal agreements and in accordance with the Outsourcing Policy
    - Business continuity plan (BCP) testing

C.5.3 Measures used to assess risk

Operational risk is measured using the standard formula, and Barents Re projection tool to measure the risk profile changes, which measures risk exposure against Board approved risk appetite. Stress testing and scenario analysis also includes operational risks.

Through the Risk & Control Self-Assessment (RCSA) framework, each risk owner is responsible for assessing the design and operating effectiveness of their control environment, and, to the extent any gaps or deficiencies exist, assessing the corresponding impacts and level of operational risk / exposure to the company.

Operational risk and near miss events are also reported to the risk function for analysis and to understand the root cause of each event. These are also reported to the Barents Re's Risk Committee

C.5.4 Risk Concentration

The Company provides remote working capabilities therefore limiting the risk of reliance on physical offices to trade. Nevertheless, both DR and BCP plans are in place.

The Personal Development Review process and training and development programme aims to manage talent in order to reduce single person dependencies on key people as well as staff turnover. Documentation of policies and procedures also limits the reliance on specific individuals.

C.5.5 Stress and Sensitivity Testing

The Company has analysed its operational risk exposure and considers that any foreseeable operational event would not have a significant impact on its solvency.

C.5.6 Material changes over the reporting period

Barents Re have materially improved the level of reporting and enhanced documentation to improve the risk mitigation.

C.6 Other material risks

C.6.1 Strategic Risk

Strategic risk is the possibility of adverse outcomes that may result from strategic initiatives taken or not taken by Barents Re. This may include business expansion or contraction, mergers and acquisitions, negative impacts to reputation or brand management, or failure of the Board to provide adequate oversight of the business or make appropriate business decisions.

Strategic risk is currently considered to be stable. The risk will also remain stable in the medium to long term time horizon given that the Barents Re strategy is to focus on organic growth in the established lines of business.

Key Mitigating Controls

Examples of some key controls being implemented to effectively manage strategic risks include:

- Board review of business plans and operating budgets
- Business planning process.
- Stress and scenario testing
- Board training

C.6.2 Regulatory and legal risk

The insurance industry is a highly regulated sector and, as such, is exposed to continuous regulatory change. This can affect the level of capital that firms are required to hold or require changes to how they are set up operationally from time to time. Regulatory risk is the risk of failing to act in accordance with relevant regulatory requirements in all relevant jurisdictions or a deterioration in the quality of relationship with one or more regulators. Legal risk is the risk of failing to act in accordance with relevant legal requirements in all relevant jurisdictions.

Key Mitigating Controls

Examples of some key controls in place for Barents Re's regulatory and legal risks include:

- Local legal and compliance expertise and strong culture of governance;
- Management and oversight of regulatory engagement by the Head of Legal;
- Risk and Compliance events reporting, and
- Company wide mandatory regulatory compliance training.

C.6.3 Group risk

Group risk encompasses the risks arising from the interconnected nature of the Group and its entities.

Contagion risk arises from Barents Re's internal reinsurance and internal transactions risk arises from intercompany transactions and services arrangements not being carried out in a way that satisfies legal or regulatory requirements.

Key Mitigating Controls

Examples of some key controls in place for Barents Re's Group risks include:

- Annual review by the Risk Committee of the register of shared reinsurance purchases; and
- Entity-specific governance.

C.6.4 Environmental. Social and Governance (ESG) risk

The impact of ESG on the insurance industry is broad and multi-faceted, with pressure from clients, regulators, shareholders and wider society. The company is currently assessing key risks and opportunities in relation to ESG factors to ensure compliance with applicable regulations and to define a strategy that support the overall company through a sustainable business model.

Key Mitigating Controls

A dedicated ESG Steering Committee has been established in December 2023 whose responsibilities are to develop and maintain the ESG framework and Strategy. Regular reporting on the activities of the ESG Steering Committee is provided to the Risk Committee. Dedicated training has been deployed in 2024 to all employees

C.6.5 Any Other information

The risk profile of the Company is in line with the company structure and business model.

D. Valuation for Solvency Purposes

D.1 Assets

The Solvency II balance sheet is based on the fair value method. For assets, the total Solvency II value is the sum of the market value and the associated accrued interest, where applicable. The following table illustrates the difference in assets under the Solvency II valuation and statutory accounts valuation (Luxembourg General Accepted Accounting Practice ("Luxembourg GAAP")).

Balance Sheet in EUR'000	Statutory accounts value	Solvency II value	Difference
Assets			
Deferred acquisition costs	9,219	-	9,219
Investments (other than assets held for index-linked and unit-linked contracts)	24,246	24,279	- 33
Equities	703	1,615	- 911
Reinsurance recoverables	377,020	308,171	68,849
Reinsurance receivables	89,372	39,957	49,414
Receivables (trade, not insurance)	4,540	4,540	-
Cash and cash equivalents	56,257	56,257	-
Any other assets, not elsewhere shown	2,179	1,834	345
Overall Total Assets	**563,536**	**436,653**	**126,883**

Deferred Acquisition Costs (DAC)

Deferred acquisition costs represent the proportion of acquisition costs incurred, which corresponds to the proportion of gross premiums written which are unearned at the balance sheet date. DAC is not recognised as an asset on the Solvency II balance sheet.

Investment and equities

Adjustment made to the valuation of investments for the purposes of Solvency II as they are valued on a market value basis whereas under Lux GAAP, they are valued on historical acquisition cost, and the debt securities are valued at amortised cost or acquisition cost. Accrued interest on bonds is classified as Any Other Assets under Luxembourg GAAP but is considered a component of the bond valuation under Solvency II.

Reinsurance recoverables

Under Solvency II, the share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross Solvency II best estimate liability per policy. Furthermore, the reinsurance recoverables include the allowance for the counterparty risk. Under Luxembourg GAAP, the share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross business data per policy.

The difference between Solvency II and Luxembourg GAAP is described in section "D2: Technical provisions"

Reinsurance receivables

Debtors are valued at their nominal value less deductions for impairment, if applicable. The difference between Solvency II and Luxembourg GAAP values for reinsurance receivables is driven by pipeline premium receivable from cedants that are taken into consideration as part of the gross best estimate of liabilities under Solvency II.

Any other assets

The difference comes from the "Accrued interest" from term deposits and bonds.

D.2 Technical provisions

D.2.1 Technical Provisions Valuation

Solvency II requires the technical provisions to be a best estimate of the current liabilities relating to insurance contracts, plus a risk margin.

- The best estimate liabilities are calculated as the discounted best estimate of all future cash flows relating to claim events prior to the valuation date (claims provisions), and the discounted best estimate of all future cash flows relating to future exposure arising from policies that the insurer is obligated to at the valuation date (premium provisions).
- Risk margin is the amount that insurers and/or reinsurers would require over and above the best estimate liabilities in order to take over and meet the insurance and reinsurance obligations over the lifetime of the policies (i.e. the amount required to transfer liability to a third party).

The following table shows the discounted technical provisions as at 31 December 2024 for Barents Re's Solvency II lines of business.

Solvency II Line of Business (EUR'000)		Gross	Outward	Net	Risk Margin	Technical Provisions 2024	Technical Provisions 2023
Accepted proportional reinsurance	Income Protection	7	6	1	0	1	0
	Marine, aviation and transport	101,457	97,006	4,450	789	5,239	7,979
	Fire and other damage to property	100,165	96,299	3,866	686	4,552	42
	General liability	20,960	19,208	1,752	311	2,063	1,300
	Credit and suretyship	31,324	28,711	2,613	463	3,076	3,697
	Miscellaneous financial loss	0	0	0	0	0	1
Accepted non-proportional reinsurance	Health	0	0	0	0	0	525
	Casualty	6,019	5,486	533	95	628	537
	Marine, aviation and transport	13,813	12,811	1,002	178	1,180	933
	Property	18,582	17,055	1,526	271	1,797	1,292
Total Non-Life Obligations		**292,327**	**276,583**	**15,744**	**2,792**	**18,536**	**16,306**
Life		**34,079**	**31,588**	**2,491**	**442**	**2,932**	**-174**
Total		**326,406**	**308,171**	**18,235**	**3,233**	**21,468**	**16,132**

The discounted net technical provisions as at 31 December 2024 are equal to EUR 21.5m, increasing by EUR 5.3 m from EUR 16.1 m as at 31 December 2023. The key movements in technical provisions are driven by an increase in the portfolio best estimate loss ratio mainly due to an incurred large loss in the energy line of business. The Net expected profit included in future premiums is equal to EUR 6.7m.

D.2.2 Methodology and assumptions used in valuing the technical provisions

Best estimate liabilities

The best estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the relevant risk-free interest rate term structure. Gross and reinsurance cash flows are estimated separately for premium and claims and these are used to calculate net results.

The most appropriate level of granularity is used when producing the reserve estimates, by categorizing risks into homogeneous risk groupings. The risk groups are determined by the Reserving team after examination of the characteristics of the business being written and after discussions with the Underwriting and Claims teams.

These groupings are reviewed when the mix of business within a reserving class has changed significantly over time.

Ultimate premium and claim estimates, gross of reinsurance, are then calculated using at least the following actuarial projection techniques:

- Chain ladder method,
- Bornhuetter-Ferguson (BF) method.

The projection method selected for a particular class of business depends on various factors, including the characteristics of the class and the length of the claims development. The chain ladder method based on the historic claims development of incurred claims has typically been used for the older underwriting years.

At the same time, the claims experience on the most recent underwriting years is relatively immature and the chain ladder method produces estimates with a relatively higher level of uncertainty for these years. For this reason, the BF method has typically been used for the more recent underwriting years. The BF method places weight on initial loss expectations and is less volatile to early claims experience. As the underwriting years become more mature, more weighting is placed on the emerging experience and the projection will move over to a chain ladder projection (or blend of the BF and chain ladder methods). This transition will occur quicker on the shorter-tailed classes than the longer-tailed ones.

In addition to this, information on new or potentially material claims which are not included in the current incurred position is provided by the Claims team. The Reserving team reviews this information, and where appropriate, will incorporate it into the analysis.

For large and complex events that lead to an accumulation of losses, an exposure assessment is made by the underwriting and claims teams, with a view to estimating the ultimate claims cost for that event. As losses develop, these assessments are reviewed and updated through a process coordinated by the Claims team, with input by the Underwriting and Reserving teams.

Reinsurance recoveries for each reserving class and underwriting year have been estimated by applying expected external and internal recovery rates to the gross IBNR estimates and adding known recoveries to date. These recovery rates are based on a review of the reinsurance programs purchased, historical recovery rates and for classes with quota share protection, the quota share cessions are applied to estimate recoveries.

Events not in data ("ENID") are potential events which are not adequately contained within historical claims experience. Barents Re is including an allowance for these within the Technical Provision calculations, such that the mean technical provisions represent the probability-weighted average of all future cash flows.

There are no guarantees or options that materially affect the calculation of technical provisions. Any relevant guarantees would be identified through discussions with underwriters and the impact of guarantees would be valued on a best estimate basis.

Risk margin

The Barents Re risk margin is calculated using a cost of capital approach which involves calculating the cost of holding the regulatory capital requirement implied by the standard formula capital assessment model at each future time period until the business has run off. The amounts are then discounted back to the current time period.

Assumptions

Assumptions and parameters are set by members of the Reserving team with the relevant knowledge and understanding, and with adequate experience.

All assumptions and parameters are subject to regular review to ensure that they are appropriate for their intended purpose.

The key assumptions are listed below along with some of the key measures considered when setting them.

- Initial Expected Loss Ratio (IELR) – selected IELRs are determined using historical experience and underwriters' pricing assumptions,
- Premium and claims development patterns,
- Tail development,
- Allowance for future inflation,
- Reinsurance recovery rates – details of reinsurance program, historical recoveries,
- Unincepted Legal Obligations (ULOs) premium – business written prior to but incepting after the valuation date,
- Events not in data ("ENID") loadings – a loading is applied to the reserves to allow for binary events, or adjustments based on factors external factors i.e. climate change,
- Expense forecast – estimate of the future expenses required to fully run off all the liability cash flows,
- Counterparty default percentages, and
- Recovery in default.

These assumptions, which are documented throughout the actuarial reports, often require the use of expert judgements. All expert judgements are listed and commented in the related reports.

D.2.3 Description of the level of uncertainty associated with the value of the technical provisions

The final estimates reflect all available data and information available at the valuation date. Despite this, the actual cost of settling future claims is uncertain as it depends on events yet to occur. These could be different from the estimates reported above, and possibly materially so. The most significant drivers of this uncertainty are highlighted below:

Initial Expected Loss Ratio (IELR) selection

IELRs for each class of business have been selected by analysing historical performance and underwriters' pricing assumption. The nature of the IELR estimates, which incorporate a large degree of expert judgement, means that there is a degree of uncertainty surrounding their values, particularly where significant changes have been made to the underwriting. The IELR is a key driver of Barents Re's technical provision estimates for the most recent years of account.

Run-off lines of business

As mentioned in Section A, Barents Re has discontinued certain lines of business. For each of these lines, the Actuarial team calculates an IBNR for claims that could still occur in the future. The absence of future income while still potentially receiving claims makes the analysis of sufficiency of the reserved amounts crucial for the Company's profitability.

Growing accounts

Classes which are increasing in size can be subject to increased uncertainty. If growth is driven by a change in the mix of risks written (e.g. different types of risks, new territories, increasing exposure, relaxing terms and conditions) this can increase the uncertainty considerably for a class of business.

Unearned exposure

The technical provisions include cash flows associated with unearned exposures. As there is a greater degree of uncertainty attached to the unearned exposure, the estimates for these years of account will be subject to additional uncertainty.

Unincepted Legal Obligations

Barents Re is also required to include an allowance for unincepted bound exposure within the technical provision calculations. This exposure primarily relates to contracts incepting on 1 January after the valuation date. As these contracts are entirely unearned at the valuation date, there is additional uncertainty attached to this exposure.

Events not in data ("ENID")

Events not in data ("ENID") are potential events which are not contained within Barents Re's historical claims experience, e.g. climate change future impact. Barents Re is including an allowance for these within the Technical Provision calculations, such that the mean technical provisions represent the probability-weighted average of all future cash flows. By definition, there is little data available to base the analysis on. Loadings and classifications remain highly subjective with a high level of actuarial judgement employed.

Future expenses

Future administration expenses are based on historical levels of expenses and a projected future expense inflation rate to calculate an expense provision estimate to fully run off the entirety of future cash flows within the technical provisions. Actual expenses could be materially different to those estimated within the expense projection.

D.2.4 Differences between Solvency II and financial statement basis

The key differences between Solvency II and LUX GAAP reserves reside in the treatment of expenses, discounting and the inclusion in the Solvency premium provision of future expected premiums and claims' assumptions.

BARENTS RE

The delta between the reserves on the two standards are reported in the tables below, gross and net of reinsurance:

Gross of Reinsurance (EUR'000)		LUX GAAP				SOLVENCY II TP				Difference
LOB		UPR	Claims outstanding	IBNR	Total	Premium Reserve	Claims Reserve	Risk Margin	Total	
Proportional	Income Protection	-	-	7	**7**	0	7	0	**7**	**0**
	Marine, aviation and transport	23,728	60,063	46,099	**129,890**	906	100,551	789	**102,246**	**-27,645**
	Fire and other damage to property	16,634	44,474	55,740	**116,848**	7,999	92,166	686	**100,851**	**-15,997**
	General liability	904	8,350	13,745	**22,999**	-433	21,393	311	**21,271**	**-1,734**
	Credit and suretyship	450	6,456	31,547	**38,453**	213	31,111	463	**31,788**	**-6,665**
	Miscellaneous financial loss	-	-	0	**0**	0	0	0	**0**	**0**
	Life	20,420	1,556	32,412	**54,388**	2,407	31,672	442	**34,521**	**-19,868**
Non-Proportional	Health	-	-	-	**-**	0	0	0	**0**	**0**
	Casualty	70	170	6,498	**6,738**	-189	6,209	95	**6,114**	**-624**
	Marine, aviation and transport	655	4,057	10,808	**15,520**	-136	13,948	178	**13,990**	**-1,529**
	Property	4,939	9,281	10,655	**24,875**	-422	19,004	271	**18,852**	**-6,586**
	Total	**67,801**	**134,405**	**207,513**	**409,719**	**10,345**	**316,061**	**3,233**	**329,639**	**-80,649**

Net of Reinsurance (EUR'000)		LUX GAAP				SOLVENCY II TP				Difference
LOB		UPR	Claims outstanding	IBNR	Total	Premium Reserve	Claims Reserve	Risk Margin	Total	
Proportional	Income Protection	-	-	1	**1**	0	1	0	1	**0**
	Marine, aviation and transport	4,798	1,479	2,807	**9,084**	185	4,266	789	5,239	**-3,902**
	Fire and other damage to property	2,119	1,015	3,345	**6,479**	-308	4,175	686	4,552	**-2,313**
	General liability	11	642	1,247	**1,899**	-90	1,842	311	2,063	**180**
	Credit and suretyship	166	600	2,401	**3,167**	93	2,520	463	3,076	**-127**
	Miscellaneous financial loss	-	-	-	**-**	0	0	0	0	**0**
	Life	4,272	156	3,241	**7,669**	-687	3,177	442	2,932	**-4,351**
Non-Proportional	Health	-	-	-	**-**	0	0	0	0	**0**
	Casualty	23	8	589	**620**	-27	560	95	628	**9**
	Marine, aviation and transport	26	333	750	**1,109**	-49	1,051	178	1,180	**-5**
	Property	1,124	758	787	**2,670**	21	1,505	271	1,797	**-1,071**
	Total	**12,539**	**4,992**	**15,168**	**32,699**	**-862**	**19,096**	**3,233**	**21,468**	**-11,581**

D.2.5 Recoverables from reinsurance contracts

Best estimate reinsurance recoverables and costs on a Solvency II basis are calculated as part of Barents Re's best estimate reserving process. Reinsurance recoverables and costs are based on known amounts, plus projections based on gross IBNR and future premium estimates. Barents Re's reinsurance programs are outlined below:

- Barents Re's most significant reinsurance protection is the Whole Account Quota Share treaty, ceding business to Barents Re Cayman,
- For Energy reinsurance, Barents Re maintains an external QS and an XoL reinsurance program to limit the impact of large individual losses to agreed risk tolerances,
- For Life reinsurance, Barents Re maintains two XoL reinsurance programs, a per risk program to limit the impact of large individual losses, and a Catastrophic program for accumulation of risk in a single event, plus a pandemic stop loss coverage,
- For fire and other damage to property insurance, Barents Re maintains a per risk and a catastrophe XoL reinsurance programs to limit the impact of large individual losses to agreed risk tolerances,
- A Surety reinsurance program which limits the impact of large losses, which result in multiple losses, to agreed risk tolerances, and
- A marine excess of loss program protects from high severity events.

D.3 Other liabilities

The table below shows Barents Re's total liabilities differences on a Solvency II basis compared to the amounts shown in the Lux GAAP financial statements as at 31 December 2024.

Balance Sheet in EUR'000	Statutory accounts value	Solvency II value	Difference
Liabilities			
Technical provisions	409,719	329,639	80,080
Provisions other than technical provisions	37,623	200	37,423
Deposits from reinsurers	10,320	10,320	-
Deferred tax liabilities	-	9,042	- 9,042
Reinsurance payables	64,345	22,731	41,614
Payables (trade, not insurance)	5,901	5,901	-
Any other liabilities, not elsewhere shown	6,401	2,378	4,023
Overall Total Liabilities	**534,308**	**380,211**	**154,097**

Unless otherwise stated, the Solvency II basis valuation for all liabilities follows fair value measurement principles. There were no changes to the recognition and valuation bases of other liabilities over the period. Further details of the liabilities and explanations for material differences between Solvency II and financial statement valuation basis are set out below.

Technical provisions

Refer to section D2: Technical provisions.

Provisions other than technical provisions

Provisions other than technical provisions consist mainly of an equalisation reserve. The Equalisation Reserve under Luxembourg GAAP is not recognised under the Solvency II valuation, hence is considered a reconciliation reserve on the Solvency II balance sheet.

Deferred tax liability (DTL)

Deferred income tax liabilities have been recognised for all taxable temporary differences, which will result in higher future taxable income positions. Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax liabilities to be settled after 12 months are EUR 9 042 thousand. Deferred tax liabilities to be settled within 12 months are nil.

Reinsurance payables

The difference between the Solvency II and the Luxembourg GAAP valuation is primarily because the Luxembourg GAAP valuation includes reinsurance pipeline payables that are taken into consideration as part of the reinsurance best estimate of liabilities.

Any other liabilities not elsewhere shown

Any other liabilities are lower under Solvency II than under Luxembourg GAAP, because deferred reinsurance commission is already taken into account in the calculation of the best estimate of liabilities.

D.4 Alternative methods for valuation

No alternative methods for valuation were used.

D.5 Any other information

No other significant information to be disclosed.

E. Capital Management

E.1 Own funds

E.1.1 Objectives and processes employed by Barents Re for managing its own funds.

The primary objective of capital management is to manage the balance between return and risk, whilst maintaining economic capital in accordance with the risk appetite. Barents Re's capital and risk management objectives are closely interlinked, whilst recognising the critical importance of protecting policyholders' and other stakeholders' interest. In managing own funds, Barents Re seeks to, on a consistent basis:

- Maintain sufficient financial strength in accordance with risk appetite, to satisfy the requirements of regulators and other stakeholders.
- Retain financial flexibility by maintaining strong liquidity.
- Allocate capital efficiently to remain within the risk appetite and drive organic growth.

Barents Re uses several scenario tests to understand the volatility of earnings and capital requirements to manage its capital efficiently. Sensitivities to economic and operating experience are produced on Barents Re's financial performance metrics to inform decision making and planning processes over a five-year planning horizon, and as part of the risk framework for identifying and quantifying the underlying risk to which Barents Re is exposed.

A new capital management policy was implemented during the current period for managing its own funds.

E.1.2 Structure and composition of Own Funds

Description (in EUR'000)	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
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)	29,000	29,000	-	-	-
Share premium account related to ordinary share capital	-	-	-	-	-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	-	-	-	-	-
Subordinated mutual member accounts	-	-	-	-	-
Surplus funds	-	-	-	-	-
Preference shares	-	-	-	-	-
Share premium account related to preference shares	-	-	-	-	-
Reconciliation reserve	27,442	27,442	-	-	-
Subordinated liabilities	-	-	-	-	-
An amount equal to the value of net deferred tax assets	-	-	-	-	-
Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
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	-	-	-	-	-
Deductions	-	-	-	-	-
Deductions for participations in financial and credit institutions	-	-	-	-	-
Total basic own funds after deductions	**56,442**	**56,442**	**-**	**-**	**-**

Eligible Own Funds to cover the SCR classified by level

The eligible amount of own funds to cover the Solvency Capital Requirements are classified in tiers, and Barents Re’s own funds are unrestricted Tier 1.

Available and eligible own funds (in EUR'000)	2024	2023
Total available own funds to meet the SCR	**56,442**	61,187
Total eligible own funds to meet the SCR	**56,442**	61,187

Eligible Own Funds to cover the MCR classified by level

The eligible amount of own funds to cover the Minimum Capital Requirements are unrestricted Tier 1.

Available and eligible own funds (in EUR'000)	2024	2023
Total available own funds to meet the MCR	**56,442**	61,187
Total eligible own funds to meet the MCR	**56,442**	61,187

E.1.3 Explanation of any material differences between equity as shown in Barents Re's financial statements and then calculated for solvency purposes.

Differences between Barents Re's shareholders' equity per the financial statements and the Solvency II balance sheet relate to valuation differences as shown in this document.

Description (in EUR'000)	2024	2023
Shareholders' equity as disclosed in the financial statements	**29,228**	29,228
Solvency II valuation adjustment to assets	**- 126,883**	- 98,774
Solvency II valuation adjustment to technical provisions	**80,080**	84,775
Solvency II valuation adjustment to other liabilities	**74,018**	45,958
Total	**56,442**	**61,187**

E.1.4 Own fund items included under transitional arrangements under Solvency II

No own funds items are subject to transitional arrangements.

E.1.5 Ancillary own funds

There are no ancillary own funds in the Company.

E.1.6 Own funds restrictions

Barents Re does not have any ring-fenced funds and has not identified any other restrictions which need to be made to own funds as a result of availability or transferability of own funds within Barents Re.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR results

Barents Re's Standard formula SCR and MCR for the year-end 31 December 2023 and 2024 are as follows:

Description (in EUR'000)	2024	2023
SCR	**31,596**	32,312
MCR	**7,899**	8,675
Solvency ratio	**179%**	189%

Barents Re's SCR for the year ended 31 December 2024 and 2024 is reported in the following table by risk module:

Description (in EUR'000)	2024	2023
Market Risk	6,585	8,234
Counterparty Default Risk	22,456	23,266
Life Underwriting Risk	2,941	2,852
Health Underwriting Risk	220	184
Non-Life Underwriting Risk	9,377	15,150
Diversification	-9,864	-12,196
Intangible Asset Risk	0	0
Basic Solvency Capital Requirement	**31,715**	**37,490**
Operational Risk	8,923	5,558
Loss-absorbing capacity of technical provisions	0	0
Loss-absorbing capacity of deferred taxes	-9,042	-10,736
Other adjustments	0	0
Solvency Capital Requirement	**31,596**	**32,312**

E.3 Use of duration-based equity risk sub-module in the calculation of SCR

The duration-based equity risk sub-module was not used.

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

The Company used the standard formula.

E.5 Non-compliance with the MCR and non-compliance with the SCR

The Company complied with the MCR and SCR at all times.

E.6 Any other information

All material information regarding the capital management has been described in the sections above.

Appendix A: QRTs

This appendix contains the following templates which the company is required to disclosed as part of the SFCR The Quantitative Reporting Templates (QRT) in this report are presented in EUR rounded to the nearest thousand.

S.02.01.01	Balance sheet
S.05.01.01-02	Premiums, claims and expenses by line of business
S.12.01.01	Life and Health SLT Technical Provisions
S.17.01.01	Non-Life Technical Provisions
S.19.01.01-04	Non-Life Insurance Claims
S.23.01.01-02	Own Funds
S.25.01.01-05	Solvency Capital Requirement – for undertakings on standard formula
S.28.01.01-05	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

S.02.01.01.01
Balance sheet

EUR '000		Solvency II value
Assets		C0010
Goodwill	R0010	0
Deferred acquisition costs	R0020	0
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	25,894
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	1,615
Equities - listed	R0110	1,356
Equities - unlisted	R0120	0,259
Bonds	R0130	24,279
Government Bonds	R0140	18,769
Corporate Bonds	R0150	5,510
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	308,171
Non-life and health similar to non-life	R0280	276,583
Non-life excluding health	R0290	276,576
Health similar to non-life	R0300	0,006
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	31,588
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	31,588
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	0
Reinsurance receivables	R0370	39,957
Receivables (trade, not insurance)	R0380	4,540
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	56,257
Any other assets, not elsewhere shown	R0420	1,834
Total assets	R0500	**436,653**

EUR '000		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	295,118
Technical provisions - non-life (excluding health)	R0520	295,111
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	292,320
Risk margin	R0550	2,792
Technical provisions - health (similar to non-life)	R0560	0,007
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0,007
Risk margin	R0590	126
Technical provisions - life (excluding index-linked and unit-linked)	R0600	34,521
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	34,521
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	34,079
Risk margin	R0680	0,442
Technical provisions - index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0,200
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	10,320
Deferred tax liabilities	R0780	9,042
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	0
Reinsurance payables	R0830	22,731
Payables (trade, not insurance)	R0840	5,901
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	2,378
Total liabilities	R0900	**380,211**
Excess of assets over liabilities	R1000	**56,442**

S.05.01.01.01
Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

EUR '000		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written													
Gross - Direct Business	R0110	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0120	0	-0,067	0	0	0	32,877	36,998	6,227	3,154	0	0	0
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	0	-0,060	0	0	0	28,248	32,677	5,798	2,143	0	0	0
Net	R0200	0	-0,007	0	0	0	4,628	4,321	0,429	1,011	0	0	0
Premiums earned													
Gross - Direct Business	R0210	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0220	0	0,835	0	0	0	24,064	38,012	10,751	3,804	0	0	0
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	0	0,842	0	0	0	17,174	34,444	9,926	2,498	0	0	0
Net	R0300	0	-0,007	0	0	0	6,890	3,567	0,824	1,306	0	0	0
Claims incurred													
Gross - Direct Business	R0310	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0320	0	-1,208	0	0	0	39,872	78,597	-12,456	3,498	0	0	-0,009
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	0	-1,251	0	0	0	36,532	73,291	-12,912	3,907	0	0	-0,008
Net	R0400	0	0,044	0	0	0	3,340	5,306	0,456	-0,409	0	0	-0,001

EUR '000		Line of Business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	C0140	C0150	C0160	C0200
Premiums written						
Gross - Direct Business	R0110					0
Gross - Proportional reinsurance accepted	R0120					79,189
Gross - Non-proportional reinsurance accepted	R0130	0	0,347	0,592	7,140	8,079
Reinsurers' share	R0140	0	0,135	-0,252	5,457	74,147
Net	R0200	0	0,211	0,844	1,684	13,121
Premiums earned						
Gross - Direct Business	R0210					0
Gross - Proportional reinsurance accepted	R0220					77,466
Gross - Non-proportional reinsurance accepted	R0230	0	1,325	2,205	9,943	13,474
Reinsurers' share	R0240	0	0,832	0,826	7,521	74,064
Net	R0300	0	0,494	1,379	2,422	16,876
Claims incurred						
Gross - Direct Business	R0310					0
Gross - Proportional reinsurance accepted	R0320					108,295
Gross - Non-proportional reinsurance accepted	R0330	-0,001	-0,175	0,367	6,865	7,056
Reinsurers' share	R0340	0,000	-0,267	0,128	6,410	105,830
Net	R0400	0,000	0,091	0,239	0,455	9,521

S.05.01.01.02
Life

EUR '000		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 reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0	0	0	0	0	0	0	39,552	39,552
Reinsurers' share	R1420	0	0	0	0	0	0	0	28,012	28,012
Net	R1500	0	0	0	0	0	0	0	11,540	11,540
Premiums earned										
Gross	R1510	0	0	0	0	0	0	0	34,932	34,932
Reinsurers' share	R1520	0	0	0	0	0	0	0	26,282	26,282
Net	R1600	0	0	0	0	0	0	0	8,650	8,650
Claims incurred										
Gross	R1610	0	0	0	0	0	0	0	27,743	27,743
Reinsurers' share	R1620	0	0	0	0	0	0	0	27,758	27,758
Net	R1700	0	0	0	0	0	0	0	-0,015	-0,015

S.12.01.01
Life and Health SLT Technical Provisions

EUR '000		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)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150
Technical provisions calculated as a whole	R0010	**0**	**0**			**0**			**0**	**0**	**0**	**0**	**0**	**0**	**0**
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	0			0			0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM															
Best Estimate															
Gross Best Estimate	R0030	**0**		**0**	**0**		**0**	**0**	**0**	**34,079**	**0**	**0**	**34,079**	**0**	**34,079**
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	0		0	0		0	0	0	31,602					31,602
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0		0	0		0	0	0	2,491					2,491
Risk Margin	R0100	**0**	**0**			**0**			**0**	**0,442**	**0**	**0**	**0,442**	**0**	**0,442**
Amount of the transitional on Technical Provisions															
Technical Provisions calculated as a whole	R0110	0	0			0			0	0					0
Best estimate	R0120	0		0	0		0	0	0	0					0
Risk margin	R0130	0	0			0			0	0					0
Technical provisions - total	R0200	**0**	**0**			**0**			**0**	**34,521**					**34,521**
Expected profits included in future premiums (EPIFP)	R0370	**0**	**0**			**0**			**0**	**2,218**					**2,218**

EUR '000		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			
		C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010			**0**	**0**	**0**
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	0	0
Technical provisions calculated as a sum of BE and RM						
ıate						
est Estimate	R0030	**0**	**0**	**0**	**0**	**0**
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040	0	0	0	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0	0	0	0	0
in	R0100			**0**	**0**	**0**
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0110			0	0	0
ate	R0120	0	0	0	0	0
n	R0130			0	0	0
ıvisions - total	R0200			**0**	**0**	**0**
Expected profits included in future premiums (EPIFP)	R0370			**0**	**0**	**0**

S.17.01.01.01
Non-Life Technical Provisions

EUR '000		Direct business and accepted proportional reinsurance											
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
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	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross - Total	R0060	0	0	0	0	0	0,906	7,999	-0,433	0,213	0	0	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	0	0	0,721	8,308	-0,343	0,120	0	0	0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0,185	-0,308	-0,090	0,093	0	0	0
Claims provisions													
Gross - Total	R0160	0	0,007	0	0	0	100,551	92,166	21,393	31,111	0	0	0,000
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	0,006	0	0	0	96,285	87,991	19,551	28,591	0	0	0,000
Net Best Estimate of Claims Provisions	R0250	0	0,001	0	0	0	4,266	4,175	1,842	2,520	0	0	0,000
Total Best estimate - gross	R0260	**0**	**0,007**	**0**	**0**	**0**	**101,457**	**100,165**	**20,960**	**31,324**	**0**	**0**	**0,000**
Total Best estimate - net	R0270	**0**	**0,001**	**0**	**0**	**0**	**4,450**	**3,866**	**1,752**	**2,613**	**0**	**0**	**0,000**
Risk margin	R0280	**0**	**0,000**	**0**	**0**	**0**	**0,789**	**0,686**	**0,311**	**0,463**	**0**	**0**	**0,000**
Amount of the transitional on Technical Provisions													
TP as a whole	R0290	0	0	0	0	0	0	0	0	0,000	0	0	0
Best estimate	R0300	0	0	0	0	0	0	0	0	0,000	0	0	0
Risk margin	R0310	0	0	0	0	0	0	0	0	0,000	0	0	0
Technical provisions - total													
Technical provisions - total	R0320	0	0,007	0	0	0	102,246	100,851	21,271	31,788	0	0	0,000
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0,006	0	0	0	97,006	96,299	19,208	28,711	0	0	0,000
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	0	0,001	0	0	0	5,239	4,552	2,063	3,076	0	0	0,000
Expected profits included in future premiums (EPIFP)	R0500	**0**	**0,000**	**0**	**0**	**0**	**1,796**	**1,977**	**0,082**	**-0,018**	**0**	**0**	**0**

EUR '000		Accepted non-proportional reinsurance				
		Non-proportional health reinsurance	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	**0**	**0**	**0**	**0**	**0**
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	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross - Total	R0060	0	-0,189	-0,136	-0,422	7,938
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	-0,163	-0,087	-0,443	8,113
Net Best Estimate of Premium Provisions	R0150	0	-0,027	-0,049	0,021	-0,175
Claims provisions						
Gross - Total	R0160	0	6,209	13,948	19,004	284,389
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	5,649	12,897	17,499	268,470
Net Best Estimate of Claims Provisions	R0250	0	0,560	1,051	1,505	15,919
Total Best estimate - gross	R0260	**0**	**6,019**	**13,813**	**18,582**	**292,327**
Total Best estimate - net	R0270	**0**	**0,533**	**1,002**	**1,526**	**15,744**
Risk margin	R0280	**0**	**0,095**	**0,178**	**0,271**	**2,792**
Amount of the transitional on Technical Provisions						
TP as a whole	R0290	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0
Technical provisions - total						
Technical provisions - total	R0320	0	6,114	13,990	18,852	295,118
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	5,486	12,811	17,055	276,583
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	0	0,628	1,180	1,797	18,536
Expected profits included in future premiums (EPIFP)	R0500	**0**	**0,038**	**0,076**	**0,551**	**4,501**

S.19.01
Non-Life insurance claims

EUR '000 — S.19.01.01.03 Gross Undiscounted Best Estimate Claims Provision; S.19.01.01.04

Year		0	1	2	3	4	5	6	7	8	9	10	11	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0360
Prior	R0100	0	0	0	0	0	0	0	0	0	0	0	0	0
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0		0
N-9	R0160	0	0	0	0	0	0	0	0	0	0			0
N-8	R0170	0	0	0	0	0	0	0	0	0				0
N-7	R0180	53,588	50,515	50,738	14,260	10,881	7,497	6,919	7,042					6,723
N-6	R0190	26,835	33,065	25,502	17,282	12,434	9,188	10,790						10,429
N-5	R0200	40,931	49,632	33,675	17,102	10,562	15,352							14,800
N-4	R0210	32,916	50,149	30,342	18,402	16,202								15,633
N-3	R0220	35,319	63,743	36,489	31,282									30,035
N-2	R0230	42,758	48,137	46,678										44,568
N-1	R0240	70,427	116,946											110,021
N	R0250	57,172												52,180
													Total	**284,389**

EUR '000 — S.19.01.01.01 Gross Claims Paids (non-cumulative); S.19.01.01.02

Year		0	1	2	3	4	5	6	7	8	9	10	11	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0170	C0180
Prior	R0100	0	0	0	0	0	0	0	0	0	0	0	0	0	
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0		0	
N-9	R0160	0	0	0	0	0	0	0	0	0	0			0	
N-8	R0170	0	0	0	0	0	0	0	0	0				0	
N-7	R0180	2,623	14,295	8,024	22,355	2,226	2,672	1,125	1,486					1,486	54,807
N-6	R0190	0,422	4,408	6,076	3,217	1,209	19,238	1,485						1,485	36,055
N-5	R0200	2,032	8,591	10,629	9,015	2,432	2,796							2,796	35,494
N-4	R0210	0,009	0,967	2,402	2,291	1,324								1,324	6,993
N-3	R0220	0,229	1,298	14,392	7,276									7,276	23,196
N-2	R0230	1,033	4,625	3,074										3,074	8,732
N-1	R0240	0,158	4,310											4,310	4,468
N	R0250	3,604												3,604	3,604
													Total	**25,355**	**173,349**

S.23.01.01.01
Own funds

EUR '000		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	29,000	29,000		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	27,442	27,442			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
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	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	56,442	56,442	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	56,442	56,442	0	0	0
Total available own funds to meet the MCR	R0510	56,442	56,442	0	0	
Total eligible own funds to meet the SCR	R0540	56,442	56,442	0	0	0
Total eligible own funds to meet the MCR	R0550	56,442	56,442	0	0	
SCR	R0580	31,596				
MCR	R0600	**7,899**				
Ratio of Eligible own funds to SCR	R0620	**179%**				
Ratio of Eligible own funds to MCR	R0640	**715%**				

S.23.01.01.02
Reconciliation reserve

EUR '000		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	56,442
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	29,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	**27,442**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	2,218
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	4,501
Total Expected profits included in future premiums (EPIFP)	R0790	6,720

S.25.01.01.01
Basic Solvency Capital Requirement

EUR '000		Net solvency capital requirement
		C0030
Market risk	R0010	6,585
Counterparty default risk	R0020	22,456
Life underwriting risk	R0030	2,941
Health underwriting risk	R0040	0,220
Non-life underwriting risk	R0050	9,377
Diversification	R0060	-9,864
Intangible asset risk	R0070	0
Basic Solvency Capital Requirement	R0100	**31,715**

S.25.01.01.02
Calculation of Solvency Capital Requirement

EUR '000		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	8,923
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-9,042
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	31,596
Capital add-ons already set	R0210	0
Solvency capital requirement	R0220	**31,596**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	

S.25.01.01.03
Approach to tax rate

EUR '000		
		C0109
Approach based on average tax rate	R0590	Approach based on average tax rate

S.25.01.01.05

Calculation of loss absorbing capacity of deferred taxes

EUR '000		LAC DT
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance obligations

EUR '000		MCR components
		C0010
MCRNL Result	R0010	**3,612**

S.28.01.01.02

Background information

EUR '000		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0,001	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	4,450	4,628
Fire and other damage to property insurance and proportional reinsurance	R0080	3,866	4,321
General liability insurance and proportional reinsurance	R0090	1,752	0,429
Credit and suretyship insurance and proportional reinsurance	R0100	2,613	1,011
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0,533	0,211
Non-proportional marine, aviation and transport reinsurance	R0160	1,002	0,844
Non-proportional property reinsurance	R0170	1,526	1,684

S.28.01.01.03

Linear formula component for life insurance and reinsurance obligations

EUR '000		Result
		C0040
MCRL Result	R0200	**1,204**

S.28.01.01.04

Total capital at risk for all life (re)insurance obligations

EUR '000		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	2,491	
Total capital at risk for all life (re)insurance obligations	R0250		1,644,776

S.28.01.01.05

Overall MCR calculation

EUR '000		Value
		C0070
Linear MCR	R0300	4,816
SCR	R0310	31,596
MCR cap	R0320	14,218
MCR floor	R0330	7,899
Combined MCR	R0340	7,899
Absolute floor of the MCR	R0350	3,900
Minimum Capital Requirement	R0400	**7,899**